

EDA/EDC – Joint Board Meeting

Thursday, May 11, 2023

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

**Rock31/BSED Building- 201 N Broadway
Zoot Training and Event Space (2nd Floor)**

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 —Judi Powers, EDA Chair | |
| 7:02 A.M. | Public Comment/Recognitions/Special Announcements and Introductions | |
| | <ul style="list-style-type: none"> • Yellowstone Valley Electric Coop, Brandon Whitman, CEO • Better Off in Billings Website—Marcell • Other announcements | |
| 7:25 A.M. | Changes to Today’s Agenda | |
| 7:27 A.M. | Consent Items for Board Action | (EDA & EDC Board Action) |
| | <ul style="list-style-type: none"> • Minutes – April 13, 2023 | (Attachment A) |
| 7:30 A.M. | Financial Matters —Tami | |
| | <ul style="list-style-type: none"> • Financials for February 2023 • Review FY ’24 Budget Assumptions (Q&A) | (Attachment B) (EDA/EDC Action)
(Handout) (Info) |
| 7:55 A.M. | Action Items | |
| | <ul style="list-style-type: none"> • BSTF Job Creation Grant—Nicole/Lorene • Brownfields Assessment Contractor Recommendation—Thom • Loan Approvals—Brandon | (Attachment C) (EDA Action)
(Handout) (EDA Action)
(Handout) (EDA/EDC Action) |
| 8:20 A.M. | Program Reports | |
| | <ul style="list-style-type: none"> • MI Program Growth-Plan Update—Patrick | (Handout) (Info) |
| 8:40 A.M. | Executive Director Report —Steve | (Attachment D) (Info) |
| | <ul style="list-style-type: none"> • Parks/Trails/Rec Comprehensive Funding/Development Plan-Update • Re-Org/Staffing Update | (Info)
(Info) |
| 8:55 A.M. | Public Comment | |
| 9:00 A.M. | Adjourn | |

Next EDA/EDC Board Meeting: June 8 (7:00AM to 9:00AM), Zoot Training Space, Rock31/BSED Building. *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, April 13 – 7:30 A.M. – 12:45 P.M.
Rocky Vista University- Montana College of Osteopathic Medicine

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: Bryan Wood, Bryce Terpstra, Debbie Desjarlais, George Warmer, Kate Vogel, Ken Lutton, Lucy Aspinwall, Zachary Dunn

EDA Board Members Absent: Judi Powers, Paul Neutgens, Riley Bennett

Ex Officios: Mark Morse, Greg Upham, John Brewer, Katy Easton, Kurt Markegard

EDC Board Members Present: Andy Gott, Ann Kosempa, Bob Wilmouth, Dave Ballard, DJ Clark, Jen Kobza, Jennifer Kondracki Weaver, John Ostlund, Kim Jakub, Michael Marsh, Mike Nelson, Mike Phillips, Nick Pancheau, Stefani Hicswa, Tyler Wiltgen

EDC Board Members Absent: Craig Bartholomew, Justin Martin, Mac Fogelsong, Mike Seppala, Nicole Bengé, Spencer Frederick

Staff and Guests: Allison Corbyn, Bill Cole, Brandon Berger, Chris Kukulski, David Park, Deanna Langman, Dianne Lehm, Jack Jennaway, Karen Grosz, Karli Baker, Kayla Vokral, Lorene Hinz, Lynnette Hale, Marcell Bruski, Mike Stock, Nicole Allen, Owen Haacke, Patrick Klugman, Tami Fleetwood, Tom Rupsis, Thom MacLean, Sarah Myhre, Steve Arveschoug, Sue Park

Call to Order:

Kim Jakub, EDC Chair, called the meeting to order at 7:34 A.M. with the pledge of allegiance.

Public Comment/Announcements/Recognitions/Changes to the Agenda:

Deanna introduced Lynnette, BSED Government Contracting Advisor to the Board. Lynnette works remotely from Dillion, MT for BSED, but was able to join the meeting today. Steve introduced Nicole Allen as the Recruitment and Community Development Project Specialist. Steve announced that Marcell was named Senior Director of Engagement.

Announcements-Marcell:

Marcell shared a few BillingsWorks related announcements. The Better Off in Billings Event will take place on April 20th at 9:00am at the Billings Depot. At the BOiB event, the Space2Place award winner will be announced. Marcell also shared that the marketing team will be launching the new Better off in Billings website. This will be a tool for recruitment and retention efforts for the Board members in their talent. The Summer Intern Leadership Institute is coming up as well. Marcell will provide more information on this program to the Board as a handout.

Steve asked the Board to reflect back on the launch of the Building Remarkable brand. Steve asked the Board at that time to recommend what BSED should do to further build a remarkable community. Steve recently found a note with some of the feedback and one of the comments was to build a medical school in our community which would build remarkable. Steve asked the Board to reflect on this as we meet in Montana's first four-year medical

school. BSED is so proud of what this represents for growing new physicians and the partnership with Rocky Vista University-Montana College of Osteopathic Medicine.

Special Welcome and Update-Dr. David Park, DO, Vice President RVU and Founding Dean Montana College of Osteopathic Medicine:

Steve introduced Dr. David Park, Vice President and Founding Dean of Montana College of Osteopathic Medicine. Steve asked Mayor Cole to share a special word in advance of Dr. Park's comments. Mayor Cole thanked BSED, Steve, and Allison for their leadership. Mayor Cole also recognized Rocky Vista University and Dr. Park's leadership. Mayor Cole read a proclamation for Dr. Park.

Dr. Park shared the following with the Board: 1) his experience coming to Billings, 2) outcomes of RVU-MCOM medical school of Colorado and Utah 3) Admissions process and where RVU is in the process 4) What BSED can do further to support RVU-MCOM. Dr. Park shared his experience during his first trip to Billings and reflected on the hospitality he and his wife experienced when visiting. Dr. Park reflected on the groundbreaking for the Billings campus and the support of the community and BSED. Dr. Park shared the performance of RVU-MCOM students compared to other osteopathic medical colleges in the country. RVU is ranked number one in the United States for pass rates on board exams on first attempt. MCOM is bringing this proven curriculum to Billings, modifying, customizing, and improving the curriculum for the Billings campus. Dr. Park shared an update on admissions. For the Billings campus 1,339 total applications were received, 356 students were interviewed, and 249 students were accepted. 50 applicants were received from Montana students and of those 22 were accepted. Dr. Park shared that RVU-MCOM is working with local colleges and university to work on pathway programs for premed students. One of the ways that RVU is working to improve MCAT and GPA's is to target and support high school and middle school students to encourage Montana students to consider careers in health professional fields. Dr. Park thanked BSED for their support and friendship. A ribbon cutting ceremony will be held at RVU on July 13,2023 and a community open house will be held on July 15,2023. Dr. Park encouraged Board members to attend these events to show their support.

