

EDA/EDC – Joint Board Meeting

Thursday, January 13, 2022

7:00 A.M. to 9:30 A.M.

Expanded Agenda/Time

Billings Public Library, Community Room

BIG SKY ED Mission Statement: - Focused on sustaining and growing our region’s vibrant economy and outstanding quality of life, **Big Sky Economic Development** provides leadership and resources for business creation, expansion, retention, new business recruitment and community development.

Agenda items may be rearranged unless an item is listed as having a “time certain”. Action may be taken on any item listed on the Board Agenda.

- 7:00 A.M. Call to Order/Pledge of Allegiance/Roll Call – Ken Lutton, EDA Chair**

- 7:05 A.M. Public Comment/Recognitions/Special Announcements and Introductions**
 - Public Comment/Intro New Board Members/Board Recognition
 - 2022 Board Directories, Calendars, and Acknowledgments

- 7:15 A.M. Changes to Today’s Agenda**

- 7:17 A.M. Consent Items for Board Action** **(EDA/EDC Board Action)**
 - Minutes – December 9, 2021. (Attachment A)
 - Minutes Electronic Board Meeting – December 22, 2021 (Attachment B)
 - Financials – November 2021 EDA and EDC (Attachment C)

- 7:20 A.M. Action Items**
 - EDA/EDC Management Services Agreement Confirmation- Shanna (Attachment D) (EDA/EDC Action)
 - 504 Loan Approval—Brandon (Attachment E) (EDC Action)
 - SBDC Contract Renewal—Kevin/Lorene (Attachment F) (EDA Action)

- 7:40 A.M Rock31/BSED Project/Program Update – Kevin and Becky** **(Handout)**

- 8:00 A.M. Board Member Year-End Roundtable--Rapid-Fire Updates to Gain Important Perspective Going into 2022**
 - What Perspective Did You and Your Business/Industry Gain this Year that is Valuable for 2022?
 - What excites you most about 2022?

- 9:20 A.M Executive Director Report/Other Reports--Steve** (Attachment G)
 - Conflict of Interest “Acknowledgement” (Attachment H) (Info)
 - BSED Board-Committees Selection Process (Handout) (Info)
 - Board/Staff Planning Stakeholder Survey Launch January 11-13 (Info)
 - Member Investor/Let’s Rock Capital Campaign—Patrick (Info)

- 9:25 A.M. Public Comment**

- 9:30 A.M. Adjourn**

Next EDA/EDC Board Meeting February 10—Billings Library Community Room (7AM to 9AM). *Big Sky Economic Development Board of Directors will make reasonable accommodations for known disabilities that may interfere with an individual’s ability to participate. Persons requiring such accommodations should make their requests to Big Sky Economic Development as soon as possible before the meeting day. Please call Big Sky ED at 256-6871.*



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT A



EDA · EDC CREATING MONTANA BUSINESS OPPORTUNITIES

EDA/EDC Joint Board Minutes
Thursday, December 9th, 2021 – 7:00 A.M. – 9:00 A.M.
The Northern Hotel

BIG SKY ED Mission Statement: - Focused on sustaining and growing our region's vibrant economy and outstanding quality of life, **Big Sky Economic Development** provides leadership and resources for business creation, expansion, retention, new business recruitment and community development.

EDA Board Members Present: Dana Pulis, Debbie Desjarlais, George Warmer, Greg McDonald, Jennifer Smith, Judi Powers, Ken Lutton, Riley Bennett, Nick Altonaga (Ex-Officio)

EDA Board Members Absent: Bryce Terpstra, Paul Neutgens, Don Jones (Ex-Officio), Greg Upham (Ex-Officio), John Brewer (Ex-Officio), Shaun Brown (Ex-Officio), Katy Easton (Ex-Officio)

EDC Board Members Present: Aaron Ramage, Andy Gott, Ann Kosempa, Craig Bartholomew, Dave Ballard, Eric Simonsen, Jen Kobza, Denis Pitman, Brad Hamilton, Kim Jakub, Mac Fogelson, Michael Marsh, Mike Nelson, Mike Seppala, Nicole Bengé, Nick Pancheau, Scott Chesarek

EDC Board Members Absent: Bob Wilmouth, Mike Phillips, Mitch Goplen, Spencer Frederick

Staff and Guests: Becky Rogers, Steve Arveschoug, Austin Trunkle, Steve Simonson, Thom MacLean, Dianne Lehm, Tereza Brownell, Johnna Jablonski, Patrick Klugman, Marcell Bruski, Shanna Zier, Dr. Stefani Hiscswa, Lorene Hintz, Nina Philpot, Kevin Beagle, Karen Miller, David Trost, Kevin Scharfe, Jennifer Kondracki, Karli Baker, Dustin Frost, Zack Dunn, Stefani Freese, Allison Corbyn, John Ostlund, Deanna Langman, Scott Osterman

Call to Order:

Ann Kosempa, EDA Chair, called the meeting to order at 7:17 A.M. with the pledge of allegiance.

Public Comment/Recognitions/Special Announcements and Introductions:

Public Comment

None

New Staff Members Introduction

Dustin Frost introduced Kevin Beagle, a new business advisor for our VBOC program. Kevin shared a bit about himself and his background.

FY 2021 Audit Presentation – Stefani Freese and Shanna Zier

Shanna first made note of a gift we received from Stockman Bank for our Capital Campaign. Stockman gifted BSED stock which will be converted into cash upon receipt of the gift. Stockman Bank has been very helpful in navigating this process.

Stefani Freese with Anderson ZurMuehlen reviewed the final audit for the Board. Stefani was happy to announce that both the EDA and EDC are receiving a clean, unmodified opinion. Additionally, there were no internal control findings for either the EDA or EDC. There were no new accounting standards by which the financials needed to account for but there will be come next year. Stefani concluded her presentation by noting there were no past audit adjustments. The final audit report will be sent to the Board via electronic means for a vote.

Recognition of Board Members and 2021 Chairs

Steve began by thanking Board Members for their service on our Board including Ann Kosempa who stepped into to fill the remaining Board Chair term left vacant by Steve Loveless. Additionally, Paul Neutgens was unable to attend today but we want to express our sincere gratitude to him for chairing the EDA Board. Steve went on to then recognize Staff Members who are celebrating anniversaries. Austin Trunkle has served for five years, Allison Corbyn has served for ten years. Steve then recognized outgoing Board Members and shared his appreciation for their work and time they have donated to our organization. Those Board Members are Dana Pulis, Greg McDonald, Jennifer Owen, Mitch Goplen, Scott Chesarek, Eric Simonsen, Jon Stepanek, and Aaron Ramage. Steve also wanted to recognize Councilman Shaun Brown for his service as an Ex-Officio member of our Board.

Introduction of New Board Members

Finally, Steve began to introduce the new Board Members. Those Boards Members will be Chancellor Stefani Hicswa, Jennifer Kondracki, Mary Albers, DJ Clark, Justin Martin, Zack Dunn, and Brian Wood.

Introduction of Scott Osterman – Director of Department of Commerce

Steve introduced Scott Osterman, Director of the Montana Department of Commerce. Scott spoke about the importance of getting to know the varying conditions of the economy across the state. Scott is working to reorient the department to enhance the economy of Montana and to create quality jobs for Montanans in every corner of the state. The director went on to discuss some of the areas of focus for the department and the efforts that are underway to affect meaningful change in our communities.

Market Update – St. John’s United – Karen Miller and David Trost

David gave an update on the state of St. John’s United. David spoke about the guiding principles by which the staff at SJU operates. Further, David discussed the mission of SJU and the initiatives the undertaken to serve our community.

Agenda Changes:

None

Consent Agenda –

Approval of November Board Meeting Minutes and October EDA/EDC Financials

Motion: Jennifer Smith to approve the November 9th Board Meeting Minutes, as presented to the Board.
Second: Mike Seppala
Discussion: None
Motion Carried

Executive Director Report – Steve Arveschoug

Nominating Committee Recommendation – EDA Board and 2022 Officers

Steve noted that there are now three vacancies on the EDA Board but we have two candidates to fill the original two vacancies. Zack Dunn of Yellowstone Bank and Brian Wood of Wood’s Power Grips.

Motion: Ken Lutton to approve the EDA Board Nominees, as presented to the Board.
Second: Dana Pulis
Discussion: None
Motion Carried

Steve went on to present the proposed officers for the 2022 Board Year. On the EDA and EDC respectively, those include:

Ken Lutton, Judi Powers, Riley Bennett, Paul Neutgens, Debbie Desjarlais

Ann Kosempa, Kim Jakub, Andy Gott, Nick Pancheau, Jen Kobza

Motion: Dave Ballard to approve the 2022 EDA/EDC Officer positions, as presented to the Board.
Second: George Warmer
Discussion: None
Motion Carried

BSED Board Committees Selection Process

Steve mentioned that we will need to fill positions on the Board Committees and is asking that Board Members select their top three Committees, and those results will help us fill those committees out. A survey will follow in the coming weeks to provide options to the Board.

Downtown Housing Working Group

BSED and partners across town are working to address workforce housing needs in our downtown core. This group is finding ways to incent investment in housing developments downtown to help address some of the workforce issues in our community.

Big Sky Finance

Steve filled in for Brandon and reported to the Board about the work going on in the Big Sky Finance team. As BSF grows, we will need to hire another loan underwriter. This position was accounted for in our budget and will help BSF capture more lending opportunities in the state.

Program Reports and Action Items

Big Sky Trust Fund Grants – Allison and Lorene

Job Creation Grants – Lorene

Lorene presented two applications for Big Sky Trust Fund Job Creation Grants. The first is Dara Trucking. They anticipate creating five new jobs.

Motion: Dana Pulis to approve the Dara Trucking BSTF Job Creation Grant, as presented to the Board.
Second: Riley Bennett
Discussion: None
Motion Carried

The second company is Hear it Clear. Hear it Clear is projecting 30 new jobs. Their company focuses on event coordination and execution.

