

EDA/EDC – Joint Board Meeting**Thursday, March 14, 2024****8:15 AM to 4:10 PM**Including Annual Board Planning
Session & Reception**Rock31/BSED Building
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.

8:15 AM Grab Coffee and Light Snacks**8:30 AM Call to Order/Pledge of Allegiance/Roll Call – Riley Bennett, EDA Chair****8:35 AM Kick Off Board Planning**

- Review Objectives—Andy/Riley
- Intros and Warm-Up—Steve/Gavin
- Looking Back/Looking Forward—Overview of BSED Strategic Priorities—Steve (separate attachment)

9:00 AM Build Our Common Understanding

- Economic, Workforce and Other Trends—Ashley (handout)
- 2024 Impact Survey Findings—Marcell (separate attachment)
- Table-Top Dialogue/Report Out--Gavin

10:10 AM. Break Time**10:20 AM Learning Panels**

- *Being Nationally Recognized for our Quality of Place, and Public Safety--Steve*
- *When our Heart is strong, we thrive" –Downtown Redevelopment--Katy*
- *Expectations for the future--Steve*
- Table-Top Dialogue/Report Out—Gavin/Steve

11:45 AM Conversations and Working Lunch--Patrick

- Grab Lunch
- Team BSED Dialogue—What do we bring to "team"

12:15 PM BSED Joint Board Meeting—Call to Order Riley

- Public Comment/Announcements
- Regular Agenda
 - Consent Items—Feb 8, 2024 Board Minutes; Jan. 2024 EDA and EDC Financials (Action)(EDA&EDC) (Attachments A-B) (Action)
 - Action Items: 1) SSBCI/504 loan requests—Brandon; 2) Brownfields RLF Services Contract—Thom (Attachments C-D) (Action)
 - Report Items: 1) Recruitment Update—Ashley; 2) Executive Director Report--Steve
- Public Comment
- Adjournment of BSED Board—Regular Meeting

- 1:05 PM Break Time**
- 1:15 PM Continue BSED Board Planning Session--Gavin**
- A. Organizational Opportunities/Staff Planning Recap—Marcell
 - B. Discovering our Strategic Priorities— “Let’s Play Ball” —Gavin
 - “Swinging for the Fence” an honest conversation—Steve
 - Defining the Most Impactful and Strategic Areas of Focus—Table-Top/Report Out
 - C. Timeout— “Conference on the Pitcher’s Mound—Do we clearly see a path forward?--Gavin
- 2:45 PM 7th Inning Stretch**
- 3:00 PM Recap and Finding Clarity--Gavin**
- A. Look at what we’ve accomplished so far
 - B. “I’m excited”
 - C. Is our Role clear—lead, partner, influence, encourage
- 3:45 PM Next Steps**
- A. BSED Team Evaluation—SMART Considerations
 - B. April/May Review and Consider a Draft Set of Strategic Priorities
 - C. June Board Meeting—final adoption
- 4:00 PM Public Comment/Announcements/Introductions**
- 4:10 PM Adjourn for BSED Team “In the Clubhouse” Reception (4:15PM to 5:30PM)**



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT A



BIG SKY ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

EDA/EDC Joint Board Minutes
Thursday, February 8, 2024
7:00 A.M. – 9:30 A.M.
Rock31/BSED Building
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.

EDA Board Members Present: Bryan Wood, Debbie Desjarlais, George Warmer, Kate Vogel Ken Lutton, Lucy Aspinwall, Riley Bennett, Paul Neutgens,

EDA Board Members Absent: Andy Rahn, Bryce Terpstra, Zachary Dunn

EDC Board Members Present: Andy Gott, DJ Clark, George Warmer, Jen Kobza, John Ostlund, Keagan Harsha, Kim Jakub, Michael Marsh, Mike Phillips, Molly Schwend, Nick Pancheau, Stefani Hicswa, Tyler Wiltgen

EDC Board Members Absent: Bob Wilmouth, Dave Ballard, Jennifer Weaver Kondracki, Judi Powers, Mac Fogelsong, Mike Seppala, Nichole Mehling, Spencer Frederick

Ex-Officios Present: Erwin Garcia, Katy Easton, Kurt Markegard, Mark Morse, Mike Boyett

Staff and Guests: Ashley Kavanagh, Brandon Berger, Dena Northam, Dianne Lehm, Jeff Dusch, Kate Van Waes, Kayla Vokral, Keith Hart, Marcell Bruski, Nik Pedersen, Patrick Klugman, Richard Brown, Sarah Myhre, Steve Arveschoug, Tami Fleetwood, Tereza Brownell, Tyler Wink

Call to Order:

Andy Gott, EDC Chair, called the meeting to order at 7:00 A.M. with the Pledge of Allegiance.

Public Comment/Recognitions/Special Announcements and Introductions:

Tyler Wiltgen announced that Lee Boyles was appointed President of the Montana and Wyoming market and the St. Vincent Regional Hospital in Billings. Kim Jakub introduced Jeff Dusch as the new Vice President and Refinery Manager for Par Montana. Kim has been promoted to Senior Vice President of Rocky Mountain Refining with the responsibility of leading Par Pacific's refining assets in Newcastle Wyoming and Billings, Montana. Steve shared that Mike Boyett was appointed to the EDA Board as a representative of the City of Billings.

Staff Introduction-Steve (Rock31 Team)

Marcell introduced Rock31 Director, Keith Hart and Rock31 Community Coordinator, Dena Northam.

SD2 Update-Erwin Garcia, Superintendent

Steve set the stage regarding the importance of the information Dr. Garcia will share today regarding School District 2 as it pertains to the upcoming Board Planning session.. Dr. Garcia's aspiration for the school district and future workforce is important and he is putting some actionable items behind this work that is significant for our economic future. The Mission of Billings Public Schools is to inspire, educate, and empower students to be responsible innovative global citizens who achieve their full potential. When students are not inspired, educated,

and empowered in healthy areas they find fulfillment in other less healthy areas. Dr. Garcia reviewed the two-year priorities which include teacher empowerment and support, meeting the needs of diverse students, college, career and military opportunities, and school safety and effective communication. The actionable areas and goals include: cultivate talent, address the needs of diverse learners, increase college, career, and military opportunities, and foster a safe and positive environment. SD2 recently hosted a lunch for Project Engage at Lincoln Center for students who have dropped out of school. The objective was to understand why the students dropped out. The students were comprised of mostly minorities, students in poverty and non-conformists. Dr. Garcia shared the insights gained during the lunch. Another top concern for the district is school safety. There are multiple schools in the district that do not have security cameras on campus. There is a grass roots group of parents that have started a campaign to raise donations and will push for a safety levy in May. Dr. Garcia shared the correlation between dropouts and violence, and this contributes to the safety concerns in our community on a larger scale. Dr. Garcia shared an overview of the public charter schools. The -Newcomer Center serves students who do not fluently speak the English language. The Opportunity School is a proficiency based high school program that offers a hands-on approach to learning focused on technology and certification throughout the process. The Opportunity school allows students the opportunity to engage in career opportunities to gain employment immediately and equips them with skills to pursue a job if they do drop out of school. The district is also bringing a JRTC pathway. The final charter school Dr. Garcia reviewed is the Early College High School that allows students to obtain an associate's degree on the same day they graduate high school. This creates a systemic approach to allow students to join the workforce immediately if that is their choice. This charter school will be in partnership with RMC. Dr. Gracia highlighted the Community meetings that will occur every Tuesday. Garcia also shared the financial and socio-political challenges for SD2 and the plan to address budget issues.