Agenda Changes:

None

Regular Business:

Approval of March 9,2023 Minutes:

Motion: Jen Kobza to approve the March 9, 2023 minutes as presented to the Board.

Second: Zach Dunn

Discussion: None

Motion: Carried

Approval of EDA/EDC January Financials:

Tami reviewed the January financials. The EDA balance sheet reflects current assets at \$4,653,000. Accounts receivable consists of PTAC (\$97,752), SBA (\$47,318), SBDC (\$28,721), and U.S. EDA (\$102,000). Due to/Due from EDC totaled \$138,000. Tax levies decreased approximately \$10,000. Fixed assets increased slightly due to accumulated depreciation. Accounts payable totaled approximately \$137,000. Accrued expenses totaled approximately \$92,00 and consist largely of salary/benefits accruals. Revenue was approximately \$46,000 under budget for fiscal year to date. Expenses remained under budget for fiscal year. Salary and wages were under budget due to vacancy. Professional fees were under budget by \$103,000. Net revenue is \$746,000 compared to budget \$326,000 which consists of non-operating revenues. Net operating revenues before non-operating revenue is \$524,000.

For EDC, current assets increased to \$1,175,000. Accounts receivable increased to \$169,000 and consists of Capital Campaign pledges for the new building that carried over from FY22 (\$62,000), Member Investor pledges for FY22 (\$15,500), and Member Investor pledges from FY23 (\$51,500). Other assets consist of Big Sky Finance loan portfolios. The total RLF portfolio was \$215,000, SSBCI was \$815,000, the Stabilization Loan portfolio was \$26,000,

and the Federal EDA RLF \$644,000. Account payable totaled approximately \$113,000. Due to/Due from EDA totaled approximately \$138,000. EDC net revenue is \$114,000. When excluding non-operating revenue and expenses (Big Sky to Sky Point Pledges and Federal EDA RFL Grant funds), EDC recognized a net operating loss of \$100,000 compared to net operating revenue of \$14,000.

Motion: Ken Lutton to approve the January Financials as presented to the Board.

Second: Dave Ballard

Discussion: None

Motion Carried

Program Action Items/Reports:

Legislative Update-Allison

BSED's legislative priorities consist of: Workforce, Pro-Business Climate, Accelerate Entrepreneurship, Business Attraction, Housing, Education, and Health. For Workforce, the focus has been veteran tax and pensions. Allison provided an update on this legislative session, including the status of key bills and how they have been faring in the process.

BSF Loan Approval-Brandon

SBA 504 Loan Requests

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

1. **Sidney Hardware Inc / SK Holdings LLC** – Loan was previously approved by the Big Sky EDC Board of Directors at the April 11, 2022, board meeting. Approval being requested at this time as scope of project has changed and approval was over one year ago.

Purpose of the request is for purchase of an existing building, equipment and renovations for Sidney ACE Hardware located in Sidney, MT. This will be a new ACE Hardware store in Sidney and is owned 100% by Skip King. Skip has purchased the former ShopKo building and renovations are being completed and most all final costs are now known. This will be Skip's first ACE Hardware store owned outside of Yellowstone County. Skip currently operates six other ACE Hardware stores in Yellowstone County. Big Sky Finance has participated in the financing of four of these stores utilizing the SBA 504 Loan program.

The total SBA debenture is estimated to be \$816,000 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 and personal property behind First Interstate Bank. There are projected to be 18 new jobs created because of this project. The project meets a Public Policy goal for Rural Development.

Motion: John Ostlund to approve Sidney Hardware, Inc/SK Holdings LLC in the amount of \$816,000 as presented to the Board

Second: Dave Ballard

Discussion: None

Motion: Carried

Abstained: Andy Gott

The Board then entered their scheduled planning session.

Public Comment

Allison reflected on her 11 years at BSED. Allison thanked the Board members for their encouragement and support and encouraged the Board to open their arms and remain engaged with the next Senior Director of Recruitment and Community Development.

Adjourn

Kim Jakub adjourned the meeting at 12:50pm

Next Meeting – Thursday, May 11th, 2023

Respectfully submitted,

Debbie Desjarlais, EDA Secretary/Treasurer

Nick Pancheau, EDC Secretary/Treasurer

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

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BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT B

Big Sky Economic Development Authority
Financial Report for Board of Directors
May 11, 2023

The following financial statements for Big Sky EDA consist of the Balance Sheet reporting the assets, liabilities, and net assets as of February 28, 2023, and the Statements of Operations reporting actual revenues and expenses for the month and YTD then ended as compared to budgeted amounts.

Balance Sheet

Current assets at the end of February were approximately \$4,515,000, a decrease of about \$137,000 as compared to the previous month. The decrease is attributed entirely to the timing of cash flows since our accounts receivable balance increased approximately \$86,000 and accounts payable decreased approximately \$67,000. Total accounts receivable was \$543,615, all deemed fully collectible.

Due To/Due From EDC totaled approximately \$106,000 at the end of February and consists of amounts due from EDC for January and February. The Tax levy receivable and protested tax levy receivable remained consistent with the previous month. Note that the organization records an allowance of 100% of protested tax levy receivable to allow for potentially uncollectible protested tax levy.

Fixed assets were consistent with the previous month with the exception of reclassifying the barista equipment from other assets section of the Balance Sheet to fixed assets. Construction in progress will be reclassified in the March financials to the depreciable categories of building, furniture, and equipment since the assets have been placed in service.

Current liabilities at the end of February were approximately \$231,000, a decrease of approximately \$50,000 as compared to the previous month. Accrued expenses are primarily for salary/benefits accruals and total about \$68,000. Compensated absences total approximately \$148,000.

Long Term liabilities remained at approximately \$957,000. This consists primarily of deferred inflow of resources and pension liability, both related to Big Sky EDA's obligation to the Public Employee Retirement System. These amounts are adjusted at the end of each fiscal year in accordance with governmental accounting requirements for recognizing long-term obligations for defined pension benefits, so the amounts will remain unchanged until the end of FY23.

