



EDA/EDC – Joint Board Meeting
Thursday, April 10, 2025
7:00 A.M. to 9:15 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.

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.

Agenda

- 7:00 A.M. Call to Order/Pledge of Allegiance/Roll Call** – Debbie Desjarlais, EDA Chair
- 7:02 A.M. Public Comment/Introductions & Special Guest Presentations**
 - Public Comments/Introductions/Announcements
 - Announcements – Shaye – Billings Works
 - Strategic Priority Update: Downtown Redevelopment - Yellowstone Art Museum – Jessica
 - MI Spotlight – Patrick
- 7:25 A.M. Changes to Today’s Agenda**
- 7:28 A.M. Consent Items for Board Action** (EDA & EDC Action)
 - Minutes – March 13, 2025 (Attachment A)
 - EDA & EDC FY’25 February Financial Statements (Attachment B)
- 7:35 A.M. Other Financial Matters – Tami**
 - FY ’26 Budget Assumptions, Challenges and Opportunities (Attachment C) (Info)
 - Org/Budget Background – Sources and Uses- Steve (Attachment D) (Info)
 - Financial Responsibilities – Board-Member Signatories Recommendation (Handout) (EDA & EDC Action)
 - FY ’25 Merit Award Budget Considerations—Steve (Attachment E) (EDA & EDC Action)
- 8:15 AM Program Updates/Action**
 - Big Sky Finance – Brandon
 - Loan Considerations (Attachment F)(EDC Action)
 - BSF Loan Committee Appointment (Handout) (EDA & EDC Action)
 - Legislative Priorities Update-Marcell/Steve (Attachment G)(Info)
 - Coulson Park Development Grant Consideration- Dianne (Handout) (EDA & EDC Action)
- 8:40 AM Executive Director Report-** Steve/Paul (Attachment H)
 - Executive Director Update – Paul (Info)
 - Air Service Outreach – Steve (Info)
 - Board Planning Session – Follow-Up—Steve
 - Summary Notes and Takeaways (Attachment I) (Info)
 - “Dive In Headfirst” – Final Thoughts (Info)
- 9:05 AM Public Comment**
- 9:15 A.M. Adjourn**

Next EDA/EDC Board Meeting: May 8, 2025, 7:00 AM to 9:15 AM, Zoot Training and Event Space, Rock31/BSED. The 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 Economic Development at 406-256-6871.



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT A

**Big Sky EDA/EDC Joint Board Meeting Minutes
March 13th, 2025 - 7:00 A.M. to 9:30 A.M.
Zoot Training & 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.

Committee Members Present: **EDA** – Debbie Desjarlais, Bryan Wood, Riley Bennett, Kate Vogel, Aaron Redland, Vince Mistretta, Turk Stovall, Ken Lutton
Ex-officio – Mike Waters, Katy Schreiner, Mike Boyett

EDC – Nick Pancheau, Jennifer Kobza, Jennifer Weaver Kondracki, Andy Gott, Dr. Stefani Hicswa, Dave Ballard, DJ Clark, Cole Derks, Spencer Frederick, Keagan Harsha, Mike Marsh, Kim Jakub, Mark Morse, Matt Robertson, Molly Schwend, Dr. Bob Wilmouth

Committee Members Absent: **EDA** – Lucy Aspinwall, Zachary Dunn, Darin Uselman **Ex-officio** – Dr. Erwin Garcia, John Brewer, Kurt Markegard

EDC – Nichole Mehling, Judi Powers, Michael Phillips, Jerry Simonson, George Warmer, Tyler Wiltgen

Staff and Others Present: Commissioner John Ostlund, Paul Green, Jennifer Webber, Tony O'Donnell, Reann Keller, Patrick Klugman, Steve Arveschoug, Tami Fleetwood, Lorene Hintz, Kayla Vokral, Dianne Lehm, Deanna Langman, Tereza Brownell, Keith Hart, Brandon Berger

Call to Order:
Nick Pancheau, EDC Chair, called the meeting to order at 7:01 A.M.

Public Comment/Introductions & Special Guest Presentation:

- Team Member Recognition
 - Patrick Klugman- 10 Year Anniversary with Big Sky Economic Development
 - Introduction- Paul Green, newly appointed Executive Director of Big Sky Economic Development. His first official day will be April 1st
- Announcements
 - Keith Hart invited the Board to attend Better Off In Billings (BOIB) event that is to be held on 4/17 from 3:00-5:00 at Craft Local where Space2Place will also be announcing their grant winners.
 - Tony O'Donnell shared that May 1st is National Day of Prayer and in celebration, there will be an event held on the Billings Courthouse Lawn at noon as well as New Life Church at 7:00pm.
 - Lorene Hintz provided details of National SBDC Day to be celebrated with a screening of Edge of the Plains documentary followed by panel Q&A at the Art House on March 13th, 3:30-5:30pm. Shared trailer of the documentary with the Board.

- Strategy Partner Update- Katy Schreiner, CEO, Downtown Billings: Business Improvement District. Currently in the process of renewing the BID and need a 60% vote from property owners in the designated area. Provided an overview of the BID program and how the funds are used.
- Rock31 Member Spotlight- Presentation given by Jennifer Webber- Rooted Rights. Focused on protecting indigenous data. More information found at rootedrights.com

Agenda Changes for Today's Meeting:

None

REGULAR AGENDA

Approval to February 13, 2025 EDA/EDC- Joint Board Meeting Minutes

Motion: **Andy Gott** to approve February 13th, 2025, EDA/EDC Joint Board Meeting minutes as presented to the Board.

Second: **Kate Vogel**

Discussion: None

Motion: Carried

Approval of EDA/EDC Financials

EDA & EDC FY '25 January Financial Statements

Motion: **Jennifer Kobza** to approve EDA & EDC FY '25 January Financial Statements as presented to the Board.

Second: **Ken Lutton**

Discussion: Edit on page 13 of packet, first paragraph should indicate \$74,000.

Motion: **Riley Bennett** to approve EDA & EDC FY '25 January Financial Statements as presented to the Board with edit discussed on page 13.

Second: **Andy Gott**

Other Financial Matters

Resolution to Update Financial/Fiduciary Responsibilities

Tami explained the resolution that was drafted and why it was necessary to replace signors.

Motion: **Vince Mistretta** to approve resolution to update financial/fiduciary responsibilities as presented to the Board.

Second: **Debbie Desjarlais**

Discussion: None

Motion: Carried

Program Updates/Action

Big Sky Finance – Request/Confirmation- SSBCI Loan Funds

Brandon discussed the Big Sky Finance SBA 504 loan payoff miscalculation that occurred. Payoff was short \$8,629.92 and SSBCI funds were used to cover shortfall since it was Big Sky's error. The decision was made to provide a short-term note to the borrower for 8 months at 0% interest. Since there was a short turnaround time to correct this error, the decision was made before being brought to the Board for approval. Brandon confirmed that all of the standard processes were followed, and this was the first error that he has seen in 20 years. He feels confident in the process Big Sky has in place. Brandon requests post approval of funds.

Motion: **Riley Bennett** confirm approval of the use of \$8629.92 of SSBCI funds for short-term note as presented to the Board.

Second: **Jennifer Kobza**

Discussion: Question regarding whether it was acceptable to provide a 0% interest note and whether there would be any audit concerns or if there were any federal regulation implications. Discussion whether the interest will be considered a “gift” by the IRS. Paul Green shared that recycled funds typically have less strings attached, and he has seen similar situations come up in commerce without issue.

Motion: **Riley Bennett** to approve the movement of SSBCI funds that has already taken place with the request to follow up with the Board once there has been a discussion with the auditor.

Second: **Jennifer Kobza**

Discussion: None

Motion: Carried

504 Program Mid-Year Report to the Board

Brandon provided an overview of 504 Loan portfolio as on 12/31/2024 which included a total of 140 loans and an outstanding balance of \$72,131,700 with 2 loans that are 30 days late with their payment. Large concentration of the portfolio comprised of hospitality industry and car washes. There are 4 loans in catch up, all 4 were made during COVID and had to automatically go into a 3-month deferment and are in 5-year catch up plan that should be ending soon. Discussed the 504 Loan process; all loan requests go through 504 Loan Committee which includes several members on the Board. The committee reviews credit memo and additional information as requested and if the loan is less than 2 million, Big Sky can then submit to SBA before going to the Board to ratify. If the loan is over 2 million, the loan will go through the Board for approval before submitting to the SBA. 504 Loan Committee comprised of 4 lenders, an attorney, CPA, and a few other business professionals. Brandon shared we received notice of renewal of Approved Lender Program member. This membership is renewed every two years.