Agenda Changes:

The BetterOffinBillings presentation will be presented at a later date.

Consent Items for Board Action

Approval of January 11, 2024, Board Meeting Minutes

Motion: Nick Pancheau to approve the January 11, 2024, Board Meeting Minutes, as presented to the Board.

Second: Debbie Desjarlais

Discussion: None

Motion: Carried

EDA/EDC Financials for December 2023

Motion: Nick Pancheau to approve the EDA/EDC December financials as presented to the Board.

Second: Debbie Desjarlais

Discussion: None

Motion: Carried

Info/Action Items

Board Planning Session-March 14, 8:30 AM to 4:00PM (Board Reception Follows)-Steve

Steve shared additional information on the Board Planning Session scheduled for March 14th. Board planning will commence at the BSED office at 8:30am and conclude at 4:00pm with a reception to follow. Today the 2024 Impact Survey will be sent to the Board, Member Investors, partner organizations, neighborhood taskforces, clients, and community members. The Impact Survey is sent every 2 years to establish trends. In the future, 2024 will be the reset for the base year to compare trends. Steve encouraged the Board to push the survey link out to other colleagues, the broader perspective the better. BSED Staff planning is scheduled on March 7th and the survey will be evaluated and utilized in that process as well.

Big Sky Finance- 504 loan-Brandon

- 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 EDC.
1. **McBride & McBride Optometrists, P.C. (Yellowstone Eye Care)** – Purpose of this request is for financing of renovations for a complete remodel of the Yellowstone Eye Care’s office building located on Grand Avenue in Billings, MT. This optometry practice was started in Billings in 1951. Yellowstone Eye Care is now owned by Dr. Steiner and Dr. Lebsock, having fully bought out the previous partners in 2022. Financing will only be for the construction remodel costs.

The total SBA debenture will be \$770,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 3rd lien position on the real property behind Western Security Bank, Division of Glacier Bank’s, 1st and 2nd lien position notes. Three new jobs are projected to be created in the next 2 years. The project will meet a Community Development goal for strengthening/improving the community as well as stimulating small business development.

Motion: Mike Phillips to approve the 504-loan request, McBride & McBride Optometrists, P.C. (Yellowstone Eye Care) in the amount of \$770,000 as presented to the Board.

Second: Kim Jakub

Discussion: None

Motion: Carried

Annual Board Certification-Brandon

Brandon reviewed the Board of Directors Annual Certification. This will be emailed to the Board and requires their review and signature.

FY '23 Audit Review-Jordan Wilson, CPA, Pinion Global

Jordan Wilson, manager of Pinion, completed the EDA/EDC audit and reviewed the findings with the Board. Steve and Tami were commended due to no deficiencies or material weaknesses to report throughout the audit. The auditor’s reports issued a clean, unmodified opinion for both the EDA and EDC. The single audit was completed on the VBOC program and issued a clean, unmodified opinion. There were no deficiencies or material weaknesses to report. Results of audit for the year overall resulted in no findings, and there were no findings in the prior year to follow up on. Andy recognized Tami’s leading up to and during the audit process.

Motion: DJ Clark to approve the formal acceptance of the FY '23 Audit Review as presented to the Board.

Second: Stefani Hicswa

Discussion: None

Motion: Carried

SBDC Contract Renewal-Confirmation-Lorene/Kayla

The SBDC Contract will be presented at the April Board meeting.

BillingsWorks/BOiB Talent Attraction Project-Marcell

The BillingsWorks/BOiB Talent Attraction Project will be presented at the April Board meeting.

Mid-Year Progress Report

The Board members were each gathered for a roundtable discussion with the Program Directors. The Program Directors each spent ten minutes with each group of Board members to present mid-year progress reports.

Public Comment:

Adjourn

Motion: Mike Marsh to adjourn the meeting.

Second: Molly Schwend

Discussion: None

Motion: Passed

Andy Gott adjourned the meeting at 8:59 am

Next Meeting – March 14, 2024

Respectfully submitted,

Zach Dunn, EDA Secretary/Treasurer

Jen Kobza, EDC Secretary/Treasurer

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

Big Sky Economic Development Board of Directors will make reasonable accommodations for known disabilities that may interfere with an individual's ability to participate. People 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

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ATTACHMENT B



**Big Sky Economic Development Authority (BSEDA)
Financial Summary for Board of Directors
FY24 - As of and for the period ended January 31, 2024**

Statement of Operations

Net Operating Revenue: \$ 825,256

Factors Driving Net Operating Revenue:

Factors contributing to the positive net operating revenue compared to budget are related to timing of receipt of county taxes mill levy revenue and vacancy savings of salaries/wages and employer contributions (fringe benefits). BSEDA has received 99% of the budgeted annual county taxes mill levy revenue, but we are only approximately 58% through the fiscal year. The effect on the financial statements is that it shows excess revenue of approximately \$606,000. This is strictly a timing difference since the revenues are used over the entire year to cover expenses. BSEDA budgeted for a full complement of staff for FY24. As of January 31, 2024, we still had a couple positions left to fill (Rock31 Director (filled 2/1/24); VBOC Trainer (filled 2/20/24). Budgeted salaries/wages and employer contributions for the first 7 months of the fiscal year are approximately \$1,513,000 whereas actual salaries/wages and employer contributions are approximately \$1,282,000. Therefore, vacancy savings amount to \$231,000. These explanations provide reasonable assessment of current net operating revenue.

Notable budget variances:

- | | |
|----------------------------------|--------------------------------|
| • Salaries/Wages | \$175,000 less than YTD budget |
| • Employer Contributions | \$ 56,000 less than YTD budget |
| • Dues/Subscriptions/Memberships | \$ 31,000 over YTD budget |
| • Office Equip & Furn <\$5000 | \$ 11,400 over YTD budget |
| • Professional Fees (Consulting) | \$ 20,300 less than YTD budget |
| • Professional Fees (Other) | \$ 11,600 less than YTD budget |

Areas to watch:

BSEDA program leaders are each reviewing their program activity related to dues/subscriptions/memberships to ensure we have a good picture of what to expect as we begin planning next year's budget. Some of the variance is due to timing since the YTD budget was annualized and several annual subscriptions were paid in the first half of the fiscal year. However, we expect to end the year spending more than what was budgeted for dues/subscriptions/memberships as we are utilizing a new CRM system that will benefit all of the non-federal programs of the organization. Additionally, we will be sending a team, including two Board members, to the Aspirational City Visit in June that will add spending to what was budgeted for travel and conferences. And, finally, we are working on a talent research and workshop project to further the mission of our organization. The vacancy savings realized during the 7 months of the fiscal year have put us in a good position to take on these new projects/program initiatives.