Statements of Operations

For the first eight months of the fiscal year, Big Sky EDA is in a net revenue position. The Statement of Operations shows Net Revenue Over Expenses of approximately \$694,000 compared to budget of \$188,000. This consists of Net Operating Revenue of approximately \$776,000 less Net Non-Operating Expenses of approximately \$82,000.

Most budgeted operating revenue sources are close to meeting budgeted revenues with the exception of EDA – Brownfields which is under budget by about \$106,000. However, the

budgeted revenue for EPA-Brownfields is entirely offset by the budgeted expense for this grant, so it has no effect on the bottom line. Grant administration, which consists primarily of administration revenues for Big Sky Trust Fund awards, and other intergovernmental revenue, which consists of façade grant awards from the City of Billings, amount to a combined total of approximately \$82,000, which exceeds the budgeted revenue of \$5,000.

Most operating expenses remained under budget for the fiscal year to date through February. Total operating expenses are under budget by about \$408,000. Salaries/wages and employer contributions were under budget by about \$115,000 due to vacancy savings. Professional fees were under budget by approximately \$117,000. Note that the expenses related to EPA-Brownfields would be charged to professional fees, which is approximately \$106,000 of that budget and directly corresponds to the related revenue.

Non-operating income and expenses consist primarily of contribution revenue and depreciation expense. Big Sky EDA recognized contribution revenue of \$60,300 for the fiscal year to date through February, which is being tracked in the non-operating section. These donations were received for the Big Sky to Sky Point project. Depreciation amounted to approximately \$134,000. The net result is net non-operating expense of \$150,000.

Big Sky EDA
Balance Sheet - Comparison with Previous Year
As of February 28, 2023

	Feb 28, 2023	Feb 28, 2022	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
First Interstate Bank	\$ 211,166	\$ 105,451	\$ 105,715	100%
FIB - Recovered Property Taxes	626	377,795	(377,169)	(100%)
FIB - Operating Reserve	64,466	251,062	(186,596)	(74%)
Opportunity Fund - FIB	60,333	520,672	(460,339)	(88%)
Opportunity Fund - Stockman	85,880	75,249	10,631	14%
Opportunity Fund - Opportunity	288,390	627,256	(338,866)	(54%)
Stockman GE Maintenance	15,128	15,128	-	0%
Rocky Mountain - Money Market	43,285	43,317	(32)	(0%)
Valley Federal - Savings	25	25	-	0%
Valley Federal - Money Market	300,810	300,474	336	0%
Opportunity Fund CDs-current	1,734,416	2,463,149	(728,733)	(30%)
Altana - Savings	25	25	-	0%
Yellowstone County Funds	488,517	574,728	(86,211)	(15%)
Clearing Account	132	-	132	100%
Total Checking/Savings	<u>3,293,199</u>	<u>5,354,331</u>	<u>(2,061,132)</u>	<u>(38%)</u>
Accounts Receivable				
Accounts Receivable	307,325	497,360	(190,035)	(38%)
Accounts Receivable - PTAC	142,253	-	142,253	100%
Accounts Receivable - DOD	-	94,311	(94,311)	(100%)
Accounts Receivable - SBDC	22,548	28,336	(5,788)	(20%)
Accounts Receivable - VBOC	71,489	68,897	2,592	4%
Total Accounts Receivable	<u>543,615</u>	<u>688,904</u>	<u>(145,289)</u>	<u>(21%)</u>
Other Current Assets				
Due To/Due From EDC	106,985	51,187	55,798	109%
Grants Receivable	-	50,000	(50,000)	(100%)
Tax Levy Receivable	550,266	532,028	18,238	3%
Tax Levy Receivable - Protested	12,377	22,754	(10,377)	(46%)
Allowance for Doubtful Accts	(12,377)	(22,754)	10,377	46%
American Revenue Guarantee	6,887	6,887	-	0%
Prepaid Expenses	14,334	15,652	(1,318)	(8%)
Total Other Current Assets	<u>678,472</u>	<u>655,754</u>	<u>22,718</u>	<u>3%</u>
Total Current Assets	<u>4,515,286</u>	<u>6,698,989</u>	<u>(2,183,703)</u>	<u>(33%)</u>
Fixed Assets				
Construction in Progress	5,003,014	2,185,105	2,817,909	129%
Bank Building - Land	301,750	301,750	-	0%
Bank Building - Building	1,473,250	1,473,250	-	0%
Barista Equipment	12,000	-	12,000	100%
Accumulated Depreciation	(181,431)	(47,220)	(134,211)	(284%)
Total Fixed Assets	<u>6,608,583</u>	<u>3,912,885</u>	<u>2,695,698</u>	<u>69%</u>
Other Assets				
Deferred Outflow of Resources	129,336	249,285	(119,949)	(48%)
Opportunity Fund CDs-Noncurrent	642,380	150,767	491,613	326%
Deposit	5,181	-	5,181	100%
Cabelas Conduit x0603	260	4,984	(4,724)	(95%)
TEDD Receivable	-	3,425	(3,425)	(100%)
Right of Use Asset	7,129	-	7,129	100%
Total Other Assets	<u>784,286</u>	<u>408,461</u>	<u>375,825</u>	<u>92%</u>
TOTAL ASSETS	<u><u>\$ 11,908,155</u></u>	<u><u>\$ 11,020,335</u></u>	<u><u>\$ 887,820</u></u>	<u><u>8%</u></u>

Big Sky EDA
Balance Sheet - Comparison with Previous Year
As of February 28, 2023

	Feb 28, 2023	Feb 28, 2022	\$ Change	% Change
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	\$ 64,973	\$ 236,356	\$ (171,383)	(73%)
Credit Cards	6,585	9,079	(2,494)	(27%)
Other Current Liabilities				
Accrued Expenses	68,491	89,016	(20,525)	(23%)
Compensated Absences	148,093	173,068	(24,975)	(14%)
Payroll Liabilities	(35)	(179)	144	80%
Deferred Revenues	15,000	50,000	(35,000)	(70%)
Total Other Current Liabilities	231,549	311,905	(80,356)	(26%)
Total Current Liabilities	303,107	557,340	(254,233)	(46%)
Long Term Liabilities				
Deferred Inflow of Resources	386,724	32,238	354,486	1,100%
Pension Liability	563,223	1,127,529	(564,306)	(50%)
Lease Liability	7,129	-	7,129	100%
Total Long Term Liabilities	957,076	1,159,767	(202,691)	(17%)
Total Liabilities	1,260,183	1,717,107	(456,924)	(27%)
Equity				
Net Assets	7,242,523	5,222,746	2,019,777	39%
Contributed Capital	3,193,580	3,193,580	-	0%
Prior Period Adjustment	(482,470)	(482,470)	-	0%
Net Income	694,339	1,369,372	(675,033)	(49%)
Total Equity	10,647,972	9,303,228	1,344,744	14%
TOTAL LIABILITIES & EQUITY	\$ 11,908,155	\$ 11,020,335	\$ 887,820	8%