Big Sky Finance- Loan Considerations

None at this time

Economic Development Programs

Patrick gave an overview of the updates and changes since the Federal Funding Directive was released January 27th and how it impacts each of our federally funded programs- VBOC, SBDC, and APEX. VBOC is impacted by the section of the executive order that discusses radical waste and DE&I programs. A letter was sent to SBA and National VBOC confirming that VBOC is compliant with this executive order. We are still waiting on a response from that letter; however, a new letter template was received on 3/10 from National VBOC confirming compliance that we have signed and submitted. SBDC is funded through the state of MT, not directly from the feds and we are confident that funding will continue. APEX receives part of their funding through the Department of Defense, who is currently under full review. Letters requesting support of this program have been sent to all 4 congressional teams and Patrick, Deanna, and Steve have had the opportunity to meet with Senator Sheehy’s team and Senator Daines’ team who have each offered their support of the APEX program. Patrick asks the Board to support APEX by communicating with congressional members. Over the last 2 years APEX has supported 1400 companies and assisted with 7000 contracts, a value of 516 Million dollars (120 Million dollars in Yellowstone County alone).

Executive Director Report- Steve Arveschoug

Board Planning Session – March 28, 8:30AM to 1PM

Discussed the draft agenda for Board planning session and Steve asked for any feedback or changes that the Board would like made. Suggestions provided include inviting partners from surrounding Billings areas such as Lockwood or Laurel, sending out materials ahead of time so members can be better prepared to participate, and being clear/specific with agenda items to help foster more engagement. Steve will work on implementing suggestions.

Grid United Project – SEMDC/BSED Joint Letter of Support

This letter was in response to the Powerful Opportunities meeting that was held in February. Letters have been hand delivered by Jim Atchison when he was in D.C earlier this month.

Executive Director Onboarding Plan

Steve shared that also though his last day is April 15th he has worked with the Executive Committee and has agreed to be available until May 2nd. Discussion regarding the workplan Steve is creating for Paul that focuses on seven key objectives: 1- Strong Team and Board Member Relationships, 2-Knowing the Administrative/Board Management Role and Responsibilities, 3- Building a Working Relationship with Key Partners, 4- Learning and Supporting the Budget Development Process, 5- Understanding BSED Organizational Governance/Structure, 6- Strategic Priorities- Take on the Champion Collaboration Role, 7- Supporting the Recruitment/Community Development Plan & Team.

Public Comment:

None

Adjourn:

Motion: **Ken Lutton** to adjourn the meeting.

Second: **Dave Ballard**

Discussion: None

Motion: Carried

Debbie Desjarlais adjourned the meeting at 9:09 am.

Next Meeting – April 10th, 2025

Respectfully submitted,

Bryan Wood, EDA Secretary/Treasurer

Jennifer Weaver Kondracki, EDC Secretary/Treasurer



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT B



**Big Sky Economic Development Authority (BSEDA)
Financial Summary for Board of Directors
FY25 - As of and for the period ended February 28, 2025**

Statement of Operations

Net Operating Revenue: \$ 95,278

Factors Driving Net Operating Revenue:

The net operating revenue for the fiscal year to date through February 28, 2025 is within expectations as compared to the budgeted net operating revenue for this period. BSEDA's primary revenue source is County Mill Levy Revenues from Yellowstone County that are funded in November each year. Since the County Mill Levy revenues are used to support the activity of the organization the entire fiscal year, BSEDA records and reports one twelfth of the committed revenue amount each month. Likewise, Entitlement is passed through Yellowstone County to BSEDA and is funded 4 times per year in September, December, March, and June. The revenue is recognized equally each month during the fiscal year.

Other operating revenue sources correspond to the activity from cooperative agreements from the APEX Accelerator and VBOC programs. These programs are essentially reimbursement based, so the revenue is directly affected by the expenses incurred to run the program. Activity for these programs was slightly less than budget for the current fiscal year to date, so both revenues and expenses are under budget. Rock31 underwent some membership changes in recent months and realized a slight decrease in membership revenues while working through the changes. Membership levels are being restored and monthly rental fees for offices are being evaluated as members vacate spaces and before new members move in.

Operating expenses are less than expected for the year to date through February 28, 2025, primarily with regard to activity related to Federal programs. Salaries/wages and employer contributions make up approximately 63% of the total actual operating expenses. The other major expenses this year to date are APEX Subcenter costs, activity on Brownfields Assessment, building operations/maintenance, and travel expenses. The expenses for APEX Subcenter costs are entirely offset by revenues.

Non-operating income and expenses consist primarily of bank interest income and depreciation expense.

Statement of Financial Position

Cash available for operations: \$1,341,328

Accounts receivable: \$466,603

Due from EDC: \$66,578

Operating cash is deemed to be all of the checking/savings line items on the Statement of Financial Position 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 \$539,311. BSEDA's cash position is good and sufficient to meet the needs of the organization.

The accounts receivable balances outstanding at February 28, 2025 include three customer balances that are aged more than 60 days (APEX, VBOC, NADC, and an APEX Advisor support payment). Past APEX, VBOC, and NADC invoices were paid in March, so each only has one month outstanding as of 4/1/25. We are still working to collect the other aged receivable for APEX Advisor support. The amount owed from Big Sky EDC is for costs of salaries/wages/fringe benefits and building operations/maintenance for the month of February and is included on the Due to/Due from EDC line.

Big Sky Economic Development Authority

Statements of Operations - Budget vs. Actual

For the Month and YTD Ended February 28, 2025

	Feb 2025			YTD			Fiscal Year
	Actual	Budget	over Budget	Actual	Budget	over Budget	Annual Budget
Income							
40000 County Taxes Mill Levy Revenue	\$ 127,677	\$ 130,006	\$ (2,329)	\$ 1,038,904	\$ 1,040,048	\$ (1,144)	\$ 1,560,072
40010 Entitlement	23,691	23,691	-	189,531	189,531	-	284,296
40020 Health Ins Mill Levy Revenue	8,480	9,540	(1,060)	68,370	76,320	(7,950)	114,480
40030 Recovery of Protested Taxes	-	-	-	-	-	-	1,000
40050 Department of Defense - APEX	74,000	74,193	(193)	588,095	593,545	(5,450)	890,317
40060 EDC Reimbursement	65,484	65,770	(286)	524,550	526,160	(1,610)	789,240
40070 EPA Brownfields - Assessment	18,792	11,207	7,586	121,477	89,652	31,825	134,478
40080 EPA Brownfields - Project Mgmt	-	2,653	(2,653)	13,827	21,223	(7,395)	31,834
40090 EPA Brownfields - RLF	35	15,557	(15,522)	7,350	124,459	(117,108)	186,688
40100 APEX Advisor Agreement Support	3,000	3,000	-	24,000	24,000	-	36,000
40110 MT Dept of Commerce - SBDC	11,583	11,250	333	93,009	90,000	3,009	135,000
40120 SBDC Program Income	-	-	-	2,268	-	2,268	-
40130 SBA - VBOC	27,077	27,619	(541)	202,797	220,950	(18,153)	331,425
40140 Rock31 Membership Revenue	7,448	8,417	(969)	58,314	67,333	(9,019)	101,000
40150 Zoot/Other Room Rent Revenue	703	667	36	5,648	5,333	314	8,000
40160 Rock31 Barista Rent Revenue	775	700	75	6,050	5,600	450	8,400
40180 Grant Administration	8,195	9,950	(1,755)	63,629	79,600	(15,971)	119,400
40200 Miscellaneous Revenue	-	-	-	-	-	-	-
Total Income	376,941	394,219	(17,278)	3,007,819	3,153,753	(145,934)	4,731,630
Gross Profit	376,941	394,219	(17,278)	3,007,819	3,153,753	(145,934)	4,731,630
Expenses							
50100 Salaries/Wages	170,588	173,201	(2,613)	1,362,867	1,385,607	(22,740)	2,078,410
50110 Employer Contributions	57,734	53,815	3,919	475,771	429,046	46,725	644,305
50140 Advertising	567	750	(183)	5,486	6,000	(514)	9,000
50150 Barista Equipment Maintenance	-	-	-	260	500	(240)	2,500
50160 Barista Supplies	-	-	-	187	250	(63)	500
50170 Board Expenses	176	1,588	(1,411)	3,192	4,150	(958)	6,000
50180 Brownfields Assessment Expense	18,792	11,207	7,586	121,477	89,652	31,825	134,478
50190 Brownfields Project Mgmt Exp	-	2,653	(2,653)	13,827	21,223	(7,395)	31,834
50200 Brownfields RLF Expense	35	15,557	(15,522)	7,350	124,459	(117,108)	186,688
50210 Building Art and Decor	-	-	-	285	-	285	1,000
50220 Building Operations/Maintenance	7,998	9,012	(1,014)	65,305	72,097	(6,792)	108,146
50240 Community Development Projects	-	-	-	7,645	12,500	(4,855)	55,000
50250 Community Partner Projects	-	-	-	-	2,625	(2,625)	3,500
50260 Conferences	1,891	128	1,763	15,898	7,031	8,867	30,044
50270 Contingency	-	40,000	(40,000)	-	40,000	(40,000)	40,000
50280 Contribution Expense	-	-	-	-	-	-	3,500

Big Sky Economic Development Authority
Statements of Operations - Budget vs. Actual
For the Month and YTD Ended February 28, 2025