Motion: Greg McDonald to approve the Hear it Clear BSTF Job Creation Grant, as presented to the Board.
Second: Dana Pulis
Discussion: None
Motion Carried

Planning Grants – Allison

Allison presented for Yellowstone Industrial Development. YID is in the process of exploring a transloading facility and the logistics associated with the facility.

Motion: Jennifer Smith to approve the Yellowstone Industrial Development BSTF Planning Grant, as presented to the Board.
Second: Judi Powers
Discussion: None
Motion Carried

Operations – Becky

Big Sky to Sky Point Update

Becky began by thanking Eric and Mitch for all of their help over the past few years. Becky continued by notifying the Board that we have selected vendors for different components of the build-out of our new building. Becky explained the selection process to the Board and how our federal grant prohibits Board Members from receiving those funds.

With respect to the renovation, there have been some new discoveries related to structural integrity. There will need to be some reinforcing of critical structural pieces which the project management team is working through right now. Additionally, there will be a revised budget available in the coming weeks. Lastly, Becky worked with Shawn Nelson of Zoot Enterprises to offer discounted parking passes to the entrepreneurs who will be accessing this building.

Furniture RFP

Becky continued with an update on the RFP. We received bids from 360 Office Solutions and Peterson Quality Office. Becky explained the due diligence process and the team that evaluated the proposals. The selection committee is asking to bring their final recommendation to Board via an electronic vote as early as next week. Both bids came in overbudget so cost savings and value considerations will need to be made.

Member Investor and Capital Campaign Update

Patrick provided an update on the Capital Campaign and their end-of-year strategy. Patrick noted that the tours of our new building has been doing well and he welcomes any recommendations from the Board on who should join on those expeditions. With respect to the end-of-year strategy, Patrick thanked the work of the BSED in helping him craft a letter asking for support from different members of our community. Patrick announced that we have now exceeded the 50% mark of our goal for the Capital Campaign.

On the Member Investor side, Patrick wanted to first thank the Member Investor Committee, especially outgoing Board Members, Aaron Ramage and Scott Chesarek. Patrick went on to explain some of the strategies he is working to employ to grow the Member Investor pool. Additionally, Patrick wanted to very intentionally discuss the adjusted levels with current and new members. Patrick thanked the Board for the work they do to bring credibility to our organization. Finally, Patrick updated the Board on new Member Investors and those that upped their investment level. New members include Altana Federal Credit Union and Peter Yegen insurance.

Public Comment

Steve closed by reminding the Board that we will use part of the January Meeting to expound on each Board Member’s industry. Finally, Steve thanked everyone for all of their work this year, both Board and Staff.

Riley thanked Mike Nelson for the hospitality today at the Northern.

Adjourn

With a motion from Aaron Ramage and a second from Scott Chesarek, the motion passed, and Ann adjourned the meeting at 8:58 A.M.

Next Meeting – Tuesday, January 13th, 2022

Respectfully submitted,

Riley Bennett, EDA Secretary/Treasurer

Andy Gott, EDC Secretary/Treasurer

When approved, minutes and meeting materials will be filed electronically in the Big Sky EDA office.

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ATTACHMENT B

**EDA/EDC Board – Electronic Meeting
Monday, December 20th, 2021
EDA/EDC Action Items from the December 9th Board Meeting**

Request:

As noticed to the Board, an electronic meeting was held on Monday, December 20th to consider the approval of the EDA and EDC Audited Financial Statements, and to consider the close out recommendation for the Office Furniture RFP.

Vote to approve the EDA and EDC Audited Financial Statements:

EDA Votes in Favor	EDA Votes Against	EDC Votes in Favor	EDC Votes Against
Bryce Terpstra Debbie Desjarlais Jennifer Smith Judi Powers Ken Lutton Paul Neutgens Riley Bennett	None	Aaron Ramage Andy Gott Ann Kosempa Brad Hamilton Bob Wilmouth Dave Ballard Eric Simonsen Jen Kobza Kim Jakub Mac Fogelsong Michael Marsh Mike Nelson Mike Phillips Nick Pancheau Scott Chesarek Spencer Frederick	None

Please use the following links to access copies of the EDA/EDC audits:

- [EDA Governance Letter](#)
- [EDA Audited Financial Statements](#)
- [EDC Governance Letter](#)
- [EDC Audited Financial Statements](#)

Vote to approve closing out the RFP and selecting Peterson Quality Office as the vendor, contingent on the ability to order a furniture package that delivers the vision of the project and aligns with budget:

EDA Votes in Favor	EDA Votes Against	EDA Abstentions	EDC Votes in Favor	EDC Votes Against
Bryce Terpstra Debbie Desjarlais Jennifer Smith Judi Powers Paul Neutgens Riley Bennett	None	Ken Lutton	Aaron Ramage Andy Gott Ann Kosempa Brad Hamilton Bob Wilmouth Dave Ballard Eric Simonsen Jen Kobza Kim Jakub Mac Fogelsong Michael Marsh Mike Nelson Mike Phillips Scott Chesarek Spencer Frederick	Nick Pancheau

A copy of the RFP Recommendation is on the following page.



To: The EDA and EDC Board of Directors
From: The Office Furniture RFP Selection Committee
Date: December 15, 2021
Re: Recommendation for RFP Selection and Next Steps

The Furniture RFP Selection Committee, comprised of Jen Kobza, Debbie Dejarlais, Steve Arveschoug, Shanna Zier, Kevin Scharfe, Marcell Bruski, Tyler Price, and Becky Rogers has thoroughly evaluated the proposals received in response to the Request for Proposals for Office Furniture released on November 11, 2021.

The Committee reviewed proposals submitted by 360 Office Solutions and Peterson Quality Office and conducted an in-person visit to each location for a hands-on look and feel test of proposed products. Proposals were scored according to the following criteria:

- Ability to meet functionality goals
- Ability to match “look and feel” concepts
- Total Price
- Ability to hold pricing for 60 days
- Deliver/Storage/Install Schedule
- Warranty
- Experience with providing similar products for similar projects
- Points for Member Investor Status
- Points for being located in Yellowstone County
- On-site interview outcomes

After careful consideration, the Selection Committee is recommending the Board of Directors close the RFP and proceed with Peterson Quality Office as the selected vendor.

Immediate, additional work is needed to bring the proposed furniture package into alignment with the budget. As such, the Committee recommends moving forward with the selected vendor contingent on the ability to order a furniture package that delivers the vision of the project and aligns with budget.

The goal is to expedite the submission of the furniture package before the end of the year, so we will provide the updated outcome to the Board at the January



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT C

Big Sky Economic Development Authority
Financial Report for Board of Directors
December 22, 2021

Included with this report is balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDA as of November 30, 2021. Also included is the statement of revenue and expenses through the five months of FY22 as compared to budget.

Balance Sheet

Current assets increased to about \$5,928,000 at the end of November from \$5,842,000 at the end of October. This fluctuation in current assets is attributed to the increase in the County Cash account with collection of November property taxes combined with some large expenses for the BSTSP project. Accounts receivable increased from \$355,000 in October to \$588,000 due to expenses and the corresponding receivable with BSTSP expenses. The receivable consists of U.S. EDA (\$392,000), VBOC (\$38,000), PTAC (\$126,000), and SBDC (\$32,000).

Due To/Due From EDC totaled approximately \$50,000 at the end of November and consists of the November amount due from EDC. Tax levy receivable decreased to \$573,000 in November with the collection of November property taxes. This also resulted in an increase to protested tax receivable. Protested tax receivable increased from \$110 to \$25,228. An allowance totaling \$25,228, or 100% of protested tax levy receivable is reflected to allow for potentially uncollectible protested tax levy. Total fixed assets totaled \$3,059,376 at the end of November.

Accounts payable totaled \$77,000 at the end of November. Accrued expenses total approximately \$93,000 and consist largely of salary/benefits accruals (\$78,775). Deferred revenue totals \$50,000 and consists of \$50,000 conditional grant award amount from Beartooth RC&D.

Statement of Revenue and Expenses

Revenue is about \$77,000 under budget through the first five months of the fiscal year. EPA-Brownfields revenue is over budget based on timing of expenses associated with this grant. Department of Defense (PTAC) is about \$86,000 under budget and VBOC revenue is about \$27,000 under budget based on actual expenses incurred through November. EDC reimbursement is about \$26,000 under budget due to vacancy savings and therefore less reimbursement from the EDC to EDA.

Most expenses remain under budget through November. Salaries/wages and employer contributions are under budget by about \$57,000 due to vacancy savings. Travel/training is under budget by about \$43,000 through November. Marketing expenses remain slightly over budget. Professional fees total \$131,000 and are over budget by about \$29,000 largely based on expenses related to Brownfields. Brownfields expenses totaled \$80,000 through November. These expenses are 100% reimbursable.

Through five months of FY22, Big Sky EDA recognized net operating revenue of \$1,213,000 compared to budget of \$1,349,000. When excluding non-operating revenues/expenses (interest income, U.S. EDA reimbursement, professional fees related to the Big Sky to Sky Point project, and depreciation expense), Big Sky EDA recognized net operating revenues of \$789,000 compared to budget of \$648,000.