Big Sky EDA
Statements of Operations-Actual vs Budget
For the Month and YTD Ended February 28, 2023

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
Operating Revenue							
County Taxes Mill Levy Revenue	\$ 2,340	\$ -	\$ 2,340	\$ 1,338,948	\$ 1,365,620	\$ (26,672)	\$ 1,365,620
Entitlement	-	-	-	127,701	124,378	3,323	248,756
Health Ins Mill Levy Revenue	6,890	8,966	(2,076)	58,565	71,727	(13,162)	107,590
Recovery of Protested Taxes	-	-	-	1,223	-	-	-
Department of Defense	44,500	54,401	(9,901)	418,082	435,206	(17,124)	652,809
EDC Reimbursement	57,189	60,077	(2,888)	494,449	480,616	13,833	720,924
EPA - Brownfields	-	13,889	(13,889)	4,730	111,111	(106,381)	166,667
PTAC Advisor Agreement Support	-	-	-	18,000	-	-	-
SBA/MT Dept of Commerce	11,250	13,542	(2,292)	113,802	108,333	5,469	162,500
VBOC	24,171	25,000	(829)	194,623	200,000	(5,377)	300,000
Rock31 Membership Revenue	7,099	5,052	2,047	36,993	25,512	11,481	45,720
Zoot/Other Room Rental Revenue	900	-	900	2,948	-	2,948	-
Rock31 Barista Rent Revenue	-	765	(765)	-	4,590	(4,590)	7,650
Grant Administration	(9,715)	417	(10,132)	36,575	3,333	33,242	5,000
Other Intergovernmental Revenue	45,376	-	45,376	45,376	-	45,376	-
Miscellaneous Revenue	3,000	-	3,000	7,138	4,470	2,668	4,470
Total Operating Revenue	193,000	182,109	10,891	2,899,153	2,934,896	(35,743)	3,787,706
Operating Expense							
Salaries/Wages	132,393	148,898	(16,505)	1,104,444	1,191,185	(86,741)	1,786,778
Employer Contributions	40,836	47,385	(6,549)	350,112	379,079	(28,967)	568,619
Advertising	-	20	(20)	1,414	335	1,079	473
Barista Equipment Maintenance	438	-	438	2,888	-	2,888	-
Barista Supplies	-	-	-	510	-	510	-
Building Operations/Maintenance	11,392	8,554	2,838	47,497	68,434	(20,937)	102,650
Conference Fees	2,340	-	2,340	12,142	8,990	3,152	10,090
Contingency	-	5,000	(5,000)	-	40,000	(40,000)	60,000
Community Development Projects	(4,249)	-	(4,249)	(1,345)	-	(1,345)	35,000
Dues and Subscriptions	2,070	9,419	(7,349)	43,753	58,944	(15,191)	72,038
Event Expense	29	833	(804)	3,251	6,667	(3,416)	10,000
Hosted Meetings	442	1,278	(836)	3,627	12,377	(8,750)	17,700
Insurance	3,543	2,672	871	28,233	24,951	3,282	35,639
Marketing	540	7,520	(6,980)	55,241	60,163	(4,922)	90,245
Office Equipment	-	-	-	4,700	6,500	(1,800)	10,000
Office Expense	1,214	2,042	(828)	37,246	17,534	19,712	25,701
Professional Development	-	163	(163)	861	5,800	(4,939)	6,450
Professional Fees	3,348	17,321	(13,973)	73,137	190,166	(117,029)	271,267
Property Tax Protests	-	-	-	12,320	34,141	(21,821)	34,141
PTAC Subcenter	20,387	37,233	(16,846)	225,524	297,864	(72,340)	446,796
Rent	1,083	-	1,083	25,466	1,300	24,166	2,100
Repairs	-	833	(833)	2,706	6,667	(3,961)	10,000
Special Assessments BID	-	-	-	1,900	1,900	-	3,800
Sponsorships	1,000	417	583	1,000	3,333	(2,333)	5,000
Staff/Board Expenses	20	-	20	616	-	616	-
Strategic Priorities	5,000	1,250	3,750	5,000	10,000	(5,000)	15,000
Suspense	-	-	-	(126)	-	126	-
TEDD	-	-	-	18	1,000	(982)	2,000
Telecommunications	4,324	3,914	410	32,104	30,979	1,125	46,635
Travel	3,767	6,287	(2,520)	43,439	59,529	(16,090)	76,588
Miscellaneous	431	1,175	(744)	5,492	13,050	(7,558)	18,950
Total Operating Expense	230,348	302,214	(71,866)	2,123,170	2,530,888	(407,718)	3,763,660
Net Operating Revenue (Expense)	(37,348)	(120,105)	82,757	775,983	404,008	371,975	24,046

Big Sky EDA
Statements of Operations-Actual vs Budget
For the Month and YTD Ended February 28, 2023

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
Non-Operating Income/Expense							
Non-Operating Income							
Capital Campaign	-			100			
Contribution Revenue	-	-	-	60,300	-	60,300	-
Interest Income	2,313	1,022	1,291	8,156	8,179	(23)	12,269
Total Non-Operating Income	2,313	1,022	1,291	68,556	8,179	60,377	12,269
Non-Operating Expense							
Amortization Expense	111			862			
Depreciation Expense	20,602	18,820	1,782	134,211	150,557	(16,346)	225,835
Interest Expense	62			524			
Relocation/BSTSP Transformation	1,395	-	1,395	14,603	73,710	(59,107)	73,710
Total Non-Operating Expense	22,170	18,820	3,350	150,200	224,267	(74,067)	299,545
Net Non-Operating Income (Expense)	(19,857)	(17,798)	(2,059)	(81,644)	(216,088)	134,444	(287,276)
Net Revenue Over (Under) Expense	\$ (57,205)	\$ (137,903)	\$ 80,698	\$ 694,339	\$ 187,920	\$ 506,419	\$ (263,230)

Big Sky Economic Development Corporation
Financial Report for the Board of Directors
May 11, 2023

The following financial statements for Big Sky EDC consist of the Balance Sheet reporting the assets, liabilities, and net assets as of February 28, 2023, and the Statements of Operations reporting actual revenues and expenses for the month and YTD then ended as compared to budgeted amounts.