	Feb 2025			YTD			Fiscal Year
	Actual	Budget	over Budget	Actual	Budget	over Budget	Annual Budget
50300 Dues/Subscriptions/Memberships	8,210	10,967	(2,757)	53,966	77,692	(23,727)	121,783
50400 Event Expense	1,950	625	1,325	27,533	23,000	4,533	30,401
50410 Hosted Meetings	761	929	(169)	6,686	7,433	(748)	11,800
50430 Insurance	4,507	5,032	(525)	34,949	40,092	(5,143)	60,219
50440 Marketing	5,331	6,625	(1,294)	48,911	53,000	(4,089)	79,500
50450 Office Equip & Furn < \$5000	2,440	-	2,440	7,516	2,500	5,016	19,851
50460 Office Expense and Supplies	2,102	2,578	(476)	21,110	20,621	489	33,932
50470 Payroll Processing Expense	2,184	2,408	(224)	17,434	19,264	(1,830)	28,896
50480 Professional Development		792	(792)	10,034	6,333	3,700	27,274
50490 Professional Fees	30,878	17,778	13,099	77,083	68,667	8,416	85,500
50510 Programming - Workforce	500	500	-	10,774	16,000	(5,226)	54,000
50520 Property Tax Protests	-	-	-	14,935	39,002	(24,067)	39,002
50530 APEX Subcenter	50,100	43,908	6,192	348,694	351,263	(2,570)	526,895
50540 Rent	636	988	(352)	7,437	7,904	(467)	11,856
50550 Repairs	10,392	1,000	9,392	15,707	8,000	7,707	12,000
50560 Rock31 Outreach	-	417	(417)	82	3,333	(3,252)	5,000
50570 SBDC Program Expense	-	-	-	967	-	967	-
50580 Special Assessments BID	-	-	-	2,025	1,250	775	2,500
50590 Sponsorships	3,000	500	2,500	12,163	4,000	8,163	10,650
50600 Staff Expenses	1,751	3,375	(1,624)	5,315	6,000	(685)	9,600
50610 Strategic Priorities	-	-	-	-	-	-	15,000
50630 TEDD	-	-	-	-	-	-	600
50640 Telecommunications	5,406	4,715	691	38,618	37,721	896	56,582
50650 Travel	6,382	7,367	(985)	65,957	60,936	5,021	116,104
50670 Miscellaneous	525	269	256	5,094	3,886	1,208	6,727
Total Expenses	394,833	418,682	(23,849)	2,912,541	3,053,039	(140,499)	4,700,577
Net Operating Income	(17,892)	(24,463)	6,570	95,278	100,714	(5,436)	31,053
Other Income							
70000 Non-Operating Income	4,419	9,000	(4,581)	74,223	60,000	14,223	100,000
Total Other Income	4,419	9,000	(4,581)	74,223	60,000	14,223	100,000
Other Expenses							
80000 Non-Operating Expense	21,954	21,948	7	175,636	175,583	53	263,374
Total Other Expenses	21,954	21,948	7	175,636	175,583	53	263,374
Net Other Income	(17,536)	(12,948)	(4,588)	(101,413)	(115,583)	14,170	(163,374)
Net Income	\$ (35,428)	\$ (37,411)	\$ 1,982	\$ (6,134)	\$ (14,868)	\$ 8,734	\$ (132,321)

Big Sky Economic Development Authority
Statements of Financial Position - Comparison to Previous Year
As of February 28, 2025

	As of Feb 28, 2025	As of Feb 29, 2024 (PY)	Change	% Change
ASSETS				
Current Assets				
Bank Accounts				
10000 Main Operating - FIB	\$ 210,835	\$ 498,539	\$ (287,704)	-57.71%
10010 Recovered Property Taxes - FIB	627	627	0	0.05%
10020 Operating Reserve - FIB	354,442	252,540	101,902	40.35%
10030 Reserve for Replacement - FIB	184,869	134,702	50,167	37.24%
10040 Pass-through - Cabelas Conduit	4,898	4,897	2	0.03%
10050 Opportunity Fund Savings Accounts	1,163,073	1,136,885	26,189	2.30%
10060 Opportunity Fund CDs-current	2,135,215	2,067,151	68,064	3.29%
10080 Yellowstone County Funds	585,516	472,501	113,015	23.92%
10090 Clearing Account	99	(1,775)	1,874	105.60%
10095 Payroll Clearing Account	42		42	
Total Bank Accounts	4,639,616	4,566,065	73,551	1.61%
Accounts Receivable				
10100 Accounts Receivable	101,370	68,382	32,988	48.24%
10110 Accounts Receivable - APEX	236,750	129,222	107,528	83.21%
10120 Accounts Receivable - SBDC	34,807	50,666	(15,859)	-31.30%
10130 Accounts Receivable - VBOC	74,848	60,619	14,229	23.47%
10140 Accounts Receivable - Brownfields	18,827	13,440	5,387	40.08%
Total Accounts Receivable	466,603	322,329	144,274	44.76%
Other Current Assets				
10200 Accrued Revenue	47,383		47,383	
10210 Due To/Due From EDC	66,578	255,884	(189,306)	-73.98%
10230 Tax Levy Receivable	650,792	597,621	53,171	8.90%
10240 Tax Levy Receivable - Protested	14,935	22,623	(7,688)	-33.98%
10241 Allowance for Doubtful Accts - Protested Taxes	(14,935)	(22,623)	7,688	33.98%
10260 American Airlines Rev Guarantee	6,887	6,887	-	0.00%
10270 Prepaid Expenses	68,573	24,728	43,845	177.31%
10299 Undeposited Funds	69,000	10,000	59,000	590.00%
Total Other Current Assets	909,213	895,121	14,092	1.57%
Total Current Assets	6,015,432	5,783,515	231,917	4.01%
Fixed Assets				
10410 Bank Building - Land	301,750	301,750	-	0.00%
10420 Bank Building - Building	6,303,893	6,303,893	-	0.00%
10430 Furniture	227,169	227,169	-	0.00%
10440 Equipment	6,700	6,700	-	0.00%
10450 Barista Equipment	12,000	12,000	-	0.00%
10460 Accumulated Depreciation	(692,905)	(431,534)	(261,372)	-60.57%
Total Fixed Assets	6,158,606	6,419,977	(261,372)	-4.07%

Big Sky Economic Development Authority
Statements of Financial Position - Comparison to Previous Year
As of February 28, 2025

	As of Feb 28, 2025	As of Feb 29, 2024 (PY)	Change	% Change
Other Assets				
10600 Deferred Outflow of Resources	89,782	90,930	(1,148)	-1.26%
10630 Deposit	173	173	-	0.00%
10660 Right of Use Asset	4,159	5,720	(1,561)	-27.30%
Total Other Assets	94,114	96,823	(2,709)	-2.80%
TOTAL ASSETS	\$ 12,268,152	\$ 12,300,316	\$ (32,164)	-0.26%
LIABILITIES AND EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
20000 Accounts Payable	\$ 41,220	\$ 115,646	\$ (74,426)	-64.36%
Total Accounts Payable	41,220	115,646	(74,426)	-64.36%
Credit Cards				
Total Credit Cards	14,652	20,090	(5,437)	-27.06%
Other Current Liabilities				
20200 Accrued Expenses	138,053	144,967	(6,915)	-4.77%
20220 Compensated Absences	215,391	164,112	51,278	31.25%
20230 Payroll Liabilities	103	(513)	616	120.09%
20300 Deferred Revenues	546,009	12,000	534,009	4450.07%
Total Other Current Liabilities	899,555	320,567	578,988	180.61%
Total Current Liabilities	955,428	456,303	499,125	109.38%
Long-Term Liabilities				
20500 Deferred Inflow of Resources	69,377	204,425	(135,048)	-66.06%
20600 Pension Liability	626,208	628,001	(1,793)	-0.29%
20700 Lease Liability	4,159	5,720	(1,561)	-27.30%
Total Long-Term Liabilities	699,744	838,146	(138,402)	-16.51%
Total Liabilities	1,655,171	1,294,449	360,722	27.87%
Equity				
30100 Net Assets	7,908,005	7,666,804	241,201	3.15%
30200 Contributed Capital	3,193,580	3,193,580	-	0.00%
30300 Prior Period Adjustment	(482,470)	(482,470)	-	0.00%
Net Income	(6,134)	627,953	(634,087)	-100.98%
Total Equity	10,612,981	11,005,867	(392,887)	-3.57%
TOTAL LIABILITIES AND EQUITY	\$ 12,268,152	\$ 12,300,316	\$ (32,164)	-0.26%



**Big Sky Economic Development Corporation (BSEDC)
Financial Summary for Board of Directors
FY25 - As of and for the period ended February 28, 2025**

Statement of Operations

Net Operating Revenue: \$ 92,536

Factors Driving Net Operating Revenue:

The net operating revenue for the fiscal year to date through February 28, 2025 is better than expected as compared to the budgeted net operating revenue for this period. BSEDC's primary revenue sources come from the 504 loan program. 504 Loan Origination/Loan Processing Fee Income/Loan Closing Attorney Fee revenues will vary with the timing of loans that are closed and funded. BSEDC's loan origination funding occurs approximately one month after the 504 loan closes. As of February 28, 2025, BSEDC has received loan origination funds for five 504 loans this fiscal year. The Big Sky Finance team has been very busy and working extremely hard to bring on viable loans and see them through funding. Additional 504 loans are in progress in various stages of the loan process, some of which are for businesses that are undergoing construction. We anticipate additional loan origination funding of approximately \$70,000 to be received before the end of FY25. There are additional 504 loans in progress that will roll over the end of FY25 and fund early in FY26 that amount to approximately \$74,000 in loan origination revenues.