Big Sky EDA
Comparative Balance Sheet
As of November 30, 2021 and 2020

	11/30/2021	11/30/2020	+/-	6/30/2021	+/-
Assets					
First Interstate Bank	\$140,676	\$248,657	(\$107,981)	\$229,874	-\$89,198
FIB-Recovered Property Taxes	377,795	148,202	229,593	177,795	200,000
FIB-Operating Reserve	251,055	101,032	150,023	301,044	(49,989)
Opportunity Fund-FIB	22,841	455,510	(432,668)	940,395	(917,553)
Opportunity Fund-Stockman	65,010	54,755	10,255	64,997	14
Opportunity Fund-Opportunity Bank	626,421	622,969	3,452	625,004	1,417
Stockman GE Maintenance	15,128	15,128	-	15,128	-
Rocky Mountain Bank Money Market	43,330	493,049	(449,719)	493,262	(449,931)
Valley Federal- Savings	25	-	25	-	25
Valley Federal- Money Market	300,207	-	300,207	-	300,207
Opportunity Fund - CDs (current)	3,310,890	2,404,278	906,612	3,309,497	1,392
Altana Savings	25	-	25	25	-
Clearing Account	(10,000)	-	(10,000)	-	(10,000)
Yellowstone County Funds	784,603	742,984	41,619	570,859	213,744
Total Current Assets	5,928,007	5,286,564	641,443	6,727,879	(799,871)
Other Assets					
Accounts Receivable	588,261	143,895	444,365	141,814	446,447
Grants Receivable	50,000	150,000	(100,000)	100,000	(50,000)
American Revenue Guarantee	6,887	6,887	-	6,887	-
Due To/Due From EDC	50,241	42,161	8,080	62,431	(12,190)
Tax Levy Receivable	573,190	576,905	(3,715)	17,649	555,541
Tax Levy Receivable - Protested	25,228	35,382	(10,154)	665	24,563
Allowance for Doubtful Accounts	(25,228)	(35,382)	10,154	(665)	(24,563)
Prepaid Expenses	21,180	15,438	5,742	30,393	(9,213)
Deposit	-	1,390	(1,390)	-	-
Undeposited Funds	-	-	-	-	-
Interest Receivable	-	-	-	-	-
Miscellaneous Receivable	-	-	-	-	-
Total Other Assets	1,289,759	936,676	353,082	359,174	930,585
Non-Current Assets					
Opportunity Fund - CDs (non-current)	150,577	1,651,935	(1,501,357)	150,388	189
Loans Receivable	-	-	-	-	-
TEDD Receivable	13,650	23,875	(10,225)	13,650	-
Cabela's Conduit	9,649	9,649	0	4,984	4,665
Deferred Outflow of Resources	249,285	146,350	102,935	249,285	-
Total Non-Current Assets	423,161	1,831,808	(1,408,647)	418,307	4,854
Fixed Assets					
Construction in Progress	1,331,596	73,150	1,258,446	275,627	-
Bank Building - Land	301,750	301,750	-	301,750	-
Bank Building - Building	1,473,250	1,473,250	-	1,473,250	-
Accumulated Depreciation	(47,220)	(25,538)	(21,682)	(47,220)	-
Total Fixed Assets	3,059,376	1,822,612	1,236,764	2,003,407	-
Total Assets	10,700,303	9,877,660	822,643	9,508,766	1,191,536
Liabilities & Equity					
Current Liabilities					
Accounts Payable	77,707	63,093	14,614	80,102	(2,395)
Accrued Expenses	93,005	91,607	1,397	99,860	(6,855)
Deferred Revenue	50,000	63,333	14,000	51,667	-
Payroll Liabilities	(408)	(244)	(165)	(590)	182
Compensated Absences	173,068	157,326	15,742	184,483	(11,415)
Total Current Liabilities	393,372	375,117	18,255	415,522	(22,150)
Long Term Liabilities					
Deferred Inflow of Resources	32,238	68,045	(35,807)	32,238	-
Pension Liability	1,127,529	825,316	302,213	1,127,529	-
Total Long Term Liabilities	1,159,767	893,361	266,406	1,159,767	-
Current Year Excess of Revenue over Expenses	1,213,497	988,623	224,874	312,919	900,579
Balance at Beginning of Year	7,933,667	7,620,559	313,108	7,620,559	313,108
Net Assets	9,147,164	8,609,182	537,982	7,933,478	1,213,687
Total Liabilities & Equity	10,700,303	9,877,660	822,642	9,508,766	1,191,537

Big Sky EDA
Statements of Operations
For the Periods Ending November 30, 2021

	Month			YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
Operating Revenue						
County Taxes (Mill Levy Revenue)	(1,220)	-	(1,220)	1,294,647	1,291,820	2,827
Entitlement	-	-	-	60,970	61,000	(30)
Health Insurance Mill Levy	9,010	9,010	-	42,930	43,990	(1,060)
Recovery of Protested Taxes	-	-	-	554	-	554
Department of Defense	40,000	63,373	(23,373)	231,395	316,864	(85,469)
EDC Reimbursement	50,566	60,757	(10,192)	243,060	269,943	(26,883)
EPA-Brownfields	1,404	6,786	(5,382)	79,636	33,929	45,707
SBA/MT Dept of Commerce	15,675	14,750	925	104,055	100,900	3,155
SBDC Program Income	500	-	500	500	-	500
VBOC	23,473	25,000	(1,527)	98,646	125,000	(26,354)
Rents/Leases	-	-	-	-	-	-
Grant Administration	-	-	-	7,635	-	7,635
Beartooth RC&D CARES Act	-	-	-	-	-	-
Other Intergovernmental Revenue	-	-	-	1,667	-	1,667
Miscellaneous Revenue	-	-	-	1,000	-	1,000
Total Revenue	139,407	179,676	(40,269)	2,166,695	2,243,445	(76,750)
Operating Expenses						
Salaries/Wages	136,060	147,587	(11,526)	664,666	705,249	(40,583)
Employer Contributions	42,036	47,052	(5,016)	208,768	225,160	(16,392)
BID Assessment	-	-	-	-	1,398	(1,398)
Contingency	-	3,087	(3,087)	-	15,434	(15,434)
Community Development Projects	-	-	-	150	-	150
Dues and Subscriptions	1,214	12,151	(10,937)	27,859	48,717	(20,858)
Event Expense	-	-	-	-	-	-
Insurance	1,946	2,006	(61)	14,282	12,632	1,651
Marketing - Departmental	1,427	2,227	(799)	14,617	11,133	3,484
Marketing - Organizational	3,301	3,789	(488)	26,634	18,946	7,688
Office Equipment	-	-	-	1,409	4,500	(3,091)
Office Expense	1,580	1,250	330	7,004	12,110	(5,106)
Professional Fees	1,404	17,907	(16,503)	130,987	101,722	29,265
Property Tax Protests	25,117	38,755	(13,638)	25,117	38,755	(13,638)
Property Taxes	1,188	-	1,188	1,188	-	1,188
PTAC Subcenter	24,355	40,704	(16,349)	135,761	199,420	(63,659)
Rent	12,055	12,364	(309)	63,565	62,622	943
Repairs	-	-	-	-	-	-
Sponsorships	-	417	(417)	250	2,083	(1,833)
Strategic Priorities	-	2,500	(2,500)	841	12,500	(11,659)
TEDD	-	-	-	100	500	(400)
Telecommunications	3,057	4,948	(1,891)	17,116	24,742	(7,626)
Travel/Training	8,753	6,334	2,419	21,600	64,688	(43,087)
Utilities	233	3,657	(3,424)	3,227	16,085	(12,858)
Miscellaneous	2,873	3,534	(661)	12,422	16,692	(4,270)
Total Operating Expenses	266,599	350,268	(83,669)	1,377,564	1,595,087	(217,523)
Net Operating Revenue	(127,192)	(170,592)	43,400	789,131	648,358	140,773
Non-Operating Income/Expense						
Interest Income	694	1,349	(655)	3,369	6,747	(3,378)
US EDA Reimbursement	225,037	138,802	86,235	420,997	694,010	(273,013)
Grant Revenue (GASB 68)	-	-	-	-	-	-
Architectural/Professional Fees	-	-	-	-	-	-
Pension Expense	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-
Relocation	-	-	-	-	-	-
Total Non-operating Income/Expense	225,731	140,151	85,580	424,367	700,757	(276,391)
Net Revenue Over (Under) Expense	98,539	(30,441)	128,980	1,213,497	1,349,115	(135,618)

Big Sky Economic Development Corporation
Financial Report for the Board of Directors
December 22, 2021

Included with this report is the balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDC as of November 30, 2021. Also included is the statement of revenue and expenses through five months of FY22 as compared to budget.

Balance Sheet

Current assets totaled approximately \$2,293,000 at the end of November, an increase from \$2,164,000 at the end of October. The majority of this increase is from the collection of member investor and capital campaign pledges. Accounts receivable increased to a total of \$189,000. Accounts receivable consist of Member Investor pledges for FY21 (\$17,500), Member Investor pledges for FY22 (\$57,500), and Capital Campaign pledges for the new building (\$113,000). The RLF portfolio totaled \$246,000, the SSBCI portfolio totaled \$608,000, and the Stabilization Loan portfolio totaled \$76,000. The first loan from the Federal EDA RLF grant was funded in November, this loan totaled \$100,093.

Accounts payable totaled \$19,000 at the end of November. Deferred 504 revenue remained consistent at \$65,000. Deferred 504 revenue will be recognized as loans fund. Due to/Due from EDA totaled approximately \$50,000 and represents the amount owed to EDA from EDC for November reimbursement.

Statement of Revenue and Expenses

The 504 loan servicing revenue is slightly below budget and totaled \$173,000 through November. Loan origination revenue is below budget by about \$43,000 through November. We received and additional \$10,000 in loan origination revenue in December, so total loan origination revenue will increase to about \$24,000 through December. Member investor revenue increased with second quarter invoicing and totaled \$103,000 through November. Member investor revenue remains slightly below budget based on the timing of invoicing. Grant administration revenue is \$22,000 below budget. Grant administration revenue will be derived from the administration of the Federal EDA RLF grant. We completed the first EDA RLF loan and grant draw in November and recognized \$3,400 in grant administration revenue related to this.

The EDA RLF draw resulted in \$90,084 in income related to the grant for the loan funds received. The grant funds received related to the EDA RLF loan are being tracked under the non-operating income/expense section of the income statement. We received \$14,300 in additional pledges for the Big Sky to Sky Point Project in November. Donation income/pledges for the Big Sky to Sky Point Project total approximately \$100,000 through November.