Balance Sheet

Current assets at the end of February were approximately \$1,695,000, a decrease of about \$20,000 as compared to the previous month. Cash used in operations increased approximately \$83,765 and accounts receivable decreased approximately \$94,000. Big Sky EDC received Capital Campaign pledges of furniture and equipment that were reflected in the accounts receivable balance in January, but the pledges were fulfilled so those items were reclassified as fixed assets. Additionally, the organization received approximately \$25,000 of member investor payments and wrote off \$14,500 of balances that were aged and deemed uncollectible. Member investor pledges of \$67,500 are deemed collectible but will be evaluated again as part of the year-end financial reporting procedures.

Other assets consist of Big Sky Finance loan portfolios. The portfolios are reported in the balance sheet with the current portion included in other current assets and the balance extending beyond the fiscal year reported as other assets. The total Federal EDA RLF portfolio was \$638,403, total RLF portfolio was \$212,293, the total Stabilization Loan portfolio was \$22,442, and the total SSBCI portfolio was \$812,358.

Accounts payable totaled approximately \$199,000 at the end of February, an increase of about \$94,000. Due to/Due from EDA totaled approximately \$106,000 and represents the amount owed to EDA from EDC for January and February reimbursements.

The Balance Sheet for Big Sky EDC has been updated to include a line item in the equity section to report the Federal EDA RLF funds as temporarily restricted net assets since they must remain segregated until the funds have been de-federalized. These loan funds were previously being reported as non-operating income at the time the funds were received, which overstated the statement of operations for both FY22 and for the first 7 months of the current fiscal year through January 2023. We have corrected the accounting for Federal EDA RLF funds. To recognize the effect that the misstatement had on FY22 financial statements, a prior period adjustment was made in the equity section to reduce retained earnings.

Statement of Operations

For the first eight months of the fiscal year, Big Sky EDC is in a net loss position. The Statement of Operations shows Net Revenue Under Expense of approximately \$133,000 compared to budget of Net Revenue Over expense of approximately \$5,000. This consists of Net Operating Expense of approximately \$146,000 and Non-Operating revenue of approximately \$13,000. It is projected that Big Sky EDC will improve the overall position by the end of the fiscal year with additional loans that will be funded in the final 3 months.

Total operating revenue was under budget by approximately \$81,000. Loan origination and closing revenue totaled approximately \$84,000 through February and remains under budget by about \$69,000. However, 504 loan servicing revenue is right at budget and totals about \$262,000. It is projected that the combined loan revenues will end the year under budget by approximately \$40,000. Member investment revenue totaled approximately \$179,000, which was below budget by about \$32,000. Grant administration revenue was anticipated to be collected for the administration of the Federal EDA RLF grant and was budgeted at \$50,000, but only \$2,000 has been realized so far in FY23.

Total operating expenses amount to approximately \$771,000 and are over budget by about \$58,000. However, most expense line items are under budget. Contribution expense relates to contributions made by Big Sky EDC for some construction costs of the new building. It amounts to approximately \$92,800 and was not budgeted, which leads to total operating expenses being over budget.

Non-operating income and expense consist primarily consist of Big Sky to Sky Point capital campaign income and bad debt expense. Big Sky EDC recognized \$26,000 in income from Capital Campaign pledges in FY23. Bad debt expense consists of write-offs of aged member investment pledges that are deemed uncollectible. The amount written off is \$14,500.

Big Sky Economic Development Corporation
Balance Sheet Prev Year Comparison
As of February 28, 2023

	Feb 28, 2023	Feb 28, 2022	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
First Interstate Bank	\$ 241,679	\$ 220,353	\$ 21,326	10%
FIB/Stockman - SSBCI Principal	481,864	982,772	(500,908)	(51%)
FIB - Long Term Reserve	250,000	250,000	-	0%
FIB - Opportunity Fund	60,913	60,896	17	0%
FIB - Federal EDA RLF	221,750	193,960	27,790	14%
FIB - RLF	285,050	251,259	33,791	13%
Total Checking/Savings	<u>1,541,256</u>	<u>1,959,240</u>	<u>(417,984)</u>	<u>(21%)</u>
Accounts Receivable				
Pledges Receivable	7,500	54,900	(47,400)	(86%)
Accounts Receivable	67,500	37,592	29,908	80%
Total Accounts Receivable	<u>75,000</u>	<u>92,492</u>	<u>(17,492)</u>	<u>(19%)</u>
Other Current Assets				
Undeposited Funds	7,750	1,000	6,750	675%
Fed EDA RLF - Current	27,848	99,499	(71,651)	(72%)
RLF Portfolio - Current	11,344	13,292	(1,948)	(15%)
Stabilization - Current	14,936	14,641	295	2%
SSBCI Portfolio - Current	16,990	13,044	3,946	30%
Prepaid Expenses	-	2,471	(2,471)	(100%)
Total Other Current Assets	<u>78,868</u>	<u>143,947</u>	<u>(65,079)</u>	<u>(45%)</u>
Total Current Assets	<u>1,695,124</u>	<u>2,195,679</u>	<u>(500,555)</u>	<u>(23%)</u>
Other Assets				
Fed EDA RLF - Non-Current	610,555	-	610,555	100%
RLF Portfolio - Non-Current	200,949	225,131	(24,182)	(11%)
Stabilization - Non-Current	7,506	52,018	(44,512)	(86%)
SSBCI Portfolio - Non-Current	795,368	588,055	207,313	35%
Allowance for Loan Losses	(23,856)	(21,626)	(2,230)	(10%)
Total Other Assets	<u>1,590,522</u>	<u>843,578</u>	<u>746,944</u>	<u>89%</u>
TOTAL ASSETS	<u><u>\$ 3,285,646</u></u>	<u><u>\$ 3,039,257</u></u>	<u><u>\$ 246,389</u></u>	<u><u>8%</u></u>

Big Sky Economic Development Corporation
Balance Sheet Prev Year Comparison
As of February 28, 2023