The Member Investor program is also exceeding budgeted expectations for FY25. Revenues reported through February 28, 2025 amount to approximately \$216,000 and the final quarter's invoices of approximately \$102,500 will be sent out this week. With that, we will exceed the FY25 annual budget of \$315,000. We appreciate the relationships we have with our member investors.

Operating expenses appear reasonable and are coming in slightly less than what was budgeted for the year to date. Non-operating income consists primarily of SSBCI 2.0 LPP Revenue for the loans that closed in July and August and revenue received from State of Montana DOC for RLF.

Statement of Financial Position

Cash available for general operations: \$377,151
Cash designated for loan programs: \$1,380,330
Accounts receivable: \$105,575
Loan portfolios, net of allowance for loan losses: \$3,979,287
Accounts payable: \$73,162
Due to EDA: \$66,578

Cash available for general operations consists of FIB main operating checking and long term reserve bank accounts. BSEDC has a management services agreement in which it reimburses BSEDA for the cost of BSEDC employee salaries and building operations and maintenance. The amounts owed to BSEDA are reflected as liabilities on the Statement of Financial Position on the Due to/Due from EDA line and consists of amounts owed for February 2025. The average monthly cost to BSEDC for the management services agreement is approximately \$65,000-\$70,000.

Big Sky Economic Development Corporation
Statement of Operations - Budget vs. Actual
For the Month and YTD Ended February 28, 2025

	Feb 2025			YTD			Fiscal Year
	Actual	Budget	over Budget	Actual	Budget	over Budget	Annual Budget
Revenue							
40010 504 Loan Servicing	\$ 33,958	\$ 35,333	\$ (1,375)	\$ 268,631	\$ 282,668	\$ (14,037)	\$ 424,000
40020 504 Loan Origination	2,392	11,250	(8,858)	92,165	90,000	2,165	135,000
40030 504 Loan Processing Fee Income		2,000	(2,000)	6,157	16,000	(9,843)	24,000
40040 504 Loan Closing Attorney Fees	2,500	2,083	417	12,500	16,667	(4,167)	25,000
40050 504 Float Income	-	-	-	53,280	20,000	33,280	30,000
41010 Member Investment Pledges	11,000	-	11,000	203,700	184,500	19,200	290,000
41020 Member Investment - Trades	1,195	2,083	(888)	12,876	16,667	(3,791)	25,000
42010 Federal EDA RLF Loan Interest	9,366	8,000	1,366	71,862	67,300	4,562	98,987
42020 RLF Loan Interest	2,005	5,282	(3,277)	12,478	15,782	(3,304)	37,782
42025 RLF Origination Fees	-	-	-	1,250	-	1,250	-
42030 MT RLF Loan Interest	379	-	379	379	-	379	-
42040 SSBCI Loan Interest	3,244	2,300	944	20,674	18,400	2,274	41,400
42045 SSBCI Origination Fees	-	500	(500)	-	4,000	(4,000)	8,600
42050 SSBCI 2.0 Loan Interest	1,187	1,241	(54)	11,506	9,936	1,570	-
42055 SSBCI 2.0 Origination Fees	-	-	-	1,500	1,500	-	-
43000 Other Revenue	790	-	790	2,262	-	2,262	250
Total Revenue	68,016	70,073	(2,057)	771,219	743,419	27,800	1,140,019
Gross Profit	68,016	70,073	(2,057)	771,219	743,419	27,800	1,140,019
Expenditures							
50140 Advertising	165	250	(85)	3,160	2,000	1,160	3,000
50170 Board Expenses	-	83	(83)	78	667	(589)	1,000
50240 Business Development Outreach	106	125	(19)	457	1,000	(543)	1,500
50250 Business Recruitment and Expans	7,500	8,832	(1,332)	8,347	9,672	(1,325)	15,000
50260 Conferences	-	-	-	2,000	1,720	280	4,560
50270 Contingency	-	-	-	-	-	-	20,000
50300 Dues/Subscriptions/Memberships	2,109	2,094	16	13,141	16,751	(3,610)	25,127
50330 EDA Reimbursement	65,484	65,770	(286)	524,550	526,160	(1,610)	789,240
50340 Event Expense	4,494	3,885	609	5,728	18,085	(12,357)	24,500
50360 Hosted Meeting Expense	596	1,125	(529)	1,938	3,300	(1,362)	7,800
50380 Insurance	1,983	1,265	718	13,706	10,118	3,588	15,177
50390 Loan Expenses	3,142	1,870	1,272	13,192	14,370	(1,178)	21,850
50400 Marketing	3,409	3,600	(192)	5,085	4,300	785	19,000
50410 Membership Development	16	708	(693)	1,557	5,667	(4,110)	8,500
50420 Member Investor Trades	1,195	2,083	(888)	12,876	16,667	(3,791)	25,000
50450 Office Expenses and Supplies	75	65	10	320	540	(220)	800
50460 Postage	-	-	-	154	-	154	100
50470 Professional Development	299	-	299	5,041	5,850	(809)	8,000

Big Sky Economic Development Corporation
Statement of Operations - Budget vs. Actual
For the Month and YTD Ended February 28, 2025

	Feb 2025			YTD			Fiscal Year
	Actual	Budget	over Budget	Actual	Budget	over Budget	Annual Budget
50480 Professional Fees	2,500	6,104	(3,604)	48,850	47,833	1,017	72,250
50490 Program Development - Workforce	-	200	(200)	-	200	(200)	1,000
50500 Rent	203	193	10	1,563	1,542	21	2,313
50510 Rock31 Business Accelerator	-	1,600	(1,600)	-	1,600	(1,600)	8,000
50530 Rock31 Member Appreciation	-	200	(200)	15	200	(185)	1,000
50540 Rock31 Programming	-	600	(600)	-	600	(600)	3,000
50550 Sponsorships	-	-	-	-	-	-	1,000
50560 Staff Expenses	19	223	(204)	126	257	(131)	1,150
50570 Telecommunications	205	205	-	1,640	1,640	-	2,460
50580 Travel	457	2,875	(2,418)	14,119	13,700	419	30,280
50610 Miscellaneous	92	121	(29)	1,040	967	73	1,450
Total Expenditures	94,049	104,077	(10,028)	678,683	705,405	(26,722)	1,114,057
Net Operating Revenue	(26,033)	(34,004)	7,971	92,536	38,014	54,521	25,962
Other Revenue							
70000 Non-Operating Income	124	192	(68)	770,216	1,533	768,683	12,300
Total Other Revenue	124	192	(68)	770,216	1,533	768,683	12,300
Other Expenditures							
80000 Non-Operating Expense	-	-	-	4,000	5,000	(1,000)	10,000
Total Other Expenditures	-	-	-	4,000	5,000	(1,000)	10,000
Net Other Revenue	124	192	(68)	766,216	(3,467)	769,683	2,300
Net Revenue	\$ (25,909)	\$ (33,812)	\$ 7,903	\$ 858,752	\$ 34,548	\$ 824,204	\$ 28,262

Big Sky Economic Development Corporation
Statements of Financial Position - Comparison to Previous Year
As of February 28, 2025