Most expenses remain under budget. Professional fees are under budget by about \$13,000 due to the timing of budgeted expenses. Travel/training expense are under budget by about \$16,000. Contract support expense is \$4,000 over budget with the extension of Melanie's contract. Sponsorship expense and event expense are slightly over budget based on timing of budgeted expenses. Sponsorship expense totaled \$6,700 through November and event expense totaled \$17,000.

Through five months of FY22, Big Sky EDC recognized net operating revenue of \$132,000 compared to budget of (\$16,000). When excluding non-operating revenues/expenses (Big Sky to Sky Point Pledges, Coulson Park donations, Federal EDA RLF Grant, and bad debt expense), Big Sky

EDC recognized net operating revenues of (\$53,000) compared to budget of (\$16,000). This variance is largely attributed to the timing of budget revenue for loan origination revenue, member investor revenue, and grant administration revenue.

Big Sky EDC
Comparative Balance Sheet
As of November 30, 2021 and 2020

	11/30/2021	11/30/2020	+/-	6/30/2021	+/-
Assets					
First Interstate Bank	\$433,144	\$204,300	\$228,844	\$353,963	\$79,181
FIB/Stockman SSBCI Principal	956,014	1,070,353	(114,339)	1,124,775	(168,761)
FIB-Long Term Reserve	250,000	250,000	-	250,000	-
FIB-Opportunity Fund	60,896	152,357	(91,461)	22,200	38,696
FIB-RLF	234,436	75,642	158,794	116,034	118,402
Accounts Receivable	188,642	81,258	107,384	66,092	122,550
Contributions Receivable	-	-	-	-	-
Miscellaneous Receivable	121	-	121	60	-
Prepaid Expenses	2,471	7,438	(4,967)	2,471	-
Undeposited Funds	-	-	-	-	-
Federal EDA RLF Portfolio-Current	100,093	-	100,093	-	100,093
RLF Portfolio-Current	21,867	36,768	(14,900)	58,761	(36,893)
Stabilization Portfolio - Current	25,558	36,742	(11,184)	43,631	(18,074)
SSBCI Portfolio-Current	20,206	37,500	(17,294)	31,058	(10,852)
Total Current Assets	2,293,448	1,952,359	341,089	2,069,045	224,403
Other Assets					
RLF Portfolio-Non Current	224,484	363,655	(139,171)	307,760	(83,276)
SSCBI Portfolio-Non Current	588,055	601,615	(13,560)	588,055	0
Stabilization Portfolio-Non Current	52,018	73,258	(21,240)	52,018	-
Allowance for Loan Losses	(21,626)	(21,934)	309	(21,626)	-
Total Other Assets	842,931	1,016,593	(173,663)	926,207	(83,276)
Total Assets	3,136,378	2,968,952	167,426	2,995,252	141,126
Liabilities & Equity					
Current Liabilities					
Accounts Payable	18,557	33,342	(14,784)	23,118	(4,560)
Property Tax Payable	-	-	-	-	-
Accrued Expenses	-	-	-	-	-
Deferred 504 Revenue	65,249	27,684	37,565	39,674	25,575
Deferred Revenue	-	50,646	(50,646)	-	-
Due to/Due from EDA	50,241	42,161	8,080	62,431	(12,190)
Total Liabilities	134,047	153,832	(19,785)	125,222	8,825
Current Year Excess of Revenue over Expenses	132,301	75,552	56,749	130,462	1,839
Balance at Beginning of Year	2,870,030	2,739,567	130,462	2,739,567	130,462
Net Assets	3,002,331	2,815,120	187,211	2,870,030	132,301
Total Liabilities & Equity	3,136,378	2,968,952	167,426	2,995,252	141,126

Big Sky EDC
Statements of Operations
For the Periods Ending November 30, 2021

	Month			YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
Operating Revenue						
504 Loan Origination	-	11,250	(11,250)	13,703	56,250	(42,547)
504 Loan Servicing	33,164	36,000	(2,836)	172,599	180,000	(7,401)
Float Income	14,024	5,000	9,024	14,024	5,000	9,024
Member Investment	41,920	-	41,920	102,525	135,000	(32,475)
RLF Business Loan Interest	1,304	1,750	(446)	7,773	8,750	(977)
RLF Origination Fees	-	-	-	-	-	-
Stabilization Loan Interest	135	62	73	737	372	365
SSBCI Revenue	1,751	1,500	251	8,010	7,500	510
Recovery of Bad Debt	-	-	-	-	-	-
Grant Administration	3,401	5,000	(1,599)	3,401	25,000	(21,599)
Interest Income	2	1,500	(1,498)	8	7,500	(7,492)
Donation Income	-	-	-	-	-	-
Miscellaneous Revenue	27	2,843	(2,816)	159	14,214	(14,055)
Total Revenue	95,729	64,905	30,824	322,939	439,586	(116,647)
Operating Expenses						
Business Incubation	-	125	(125)	-	625	(625)
Business Recruitment	-	1,250	(1,250)	158	6,250	(6,092)
Contingency	-	833	(833)	-	4,167	(4,167)
Contract Support	2,000	-	-	16,000	12,000	4,000
Contribution Expense	-	-	-	-	-	-
Dues and Subscriptions	5,732	5,444	288	9,623	15,438	(5,814)
EDA Reimbursement	50,566	60,757	(10,192)	243,060	269,943	(26,883)
Event Expense	54	1,000	(946)	17,416	11,000	6,416
Insurance	881	881	-	4,405	5,845	(1,440)
Investment in Economic Activity	-	-	-	-	-	-
Marketing - Departmental	562	2,458	(1,897)	6,579	12,692	(6,113)
Marketing - Organizational	3,117	2,774	343	13,044	14,023	(979)
Marketing- Trade	-	-	-	1,000	-	1,000
Membership Development	-	700	(700)	2,466	3,500	(1,034)
Office Supplies	22	400	(378)	261	4,200	(3,939)
Professional Fees	5,420	2,458	2,962	23,522	36,492	(12,970)
Postage and Printing	-	70	(70)	77	350	(273)
R31 Outreach	-	575	(575)	44	875	(831)
Rent	2,552	2,237	315	12,103	11,184	919
Sponsorships	-	-	-	6,670	-	6,670
Telecommunications	327	605	(278)	1,487	3,023	(1,536)
Travel/Training	3,381	8,343	(4,962)	9,532	25,823	(16,291)
Miscellaneous	796	2,903	(2,107)	8,374	18,316	(9,943)
Total Operating Expenses	75,409	93,814	(18,405)	375,821	455,746	(79,925)
Net Revenue Over (Under) Expense	20,320	(28,909)	49,230	(52,882)	(16,160)	(36,722)
Non-Operating Income/Expense						
Non-Operating Income/Expense						
Coulson Park	-	-	-	-	-	-
BSTSP	14,300	-	14,300	99,600	-	99,600
Federal EDA RLF	90,084	-	90,084	90,084	-	90,084
Bad Debt Expense	-	-	-	4,500	-	4,500
Total Non-operating Income/Expense	104,384	-	104,384	185,184	-	185,184
Net Revenue Over (Under) Expense	124,704	(28,909)	153,613	132,301	(16,160)	148,461



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT D

**Big Sky Economic Development Authority
Big Sky Economic Development Corporation
Agreement for Professional Services**

Section 1 Parties to the Agreement

This agreement is made and entered into in Billings, Yellowstone County, Montana, this 10th day of June 2021 by and between Big Sky Economic Development Authority, a local government entity, hereinafter referred to as Big Sky EDA, and Big Sky Economic Development Corporation, a Montana Non-Profit Corporation, hereinafter referred to as Big Sky EDC. This agreement in no way diminishes the responsibility of the Big Sky EDC Board of Directors for the operations of the certified development company that is Big Sky EDC.

Section 2 Purpose of Agreement

The purpose of this agreement is to secure from Big Sky EDA staff and support services for Big Sky EDC necessary for continuous effective operations and to comply with applicable regulations of the Small Business Administration.

Section 3 Services Performed

3.1 Staff Services

- Big Sky EDA will provide to Big Sky EDC the services of five employees (Director of Business Finance, three Loan Officers and one Loan Specialist) who will conduct business finance marketing, packaging and processing activities in support of Big Sky EDC's lending programs.
- Big Sky EDA will provide to Big Sky EDC the services of three employees (Director of Development and Business Growth Services, Director of Marketing and BillingsWorks, and the Marketing Specialist) that will conduct overall organizational marketing and outreach for EDA and EDC as well as Member-Investor recruitment, management, policy coordination and communication activities with the purpose of maintaining and expanding Big Sky EDC's Member-Investor base.
- Big Sky EDA will provide to Big Sky EDC the services of an employee (Executive Director) who will conduct overall executive-level management of Big Sky EDC.
- Big Sky EDA will provide to Big Sky EDC the services of an employee (Controller) who will oversee overall financial management of Big Sky EDC.

3.2 Support Services

- Big Sky EDA will provide other necessary general and administrative support services including operations, reception and support to the Big Sky EDA Executive Director.

3.3 Fundraising for Building Renovations

- Big Sky Economic Development is renovating the Montana National Bank Building at 201 North Broadway for the purposes of taking its suite of business support services to the next level. The facility will provide collaboration and coworking space geared toward entrepreneurs within the Rock31 program, create a large training/conference space, as well as house the associated Big Sky Economic Development programs.
- The renovation of the building is in alignment with Big Sky EDC's mission. Per Big Sky EDC'S bylaws:
 - **1.3 Purposes.** As stated in the Corporation's Articles of Incorporation, the Corporation is organized and shall be operated exclusively for charitable, scientific, social welfare and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986...The Corporation is dedicated to attracting, retaining and growing jobs and business throughout Yellowstone County, Montana and, for purposes of the SBA 504 Loan Program, the Corporation's "Area of Operations" is the entire State of Montana."
 - **"2.3 Prohibited Distributions...**The Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Section 1.3."
- The renovation will begin in June 2021 and is estimated to be completed by May 2022. During the renovation period, Big Sky EDC will be fundraising to help cover the construction funding gap. All expenses related to construction, professional fees, equipment, and furniture/fixtures will be incurred by Big Sky EDA. Donations obtained by Big Sky EDC for purposes of the Montana National Bank Building project will be transferred from Big Sky EDC to Big Sky EDA to help cover the renovation costs.