	Feb 28, 2023	Feb 28, 2022	\$ Change	% Change
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	\$ 199,463	\$ 592	\$ 198,871	33,593%
Credit Cards	10,586	5,591	4,995	89%
Other Current Liabilities				
Due to/Due From EDA	106,985	51,187	55,798	109%
Accrued Expenses	-	18,109	(18,109)	(100%)
Deferred 504 Revenue	-	54,218	(54,218)	(100%)
Total Other Current Liabilities	106,985	123,514	(16,529)	(13%)
Total Current Liabilities	317,034	129,697	187,337	144%
Total Liabilities	317,034	129,697	187,337	144%
Equity				
Retained Earnings	2,939,820	2,870,030	69,790	2%
Federal EDA RLF Temp Restricted	599,034	-	599,034	100%
Prior Period Adjustment	(437,034)	-	(437,034)	(100%)
Net Income	(133,208)	39,530	(172,738)	(437%)
Total Equity	2,968,612	2,909,560	59,052	2%
TOTAL LIABILITIES & EQUITY	\$ 3,285,646	\$ 3,039,257	\$ 246,389	8%

Big Sky Economic Development Corporation
Statements of Operations-Actual vs Budget
For the Month and YTD Ended February 28, 2023

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
Operating Revenue							
504 Loan Servicing	\$ 32,225	\$ 33,050	\$ (825)	\$ 262,340	\$ 264,404	\$ (2,064)	\$ 396,605
504 CDC Origination Fees	18,231	15,000	3,231	72,164	120,000	(47,836)	180,000
504 CDC Closing/Attorney Fee	2,500	4,167	(1,667)	12,084	33,333	(21,249)	50,000
Float Income	-	-	-	23,889	5,000	18,889	10,000
Member Investment	2,000	-	2,000	179,171	211,500	(32,329)	282,000
Federal EDA RLF Loan Interest	2,205	-	2,205	10,830	-	10,830	-
RLF Business Loan Interest	1,026	1,300	(274)	9,018	10,400	(1,382)	15,600
Stabilization Loan Interest	44	44	-	521	521	-	634
SSBCI Orig Fees/Loan Interest	2,364	1,500	864	18,211	12,000	6,211	18,000
Loan Processing Fees	-	1,969	(1,969)	34,846	15,752	19,094	23,628
Grant Administration	-	4,167	(4,167)	1,813	33,333	(31,520)	50,000
Donation Income	-	-	-	600	-	-	-
Miscellaneous Income	-	-	-	-	-	-	15,000
Total Operating Revenue	60,595	61,197	(602)	625,487	706,243	(80,756)	1,041,467
Operating Expense							
Business Accelerator	-	833	(833)	-	6,667	(6,667)	10,000
Business Recruitment	36	1,250	(1,214)	2,599	10,000	(7,401)	15,000
Conference Fees	-	-	-	4,718	4,810	(92)	6,455
Contingency	-	833	(833)	-	6,667	(6,667)	10,000
Contribution Expense	39,500	-	39,500	92,800	-	92,800	-
Dues and Subscriptions	1,639	1,380	259	14,584	17,157	(2,573)	21,667
EDA Reimbursement	57,189	60,077	(2,888)	494,449	480,616	13,833	720,924
Events/Meetings	5,519	367	5,152	21,198	19,133	2,065	37,500
Insurance	881	921	(40)	7,053	8,567	(1,514)	12,250
Investment in Economic Activity	-	-	-	-	-	-	2,500
Loan Expenses	(2,800)	1,000	(3,800)	10,367	8,000	2,367	12,000
Marketing	7,321	3,303	4,018	34,317	22,078	12,239	32,578
Membership Development	-	1,100	(1,100)	1,303	8,800	(7,497)	13,200
Office Supplies	275	200	75	7,215	1,800	5,415	2,600
Postage	515	70	445	1,671	560	1,111	840
Professional Development	-	375	(375)	245	3,000	(2,755)	4,500
Professional Fees	2,000	4,333	(2,333)	35,604	72,517	(36,913)	89,850
R31 Outreach	-	-	-	1,715	-	1,715	-
Rent	2,961	340	2,621	5,955	5,450	505	6,809
Sponsorships	-	-	-	3,580	2,000	1,580	7,000
Staff/Board Expenses	276	3,567	(3,291)	7,549	7,533	16	13,650
Telecommunications	345	695	(350)	3,110	5,508	(2,398)	8,286
Travel	1,597	1,200	397	19,624	20,693	(1,069)	25,843
Miscellaneous	61	207	(146)	1,755	1,832	(77)	2,661
Total Operating Expense	117,315	82,051	35,264	771,411	713,388	58,023	1,056,113
Net Operating Revenue (Expense)	(56,720)	(20,854)	(35,866)	(145,924)	(7,145)	(138,779)	(14,646)
Non-Operating Income/Expense							
Non-Operating Income							
BSTSP Capital Campaign	(15,000)	-	15,000	26,000	-	26,000	-
Interest Income	164	1,500	(1,336)	1,216	12,000	(10,784)	18,000
Total Non-Operating Income	(14,836)	1,500	(16,336)	27,216	12,000	15,216	18,000
Non-Operating Expense							
Bad Debt Expense	14,500	-	14,500	14,500	-	14,500	-
Total Non-Operating Expense	14,500	-	14,500	14,500	-	14,500	-
Net Non-Operating Income (Expense)	(29,336)	1,500	(30,836)	12,716	12,000	716	18,000
Net Revenue Over (Under) Expense	\$ (86,056)	\$ (19,354)	\$ (66,702)	\$ (133,208)	\$ 4,855	\$ (138,063)	\$ 3,354



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT C

Big Sky Trust Fund, Job Creation Budgetary Authority Resolution

Arkon Solutions

Job Creation of 25 new jobs

Applications due June 15, 2023

The request on one application is below for the EDA board to approve:

- BSED will be the applicant to apply for the BSTF Job Creation grant on behalf of
- Approval of the budgetary authority resolution, as we are a pass through for the grant funds from the Department of Commerce to the business.

Arkon Solutions – Creating 25 net new jobs (\$125,000 Job Creation Grant)

Arkon Solutions is a chemical manufacturer that is looking to expand their business to Billings. Their head office is located in Calgary and their secondary office in Grand Prairie, Canada. Onkar Dhaliwal, CEO & President, has experience in chemical manufacturing since 1984.

Arkon Solutions' primary business drives chemical research, creation, refinement and implementation for the oil & gas, energy, mining, industrial, municipal, and agricultural industries. They partner with companies across a wide range of industries, developing effective solutions for their specific chemical needs.

Onkar is excited to expand Arkon Solutions to Billings, MT. The Arkon Solutions Billings division will serve as a central hub for Montana, Wyoming, and North Dakota. They plan to open by the end of the summer 2023 and aim to hire 25 employees, ranging from chemists to their administrative team.