Balance Sheet

Cash available for operations: \$1,552,136
Accounts receivable: \$282,209
Due from EDC: \$204,608

Operating cash is deemed to be all of the checking/savings line items on the balance sheet aside from the opportunity fund bank accounts and CDs. A portion of the operating cash has been set aside as reserves for operations and reserves for repair and replacement. The amount set aside as reserves is \$387,111. BSEDA's cash position is good and sufficient to meet the needs of the organization.



The accounts receivable balances outstanding at January 31, 2024 consist of a couple balances that are aged more than 90 days (VBOC and Big Sky EDC). VBOC currently has three months outstanding, which we are following up on with the federal agency.

The amount owed from Big Sky EDC is for costs of salaries/wages/fringe benefits and building operations/maintenance for November, December, and January is \$205,608 and is reported as due from EDC on the balance sheet. This is an area of concern that we need to act on by working through cash flows and budget cuts for Big Sky EDC.

Big Sky EDA
Statements of Operations-Actual vs Budget
For the Month and YTD Ended January 31, 2024

	Month			YTD	Fiscal Year	
	Actual	Budget	Variance	Actual	Annual Budget	% Budget Used to Date
Operating Revenue						
County Taxes Mill Levy Revenue	\$ (328)	\$ -	\$ (328)	\$ 1,462,305	\$ 1,476,001	
Entitlement	-	-	-	134,333	268,665	
Health Ins Mill Levy Revenue	8,480	10,825	(2,345)	53,530	110,240	
Recovery of Protested Taxes	-	-	-	-	1,000	
Department of Defense - APEX	67,900	73,348	(5,448)	475,368	880,171	
EDC Reimbursement	68,845	64,740	4,105	468,193	794,476	
EPA Brownfields - Assessment	9,020	25,237	(16,217)	78,478	302,841	
EPA Brownfields - Grant Admin	-	-	-	12,823	30,492	
EPA Brownfields - RLF	-	-	-	199	-	
APEX Advisor Agreement Support	3,000	3,000	-	21,000	36,000	
MT Dept of Commerce - SBDC	11,250	11,250	-	78,750	135,000	
SBA - VBOC	14,296	25,417	(11,121)	104,526	305,000	
Rock31 Membership Revenue	7,514	6,250	1,264	52,410	75,000	
Zoot/Other Room Rent Revenue	1,363	417	946	4,545	5,000	
Rock31 Barista Rent Revenue	550	700	(150)	4,200	8,400	
Grant Administration	2,100	-	2,100	2,775	9,000	
Total Operating Revenue	193,990	221,184	(27,194)	2,953,435	4,437,286	67.00%
Operating Expense						
Salaries/Wages	153,569	170,503	(16,934)	984,672	1,987,806	
Employer Contributions	47,483	53,782	(6,299)	297,494	605,895	
Advertising	20	117	(97)	1,755	1,400	
Barista Equipment Maintenance	469	208	261	469	2,500	
Barista Supplies	-	42	(42)	-	500	
Board Expenses	-	83	(83)	2,326	6,000	
Brownfields Assessment Expense	9,020	25,209	(16,189)	78,478	302,841	
Brownfields Grant Admin Expense	-	2,541	(2,541)	12,823	30,492	
Brownfields RLF Expense	-	-	-	199	-	
Building Art and Decor	309	-	309	878	10,000	
Building Operations/Maintenance	9,802	8,394	1,408	59,441	96,200	
Community Development Projects	1,500	-	1,500	1,457	49,667	
Conferences	9,299	1,656	7,643	17,199	26,400	
Contingency	-	-	-	-	50,000	
Contribution Expense	-	-	-	3,333	-	
Dues/Subscriptions/Memberships	14,699	12,201	2,498	71,686	70,145	
Event Expense	-	-	-	14,661	-	
Hosted Meetings	563	460	103	5,206	5,650	
Insurance	4,921	6,296	(1,375)	33,236	71,630	
Marketing	5,788	7,708	(1,920)	45,929	94,075	
Office Equip & Furn < \$5000	1,862	833	1,029	18,496	12,084	
Office Expense and Supplies	1,904	2,411	(507)	14,560	28,932	
Professional Development	(1,225)	3,100	(4,325)	5,336	35,700	
Professional Fees						
Accounting	-	-	-	34,000	34,500	
Consulting	-	2,917	(2,917)	-	35,000	
HR Consulting	1,663	1,833	(170)	15,534	22,000	
Legal Fees	-	250	(250)	1,236	3,000	
Other	-	1,667	(1,667)	5	20,000	
Total Professional Fees	1,663	6,667	(5,004)	50,775	114,500	

Big Sky EDA
Statements of Operations-Actual vs Budget
For the Month and YTD Ended January 31, 2024

	Month			YTD	Fiscal Year	
	Actual	Budget	Variance	Actual	Annual Budget	% Budget Used to Date
Property Tax Protests	-	3,750	(3,750)	19,501	45,000	
APEX Subcenter	36,500	46,547	(10,047)	256,044	558,569	
Rent	970	1,994	(1,024)	6,270	22,599	
Repairs	1,354	950	404	7,985	11,400	
Rock 31 Outreach	-	417	(417)	-	5,000	
SBDC Program Expense	27,500			27,500		
Special Assessments BID	-	-	-	1,901	2,500	
Sponsorships	500	833	(333)	6,490	11,000	
Staff Expenses	666	825	(159)	5,478	14,700	
Strategic Priorities	250	-	250	250	15,000	
Suspense	(3,883)	-	(3,883)	(3,805)	-	
TEDD	-	-	-	-	1,000	
Telecommunications	4,475	4,915	(440)	30,079	56,425	
Travel	6,434	5,667	767	44,687	77,675	
Miscellaneous	596	108	488	5,390	3,000	
Total Operating Expense	337,008	368,217	(31,209)	2,128,179	4,426,285	48.00%
Net Operating Revenue (Expense)	(143,018)	(147,033)	4,015	825,256	11,001	
Non-Operating Income/Expense						
Non-Operating Income						
Contribution Revenue	-			37,840	-	
Interest Income	6,273	2,083	4,190	32,595	25,000	
Total Non-Operating Income	6,273	2,083	4,190	70,435	25,000	
Non-Operating Expense						
Amortization Expense	122	109	13	832	1,313	
Depreciation Expense	21,781	22,992	(1,211)	152,469	261,373	
Interest Expense	51	63	(12)	380	750	
Total Non-Operating Expense	21,954	23,164	(1,210)	153,681	263,436	
Net Non-Operating Income (Expense)	(15,681)	(21,081)	5,400	(83,246)	(238,436)	
Change in Net Assets	\$ (158,699)	\$ (168,114)	\$ 9,415	\$ 742,010	\$ (227,435)	