Section 4 Other

- 4.1 Big Sky EDA will provide office space including telephone and internet access for employees who will conduct Big Sky EDC’s lending, marketing and Member-Investor programs.
- 4.2 Big Sky EDA will provide liability insurance allocable to employees who will conduct Big Sky EDC’s lending, marketing and Member-Investor programs.

Section 5 Reimbursement

- 5.1 Reimbursement of Staff and Other Services

Big Sky EDC shall reimburse Big Sky EDA, on a monthly basis for the following expenses associated with services in Section 4 above:

	Salary	Fringe	Rent	Phone & Internet	Liability Insurance
Director-Business Finance	100% (\$44.98/hr)	100%	100%	100%	100%
Loan Officer (2 officers & 1 vacancy)	100% (\$105.10/hr)	100%	100%	100%	100%
Loan Specialist (1)	100% (\$23.06/hr)	100%	100%	100%	100%
Director of Development and Business Growth Services (vacant)	50% (\$18.03/hr)	50%	50%	50%	50%
Director of Marketing and BillingsWorks	50% (\$15.63/hr)	50%	50%	50%	50%
Marketing Specialist	50% (\$10.00/hr)	50%	50%	50%	50%
Executive Director	25% (\$19.07/hr)	25%	-	-	-
Controller	25% (\$10.10/hr)	25%	-	-	-

- Compensation under this agreement is for services performed, and payment is for services actually performed.
 - Sources of compensation for services under this contract include Member-Investor funds, program income, and reserves. All compensation will be paid to Big Sky EDA directly by Big Sky EDC, and not by any borrower.
 - Based on prevailing area wage rates and on professional knowledge and expertise of board members, Big Sky EDC has determined that the compensation rates charged by Big Sky EDA are customary and reasonable for similar services in the area.
 - Contract payments for professional services will not exceed 65 to 75 percent of Big Sky EDC's income.
- 5.2 Big Sky EDA is prohibited from imposing any requirement on any applicant or borrower to purchase any other services from Big Sky EDA as a condition of Big Sky EDA performance of any staff or management functions of Big Sky EDC.
- 5.3 Additional compensation from CDC fee income such as multipliers or bonuses are not permitted.
- 5.4 All compensation paid to Big Sky EDA will be paid by Big Sky EDC and Big Sky EDA cannot charge the borrower for the same services.

Section 6 Term of Agreement, Termination

- 6.1 Term: This agreement shall remain in effect for the period July 1, 2021 to June 30, 2023 unless modified by mutual agreement between the parties, or terminated by either party in accordance with provisions of this section. This agreement shall also provide for one 2-year option for renewal at the expiration of the initial term of this agreement on the same terms and conditions set forth herein.
- 6.2 Termination: Either party, without penalty, may terminate this agreement by delivery to the other party a written notice of termination within 30 days of the effective termination date. In the event of notice of termination, Big Sky EDC shall be entitled to receive services and Big Sky EDA shall be eligible to receive reimbursement for costs incurred pursuant to this agreement until the effective termination date.

Section 7 Miscellaneous Provision

- 7.1 Conflict of Interest: No member of the governing body of Big Sky EDC and no member of the governing body of Big Sky EDA shall have any personal financial interest in this agreement.
- 7.2 Breach: It is expressly understood that the only remedy in the event of breach of terms of this agreement shall be termination of the agreement in accordance with Section 6.2
- 7.3 Entire Agreement: This agreement constitutes the entire agreement between parties relating to the rights herein granted and the obligations herein assumed. The parties hereto agree that the laws of the State of Montana shall govern this agreement.
- 7.4 Independent Contractors: It is expressly understood and agreed by the parties hereto that they are independent contractors and that nothing contained herein should be construed as giving rise to a partnership or joint venture.
- 7.5 The CDC's Board of Directors specifically acknowledges and retains the ultimate responsibility for all loan approvals and loan servicing actions, 13 CFR paragraph 120.823, and that such responsibility must be carried out independently of any control by a contractor.
- 7.6 No contractor or associate of a contractor may be a voting or non-voting member of the CDC's Board of Directors.
- 7.7 Confidentiality: All notes, correspondence, entity documentation, financial information, credit Memoranda, loan authorizations, drafts, photographs, papers, documents and records as defined in their broadest sense (collectively "Records") which CDC allows Service Provider (Big Sky EDA) to review and/or otherwise inspect or utilize in connection with this Agreement shall be considered confidential.

Service Provider agrees, represents, and warrants that it will only use the Records in performing the functions of and duties as set forth herein and/or otherwise in relation to his/her association with CDC. Service Provider shall not appropriate or otherwise use any of the Records and/or any information contained in any of the Records provided by CDC for any purpose other than as set forth herein. This prohibition applies to, without limitation, appropriating, or disclosing, names of CDC customers, trade secrets, vendor names, financial information, and personal information.

CDC agrees not to disclose to any third party (other than those parties specifically related to assignments to be performed under this Agreement)

the name, address, or telephone number of Service Provider without Service Provider's prior approval. CDC agrees not to disclose to any party other than SBA, the party the terms of compensation paid to Service Provider pursuant to this Agreement."

Big Sky EDA is a public entity and subject to Montana's public records and public information and laws. Notwithstanding anything to the contrary in this Section 7.7, to the extent the Records are public records or public information under those laws, the confidentiality provisions of this Section 7.7 does not apply.

Execution

Executed this 13th day of January 2022

Big Sky Economic Development Authority

Ken Lutton, Board Chair Big Sky EDA

Big Sky Economic Development Corporation

Ann Kosempa, Board Chair Big Sky EDC



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT E

SBA 504 Loan Requests

I. Big Sky EDC is requesting approval to submit to the US Small Business Administration the following SBA 504 loan requests. The Big Sky EDC Loan Committee has reviewed the requests and recommends approval to the full EDC Board for submission to the SBA for final approval. The requests meet all the underwriting and eligibility requirements of the EDC.

1. **LJK Veterinary Company LLC / Burnt Fork Veterinary Clinic, P.C.** – Purpose of the request is for debt refinance and expansion for Burnt Fork Veterinary Clinic located in Stevensville, MT. Debt to be refinanced is a previous SBA 504 loan with Big Sky. The expansion funds will be for remodeling and expanding the existing veterinary practice. Previous SBA loan was originate in 2009 and has been paid as agreed. Loan was recently paid off in order to complete the debt refinance. ACCESS Bank is the primary lender on the project. Dr. Linda Kauffman started the practice in 1999.

The total SBA debenture is estimated to be \$263,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position on the real property behind ACCESS Bank. There are projected to be 3 new jobs created because of this project. The project meets Public Policy goals for a Woman Owned business, Rural Development as well as being located in a HubZone.

2. **Rocky Mountain School of Photography, Inc.** – Purpose of this request is for the commercial real estate currently leased by Rocky Mountain School of Photography (RMSP), located in Missoula, MT. This is an existing business that was started by the current owners over 30 years ago. The business has been located in Missoula the entire time. RMSP is a private, independent photography school. They offer a number of different courses, but their primary course is an intensive, eight-month program. The courses prepare the students to succeed as professional photographers.

The total SBA debenture is estimated to be \$787,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position on the real property behind First Security Bank of Missoula. There are not projected to be any new jobs as a result of this project. The project does meet a Public Policy goal for being located in a HubZone.



BIG SKY
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ATTACHMENT F

MONTANA DEPARTMENT OF COMMERCE SMALL BUSINESS DEVELOPMENT CENTER CONTRACT AMENDMENT # 21-51-070-22

This Contract amendment is entered into by and between **Big Sky Economic Development Authority**, Billings, Montana (Contractor), and the **Montana Department of Commerce**, Helena, Montana, (the Department).

The Contractor and the Department hereby agree to the following terms:

I. Section 2. AUTHORITY

This contract is issued under authority of Title 90, Chapter 1, Part 1, Montana Code Annotated and under authority of Title 18, Montana Code Annotated, and the Administrative Rules of Montana, Title 2, chapter 5.

The Host Agency will engage in activities as set forth in the List of Deliverables, attached hereto and specifically incorporated by this reference (Exhibit 1). The Host Agency shall also meet all responsibilities and obligations listed in the Host Agency and SBDC Business Advisor Duties, attached hereto and specifically incorporated by this reference (Exhibit 2).

- a. Consistently and correctly enter client information, sessions, and impact into Neoserra as required but not limited to the following goals.

261 clients served,
498 jobs supported,
1,500 client hours,
13 new business starts,
\$5,000,000 in capital funding obtained,
62 long term clients,
3 success stories.

* All milestones must be attributed by the client using the MTSBDC attribution policy

2. Section 3. SCOPE AND DUTIES

The Host Agency will engage in activities as set forth in the List of Deliverables, attached hereto and specifically incorporated by this reference (Exhibit 1). The Host Agency shall also meet all responsibilities and obligations listed in the Host Agency and SBDC Business Advisor Duties, attached hereto and specifically incorporated by this reference (Exhibit 2).

3. Section 5. EFFECTIVE DATE AND TIME OF PERFORMANCE

(a) This Contract shall take effect January 1, 2022, and will terminate on December 31, 2022, unless terminated earlier in accordance with the terms of this Contract.

4. Section 6. BUDGET

(a) For 2022, The Department has allocated **\$109,750.00** in federal funding for SBDC Host reimbursement. The Department will provide up to **\$52,750.00** in state funding reimbursement for match. Funding allocation is based on direct costs for **2.5 Full Time** Equivalent (FTE) employees. The SBDC Host will provide the remaining 1:1 match in which at least 50% must be cash match.