The jobs they create will meet the wage requirements and will be good paying jobs in Yellowstone County. The company is requesting a Big Sky Trust Fund grant to create 25 new jobs in Yellowstone County; the funds will help with the cost of purchasing additional equipment, material costs, lease hold improvements, and wages.

The request is for the EDA board to approve the application for the grant and the budgetary authority resolution for the funds.



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT D

**May 2023
Executive Director's Report
to the Board of Directors**

Strategic Priorities (FY 2023-24)

Strategic Objectives (updates in *blue/italic*)

1. Build out the Billings entrepreneurship ecosystem to support new, innovative, diverse business startups (Leads: Business Advising & Lending Programs)

Strategies

- a. Complete the Rock31/BSED facility development project to its full vision—*We have completed the lighting and acoustics upgrades in the Zoot Space. We still have the AV mic systems changes to make. When those are completed, we will be complete with our project, other than the occasional repair items that are covered under warranty. We now have 55 paying members—private office members, dedicated desk members, and co-working space members.*
- b. Execute the Rock31 program plan, build Rock31 membership and roll out acceleration programming— *We will now begin the search process for our Rock31 Director of Entrepreneurship, launching May 11th. Ryan our Rock31 Community Manager will be moving on the end of May. Our operations support team member Nik Pederson will be filling in for Ryan until we have a new director in place. Then we will look to fill the community manager role.*

The Rock31 Accelerator Program is underway with 8 participants. That 10-week program will end with a pitch competition on May 23rd. Details to follow.

- c. Build awareness of all business advising and lending programs and tools—*Our partnership with the Native American Development Corporation to serve their client base through our existing Rock31 and Small Business Development Center programs is still pending, waiting on grant consideration. All of our programs are in the midst of delivering trainings related to their area of specialty. See program reports for details.*

2. Act Now to redevelop downtown, building essential workforce housing and connection/complementing medical corridor investment (Leads: Executive Director, Community Development, and Recruitment)

Strategies

- a. Partner to create a Development Action Fund (pool of tools and resources) to attract and incent downtown housing/mix-use development— *Meetings continue with key property owners in downtown and the medical corridor. We will be reconvening the Downtown Housing Working Group for a debriefing session in mid-May. We are working on support data for a potential development in our downtown core. Our goal is to support the business case for a downtown housing/mixed-use development.*

- b. Develop a marketing/outreach strategy and solicit developer proposals—*no new info to share. The Downtown Billings Partnership put out an RFP for the proposed development of the Yesteryears building. The City has issued an RFP for their downtown properties—old city hall, etc. Responses are due soon.*
- c. Update the 2017 downtown housing study to guide decision making for City/BSED and private developers—**COMPLETED**; *we’re looking to add a section specific to recommended solutions. This new data will be out July 2023.*
- d. Seek a more development-friendly approach from the City—*planning a meeting with City team and local developers/home builders. Date is TBD. No progress yet.*

3. Invest in the quality of our community through a comprehensive parks and trails development and funding plan (Leads: Community Development)

Strategies

- a. Facilitate working groups that feed the policy-making process—*The ball is in City Council’s court. They have to make a decision on the package for parks, trails and recreation development that will be presented to the taxpayers this fall. I will be reaching out to City and Chamber leadership to determine our best strategy to support this plan. More details to follow.*
- b. Provide research and data that articulates the value in parks and trails development—*no new work in this area.*
- c. Build public awareness regarding parks and trails investment—*Significant work ahead.*
- d. Complete \$1.0 million in phase-one Coulson Park development— *no new info to share.*

4. Grow, retain and attract a qualified workforce (Leads: BillingsWorks)

Strategies (*see BillingsWorks section for updates*)

- a. Curate & share quarterly job market/industry data reports and solutions for employers to help them make data informed decisions related to talent attraction and retention
- b. Collaborate with Think Billings to advance talent attraction and retention resource with targeted marketing campaigns that align business recruitment efforts and talent attraction efforts
- c. Sustain partnerships and focus on education and industry alignment and collaboration through participation in STEM Yellowstone, internships, Yellowstone County Summer Jobs Program, the Summer Intern Leadership Institute, and continued convening (quarterly) of the BillingsWorks Steering Committee

Program Updates

Community Development Program Report

Tax Abatements:

Rimrock KIA’s tax abatement public hearings were held April 18th in Yellowstone County and on April 24th at Billings City Council and were approved for a 5-year tax abatement for their expansion at 4040 King Avenue. Two new tax abatement requests have been received and the County’s public hearings are scheduled for May 16. The City public hearing date is not yet set.

Brownfields Program:

BSED issued a Request for Proposals (RFP) for an environmental consultant to conduct the assessments. Four excellent responses were received and scored by the committee. An Environmental firm is selected, and we are requesting approval to enter into a contract with the selected firm.

Coulson Park:
No new information.

Downtown Housing:
Housing group continues to work with EPS Denver on additional research for the Housing Study update.

Lockwood Industrial Park Targeted Economic Development District (TEDD):
Morrison Maierle, KLJ, and Lockwood Water and Sewer District presented water and sewer infrastructure plans in the Johnson Lane Interchange area and expected costs to the Advisory Board and the Yellowstone County Commissioners. Two potential funding sources have been identified and a request has been made to the County to consider using TEDD funds to contract with KLJ to complete applications.

Space2Place:
The Space2Place grant recipients were announced at Better Off in Billings. Recipients have until September 30th to complete their projects.

The CD team is participating in Yellowstone Valley Gives 2023 to seek contributions toward a BSED placemaking project in our downtown. The Giving event is May 4 and 5.

Parks and Trails:
The Parks and Trails coalition members presenting finding at the City Councils retreat on March 31 and April 1. The Coalition continues to work towards sustainable funding strategy for parks and trails.

Department of Transportation Thriving Communities Grant:
We received notice of award on the Thriving Communities Grant. A start up webinar was held and awardees met to discuss projects. Technical Assistance Advisors are still preparing their scope of work before starting to work with communities.

PTAC

Since August 1st, companies across the state that have been assisted by the MT APEX Accelerator (formerly PTAC) network have secured **\$202 million** in federal, state and local contracts. Of that, contracts valued at **\$41 million were awarded to APEX** clients within the Billings service area and **\$29 million** was awarded to companies served by Big Sky EDA's satellite location. Lynnette Hale provides assistance to companies in Butte, Helena, Bozeman and the neighboring regions. Upcoming workshops include Malmstrom Industry Days in Lewistown, WOSB Certification, Move Beyond SAM, How to Respond to a Federal RFP and, on August 9th, How to do Business with the Marines and Navy. The August 9th event will also include a "mini" GovMatch (matchmaking) component. More information will be forthcoming.