	As of Feb 28, 2025	As of Feb 29, 2024 (PY)	Change	% Change
ASSETS				
Current Assets				
Bank Accounts				
10000 Main Operating - FIB	\$ 127,151	\$ 109,875	\$ 17,275	15.72%
10020 Long Term Reserve - FIB	250,000	250,000	-	0.00%
10030 Coulson Park - FIB x0594	178,726	111,599	67,127	60.15%
10050 Opportunity Fund Savings - FIB	60,974	60,943	30	0.05%
10060 RLF Principal - FIB	572,978	330,473	242,506	73.38%
10070 SSBCI Principal - FIB/Stockman	683,263	569,483	113,780	19.98%
10080 Federal EDA RLF Principal- FIB	124,089	253,034	(128,945)	-50.96%
Total Bank Accounts	1,997,181	1,685,408	311,773	18.50%
Accounts Receivable				
10100 Accounts Receivable	105,575	74,000	31,575	42.67%
10110 Pledges Receivable	-	2,500	(2,500)	-100.00%
Total Accounts Receivable	105,575	76,500	29,075	38.01%
Other Current Assets				
10199 Undeposited Funds	22,500	2,500	20,000	800.00%
10200 Fed EDA RLF Portfolio - Current	124,193	77,310	46,883	60.64%
10240 Traditional RLF Portfolio - Current	26,237	11,882	14,355	120.80%
10270 MT RLF Portfolio - Current	3,685		3,685	
10300 SSBCI Portfolio - Current	23,150	15,718	7,432	47.28%
10330 SSBCI 2.0 Portfolio - Current	50,588		50,588	
10360 Stabilization - Current	-	1,534	(1,534)	-100.00%
10370 Prepaid Expenses	22,134	12,565	9,569	76.16%
Total Other Current Assets	272,487	121,509	150,978	124.25%
Total Current Assets	2,375,243	1,883,417	491,826	26.11%
Other Assets				
10600 Fed EDA RLF - Non-Current	1,725,849	1,735,789	(9,940)	-0.57%
10640 Traditional RLF Portfolio - Non-Current	369,900	167,999	201,902	120.18%
10670 MT RLF Portfolio - Non-Current	60,407		60,407	
10700 SSBCI Portfolio - Non-Current	768,882	754,708	14,174	1.88%
10730 SSBCI 2.0 Portfolio - Non-Curre	969,527		969,527	
10790 Allowance for Loan Losses	(143,132)	(26,357)	(116,776)	-443.06%
Total Other Assets	3,751,434	2,632,139	1,119,295	42.52%
TOTAL ASSETS	\$ 6,126,677	\$ 4,515,556	\$ 1,611,121	35.68%

Big Sky Economic Development Corporation
Statements of Financial Position - Comparison to Previous Year

As of February 28, 2025

	As of Feb 28, 2025	As of Feb 29, 2024 (PY)	Change	% Change
LIABILITIES AND EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
20000 Accounts Payable	\$ 73,162	\$ 43,084	\$ 30,078	69.81%
Total Accounts Payable	73,162	43,084	30,078	69.81%
Credit Cards				
Total Credit Cards	4,821	5,619	(798)	-14.20%
Other Current Liabilities				
20150 Due to/Due From EDA	66,578	255,559	(188,981)	-73.95%
20200 Accrued Expenses	-	3,500	(3,500)	-100.00%
Total Other Current Liabilities	66,578	259,059	(192,481)	-74.30%
Total Current Liabilities	144,561	307,762	(163,201)	-53.03%
Total Liabilities	144,561	307,762	(163,201)	-53.03%
Equity				
30100 Retained Earnings	5,123,364	3,500,911	1,622,453	46.34%
Net Revenue	858,752	706,883	151,869	21.48%
Total Equity	5,982,116	4,207,794	1,774,322	42.17%
TOTAL LIABILITIES AND EQUITY	\$ 6,126,677	\$ 4,515,556	\$ 1,611,121	35.68%



BIG SKY
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ATTACHMENT C

FY26 Organizational Budget Assumptions, Challenges, and Opportunities

Resource Allocation Framework

Values that Guide Budget Priorities

- Retain and develop our team
- Allocate resources where we can have the greatest impact
- Create margin to manage uncertainties
- Retain leadership role in our community to build/rebuild our economic future

Key Assumptions

EDA Revenue Assumptions

- Preliminary budget holds County Mill Levy revenue even with FY25 at \$1,560,072. The actual funds received will be reduced by property tax protests budgeted in the expense section. Property tax protests are budgeted at approximately 2% of county mill levy revenues, so approximately \$30,000.
- Preliminary budget holds state Entitlement revenue held even with FY25 at \$284,296
- Funding from Federal and State partners budgeted at approximately \$2,000,000
 - Federal and State partners: Department of Defense (APEX), U.S. EPA (Brownfields Assessment and RLF), and Small Business Administration (VBOC and SBDC)
 - VBOC and Brownfields Assessment are fully reimbursement-based programs. VBOC receives indirect cost allocation. Brownfields RLF has a lending component that has not been utilized yet.
 - APEX and SBDC are reimbursement-based with a matching component. APEX receives indirect cost allocation as well
- Anticipated full occupancy/membership for Rock 31

EDA Expense Assumptions

- Staff salary/fringe adjustments – increase of approximately \$55,000 over FY25 actual for base salary/fringe prior to any FY25 year-end merit award consideration
 - Budgeted for a full complement of staff
 - Salary increases include some market adjustments and/or merit increases deemed to be warranted due to additional responsibility, certifications earned, etc. All proposed salary adjustments will be reviewed and recommended by the Board’s Salary Review Committee
- Included expense contingency of \$40,000 (consistent with FY25 budget)
- Included strategic priorities budget of \$15,000 (consistent with FY25 budget)
- Property tax protest budget of \$30,000 (approx. 2.% of mill levy)
- Occupancy costs for building operations and maintenance budget of approximately \$241,000 (maintenance, janitorial, security, utilities, insurance, repairs, telecommunications, etc.)

EDC Revenue Assumptions

- Growth assumption for Member-Investor revenue – 6 new member investors while maintaining current membership level
 - \$324,450 Member-Investor revenue inclusive of member investor trades for services (3% increase from net revenue of \$315,000 in FY25)
- Growth assumption for Big Sky Finance SBA 504 program – approximately \$20,000 new revenue across the program
 - \$148,500 SBA 504 Loan origination fee revenue (increase from \$135,000 in FY25)
 - \$430,800 SBA 504 Loan servicing revenue (increase from \$424,000 in FY25)
- Interest revenue from existing Federal EDA RLF, RLF, and SSBCI loans approximately \$146,880 (decrease from \$187,769 in FY25)
 - Funds available to lend from balance of principal repayments for other loan types:
 - Federal EDA RLF approx. \$150,000
 - Traditional and MT RLF approx. \$570,000
 - SSBCI approx. \$680,000
 - Interest revenue will be added to the bottom line as funds are loaned out

EDC Expense Assumptions

- Included expense contingency of \$20,000 (same as FY25)
- EDA Reimbursement:

EDA-EDC Cost Sharing

	Salary	Fringe	Rent	Phone & Internet	Liability Insurance
Director- Business Finance	100%	100%	100%	100%	100%
Loan Officers (2)	100%	100%	100%	100%	100%
Business Development Officer	100%	100%	100%	100%	100%
Loan Specialist	100%	100%	100%	100%	100%
Director of Economic Development Programs	50%	50%	50%	50%	50%
Director of Engagement	25%	25%	25%	25%	25%
Marketing Manager	25%	25%	25%	25%	25%
Executive Director	25%	25%	-	-	-
Director of Finance	25%	25%	-	-	-

FY26 Opportunities and Challenges

Opportunities

- Accomplishing important mission driven work plan and goals and community development centered strategic priorities
- Building capacity
 - Retaining our talent
 - Investing in the professional development of our team
 - Building BSED awareness
- Grow the Big Sky Finance program
- Sustain and grow the Member Investor program

Challenges

- Continued commitment to fund the work of BSED, at full capacity, and under our new structure
- Sustaining the Member Investor Program
- Staff retention during a very competitive market for talent



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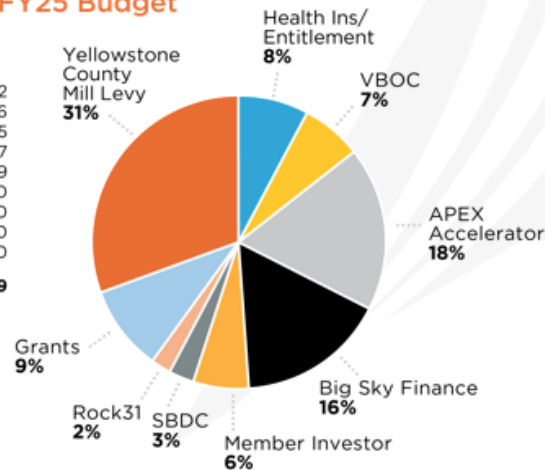
ATTACHMENT D

Fueling Economic Development

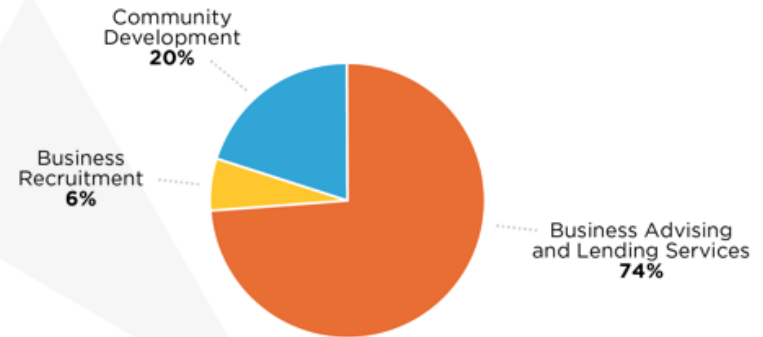


BSED REVENUE FY25 Budget

Yellowstone County Mill Levy.....	\$1,560,072
Health Ins./Entitlement.....	399,776
VBOC.....	331,425
APEX Accelerator.....	926,317
Big Sky Finance.....	824,769
Member Investor.....	315,000
SBDC.....	135,000
Rock31.....	117,400
Grants.....	472,650
Total	\$5,082,409