5. Section 8. AMOUNT OF CONTRACT AND METHOD OF PAYMENT

- (a) The Department will authorize the Host Agency to draw up to the allocated amount of **\$162,500.00** against the funding reserved for it by the Department. In drawing against the reserved amount, the Contractor will follow the instructions supplied by the Department.
- (b) The Department agrees to reimburse the Host Agency for engaging in the activities described Section 3 SCOPE AND DUTIES, and upon approval by the Department of the Host Agency's Montana SBDC Request for Reimbursement and Invoice Report (Exhibit 3) for eligible, allowable costs incurred through the end of any month. As the Host Agency incurs eligible costs it agrees to submit adequate documentation of each cost to the Department, according to the instructions attached to the Request for Reimbursement form.
- (d) The Host Agency acknowledges and agrees to repay any grant funds expended on activities not included in Section 3 SCOPE AND DUTIES or Section 6 BUDGET or an approved amendment thereto; any grant funds not expended upon termination of this Contract; or any use of grant funds not clearly and adequately supported, in the sole discretion of the Department, by the Host Agency's records.
- (e) The Host Agency must provide matching funds in cash or in-kind at the rate of 1:1 by the end of each calendar year. Of the annual state statutory appropriation of general funds to the SBDC Program, a percentage will be distributed for each service center as cash match. The cash match account, as well as the SBA federal funds distributed to the SBDC Program, must be under the direct management of the SBDC Director.

6. Section 9. REPORTING REQUIREMENTS

- (a) The Contractor will submit status reports on Project performance at the request of, and in the format prescribed by, the Department and/or SBDC Lead Center.
- (b) The Host Agency shall also submit reports on its performance with the activities in Section 3 SCOPE AND DUTIES as set forth in Exhibit 1 and 2

7. Section 12. PROJECT MONITORING

- (a) The Department, the U.S. Small Business Administration, the Comptroller General of the United States, the Montana Legislative Auditor, or any of their authorized agents may monitor and inspect all phases and aspects of the Host Agency's performance to determine compliance with the SCOPE AND DUTIES, and other technical and administrative requirements of this Contract, including the adequacy of the Host Agency's records and accounts. The Department will advise the Host Agency of any specific areas of concern and provide the Host Agency opportunity to propose corrective actions acceptable to the Department.

8. Section 13. COMPLIANCE WITH APPLICABLE LAWS

The Contractor must, in performance of work under the Contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973 and the Patient Protection and Affordable Care Act ("Affordable Care Act"). Any subletting or subcontracting by the Contractor subjects subcontractors to the same provision. In accordance with Mont. Code Ann. § 49-3-207, the Contractor agrees that the hiring of persons to perform the Contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the Contract.

The Affordable Care Act requires a Contractor, if Contractor is an applicable large employer under the ACA, to provide healthcare coverage for its employees, who provide services for the State and work for 30 or more hours per week. This coverage must also cover the eligible employee's dependents under the age of 26. The coverage must (a) meet the minimum essential coverage, minimum value, and affordability requirements of the employer responsibility provisions under Section 4980H of the Code (ACA), and (b) otherwise satisfy the requirements of the Code § 4980 H (ACA) if provided by the State.

9. All other provisions of the contract remain in full force and effect.

IN WITNESS OF THE TERMS SET OUT ABOVE, the parties hereto have caused this Contract to be executed.

BIG SKY DEVELOPMENT AUTHORITY:

Steve Arveschoug, Executive Director

Date

MONTANA DEPARTMENT OF COMMERCE:

Adam Shafer, Deputy Director

Date



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT G

**January 2022
Executive Director's Report
to the Board of Directors
(with Program-Level Highlights)**

Strategic Priorities Update (FY 2022)

1. Make Community Development Investments for a Measurable Impact to our Quality of Place

Objectives

- a. **Advocate for a comprehensive approach/investment in Public Safety** (Board and ED) – Public safety remains a top priority as the City looks to implement the plans related to the new mill levy. We had the opportunity to discuss those plans with the City and other Strategy Partners (City, Downtown, Chamber and BSED) at our December 15th Economic Development Leadership Joint-Planning Session. More regarding that meeting later in this report.

Do note that there is a Community Forum on Public Safety planned for January 13, 6:30 PM to 8:30 PM at the Billings Public Library. I sent the Board a separate email with the details of this Forum. *(See attached).*

- b. **Incentivize downtown revitalization by identify and securing shovel-ready sites to spur new private investment** (ED, OF, DBP) – Nothing new to report in this area. We are waiting for City Council to consider a TIF request for a planned (32 unit) development in downtown and then we will regroup and consider next steps. The hearing for this project scheduled is January 24th. The Downtown Housing Working Group should meet February 3rd or 4th.
- c. **Support the redevelopment of MetraPark and associated private investment and entryway beautification** (CD and MetraPark) – Many challenges ahead with defining the future of MetraPark as the Commissioners work to find common ground on the business/management model for Metra Park. The Oak View Group (largest event/venue management and development firm in the county representing over 400 arenas, event centers, and entertainment facilities) was in Billings this week and I joined one of their fact-finding conversations (January 4th). It was encouraging to learn more about how these public facilities are managed through private-sector partnership, with experienced leadership and contracts that meet the expectations for the public ownership (be it City Councils, County Commissioners, or urban renewal and arena authorities). I'm hopeful the conversations continue as the future of Metra Park is important to our economy. I will provide the Board more information as it becomes available, including next steps with the Master Plan.
- d. **Secure the \$250,000 match requirement for Phase I Coulson Park development, and advocate for a comprehensive approach to new parks and trails development** (CD and ED)- See more detail in the Community Development section of this report.

- e. **Support concept-development for a Native American cultural center (DC)**—*no work to report at this time.*

2. Invest in Essential Infrastructure That Directly Drives New Private Investment

Objectives

- a. **Secure \$6.0 million to kickoff water and sewer infrastructure development in the TEDD (CD).**
Montana did not receive a Build Back Better grant, which means the TEDD will now have to look at the new federal infrastructure legislation as a possible funding source for the proposed phase one infrastructure. More detail on the TEDD project can be found in the Community Development Section of this report. Late thought, we may need to consider making an investment in other parcels that can be developed as “shovel ready” sites for new development and business expansion and recruitment. Allison will be working with the Recruitment Committee to develop a proposal for the Board’s consideration. We have to address this issue—our lack of shovel ready sites and turnkey buildings is hurting recruitment in a big way.
- b. **Support the development of three new business/industry parks:** We did host a meeting with Department of Commerce Director Scott Osterman and the team at Billings Flying Service to discuss plans for the Hwy3 development. The goal of that meeting was to make introductions but to also seek State support (and understanding) of the importance of infrastructure investment as part of the strategy to encourage business expansion and recruitment. More work on this project and topic is needed.
- c. **Align our business recruitment efforts with these development and secure new private investment (RT)** *See Recruitment Section of this Report for an update*

3. Build Upon our Leadership Status as a Regional Healthcare HUB

Objectives

- a. **Shepherd the development of the Montana College of Osteopathic Medicine from the permit process to opening (July 2023), propose and advocate clerkship and residency program development, and facilitate private sector partnership opportunities, including applied research and bioscience (ED and RT)** – The Montana College of Osteopathic Medicine’s Advisory Council will meet January 20th. We will have the opportunity to meet the new team members that now make up the growing faculty and staff for the RVU campus in Billings. The Council will also consider a strategy to support the students that will be interviewing in August of 2022, and if selected, be on campus (in Billings) June of 2023—18 months away. We want to make sure we have a plan in place to support these new medical students as they begin their journey in our community.
- b. **Incentivize downtown redevelopment that complements and connects the medical corridor to downtown (RT, ED, CD)** This work is right now focused on the Downtown Housing Working Group effort explained above. Staying in a good communication with the hospitals right now to better understand their plans.
- c. **Partner with the Bio Science Alliance initiative to secure research and lab space for the attraction of bioscience companies (RT, ED)** No grants have been awarded in support of this initiative. More work to do for sure.

4. Grow and Attract Innovative Companies

Objectives

- a. **Complete the Rock31/BSED building to support a strong, growing entrepreneurship ecosystem and deliver BSED services** (R31, DO, ED, Bd) See the Big Sky to Sky Point section of this report for details.
- b. **Foster the growth of a talent pool (through effective partnerships) that aligns with the needs of innovate companies** (BW, R31) Nothing new to report in this area.
- c. **Deploy a targeted business expansion and recruitment strategy to realize measurable job growth and investment in this sector** (RT) See Recruitment Section of this Report for details.

5. Develop, Retain and Attract the Next Generation of our Workforce

Objectives

- a. **Facilitate business/education partnerships that serve to strengthen the alignment of workforce needs and workforce development efforts to meet current and future workforce needs** (BW) The BillingsWorks Steering Committee is launching a “Workforce Revolution” discovery and learning series beginning January 25th. The Board did receive information regarding this series via separate email from Marcell, Billings Works Director. See the Billings Works section of this Report for details in this area.
- b. **Enhance our BOiB talent retention and attraction measures to support employers’ efforts to recruit workforce** (BW, BOiB) The new and improved employer tool kit is out and available for the businesses to supplement their recruitment efforts. Check the BillingsWorks or Better Off in Billings social media sites for more info.
- c. **Advocate for the growth of key programs, enrollment, and capital investment at RMC and MSUB in partnership with college/university leadership/Board of regents/legislators** (BW, ED) We made the final pass-through payment (\$5,000) of Coal Board funds for the new science building on the MSUB campus. We took that occasion to offer MSUB our support/advocacy for additional programming and investment on the campus.

Board of Directors’ FY 2022 Projects

Status Report-

1. **Raise \$275,000+ toward the funding of Rock31/BSED Downtown Center for Entrepreneurship.** *Dollars raised to date--\$160,000+*
2. **Sustain and grow the Member Investor Program to 160 members by June 2022**—Total membership to date 133, with net new Member Investor dollars at \$27,000. See the Member Investor Program section of this report for more details.

Program Updates

Community Development Program Report

January 2022 Happy New Year!