Big Sky EDA
Statement of Operations by Class
July 2023 through January 2024

	Admin	Central Svcs	Engagement	Comm Dev	Finance	Mem-Invt	Recruitment	APEX Accelerator	Rock31	SBDC	VBOC	Workforce	TOTAL
Operating Revenue													
County Taxes Mill Levy Revenue	\$ 1,462,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,462,305
Entitlement	134,333	-	-	-	-	-	-	-	-	-	-	-	134,333
Health Ins Mill Levy Revenue	-	14,840	6,360	8,215	-	3,710	5,035	7,420	-	7,420	-	530	53,530
Department of Defense - APEX	-	-	-	-	-	-	-	475,368	-	-	-	-	475,368
EDC Reimbursement	-	49,799	59,825	-	320,408	38,161	-	-	-	-	-	-	468,193
EPA Brownfields - Assessment	-	-	-	78,478	-	-	-	-	-	-	-	-	78,478
EPA Brownfields - Grant Admin	-	-	-	12,823	-	-	-	-	-	-	-	-	12,823
EPA Brownfields - RLF	-	-	-	199	-	-	-	-	-	-	-	-	199
APEX Advisor Agreement Support	-	-	-	-	-	-	-	21,000	-	-	-	-	21,000
MT Dept of Commerce - SBDC	-	-	-	-	-	-	-	-	-	78,750	-	-	78,750
SBA - VBOC	-	-	-	-	-	-	-	-	-	-	104,526	-	104,526
Rock31 Membership Revenue	-	-	-	-	-	-	-	-	52,410	-	-	-	52,410
Zoot/Other Room Rent Revenue	-	-	-	-	-	-	-	-	4,545	-	-	-	4,545
Rock31 Barista Rent Revenue	-	-	-	-	-	-	-	-	4,200	-	-	-	4,200
Grant Administration	-	-	-	-	-	-	-	-	-	2,775	-	-	2,775
Total Operating Revenue	1,596,638	64,639	66,185	99,715	320,408	41,871	5,035	503,788	61,155	88,945	104,526	530	2,953,435
Operating Expense													
Salaries/Wages	-	226,780	79,377	107,735	214,625	52,794	28,528	126,506	7,932	80,628	47,396	12,371	984,672
Employer Contributions	-	63,568	24,352	35,267	65,782	15,293	9,220	40,114	1,055	26,388	13,481	2,974	297,494
Advertising	-	255	-	-	-	-	-	1,500	-	-	-	-	1,755
Barista Equipment Maintenance	-	-	-	-	-	-	-	-	469	-	-	-	469
Board Expenses	-	2,326	-	-	-	-	-	-	-	-	-	-	2,326
Brownfields Assessment Expense	-	-	-	78,478	-	-	-	-	-	-	-	-	78,478
Brownfields Grant Admin Expense	-	-	-	12,823	-	-	-	-	-	-	-	-	12,823
Brownfields RLF Expense	-	-	-	199	-	-	-	-	-	-	-	-	199
Building Art and Decor	-	-	878	-	-	-	-	-	-	-	-	-	878
Building Operations/Maintenance	-	8,505	4,095	3,572	8,677	1,786	2,544	3,627	20,134	3,051	3,196	254	59,441
Community Development Projects	-	-	-	1,457	-	-	-	-	-	-	-	-	1,457
Conferences	-	2,360	380	200	-	-	5,099	8,100	-	490	35	535	17,199
Contribution Expense	-	-	-	-	-	-	3,333	-	-	-	-	-	3,333
Dues/Subscriptions/Memberships	-	56,086	1,825	985	-	-	265	8,983	2,201	1,247	40	54	71,686
Event Expense	-	-	10,983	-	-	-	-	915	1,176	662	925	-	14,661
Hosted Meetings	-	4,045	48	186	-	-	26	79	13	719	42	48	5,206
Insurance	-	4,147	2,503	2,147	5,294	1,083	1,560	2,194	10,164	1,912	2,094	138	33,236
Marketing	-	15	31,147	200	-	-	-	12,720	-	2	314	1,531	45,929
Office Equip & Furn < \$5000	-	10,482	-	-	-	-	-	4,939	1,355	-	1,720	-	18,496
Office Expense and Supplies	-	10,991	376	-	-	-	54	647	2,176	185	131	-	14,560
Professional Development	-	912	663	2,000	-	-	256	850	-	180	-	475	5,336
Professional Fees	-	50,770	-	5	-	-	-	-	-	-	-	-	50,775
Property Tax Protests	19,501	-	-	-	-	-	-	-	-	-	-	-	19,501
APEX Subcenter	-	-	-	-	-	-	-	256,044	-	-	-	-	256,044
Rent	-	660	591	886	1,433	296	359	317	546	591	546	45	6,270
Repairs	-	7,985	-	-	-	-	-	-	-	-	-	-	7,985
SBDC Program Expense	-	-	-	-	-	-	-	-	-	27,500	-	-	27,500
Special Assessments BID	-	1,901	-	-	-	-	-	-	-	-	-	-	1,901
Sponsorships	-	620	4,070	-	-	-	-	-	300	-	-	1,500	6,490
Staff Expenses	-	2,513	2,636	12	-	-	-	255	-	62	-	-	5,478
Strategic Priorities	-	250	-	-	-	-	-	-	-	-	-	-	250
Suspense	-	-	-	-	-	(3,879)	-	-	-	-	74	-	(3,805)
Telecommunications	-	5,028	1,967	2,287	3,478	716	1,220	3,309	8,120	2,028	1,736	190	30,079
Travel	-	2,454	654	1,115	-	-	4,226	11,416	286	6,943	13,260	4,333	44,687
Miscellaneous	50	3,296	135	-	-	-	-	31	1,866	-	-	11	5,389
Total Operating Expense	19,551	465,949	166,680	249,554	299,289	68,089	56,690	482,547	57,793	152,588	84,990	24,459	2,128,179
Net Operating Revenue (Expense)	1,577,087	(401,310)	(100,495)	(149,839)	21,119	(26,218)	(51,655)	21,241	3,362	(63,643)	19,536	(23,929)	825,256

Big Sky EDA
Statement of Operations by Class
July 2023 through January 2024

	Admin	Central Svcs	Engagement	Comm Dev	Finance	Mem-Invt	Recruitment	APEX Accelerator	Rock31	SBDC	VBOC	Workforce	TOTAL
Non-Operating Income/Expense													
Non-Operating Income	30,720	39,716	-	-	-	-	-	-	-	-	-	-	70,436
Non-Operating Expense	-	22,665	10,309	9,007	22,134	4,557	6,491	9,251	51,597	7,778	8,201	1,692	153,682
Net Non-Operating Income (Expense)	30,720	17,051	(10,309)	(9,007)	(22,134)	(4,557)	(6,491)	(9,251)	(51,597)	(7,778)	(8,201)	(1,692)	(83,246)
Change in Net Assets	<u>\$ 1,607,807</u>	<u>\$ (384,259)</u>	<u>\$ (110,804)</u>	<u>\$ (158,846)</u>	<u>\$ (1,015)</u>	<u>\$ (30,775)</u>	<u>\$ (58,146)</u>	<u>\$ 11,990</u>	<u>\$ (48,235)</u>	<u>\$ (71,421)</u>	<u>\$ 11,335</u>	<u>\$ (25,621)</u>	<u>\$ 742,010</u>