On October 1st, 2022, administration of PTAC moved from the Defense Logistics Agency (DLA) to the DoD Office of Small Business Programs (OSBP). OSBP changed the name to APEX Accelerator. Over the next few months, you will begin to see APEX Accelerator replace PTAC.

Member Investor Program

A Member Investor Luncheon was completed on May 2nd at Allied Investment Advisors with Member Investor representation from NativeWellness.Life Magazine, SandersonStewart, Woods Pwr Grip, Allied Investment Advisors, and Collaborative Design Architects. We had a great conversation and expect to host our next Member Investor Luncheon with 406 Window, a SBA 504 Big Sky Finance Project. Continued efforts direct me to the VBOC Program with Dustin and Kevin leaving BSED. Monthly reimbursements for March were submitted to SBA and the Q3 documents to GrantSolutions within

compliance requirements. We received announcement of award to the full 5-year VBOC direct announcement grant which guarantees the VBOC Program to be under the umbrella of BSED until 2028! I look forward to a Member Investor update and expectations to a Member Investor campaign upcoming this Summer. Connect with me regarding new perspective Member Investor referrals or communications with current Member Investors at patrick@bigskyeda.org, 869-8419.

Marketing/BillingsWorks

Marketing:

- Continued partnership with BSED programs with marketing needs
- Select USA Prep
- Coordinating MEDA Spring conference, leading planning efforts on behalf of Eastern Montana
- Attended the monthly DBA BID Board meeting on behalf of BSED
- Finalized BOIB Website
- Working on modifications to the Rock31 website
- Presented at board and staff planning
- Continued work done on behalf of the organization to provide support, bring awareness, and strengthen brand

BillingsWorks:

- Continue to participate in the MEDA Monthly Workforce Working Group, MCOM Student, JSEC
- Finalized out the betteroffinbillings.com website – launched publicly at the BOIB Event
- Continue to partner with SBDC to record The Vault podcast episodes about small business, entrepreneurship, and workforce development
- Hosted the BOIB 2023 Event at the Depot, keynote from dci, launched BOIB website, and announced 2023 Space2Place grant winners
- Participated in the community leaders SD2 superintendent meet and greet with three candidates
- In partnership with SD2, the Chamber and AJAYMT – hosting student interviews for the YCSJP and recruiting businesses to participate in the program
- Hosted BillingsWorks April quarterly steering committee meeting
- Sponsored the DEI Summit
- Presented to Longview TX Chamber during visit to Billings about BillingsWorks and Better Off in Billings

SBDC/Rock31

Noteworthy:

- ★ SBDC/Rock31 team continues the 10-week Accelerator Program
 - 9 local companies are participating
- ★ SBDC team attended the Hive Pitch event at MSU Petro Hall - April 12
- ★ SBDC team judged Skyview students in a Pitch Practice- April 17 & 21

Team Activity:

- The Vault Podcast – recording episodes on Wednesdays
 - 9 episodes have been released
 - 2135 downloads in North America and 104 internationally
 - Only continent we are not on is Africa
- Prepared and submitted BSTF Quarterly Reports for 5 Job Creation grants
 - Closed one Job Creation grant
- Sent out monthly newsletter to all SBDC clients

- Member attended 1 Million Cups on Wednesday
- Rock 31
 - Met with the Founder on Wed's in the lower lever
 - Sent out a weekly email update to Rock31 members
 - Sent out a monthly newsletter to Rock31 members
- Team members attended or participated in:
 - Leadership Billings – April 5
 - BSED Board Planning – April 13
 - Toured Atomic Industries – April 14
 - Visited with Longview TX Chamber – April 17
 - DEI summit booth – April 19
 - Better off in Billings Event – April 20
 - SBDC & Rock31 Budget meeting – April 21
 - Leadership Montana – April 26 – 28
 - Staff Planning – April 28
- Monthly training:
 - Start-up Roadmap, monthly recurring training – April 13
 - Make Your Website Work for You – April 19
 - Social Media Training– April 25
- Accelerator schedule
 - April 3,10,17, 24 (Monday)10 am – noon
 - April 6,13,20,27 (Thursday) noon – 2 pm

Organizational/Policy Matters

1. Staffing Plans – We have filled the Director of VBOC position—Rick Brown. Rick will begin his work for BSED in June. We are in the second phase of interviews for our Senior Director – Recruitment and Community Development—position. We have three active applicants that are in the midst of the round-one interview process. Those interviews should wrap up by May 9th, then second-round interviews will begin. I am hopeful to have a selection made within the next three weeks. We have filled our Operations Support Specialist position, Nik Pedersen. Nik started May 1st. Our search for a Business Development Officer for Big Sky Finance is underway. Interviews for that position should start mid-May. Next, we will launch the search process for our Rock31 Director position by May 12th.

We will soon launch a search process for a marketing support specialist position. Karli will be relocating to Livingston in mid-May. She has done an outstanding job for us and will be missed.

I will say that we have a big job ahead of us building organizational capacity as we have promised to do and filling a few essential positions. I am, however, encouraged by the fact that we always work hard to find great team members. That trend does continue for us, and we should have our new, expanded team in place within the next 4 months. Hopeful, but doable.

2. Legislative Priorities for the 2023 Session –As of this writing the Session is still active, but they should adjourn by May 6th. We will present to the Board a recap of the legislative activities at our as soon as possible following the session. It appears that we have avoided significant changes to tax increment financing (our only tool for downtown redevelopment). We did not get the added film tax credit that was needed for the film industry project planned for Billings—disappointing!

The reduction of taxation on veteran pensions is still up in the air. We'll see what happens over the next few days. More recap to follow.

3. Air Service Strategies – I sent the Board an email requesting a letter of support for the air service grant. As a reminder those letters are due by May 12th. It would be very helpful to have multiple letters of support from Billings business leaders. Let me know if you have questions regarding the this request. Allison and Jeff Roach (Director of Aviation, City of Billings) need meet directly with Alaska Airlines to start the discussions about expanded service to California. No commitments were offered at that meeting, but that face-to-face time will be important moving forward. We have a lot of work ahead of us to secure new air service for Billings.
4. Board Planning Session—Thank you all for participating in the mid-term Board Planning Session. It was a good time to get caught up and remind us the commitments we made a year ago. As noted in the Strategic Priorities Section of this report, work continues on those priorities.

Respectfully submitted, May 11, 2023

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

**Steve Arveschoug
Executive Director**