BSED EXPENSES FY25 Budget



Management Services Agreement

	Salary	Fringe	Rent	Phone & Internet	Liability Insurance
Director – Business Finance	100%	100%	100%	100%	100%
Loan Officers (2)	100%	100%	100%	100%	100%
Business Development Officer	100%	100%	100%	100%	100%
Loan Specialist	100%	100%	100%	100%	100%
Director of Economic Development Programs	50%	50%	50%	50%	50%
Director of Engagement	25%	25%	25%	25%	25%
Marketing Manager	25%	25%	25%	25%	25%
Executive Director	25%	25%	-	-	-
Director of Finance	25%	25%	-	-	-

BSED Sources and Uses Chart- FY2025

EDC – Big Sky Finance & Member Investors

Program	Yellowstone County \$s	Entitlement \$s	Federal \$s	State \$s	Private \$s	BSF 504/MI Reinvestment	Total	Yellowstone County % of Total	Service Region	ROI – Success Measurements Summary of how our programs measure impact	Full-time Staff ***
MT APEX Accelerator Government Contracting	115,347 \$9-\$1	-	890,317**	-	36,000 Bozeman Butte Helena	-	1,041,664	11.07%	MT	<ul style="list-style-type: none"> Contract awarded to APEX clients Outreach Clients Counseled Counseling Hours/Sessions Success Stories Unique Contracts 	3
Small Business Development Center	32,980	-	-	135,000	119,400 NADC	-	287,380	11.48%	Petroleum, Musselshell, Golden Valley, Yellowstone, Wheatland, Sweetgrass, Stillwater, Carbon, & Big Horn County	<ul style="list-style-type: none"> Clients Counseled Rural Clients Counseled Counseling Hours New Business Starts Capital Infusion Long Term Clients Success Stories 	2
Veteran Business Outreach Center	-	-	331,425** 0-1	-	-	-	331,425	0.00%	MT, UT, WY	<ul style="list-style-type: none"> Total Counseling Sessions Non-B2B Training Boots to Business Reboot Reboot Attendees Total Outreach Events Business Starts 	2
Big Sky Finance	-	-	-	-	824,769	(103,225)	721,544	0.00%	MT	<ul style="list-style-type: none"> Origination loan revenue Interest revenue Job creation/retention Outreach Servicing Revenue 	5

Program	Yellowstone County \$s	Entitlement \$s	Fed \$s	State \$s	Private \$s	BSF 504/MI Reinvestment	Total	Yellowstone County % of Total	Service Region	ROI – Success Measurements Summary of how our programs measure impact	Full Time Staff
Rock31	155,854	-	-	-	117,400 Rent	13,000	286,254	54.45%	YC	<ul style="list-style-type: none"> • Capital investment/Job Creation/Startups • Job creation • Entrepreneurship partnerships • Start-up launches 	2
Community Development	413,236	-	353,000	-	-	-	766,236	53.93%	YC	<ul style="list-style-type: none"> • Grant attainment, reporting, and execution • Data driven results and regular reporting to stakeholders, community leaders, and citizens • Community engagement • Facilitation of incentive programming • Improved quality of life through housing, placemaking, etc. • Infrastructure improvements • Shovel-ready site development • Brownfields assessments • YC Interlocal Agreement 	2
Business Recruitment	174,154	-	-	-	-	38,280	212,434	81.98%	YC	<ul style="list-style-type: none"> • Economic Impact (county, state, region) • Job Creation, Private Investment • Strengthening and Diversifying Economic Ecosystem – bolstering top industries and capitalizing on emerging industries • Adding to the tax base • Programs and partnerships across community sectors (ex: Rocky Vista University partnership with Yellowstone Valley Animal Shelter for new campus at Wilson Park, Amazon partnership with MSU-Billings for tuition reimbursement for employees) 	2

Program	Yellowstone County \$s	Entitlement \$s	Federal \$s	State \$s	Private \$s	BSF 504/MI Reinvestment	Total	Yellowstone % of Total	Service Region	ROI – Success Measurements Summary of how our programs measure impact	Full Time Staff
Member Investors	6,360	-	-	-	315,000	net dollars contributed back to ED programs- (\$91,041)	321,360	1.98%	YC	<ul style="list-style-type: none"> Total Member Investors Member Investor outreach/engagement events New FY added Member Investors Member Retention 	1
Engagement *BillingsWorks *Organizational Marketing *Programmatic Marketing	461,968	-	-	-	-	51,945	513,913	89.89%	YC	BillingsWorks <ul style="list-style-type: none"> Program Participation Collaboration and partnerships Alignment with education Talent attraction & retention Engagement/Marketing <ul style="list-style-type: none"> Programmatic Marketing for all BSED Programs Presentations and events Sponsorships and partnerships Newsletters Social media marketing Press and media coverage Podcast Website & digital presence Summer Jobs/Campus Billings Participation 	3
Overhead*	315,653	284,296	-	-	250	-	600,199	52.59%			4
TOTAL	1,675,552	284,296	1,574,742	135,000	1,412,819	-	5,082,409	32.97%			

*Note that a portion of Overhead (Central Services) is reallocated to each program at year-end.

**Mill levy dollars are needed to leverage these Federal, State and Private dollars to provide programming beyond what can be offered with mill levy dollars alone.

***Challenge: BSED is a public/private partnership. We have public stewardship responsibilities and limitations, while at the same time we compete in the private market for our talent.

Big Sky Finance and Member Investor programs are the revenue-generating programs for BSED. BSF and MI \$s supplement our program delivery, matching mill levy or other sources of funds to cover total program costs.



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ATTACHMENT E

Draft Framework

Merit Award Program Description

Effective: February 8, 2024 and updated July 2024

Annual Performance Evaluation

As a part of the Annual Performance Evaluation Process (April of each year), a Year-End Merit Award determination may be considered for eligible team members (employees in good standing with at least 6-months of active employment at BSED), subject to the performance evaluation, BSED budget performance, and the Merit Award Framework described below. As defined by this framework, Merit Awards will be one-time awards, not adding to base salary/wages.

Merit Awards are an extra means to respect the above-and-beyond hard work for the BSED team, but they are guaranteed each year. They can only be considered based upon the financial position of the organization, annual budget performance, and overall organizational impact and sustainability.

Organizational Budget Performance:

The Executive Director and Salary Review Committee/Board of Directors determine the available budget for annual merit awards at the beginning of each performance period (fiscal year) based on organizational financial performance and projections. The available budget is then multiplied by the actual budget achievement percent in the Merit Award period to determine the available pool to be distributed among eligible employees. The merit award pool is then converted to a percentage of salary that can be earned by employees in the form of a merit award.

Example:

Available budget:	\$40,000
X Budget achievement:	80%
=Merit award pool:	\$32,000
Percent of Salary Available:	3.0%

Once the percentage of salary adjustment is defined by the Salary Review Committee and the Executive Director, Senior Directors will be responsible to administer the balance of this Merit Award consideration process using the guidelines below. They will have this discretion to grant 0 to the max percent allowable based upon consideration of these guidelines.

Guidelines for Senior Directors

Program Work Plan and Goals:

Program performance is evaluated by the Senior Directors based on the achievement of goals set for the program during the performance period and accomplishment of the program work plan. This will be calculated based on percent completion at the end of the performance period.

Example:

Program goals achieved:	85%
Work plan completion:	95%
Average:	90%

Individual Performance:

Team members’ performance will be evaluated by their manager in the areas of a) contribution to program success, b) contribution to organizational culture, and c) professional development. Each area is rated based on a 5-point rating scale with a total possible rating of 15.

Example:

a) Contribution to Program Success	5 out of 5
b) Contribution to Organizational Culture	4 out of 5
c) Professional Development	3 out of 5
Total	80% (12/15)

Determination of Incentive Payout:

The average of the component totals will be multiplied by the available salary percent to determine individual merit awards.

Example:

Mary earns an annual salary of \$55,000 multiplied by 3% (determined in component #1.) Mary’s merit award potential is \$1,650.

Component #2 Total	90%
Component #3 Total	80%
Average	85%
Mary’s Gross Merit Award	\$1,402.50 (\$1,650 X 85%)

Timing of Payment/Additional Criteria:

Employees must be actively employed and in good standing on the last day of the performance period to be eligible for payment. Merit Award payments will be made no later than July 31 of the following fiscal year. The payment will be taxed at the flat Internal Revenue Service (IRS) supplemental rate plus applicable state rates for supplemental payments. Merit Award compensation, and any other compensation, may be subject to federal or other regulation that supersedes this Merit Award Plan.

Neither this plan nor any other Company document confers any contractual right to remain in the Company’s employ, either express or implied. Nor does it guarantee any fixed terms and conditions of your employment.