Big Sky EDA
Balance Sheet - Comparison with Previous Year
As of January 31, 2024

	January 31, 2024	January 31, 2023	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
Main Operating - FIB	\$ 536,665	\$ 252,599	\$ 284,066	112%
Recovered Property Taxes - FIB	627	626	1	0%
Operating Reserve - FIB	252,420	64,446	187,974	292%
Reserve for Replacement - FIB	134,691	14,955	119,736	801%
Opportunity Fund Bank Accounts	1,134,427	736,871	397,556	54%
Opportunity Fund CDs-current	2,061,313	1,735,672	325,641	19%
Yellowstone County Funds	627,733	692,836	(65,103)	(9%)
Total Checking/Savings	4,747,876	3,498,005	1,249,871	36%
Accounts Receivable				
Accounts Receivable	43,473	421,571	(378,098)	(90%)
Accounts Receivable - APEX	163,599	97,752	65,847	67%
Accounts Receivable - SBDC	22,500	28,673	(6,173)	(22%)
Accounts Receivable - VBOC	43,617	47,318	(3,701)	(8%)
Accounts Receivable-Brownfields	9,020	-	9,020	100%
Total Accounts Receivable	282,209	595,314	(313,105)	(53%)
Other Current Assets				
Due To/Due From EDC	204,608	-	204,608	100%
Tax Levy Receivable	602,515	553,870	48,645	9%
Tax Levy Receivable - Protested	22,623	12,377	10,246	83%
Allowance for Doubtful Accts	(22,623)	(12,377)	(10,246)	(83%)
American Revenue Guarantee	6,887	6,887	-	0%
Prepaid Expenses	26,787	3,441	23,346	678%
Total Other Current Assets	840,797	564,198	276,599	49%
Total Current Assets	5,870,882	4,657,517	1,213,365	26%
Fixed Assets				
Construction in Progress	-	5,002,514	(5,002,514)	(100%)
Bank Building - Land	301,750	301,750	-	0%
Bank Building - Building	6,303,890	1,473,250	4,830,640	328%
Furniture	227,169	-	227,169	100%
Equipment	6,700	-	6,700	100%
Barista Equipment	12,000	12,000	-	0%
Accumulated Depreciation	(409,750)	(160,829)	(248,921)	(155%)
Total Fixed Assets	6,441,759	6,628,685	(186,926)	(3%)
Other Assets				
Deferred Outflow of Resources	90,930	129,336	(38,406)	(30%)
Opportunity Fund CDs-Noncurrent	-	642,380	(642,380)	(100%)
Deposit	173	5,181	(5,008)	(97%)
Cabelas Conduit x0603	4,896	4,925	(29)	(1%)
Right of Use Asset	5,843	7,240	(1,397)	(19%)
Total Other Assets	101,842	789,062	(687,220)	(87%)
TOTAL ASSETS	\$ 12,414,483	\$ 12,075,264	\$ 339,219	3%

Big Sky EDA
Balance Sheet - Comparison with Previous Year
As of January 31, 2024

	January 31, 2024	January 31, 2023	\$ Change	% Change
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	\$ 142,561	\$ 131,988	\$ 10,573	8%
Credit Cards	14,898	5,254	9,644	184%
Other Current Liabilities				
Accrued Expenses	119,712	91,512	28,200	31%
Compensated Absences	164,346	154,127	10,219	7%
Payroll Liabilities	(228)	15,763	(15,991)	(101%)
Deferred Revenues	15,000	18,282	(3,282)	(18%)
Total Other Current Liabilities	298,830	279,684	19,146	7%
Total Current Liabilities	456,289	416,926	39,363	9%
Long Term Liabilities				
Deferred Inflow of Resources	204,425	386,724	(182,299)	(47%)
Pension Liability	628,001	563,223	64,778	12%
Lease Liability	5,844	7,240	(1,396)	(19%)
Total Long Term Liabilities	838,270	957,187	(118,917)	(12%)
Total Liabilities	1,294,559	1,374,113	(79,554)	(6%)
Equity				
Net Assets	7,666,804	7,242,523	424,281	6%
Contributed Capital	3,193,580	3,193,580	-	0%
Prior Period Adjustment	(482,470)	(482,470)	-	0%
Change in Net Assets	742,010	747,518	(5,508)	(1%)
Total Equity	11,119,924	10,701,151	418,773	4%
TOTAL LIABILITIES & EQUITY	\$ 12,414,483	\$ 12,075,264	\$ 339,219	3%



**Big Sky Economic Development Corporation (BSEDC)
Financial Summary for Board of Directors
FY24 - As of and for the period ended January 31, 2024**

Statement of Operations

Net Operating Revenue: \$ 991

Factors Driving Net Operating Revenue:

Net operating revenue for BSEDC through January 31, 2024 is less than the YTD budgeted revenue by approximately \$1,000. BSEDC has a YTD revenue shortfall of approximately \$38,000 for the first 7 months of the fiscal year. BSEDC budgeted for growth of \$18,000 or approximately 9% over FY23 budgeted revenue for 504 loan origination revenue. BSEDC also budgeted for growth of \$36,000 or approximately 13.5% over FY23 budgeted revenue for member investment. We will not meet these revenue goals in FY24. The 504 loan program has been negatively affected by outside factors, like high interest rates, which have also affected other lenders.

There were other revenue line items that were underbudgeted for FY24. Float income, which is related to the 504 loan program's strong portfolio, exceeds the budget by approximately \$30,000. Additionally, we have realized more interest income from the Federal EDA RLF and SSBCI loan portfolios than what was budgeted. These positive variances help absorb some of the revenue shortfall. Most of the expenses on the Statement of Operations are also under budget as of January 31, 2024.

Notable budget variances:

- 504 Loan Origination \$ 92,200 less than YTD budget
- Float Income \$ 38,000 more than YTD budget
- Federal EDA RLF Loan Interest \$ 9,900 more than YTD budget
- SSBCI Loan Interest \$ 4,900 more than YTD budget
- Professional Fees (Consulting) \$ 9,800 less than YTD budget

Areas to watch:

As part of the compilation of the January 31, 2024 financial statements, information has been gathered to use for year-end revenue and expense projections and budget adjustments. We anticipate BSEDC's revenues will come in under budget by approximately \$100,000 for the fiscal year. The management team and program leaders have identified several areas where budget adjustments may be made. We have proposed preliminary budget cuts for expense line items that amount to approximately \$83,000. The preliminary proposed budget adjustments are provided at the end of packet for BSEDC following January's financial statements. Please note that until adopted, the financial statements are reflected with the original approved budget data and not the proposed revised budget.