Project Funding Requests YTD	\$9,060,600
Project Funding Secured YTD	\$730,000
Coulson Park Funding Secured	\$181,500
Assisted on Funding Requests YTD	\$515,000
Brownfield Assessments YTD	2

Tax Abatements:

We received all required surveys from current tax abatement recipients and have compiled the data. A draft report of the most recent tax abatement information is under review. A PowerPoint presentation is also being developed and reviewed internally prior to formal presentations to the Billings City Council and County Commissioners.

Yellowstone Fuels Reduction Program:

No new fuels reduction projects have been completed. We are working with Bureau of Land Management (BLM) staff on securing additional funding.

Brownfields Program:

A U. S. EPA Brownfields grant application for \$500,000 was submitted on behalf of BSED. A request for a Phase I Assessment was reviewed and approved by the Steering Committee. The Assessment has been completed and a report has been prepared on the parcel. A Targeted Brownfield Assessment application has been submitted on behalf of a property owner in Yellowstone County.

Coulson Park:

We met with Billings Park and Recreation on defining the tasks to be approved through the Natural Damage Resource Program (NDRP). City staff is working to finalize the task orders with the approval of NDRP to begin work in Coulson Park. We submitted the press release on the Scheels contribution which received coverage in the Billings Gazette. Partners for Parks and Billings Parks and Recreation updated their website information on Coulson Park.

Housing:

Community Development continues to support the Billings Association of Realtors (BAR) efforts to address workforce housing challenges. A meeting sponsored by BAR on regulatory matters was attended. Individual meetings with new and incumbent Billings City Council members and Mayor Cole are taking place. A call with the members of BAR was held with the Montana Department of Commerce Housing Director, Cheryl Cohen earlier this month. This is part of our ongoing economic recovery efforts using EDA CARES ACT funding from Beartooth RC&D. BRC&D's regional housing study continues to be delayed by the contractor. A Billings City Council work session presentation on housing is planned for February 22 with the Billings Association of Realtors.

Lockwood Targeted Economic Development District (TEDD):

KLJ and Morrison Maierle have completed the scope of work for preliminary design and engineering of the priority projects identified in 2019 – extension of water and sewer infrastructure under I-90 to the TEDD and extension of North Frontage Road along with water and sewer to the east side of the TEDD. That contract was approved by the Board of County Commissioners at their December 21, 2021, meeting. The engineers can now begin work on these plans.

MetraPark:

We continue to attend MetraPark Board meetings, public meetings, and committee meeting to assist with the MetraPark Vision 2025 efforts.

Space2Place:

Changes have been made to the Space2Place grant applications to encourage a wider variety of project types, better define and describe the grant rules, and assist in the scoring of applications. The grant application will open in early January. The deadline will be set for early March.

BRC&D Response and Recovery Funding/ERRT:

We continue to monitor state and federal assistance through the American Rescue Plan Act (ARPA) and other channels with the intention to alert our local businesses and partners of programs and funds that may be available to them. We will also continue to track the progression of the COVID virus to anticipate further economic response.

PTAC:

Since August 1st, MT companies that have been assisted by one of our six PTAC locations have secured **\$32.6 million** in federal, state and local contracts. Of that, contracts valued at **\$6.4 million** were awarded to PTAC clients/companies in the Yellowstone County region. E & JK Enterprises, Inc. (Sundown Security) attended MT PTAC GovMatch last July and registered to do business with the federal government. The company submitted a bid to the Missouri Basin Regional Office of BLM for courier services and won a **\$7,800 contract**. Our Billings location has been assisting Yellowstone Electric Co. with

its government contracting efforts since 2016. The company is a leader in commercial and industrial electrical contracting and consistently bids and wins federal contracts. Billings advisors have recently been assisting the company with its WOSB certification through the SBA. This has been a long and arduous process but the company has persevered and should get approved soon. The WOSB certification could give the company a competitive advantage on certain federal opportunities. Recently, the company secured a **\$3.6 million dollar equitable adjustment** on a previous contract with the Bureau of Reclamation to replace GSU transformers and associated equipment. Federal procurement rules provide for equitable adjustments to accommodate extraordinary/unexpected cost increases for labor and materials. In early 2022, our Billings location is holding the following training events; Learning the Mechanics of a Federal RFP – How to Market YOUR Company’s GSA Schedule - Accounting Compliance for a Federal Contract and Developing a Focused Government Contracting Strategy for your Company.

VBOC:

VBOC UPDATE – December 2021

Training: 12 attendees at 1 events in the month of December

- In Person Boots to Business at Malmstrom AFB, MT- 12 attendees. Delivered in partnership with the Montana SBA and Great Falls SBDC.

Training goal 1 is 100% B2B coverage: **GOAL MET**

Goal 2 is 5 non B2B training events with >29 attendees per quarter. **Above Goal.** At end of the 2nd month in Q2, we have completed 6 trainings with 145 attendees.

Outreach highlights: 4 meetings with 14 attendees in December (9 so far in this quarter). Our goal is 30 outreach meetings per quarter. **Below goal.**

Counseling – 54 counseling sessions with 22 veteran or military spouse clients in the last month. Goal is 41 sessions per month- **ABOVE goal.** Nearing the end of the 8th month in our program year, we are at 317 counseling sessions to date (63% of the way toward our goal of 500 sessions per year). Other counseling goals:

1. ≥150 referrals to local resource partners in the year: Currently at 68 referrals (45% of our goal)
2. 100% of new veteran e-center sign ups each month have at least 1 counseling session:
December rate is 94% as we wait for contact with 1 client. Rate for the year to date is 86% as we work to connect with clients.

Member Investor Program

Member Investor:

3 new Member Investors have been added to the Member Investor Program. I am excited to welcome Peter Yegen Jr. Insurance, Valley Credit Union, and 406 Window Co. to the Big Sky Economic Development Member Investor Team. We continue to meet with additional companies and have a few who are in the “queue” for potential commitment. In addition to adding new Members, we continue to work towards invoicing, administration, and follow-up. I continue to communicate with “Grandfathered” \$1,000 commitment companies to volunteered to raise their annual commitment \$500 to our minimum \$1,500 Builder Level. TKI CNC, First American Title, and Downtown Billings Association all increased to

the full \$1,500 Builder Level. Connect with me regarding new perspective Member Investor referrals or communications with current Member Investors at patrick@bigskyeda.org, 869-8419.

Marketing/BillingsWorks

Marketing:

The Marketing department worked with Kinetic on BillingsWorks website and collateral modifications. They also worked with AD Creative on BSED website updates. The marketing department released a January – June 2022 calendar for the team, working with programs to represent their upcoming trainings & events. The marketing team participated in the furniture RFP process for the organization. In addition, the marketing department is working with community development and recruitment to develop a collateral economic pulse piece for BBER. Karli and Marcell developed marketing campaign plans for Let’s Rock, Rock31, and BillingsWorks to launch in January.

BillingsWorks:

BillingsWorks had individual workforce/organization conversations this month with Job Service, Commerce, SD2/City College/Exxon (to discuss a trades day), City College (tour of tech building), RDO, Career Center, Zero to Five, JSEC, Advanced Care, MSUB, St. John’s United, and Black Dog Coffee. BillingsWorks has been planning their Q1 2022 Steering committee meeting (for January 2022) and the Workforce Revolution Workforce Series & Summit (January – May 2022).

Rock31/SBDC

Noteworthy:

- The team is planning a one day “Rise and Restore” Business Summit on April 14 at the Billings Depot. In addition to a keynote speaker, there will be four breakout sessions, a showing of Edge of the Plains, three local business tours, and Bingo.
- The SBDC met the SBA goals for FY 2021
 - Jobs support, goal 476 – 540, 113%
 - Clients served, goal 222 – 250, 113%
 - Capital Infusion, goal \$6,000,000 - \$6,003.289, 100%
 - Counseling hours, goal 1800 – 1827 102%
 - Bought/started business, goal 15 – 15, 100%
 - Long-term clients, goal 62- 73, 118%
 - Success Stories, goal 3 – 3, 100%

Team Activity:

- Team members did outreach and toured the Meadow Lark Brewery; they are planning to open January 2022. Lane Gobbs, MMEC partner set up the tour on Dec 3.
- Team members participated in the High School Holiday Bazaar on Dec 3.
- The board approved two new BSTF grant recipients on Dec 9
 - Dara Services LLC

- Hear it Clear
- The monthly training courses in the Entrepreneurial Academy series:
 - Grow with Google YouTube Dec 2
- Team members met with Brent Donnelly and Martin DeWitt from the SBA, Dec 13
- Team members held a Q&A session with the Senior Highschool entrepreneur class that had tables and sold their products at the High School Holiday Bazaar Dec 14
- Team members meet with the Founder on Wed's in the Yellowstone Room, Dec 15
 - Braxton Norwood's SBIR Grant Experiences
- A team member attended Leadership Billings Dec 15
- Team members are working on SBA nominations for the 2021 SBA awards
 - Small Business of the Year
 - Woman Owned Business
 - Young Entrepreneur of the Year
- Monthly training will not be held in December
 - Start-up Roadmap, monthly recurring training for all start-ups
 - Business Model Canvas workshop to help businesses identify their customers, relationships, value proposition, channels, key activities, key resources, key partners, cost structure and revenue streams.
 -

Recruitment/Outreach/Economic Development Policy

Economic Policy

Over the last month we have been focused on continuing to learn about the focus that our partners have for the upcoming session. We have also been following the ARPA and interim committee meeting. We will be re-launching our board legislative committee once new members are defined.

Outreach

We are managing a few draw requests and a closeout for Big Sky Trust Fund. Outreach calls continue and workforce and supply shortages continue to be the theme.

Recruitment

We are completing the Economic Pulse piece for BBER presentation, working with a mid-sized manufacturer on a relocation, and helped complete a downtown investment piece.

Big Sky Finance

Big Sky Finance – December 2021 update.