The Merit Award Plan is provided at the discretion of BSED. The Merit Award is paid solely from the cash flow of the company. Although the company currently intends and expects to continue this Merit Award, it reserves the right to amend, reduce, interpret, or discontinue all or part of it at any time with or without reason.



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT F

SBA 504 Loan Request

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

1. **Running R Equipment Repair LLC** – The purpose of this request is for the purchase of land and existing building located at 84 S. Homewood Park Drive, Billings, MT, for Running R Equipment Repair LLC. Running R is an existing business started by Robert Rott in 2018 and is owned 50/50 by he and his spouse, Carrie. This is a full-service agricultural equipment repair company working on all makes and models of agricultural implement. They specialize in the agricultural tuning process and diesel repair. Much of their work is done in the field, but this new location will provide them with space to bring equipment in to be worked on. There is also ample outdoor space for storage. There are projected to be 4.5 FTE’s hired because of this project. Robert is a Veteran of the US Navy.

The total SBA debenture will be \$280,000 on a 25-year note comprising 40% of the total project. Big Sky EDC and the SBA will be in a 2nd lien position on the real property behind Stockman Bank of Montana.

2. **SK Martial Arts, LLC** – The purpose of this request is for the purchase of an existing building located at 1920 Central Ave., Billings, MT, for SK Martial Arts. SK Martial Arts is an existing martial arts school offering Jiu-Jitsu classes for all ages. This purchase will provide the owners with better visibility and room for growth. SK Martial Arts was started in 2016 by Shane and Tanya Weinreis who continue to own and operate the business today. Shane is the primary instructor and has been practicing martial arts for 39 years. He is also a Veteran of the US Marine Corps.

The total SBA debenture will be \$414,000 on a 20-year note comprising 40% of the total project. Big Sky EDC and the SBA will be in a 2nd lien position on the real property behind Yellowstone Bank.

3. **Blackfoot Asphalt Maintenance, LLP** – The purpose of this request is for the purchase of land for the operations of Blackfoot Asphalt Maintenance LLP. The property consists of 2 acres of undeveloped land located at 6468 Grand Am Way, Missoula, MT. This property is currently leased by the borrower and the purchase will allow them to continue to utilize it for equipment storage and future development for their operations. Blackfoot is owned 50/50 by Dan Daniels and Jesse Cooney and was established in 2014. Blackfoot Asphalt Maintenance provides professional asphalt services including seal coating, crack sealing, striping and asphalt patching. There are projected to be 5 new jobs created because of this project.

The total SBA debenture will be \$188,000 on a 25-year note comprising 40% of the total project. Big Sky EDC and the SBA will be in a 2nd lien position on the real property behind First Security Bank of Missoula (Division of Glacier Bank).



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT G

Legislative Priorities Update

Public Safety:

- HB643 | Revise reimbursement costs to detention centers holding inmates in state custody (Support)
 - o Hearing (Judiciary Committee) on 4.9.2025

Healthcare:

- **HB245** | Governor Gianforte signed HB 245 into law last Thursday, reauthorizing the Medicaid expansion program and removing the sunset.
 - o Steve testified in support two separate times

Workforce:

- **HB21** Establish a Montana workforce housing tax credit (Support) | Tabled
- **SB321** | Provide Tax credits for children and childcare | (Support)
- **HB945** | Create the early childhood education and childcare infrastructure grant program (Support) | Hearing on Thursday
- HB246 (Support) Provide for standardization of substantial equivalency determinations in professional licensing
 - o (H) Transmitted
- HB93 (Support) Revise income taxes related to retired military members
 - o Tabled
- HB 357 (Monitor) Provide funding for middle school career and technical education
 - o Senate Floor

Business Climate:

- HB231 | Revise property tax rates for certain property
 - o Tabled in committee (S Taxation) – 8 Y, 0 N
- SB322 | Increase business equipment tax exemption
 - o An act increasing the class eight business equipment tax exemption; providing a reimbursement to local governments and tax increment financing districts under the entitlement share program; amending sections 15-1-123 and 15-6-138, MCA; and providing applicability date.
- **SB205** | Revise laws related to voter approval for property tax levies and bonds
 - o Increases the requirements for voter turnout for levy and bond elections.
- **SB204** | Sunset or reapprove existing voter approved property tax levies
 - o Requires that all voted levies sunset after 10 year, requiring voter reauthorization to continue.
- **SB117** | Revise government entity limitations on property tax increases (Support as amended)
 - o **Hearing 4.8.2025**
 - o Amends laws governing local government taxation.
Currently, local governments may increase their operating levy by half the average rate of inflation from the last 3 years, and may tax newly-taxable properties at their full value.
If this bill passes, local governments would be able to increase their operating levy by the full average rate of inflation from the last 3 years (up to 4%) but would only be able to collect 50% of the revenue from newly-taxable properties.

Economic Development Tools

- SB1 | Revise definition of “blighted areas” | Support as amended
 - o Revises the definition of blight, in many cases using more specific language
- **SB2** | Revise treatment of tax increment upon expiration of tax increment financing provision
 - o H Taxation Hearing – 4.8.2025

Others:

- **HB914** | Generally revise allocation of lodging facility use taxes
 - o Caps and reduces lodging tax funding for the Department of Commerce (DOC), Regional Tourism Offices and completely eliminates CVBs (Convention and Visitor Bureaus), undermining local tourism promotion and economic development.

BMED:

- MEDA Membership Policy Meeting – every Monday
 - o Marcell attends
- MEDA Policy Committee Meeting – Every Wednesday
 - o Marcell attends
- Billings Chamber Policy Committee – Every Wednesday
 - o Legislative Video Conferences (Steve & Marcell Attend)
- MEDA Rotunda Days 3.31.2025
 - o Tyler, Patrick, Steve, and Marcell



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ATTACHMENT H

April 2025
Executive Director's Quarterly Report
To the Board of Directors
(with Program Updates)

Strategic Priorities – FY '25 & '26 –Update through December 2024

1. Champion Collaboration | Executive Director & Board of Directors

Objective Statement: We know that when leaders partner for a common purpose, things get done. BSED will be a champion of collaboration among our Strategy Partners and our business and community stakeholders. Across all strategic priorities that we believe will strengthen our economic and community development success, BSED will lead with a spirit of collaboration, fostering the partnerships that are essential to success.

Actions/Next Steps: The Strategy Partners (Chamber, City of Billings, Downtown and BSED) held a meeting to discuss how best to support the new BSED ED and continue to foster this important partnership. We have scheduled monthly meetings of this group for the next three months—April, May, and June. The goal moving forward would be to plan for a joint leadership meeting.

The BSED team hosted a breakfast meeting with City Council on March 6th. This gave us the opportunity to inform Council members of the mission, programming, Strategic Priorities that make up the work plans and goals of BSED. We also were able to discuss important background information about BSED – our public/private partnership structure, funding, and the focus of our mission. The meeting was well received by Council members.

2. Start Local - Impact 3,000 Local Businesses | BSED Team, facilitated by Economic Development Programs Quad

Objective Statement: Local businesses drive our economic future. BSED will measurably impact the success and future of 3,000 local businesses. Our priority is to empower local businesses as the cornerstone of our economic future, fostering growth and community success through targeted support, outreach, and subject matter expertise.

Action/Next Steps: To date we have "impacted" 1404 unique businesses across all our program areas. That is 46% of our goal of 3,000. Businesses impacted cover 11 unique industry sectors. Looking at our collective effort (among all programs) is important to demonstrate the impact of our organization.

3. Downtown Matters - Lead with Investment in Our Downtown Core | Business Recruitment & Community Development Quad

Objective Statement: BSED will lead and support a P3 approach to downtown redevelopment in partnership with DBP and the City of Billings. Once-in-a-generation investment in our medical corridor means the time is now to continue strategic investment in our core.

Action/Next Steps: Katy Schreiner, Downtown Billings CEO, presented an update during our Board Planning Session. There are a handful of important downtown redevelopment projects in the works—the new high-end hotel will begin demolition this spring, the Masonic building has sold and redevelopment is underway, additional downtown housing is moving forward along the 1st Ave corridor, the Gazette building is being considered for a new development, and of course the medical corridor is about to take a big leap forward with the groundbreaking of the replacement hospital for St Vincent Regional Hospital. Good momentum for downtown with much more to do.

4. Strengthen the Quality of Our Place | Business Recruitment & Community Development Quad

Objective statement: It's vital that we focus on economic sustainability and the essential factors that bolster quality of place. We commit our expertise to provide meaningful progress in five essential areas, including public safety, housing, education, quality of place, and infrastructure.

Action/Next Steps – Space2Place grants will be awarded at the April 17 Better Off In Billings Annual Event. These small place-making grants allow projects to move forward quickly, making an impact in downtown, local neighborhoods, and communities throughout Yellowstone County. Please join us for the April 17th event to learn more.

The development of Coulson Park is moving forward with new infrastructure for water and waste (restroom facilities), along with a picnic area, and other phase-one project elements. Our Community Development team will apply for matching funds from the City to add a few more amenities to this development. The team will present the details to the Board at our April meeting.