Balance Sheet

Cash available for general operations: \$358,751

Cash designated for loan programs: \$1,101,155

Accounts receivable: \$87,000

Pledges receivable: \$2,500

Loan portfolios: \$2,809,228

Accounts payable: \$68,896

Due to EDA: \$204,608

General operating cash consists of FIB main operating checking and long term reserve bank accounts. BSEDC's cash position for general operations has not been sufficient to cover the full cost of the amount BSEDC owes BSEDA for the cost of employees and building operations and maintenance. Because of this, the amount outstanding from BSEDC for November, December, and January is \$205,608 and is reflected in the due to/due from EDA line on the balance sheet. Factors contributing to this are related to the 504 loan origination revenue and member investment shortfalls noted above. Additionally, the cash flows have been affected by slow pay of some member investment pledges.

Big Sky Economic Development Corporation
Statement of Operations - Actual vs Budget
For the Month and YTD Ended January 31, 2024

	Month			YTD	Fiscal Year	
	Actual	Budget	Variance	Actual	Annual Budget	% Budget Used to Date
Operating Revenue						
504 Loan Servicing	\$ 33,240	\$ 33,942	\$ (702)	\$ 237,625	\$ 425,000	
504 Loan Origination	0	2,823	(2,823)	22,585	198,000	
504 Loan Processing Fee Income	9,805	2,083	7,722	20,461	25,000	
504 Loan Closing Attorney Fees	0	1,042	(1,042)	7,500	25,000	
Federal EDA RLF Loan Orig	0	0	0	750	2,500	
Float Income	0	0	0	49,632	20,000	
Member Investment	62,750	85,500	(22,750)	177,200	302,000	
Member Investment - Trades	447			5,218	6,500	
Federal EDA RLF Loan Interest	9,113	7,000	2,113	40,071	52,000	
RLF Business Loan Interest	896	883	13	6,448	12,000	
Stabilization Loan Interest	0	0	0	14	18	
SSBCI Loan Interest	2,551	2,250	301	15,357	18,000	
Grant Administration	0	0	0	2,853	7,500	
Donation Income	0	0	0	10,250	-	
Total Operating Revenue	118,802	135,523	(16,721)	595,964	1,093,518	54.00%
Expense						
Advertising	0	0	0	0	200	
Board Expenses	-	42	(42)	565	1,000	
Business Accelerator	-	-	-	-	10,000	
Business Development Outreach	147	104	43	183	500	
Business Recruitment and Expans	-	542	(542)	8,071	17,000	
Conferences	-	-	-	310	4,000	
Contingency	-	-	-	-	10,000	
Dues/Subscriptions/Memberships	881	940	(59)	12,579	21,560	
EDA Reimbursement	68,845	64,740	4,105	468,193	794,476	
Event Expense	80	2,619	(2,539)	16,111	28,890	
Hosted Meeting Expense	1,430	658	772	3,407	8,400	
Insurance	1,312	950	362	6,244	11,250	
Loan Expenses	1,915	833	1,082	3,265	18,000	
Marketing	-	1,976	(1,976)	12,869	31,000	
Membership Development	89	708	(619)	1,145	8,500	
Member Investor Trades	447	83	364	4,600	6,500	
Office Equip & Furn < \$5000	-	-	-	329	-	
Office Expenses and Supplies	101	42	59	507	650	
Postage	-	8	(8)	3	150	
Professional Development	749	542	207	4,692	6,500	
Professional Fees						
Accounting	-	-	-	21,000	22,000	
Consulting	-	-	-		17,000	
Legal Fees	-	-	-	1,600	3,150	
Attorney Fees - 504 Closing	-	1,042	(1,042)	8,000	25,000	
Total Professional Fees	-	1,042	(1,042)	30,600	67,150	
Rent	193	193	-	2,378	6,000	
Rock31 Outreach	-	333	(333)	-	3,000	
Sponsorships	-	-	-	-	2,150	
Staff Expenses	-	210	(210)	983	1,250	
Telecommunications	270	205	65	1,695	4,020	
Travel	192	2,250	(2,058)	15,411	27,000	
Miscellaneous	69	75	(6)	833	900	
Total Operating Expense	76,720	79,095	(2,375)	594,973	1,090,046	55.00%
Net Operating Revenue (Expense)	42,082	56,428	(14,346)	991	3,472	

Big Sky Economic Development Corporation
Statement of Operations - Actual vs Budget
For the Month and YTD Ended January 31, 2024

	Month			YTD	Fiscal Year	
	Actual	Budget	Variance	Actual	Annual Budget	% Budget Used to Date
Non-Operating Income/Expense						
Non-Operating Income						
Coulson Park	25,000	-	25,000	25,000	-	
Federal Grant Revenue	-	-	-	718,087	585,000	
Interest Income	216	158	58	1,327	1,900	
Total Non-Operating Income	25,216	158	25,058	744,414	586,900	
Non-Operating Expense						
Bad Debt Expense	1,000	-	1,000	5,000	15,000	
Total Non-Operating Expense	1,000	-	1,000	5,000	15,000	
Net Non-Operating Income (Expense)	24,216	158	24,058	739,414	571,900	
Change in Net Assets	\$ 66,298	\$ 56,586	\$ 9,712	\$ 740,405	\$ 575,372	

Big Sky Economic Development Corporation
Statement of Operations by Class
July 2023 through January 2024

	Coulson Park	Engagement	Finance	G&A	Mem-Invt	Recruitment	Rock31	Workforce	TOTAL
Operating Revenue									
Income									
504 Loan Servicing	\$ -	\$ -	\$ 237,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 237,625
504 Loan Origination	-	-	22,585	-	-	-	-	-	22,585
504 Loan Processing Fee Income	-	-	20,461	-	-	-	-	-	20,461
504 Loan Closing Attorney Fees	-	-	7,500	-	-	-	-	-	7,500
Federal EDA RLF Loan Orig	-	-	750	-	-	-	-	-	750
Float Income	-	-	49,632	-	-	-	-	-	49,632
Member Investment	-	-	-	-	177,200	-	-	-	177,200
Member Investment - Trades	-	-	-	-	5,218	-	-	-	5,218
Federal EDA RLF Loan Interest	-	-	40,071	-	-	-	-	-	40,071
RLF Business Loan Interest	-	-	6,448	-	-	-	-	-	6,448
Stabilization Loan Interest	-	-	14	-	-	-	-	-	14
SSBCI Loan Interest	-	-	15,357	-	-	-	-	-	15,357
Grant Administration	-	-	2,853	-	-	-	-	-	2,853
Donation Income	-	-	-	250	-	-	-	10,000	10,250
Total Operating Revenue	-	-	403,296	250	182,418	-	-	10,000	595,964
Operating Expense									
Board Expenses	-	-	-	565	-	-	-	-	565
Business Finance Development	-	-	183	-	-	-	-	-	183
Business Recruitment and Expans	-	-	-	-	-	8,071	-	-	8,071
Conferences	-	-	215	-	60	35	-	-	310
Dues/Subscriptions/Memberships	-	-	12,254	325	-	-	-	-	12,579
EDA Reimbursement	-	59,825	320,411	49,799	38,158	-	-	-	468,193
Event Expense	-	13,111	57	2,197	-	-	688	58	16,111
Hosted Meeting Expense	-	35	115	167	296	2,794	-	-	3,407
Insurance	-	-	-	6,244	-	-	-	-	6,244
Loan Expenses	-	-	3,265	-	-	-	-	-	3,265
Marketing	-	12,297	56	-	-	-	-	516	12,869
Membership Development	-	-	-	-	1,145	-	-	-	1,145
Member Investor Trades	-	-	-	-	4,600	-	-	-	4,600
Office Equip & Furn < \$5000	-	-	329	-	-	-	-	-	329
Office Expenses and Supplies	-	-	351	156	-	-	-	-	507
Postage	-	-	-	3	-	-	-	-	3
Professional Development	-	-	4,642	-	50	-	-	-	4,692
Professional Fees	-	-	9,342	21,000	-	258	-	-	30,600
Rent	-	-	2,378	-	-	-	-	-	2,378
Sponsorships	-	-	-	-	-	-	-	-	-
Staff Expenses	-	821	127	35	-	-	-	-	983
Telecommunications	-	525	455	-	455	260	-	-	1,695
Travel	-	4,111	10,281	-	77	882	-	60	15,411
Miscellaneous	-	9	501	7	316	-	-	-	833
Total Operating Expense	-	90,734	364,962	80,498	45,157	12,300	688	634	594,973
Net Operating Revenue (Expense)	-	(90,734)	38,336	(80,248)	137,261	(12,300)	(688)	9,366	991