The following loan activity, all pertaining to the SBA 504 Loan program, has occurred December:

LC 504 loan presentations: 2 loans for \$2,226,000 (Presented to and approved by Loan Committee)

SBA 504 Loan Approvals:	1 loan for \$263,000
SBA 504 Loan Closings:	3 loans for \$1,414,000
SBA 504 Loan Funding:	1 loan for \$501,000

Loan closings occurred in Missoula (2) and Kalispell. These loans are projected to fund in February 2022 for a total of \$1,414,000. We have been very busy with loan closings and have numerous others we are working to close on in the next month. One loan previously closed funded in December. This was a project located in Kalispell.

Two new loans were approved by loan committee and will be submitted to SBA in January. One loan previously submitted to SBA has been approved for \$263,000 for a veterinary practice in Stevensville. This project is a debt refinance with expansion project. We have several new loan applications in house we are underwriting at this time.

Interest rates on SBA 504 loans continue to remain low and competitive, providing a great opportunity for long-term, fixed rate financing. The effective rates for loans funded in December were:

- 25-year debenture = 3.27%
- 20-year debenture = 3.13%
- 10-year debenture = 3.11%

Organizational/Policy Matters

1. Board Committee Selection Process- The Board received a Committee Survey this week (Jan. 6th) to express your priorities for committee service. I will share the results of that survey at our January 13th meeting. Thank you all for participating.
2. EDA Board Member Selection and Nominating Committee Recommendations – We are waiting on the application process to come to an end for the one vacant position on the EDA Board of Directors. When all applications are in, we will conduct a meeting of the Nominating Committee to consider and interview applicants. We hope to have a recommendation for the Board’s review at our February meeting.
3. Board/Staff Planning- Launch our 2022 Staff and Board planning process, we will send out a Stakeholder Survey the week of January 11th. This survey will go out to Board members, Member Investors, community partners, taxpayers and others so that we get a good cross-section of input. We are asking these groups to access whether our programs are aligned well with the needs of the community and to help us focus on Strategic Priorities for the next two years. Do watch for this survey as we will want 100% Board participation. The Board Planning Session is tentatively set for March 10th. More into follow.
4. Big Sky to Sky Point Project – Our efforts over the past month have been on selecting the furniture package for the building. The electronic vote held on December 20th selected Peterson Quality Office as the furniture vendor. We met with Peterson later that same week to outline our budget and redefine our scope of work. We defined which areas would reuse our existing furniture and which areas would need new furniture. They are hard at work identifying cost

savings options for us to consider. At our Board Meeting on Thursday, we will present a revised Project Budget with updated numbers and walk you through the progress made towards minimizing the project funding gap. T.W. Clark just today confirmed we are still on track for a June 3rd finish. Keep your fingers crossed we can continue to stay ahead of supply chain challenges!

**Respectfully submitted,
January 13, 2022**

A handwritten signature in black ink, appearing to read 'SA', with a long horizontal stroke extending to the right.

**Steve Arveschoug
Executive Director**



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT H



Rules of Conduct Conflict of Interest Policy Resolution

Big Sky EDA and Big Sky EDC

This Conflict of Interest policy supersedes all previous Conflict of Interest policies and amendments.

WHEREAS, Big Sky Economic Development Authority is a duly organized and existing port authority under the laws of the State of Montana, pursuant to Resolution no. 89-82 adopted December 4, 1989, by the Board of City Commissioners of Yellowstone County, Montana together with all amendments and modifications thereto, the Authorizing Resolution”); and

WHEREAS, Big Sky Economic Development Corporation is organized and shall operate within the meaning of Code Section 501 (c) (3) and is dedicated to attracting, retaining and growing jobs and business throughout Yellowstone County and the State of Montana; and

WHEREAS, the Board of Commissioners of Big Sky EDA/EDC desires to adopt formal rules of conduct regarding conflicts of interest that may arise with respect to individual Commissioners, as well as any officers, employees and agents of Big Sky EDA/EDC.

BE IT RESOLVED by the Commission as follows:

Section 1. Definitions. The terms used in this Resolution are defined as follows:

- (a) **Big Sky EDA/EDC Body** shall mean any agency, board, body, commission, committee, department or office of Big Sky EDA/EDC.
- (b) **Financial Interest** shall mean any interest which shall yield, directly or indirectly, a monetary or other material benefit (other than the duly authorized salary or compensation for his or her services to Big Sky EDA/EDC) to the Official or to any Person employing or retaining the services of the Official, provided, that a Financial Interest shall not include a direct or indirect benefit derived through corporation, partnership, limited liability company or other similar entity in which the Official owns less than five percent (5%) of the stock or of the interest in the capital, profits and losses of said corporation, partnership, limited liability company or other similar entity.
- (c) **Official** shall mean any natural person elected or appointed to the Commission or a Big Sky EDA/EDC office, or employed by Big Sky EDA/EDC Body, whether paid or unpaid and whether part-time or full-time.
- (d) **Person** shall mean any individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, unincorporated association or any state, county or city government or agency or political subdivision thereof other than Big Sky EDA/EDC.
- (e) **Personal Interest** shall mean any interest arising from blood or marriage relationships or from close business or political association whether or not any Financial Interest is involved; provided that the term “blood and marriage relationships” shall mean any current or former spouse of the Official (collectively a “Spouse”), any direct ancestors of the Official or a Spouse, any children or grandchildren of the Official or a Spouse, any brothers or sisters of the Official or a Spouse, and any children or grandchildren of such brothers and sisters of the Official or a Spouse, including within each category an such relationships arising or created through adoption.

- (f) **Special Interests** shall mean any direct or indirect interest of a Person in any public or private organization in which Big Sky EDA/EDC is affiliated.

Section 2. Conflicts of Interest

- (a) **Knowledge Gained.** No Official shall use his or her position, or the knowledge gained therefrom, in such a manner that a conflict between the interest of Big Sky EDA/EDC or any of its affiliates and his or her personal interest arises.
- (b) **Financial or Personal Interest.** No Official, either on his or her own behalf or on behalf of any other Person, shall have any Financial Interest or Personal Interest in any business or transaction with Big Sky EDA/EDC or any Big Sky EDA/EDC Body **unless the Official first makes full public disclosure of the nature and extent of such interest.**
- (c) **Disclosure and Disqualification.** Whenever the performance of his or her official duties shall require any Official to deliberate and vote on any matter involving the Official's Financial Interest or Personal Interest, the Official shall publicly disclose the nature and extent of such interest and disqualify himself or herself from participating in the deliberation as well as in the voting.
- (d) **Incompatible Employment.** No Official shall engage in private employment with, or render services for, any Person who has business transactions with Big Sky EDA/EDC or any Big Sky EDA/EDC Body unless the Official shall first makes full public disclosure of the nature and extent of such employment or services.

Section 3. Representing Special Interests.

- (a) **Prohibited Appearances and Representation.** No Official, whether paid or unpaid, shall appear on behalf of any Special Interests before Big Sky EDA/EDC or any Big Sky EDA/EDC Body. An Official shall not represent Special Interests in any action or proceeding against the interests of Big Sky EDA/EDC or any Big Sky EDA/EDC Body, or in any proceedings to which Big Sky EDA/EDC Body is a party.
- (b) **Permitted Inquiries, Investigations and Appearances.** The foregoing prohibitions shall not be construed to prevent an Official from making inquiries and investigations as provided for in the Authorizing Resolution, nor shall it prevent an Official from appearing before Big Sky EDA/EDC or any Big Sky EDA/EDC Body to express the Official's personal views as a private citizen.

Section 4. Gifts and Favors.

- (a) **No Official shall accept any gift,** whether in the form of money, thing, favor, loan or promise that would not be offered or given if the Official were not an Official. Notwithstanding the foregoing, an Official may accept a gift that entails trivial benefits incidental to personal, professional or business contacts and involving no substantial risk of undermining the Official's impartiality and such gifts may include but not necessarily limited to (a) food or beverage consumed at a single meal or event, provided the value is reasonable under the circumstances, but in no event that exceeds \$100 per person and (b) flowers, plants, food items, calendars, disk novelties, or similar items of less than \$50.00 in value.

Section 5. Nepotism.

- (a) **No Official shall appoint or vote for appointment** of any individual related to the Official by blood or marriage to any clerkship, office, position, employment or duty, when the salary, wages, pay or compensation is to be paid out of funds of Big Sky EDA/EDC or any Big Sky EDA/EDC Body.

Section 6. Duty.

- (a) **Each Official has a duty to place the interest of Big Sky EDA/EDC** foremost in any dealings with the Big Sky EDA/EDC Body and has a continuing responsibility to comply with the requirements of this Resolution.

Section 7. Repeal.

- (a) **All provisions of ordinances, resolutions and other actions and proceedings** of Big Sky EDA/EDC relating to the rules of conduct for conflicts of interest set forth herein which are in any way inconsistent with the terms of provisions of this Resolution are hereby repealed, amended and rescinded to the full extent necessary to give full force and effect to the provisions of this Resolution.

Passed and adopted by the Board of Big Sky Economic Development Authority this 12 Day of December, 2008.

Signature on File

Ted White, Chairman of the Commission of
Big Sky Economic Development Authority

Signature on File

Todd Sherman Chairman of the Commission
Big Sky Economic Development Corporation

Attest: _____
Signature on File

Steve Arveschoug, Executive Director
Big Sky Economic Development Authority/Corporation

Approved 11-19-03 Revised and Approved: 12/11/2008

Big Sky EDA/EDC Conflict of Interest Policy Statement of Understanding

Big Sky EDA/EDC is made up of community business and government individuals with the mission:

“Focused on sustaining and growing our region’s vibrant economy and outstanding quality of life, Big Sky Economic Development provides leadership and resources for business creation, expansion, retention, new business recruitment and community development.”

In doing so we must be aware of conflicts of interest that may arise. Attached is a statement of understanding that all Big Sky EDA/EDC Board members are asked to sign and annually confirm when they accept a seat on one of these Boards of Directors.

I affirm, have read and understand the Big Sky EDA/EDC Conflict of interest Policy as written and approved December 11, 2008.

Signature _____ Date: _____

Printed Name _____