Big Sky Economic Development Corporation
Statement of Operations by Class
July 2023 through January 2024

	Coulson Park	Engagement	Finance	G&A	Mem-Invt	Recruitment	Rock31	Workforce	TOTAL
Non-Operating Income/Expense									
Non-Operating Income	25,000	-	719,368	46	-	-	-	-	744,414
Total Non-Operating Income	25,000	-	719,368	46	-	-	-	-	744,414
Non-Operating Expense	-	-	-	-	5,000	-	-	-	5,000
Total Non-Operating Expense	-	-	-	-	5,000	-	-	-	5,000
Net Non-Operating Income (Expense)	25,000	-	719,368	46	(5,000)	-	-	-	739,414
Change in Net Assets	25,000	(90,734)	757,703	(80,202)	132,261	(12,300)	(688)	9,366	740,405

Big Sky Economic Development Corporation
Balance Sheet - Previous Year Comparison
As of January 31, 2024

	January 31, 2024	January 31, 2023	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
FIB Main Operating	\$ 108,751	\$ 102,479	\$ 6,272	6%
FIB x0594-Coulson Park	111,591	76,546	35,045	46%
FIB/Stockman - SSBCI Principal	563,299	473,177	90,122	19%
FIB - Long Term Reserve	250,000	250,000	-	0%
FIB - Opportunity Fund	60,941	60,910	31	0%
FIB - Federal EDA RLF	211,176	213,094	(1,918)	(1%)
FIB - RLF	326,680	281,285	45,395	16%
Total Checking/Savings	1,632,438	1,457,491	174,947	12%
Accounts Receivable				
Pledges Receivable	2,500	62,000	(59,500)	(96%)
Accounts Receivable	87,000	107,250	(20,250)	(19%)
Total Accounts Receivable	89,500	169,250	(79,750)	(47%)
Other Current Assets				
Undeposited Funds	9,000	-	9,000	100%
Fed EDA RLF Portfolio - Current	91,771	34,283	57,488	168%
RLF Portfolio - Current	14,634	13,953	681	5%
SSBCI Portfolio - Current	19,279	19,570	(291)	(1%)
Stabilization - Current	2,557	18,655	(16,098)	(86%)
Prepaid Expenses	13,877	-	13,877	100%
Total Other Current Assets	151,118	86,461	64,657	75%
Total Current Assets	1,873,056	1,713,202	159,854	9%
Other Assets				
Fed EDA RLF - Non-Current	1,758,280	610,555	1,147,725	188%
RLF Portfolio - Non-Current	167,999	200,949	(32,950)	(16%)
SSBCI Portfolio - Non-Current	754,708	795,368	(40,660)	(5%)
Stabilization - Non-Current	-	7,506	(7,506)	(100%)
Allowance for Loan Losses	(20,150)	(23,856)	3,706	16%
Total Other Assets	2,660,837	1,590,522	1,070,315	67%
TOTAL ASSETS	\$ 4,533,893	\$ 3,303,724	\$ 1,230,169	37%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	68,896	243,567	(174,671)	(72%)
Credit Cards	6,866	7,989	(1,123)	(14%)
Other Current Liabilities				
Due to/Due From EDA	204,608	-	204,608	100%
Accrued Expenses	6,000	44	5,956	13,536%
Total Other Current Liabilities	210,608	44	210,564	478,555%
Total Current Liabilities	286,370	251,600	34,770	14%
Total Liabilities	286,370	251,600	34,770	14%
Equity				
Retained Earnings	3,507,118	2,939,820	567,298	19%
Change in Net Assets	740,405	112,304	628,101	559%
Total Equity	4,247,523	3,052,124	1,195,399	39%
TOTAL LIABILITIES & EQUITY	\$ 4,533,893	\$ 3,303,724	\$ 1,230,169	37%

BIG SKY ECONOMIC DEVELOPMENT CORPORATION
BUDGET REVIEW - PRELIMINARY PROPOSED BUDGET ADJUSTMENTS
FISCAL YEAR ENDING JUNE 30, 2024

	<u>FY24 Approved Budget</u>	<u>Adjustments</u>	<u>FY24 Revised Budget</u>
Ordinary Income/Expense			
Operating Revenue			
504 Loan Servicing	\$ 425,000	\$ (17,700)	\$ 407,300
504 Loan Origination	198,000	(134,640)	63,360
504 Loan Processing Fee Income	25,000	(1,000)	24,000
504 Loan Closing Attorney Fees	25,000	(12,500)	12,500
Federal EDA RLF Loan Orig	2,500	(1,750)	750
Float Income	20,000	50,000	70,000
Member Investment	296,400	(28,500)	267,900
Member Investment - Trade	12,100		12,100
Federal EDA RLF Loan Interest	52,000	32,000	84,000
RLF Business Loan Interest	12,000	(1,400)	10,600
Stabilization Loan Interest	18		18
SSBCI Loan Interest	18,000	9,000	27,000
Grant Administration	7,500	(4,600)	2,900
Donation Income	-	10,000	10,000
Total Operating Revenue	<u>1,093,518</u>	<u>(101,090)</u>	<u>992,428</u>
Operating Expense			
Advertising	200		200
Board Expenses	1,000		1,000
Business Accelerator	10,000	(10,000)	-
Business Development Outreach		500	500
Business Recruitment and Expans	17,500	(5,500)	12,000
Conferences	4,000	60	4,060
Contingency	10,000	(10,000)	-
Dues and Subscriptions	18,450	2,410	20,860
EDA Reimbursement	794,476	(1,441)	793,035
Event Expense	35,000	(8,000)	27,000
Hosted Meeting Expense	10,900	(3,000)	7,900
Insurance	11,250	1,600	12,850
Loan Expenses	18,000	(11,000)	7,000
Marketing			
Departmental Marketing	16,000	(6,000)	10,000
Organizational Marketing	15,000	(4,000)	11,000
Total Marketing	<u>31,000</u>	<u>(10,000)</u>	<u>21,000</u>

BIG SKY ECONOMIC DEVELOPMENT CORPORATION
BUDGET REVIEW - PRELIMINARY PROPOSED BUDGET ADJUSTMENTS
FISCAL YEAR ENDING JUNE 30, 2024

	<u>FY24 Approved Budget</u>	<u>Adjustments</u>	<u>FY24 Revised Budget</u>
Membership Development	8,500	(2,000)	6,500
Member Investor Trades	-	12,100	12,100
Office Equip & Furn < \$5000	-		-
Office Expenses and Supplies	1,650	(1,000)	650
Postage	1,350	(1,250)	100
Professional Development	4,500	2,000	6,500
Professional Fees			
Accounting	22,000		22,000
Consulting	17,000	(17,000)	-
Legal Fees	5,000	(4,742)	258
Attorney Fees - 504 Closing	25,000	(12,500)	12,500
Total Professional Fees	69,000	(34,242)	34,758
Rent	6,000	(2,658)	3,342
Rock31 Outreach	3,000		3,000
Sponsorships	2,150	(1,500)	650
Staff Expenses	1,100	150	1,250
Telecommunications	4,020	(1,560)	2,460
Travel	27,000		27,000
Miscellaneous	-	1,450	1,450
Total Operating Expense	<u>1,090,046</u>	<u>(82,881)</u>	<u>1,007,165</u>
Net Operating Revenue (Expense)	<u>\$ 3,472</u>	<u>\$ (18,209)</u>	<u>\$ (14,737)</u>



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT C

Big Sky MT SSBCI 2.0 Loan Requests

I. Big Sky EDC Finance Department is requesting approval for the following SSBCI requests. The Big Sky EDA-RLF / SSBCI Loan Committee has reviewed the requests and recommends approval to the full EDC Board. The requests meet all the underwriting and eligibility requirements of the program.

1. **River Bend Investments, LLC (Newman Restoration & Cleaning)** – Request is for financing of the purchase of two commercial condo units to be utilized for Newman Restoration. Big Sky EDC is requesting \$340,000 of MT SSBCI funds to be used in participation with Stockman Bank. Newman Restoration currently leases space for their operations but will now be purchasing the existing condominium units as their lease will be coming due.

Total financing will be \$680,000. Big Sky EDC is partnering with Stockman Bank on a 50/50 basis. Big Sky is requesting \$340,000* of MT SSBCI funds and Stockman Bank will finance \$340,000. We will be in a shared 1st lien position on commercial real estate. MT SSBCI portion will be a 10-year note at 3.5% fixed rate.

Financing will be contingent upon MT SSBCI approval of the overall request.

2. **Zarycki Property and Management, LLC (Serrano's Mexican Restaurant)** – Request is for total project financing of \$200,000 for the refinance of a seller carry note coming due on the commercial real estate for Serrano's Mexican Restaurant. The project is in East Glacier, MT, but the owners live here in Billings. This is a seasonal restaurant, open from May 1 through September 30. Borrowers have owned and operated the restaurant for five years.

Financing will consist of \$100,000 of Big Sky EDC's existing SSBCI funds (previously approved for use by the BSED Board) matched with \$100,000* of requested funds from the MT SSBCI 2.0 program. Big Sky EDC's note will be a 10-year note, amortized over 20 years, at 7.5% fixed. The new MT SSBCI 2.0 funds will be a 10-year note, amortized over 20 years, at 3.5% fixed. Big Sky EDC will be in a 1st lien position on the project commercial real estate.

*Big Sky Economic Development receives 50% of the repaid MT SSBCI 2.0 funds to be used for future lending purposes.

*Big Sky Economic Development will be assessed an annualized 0.25% service fee by the MT SSBCI 2.0 on a calendar quarter on the balances of all outstanding loans.

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 EDC.

1. **Circle T Construction LLC (1987 Holdings LLC)** – Purpose of this request is for the purchase of commercial real estate for Circle T Construction, located in Big Timber, MT. Circle T is an existing construction company specializing in residential and commercial general contracting, roofing, siding and remodels. Most recently they have been specializing more in commercial construction as well as additional work with Stillwater Mine. They are based in Big Timber and do work across the state. Circle T was incorporated in 2011.

The total SBA debenture will be \$242,000,000 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 Stockman Bank. Six new jobs are projected to be created in the next 2 years. The project will meet a Public Policy goal for Rural Development.



BIG SKY
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ATTACHMENT D

Date: February 20, 2024
Memo to: BSED Executive Committee
From: Thom MacLean, Community Development
RE: Qualified Environmental Professional recommendation for Brownfield Revolving Loan Fund

The Brownfield Review Committee recommends that Big Sky Economic Development contract with Granite Peak Environmental to serve as the Qualified Environmental Professional (QEP) for our Brownfield Revolving Loan Fund. The QEPs primary role is to provide environmental oversight of cleanup sites and assist in cleanup planning, community outreach, compliance, and grant administration. Our Brownfield RLF grant budget has \$42,000 for Contractual and \$887,440 for Loans and Subgrants with the remainder of the \$1,000,000 grant total for BSED staff time and fringe, travel, and supplies. Payment to the QEP may come out of either the Contractual or the Loans and Subgrants budget, depending on the nature of the work.

Brownfield Review Committee:

- DJ Clark
- Mac Fogelsong
- Jennifer Kondracki
- Wyeth Friday
- Katy Easton
- Michelle Harkins
- Zack Dunn
- Lucy Aspinwall
- Dianne Lehm
- Thom MacLean

Interview Team:

- DJ Clark
- Michelle Harkins
- Dianne Lehm
- Thom MacLean

BSED published a Request for Qualifications (RFQ) for environmental consultants in mid-December with a deadline of January 11, 2024. We received five responses – Granite Peak Environmental, Hydrometrics, WWC Engineering, Tasman, Inc., and EA Engineering. The Statements of Qualifications were sent to the Brownfield Review Committee for review and scoring. We met on February 6th to review the scores. Granite Peak was the top choice of the committee based on an average of two metrics – score and rank. Hydrometrics and WWC were second and third. Interviews were conducted for those top three firms on February 13th and 15th. In the interviews, Granite Peak displayed much more relevant experience and expertise in Brownfields and, specifically, Brownfield Revolving Loan Funds. In addition to their environmental consulting skills, they showed knowledge and experience in all aspects of setting up and running a Brownfield Revolving Loan Fund. This is important given our desire to establish procedures, guidelines, and best practices for our new program. They anticipated questions and concerns and addressed them before we had a chance to ask.

Though not a deciding factor in their selection, Granite Peak also serves as the QEP for our EPA Brownfield Assessment grant. This will provide some efficiencies in our overall Brownfield program as it is our hope that the Assessment program will feed into the RLF program and Granite Peak will be familiar with the projects in need of cleanup funding. There is also some overlap between the two programs, namely cleanup planning efforts.