Additionally, plans for recreation development at Amend Park continue with a hockey/ice skating facility being first on the list. There is a public meeting scheduled to share the details – April 24, 7:30AM, Northern Hotel.

Air service development continues to be one of our Quality of Place initiatives. I just spent the last two days in Phoenix at an air service conference. Together with the Aviation Director (Jeff) and the Think Billings ED (Aly), we met with 8 airlines to thank them for our existing service and ask for new or expanded service. I will share the details with the Board at our April meeting.

5. Retain & Attract Quality Talent to Yellowstone County | Engagement Team

Objective Statement: Talent drives business success. Strategically attract workers to relocate to Yellowstone County to increase the labor force for local employers. Continue the BillingsWorks Partnerships to support development of our local workforce.

Action/Next Steps: We're looking for businesses to be a part of the Yellowstone County Summer Jobs Program (teen career and work exploration for 16 to 19 year old students). If your business would like to employ and mentor a student this summer, connect with Shaye at shaye@bigskyeda.org

Program Updates

Recruitment Quarterly Update – April 2025

New Business Recruitment, Expansion, and Retention

Published revamped Think Billings website with Local Intel tool, making it possible for community and recruitment clients to review:

- Cost of Living Calculator
- Community Profile
- Workforce Advantages
- Fast-growing Industries
- Target Sector Advantages
- Logistics Advantages
- Growth and Opportunities Map
- Newsroom
- Local and State Business Resources

Active Recruitment Clients:

- Industries: Mixed-Use Development, Manufacturing, Higher Ed, Technology, Hospitality, Entertainment, Health/Wellness, and Retail
- Investment Areas: Billings - Downtown, Medical Corridor, South Billings Boulevard, West End – Shiloh, 24th St., Grand, Heights

Planning an in-person forum with BNSF (Texas) in conjunction with Big Sky Finance and DBA to help facilitate discussion of property development and sale processes downtown

Air Service

Chair Air Service Committee (ASC) Communications Committee

New and expanded air service: United (Increasing 6x daily to Denver, 1x daily to Chicago) and American Airlines (Increasing from 1 to 2x daily)

Published 1 edition of Air Service Newsletter

Air Service Conferences/HQ visits attended:

- Avelo
- Mead and Hunt Air Service Conference (12 airlines in attendance)
- Alaska
- Delta

Conferences

Mead and Hunt Air Service Conference

Jobs EQ Conference

IEDC Rural Retreat

Boards - P66 Citizen Advisory Committee

Economic Pulse Statistics

2024 Q3 Economic Pulse

- 246 Email Recipients (267 total opens)
- Open rate: 63% (Average successive rate is 20% open rate)
- Click rate: 6% (Average successive rate is 3% click rate)
- Top engaged contacts:
 - Kate Vogel – 24+ opens

2024 Q4 Economic Pulse

- 260 Email Recipients (332 total opens)
- Open rate: 78% (Average successive rate is 20% open rate)
- Click rate: 19% (Average successive rate is 3% click rate)
- Top engaged contact:
 - Lucy Aspinwall – 30+ opens

Outreach Visits

- Coldwell Banker – Q3
- Montana State University – Billings – Q3
- SD2 Economic Pulse Outreach – Q4
- Billings Heights Task Force – Q4

Number of Economic Pulse Copies Distributed

- Q3 - 579
- Q4 - 846

Q1 2025 Economic Pulse – The Billings-Rural Partnership: Our Dynamic Regional Economy

The latest Economic Pulse explores the evolving economic landscape of rural communities in Yellowstone County, highlighting key trends, opportunities, and challenges:

- Population & Workforce: Urban vs. rural population breakdown, 2030 projections, and the growing impact of skilled workers relocating to the region.
- Economic Drivers: The role of agriculture, entrepreneurship trends, and industry distribution.
- Business & Employment: Growth in businesses and employment across key sectors.

- Infrastructure & Investment: Updates on major projects, including the Yellowstone County Generating Station, Billings Bypass, and Coulson Park development.
- Consumer Spending: Household expenditures, discretionary spending patterns, and economic impact by category.

Q1 is currently at the printer (1,000 copies). The newsletter will be distributed early next week, followed by outreach.

Community Development – April 2025 Quarterly Activity

- Maintain representation on housing boards and committees
- Guide and Support completion Phase-One Improvements to Coulson Park
- Guide and support Phase-One Lockwood Industrial Park Infrastructure Development
- Facilitate five new community investments in placemaking through Space2Place

Community Development Monthly Highlights

- LEPC-Chair of grants subcommittee-committee reviewed and evaluated three grant proposals from member organizations and ranked proposals, providing recommendation to the LEPC and providing letters of support for each proposal.
- Tax Abatements-received four Class Eight Manufacturing Equipment Tax Abatement applications in Yellowstone County. Administered the application and approval process for each application.
 - o CHS Inc. \$10.5 MM request
 - o Phillips 66 \$11.6 MM request
 - o Coca-Cola Bottling High Country \$21 MM request
 - o Par Montana \$10.9 MM request
- Tax Abatements-received two five-year tax abatements currently administering the application and approval process for each application.
 - o RVU College of Veterinary Medicine
 - o Town and Country Supply
 - o One new project under consideration
- Working with Laurel Urban Renewal Agency on Laurel Redevelopment efforts and TIF coordination
- CCC/CAER developing a Business Preparedness program with Pam Sanderson
- MT Revenue Interim Committee meeting-discussing potential changes to TIFDs & TEDDs
- Participating in TIFD State Working Group meetings to address potential TIFD bills
- Participated in four professional development webinars, including MEDA, Leadership MT, IEDC
- Partnering with Pedal United on the development of a Pump Track at Coulson Park
- Working with Billings Association of Realtors Economic Development Committee
- BSED Building exterior lighting project completed
- Partnering with Trails Committee and TrailNet on placemaking trail projects
- Thriving Communities Partnership grant-held Let's Talk event in March; two planned for April

Brownfields

- Continuing assessment of old Dollar Rent-a-Car site. Anticipated that this project will deplete the remainder of our 2022 Brownfield Assessment grant. No funds remain for new assessments. An application for a new assessment grant was submitted in November. Normally, the awards for that grant would be announced in May and funded in October, but with the DOGE situation in DC, that may change.
- Continuing work with the City on the Meat House project at 802 Yellowstone. We have transitioned from assessment to cleanup planning and recently completed the Analysis of Brownfield Cleanup Alternatives (ABCA) and the Community Relations Plan. A community meeting was held on February 27. We are now transitioning into abatement of the hazardous materials and cleanup. The plan is to conduct abatement in conjunction with building demolition. We will fund that for the City with our Brownfield Revolving Loan Fund. We will structure that as a loan with the intention to forgive a portion of the loan amount that is not recovered by the City through the sale of the property.

Space2Place

- Applications opened in January and closed on March 6. We received 21 applications. The review committee evaluated the projects and met March 19 to decide on awards. Seven projects were selected, which will be announced publicly at Better Off In Billings event on April 17 from 3:00 to 5:00 at Craft Local.

Lockwood TEDD

- The initial infrastructure project, extension of water and sewer across I-90 and along North Frontage Road, has begun construction. The project will be completed by June. The County issued a Request for Qualifications for engineering on the proposed further extension of this project with the remaining grant funds if that is allowed by the EDA. The County received statements of qualifications from four firms in response to this request.

Conferences, Committees, Events, and Professional Development

- Participating in the Equity Lending Leaders meetings, conducting interviews with Connectors
- Represented Montana at SHOT Show in Las Vegas
- Attended Laurel Chamber Annual Meeting
- BBER Economic Outlook
- Billings Heights Neighborhood Plan meetings
- Educator for a Day
- SBDC Day
- EBURD, SBURA, LURA TIFD Districts attend meetings
- Downtown Housing Working Group
- United to Solve Homelessness/Bezos Oversight Committee
- Big Sky Passenger Rail meetings
- MetraPark Advisory Board meetings
- Billings Community Foundation, Yellowstone Valley Gives committee
- Serving on the WTL Committee
- Billings Area Realtors

Big Sky Finance – March 2025 update

The following is our loan activity for the quarter:

SBA 504 Loans Approved	2 - \$694,000
SBA 504 Loans Funded	3 - \$706,000
RLF/SSBCI Loans Approved	1 - \$50,000
RLF/SSBCI Loans Funded	1 - \$50,000

Loan activity remains strong. In addition to the above numbers, we are actively working several deals across the state. In the last 2 weeks of the quarter, we had 4 loans approved through the loan committee, and two submitted to SBA and approved.

RLF and SSBCI demand remain positive with a couple of deals being worked on presently. We are cautious with these funds as we are limited in the amount available to lend. However, we continue to market the programs and work with clients. We are hopeful there may be an additional tranche of SSBCI funds coming available soon.

Tyler attended a week of NADCO training, attending a 3-day credit course and a BDO course. Brandon presented on behalf the MT SBA two training webinars to all the state's lenders, partnering with the other CDCs in the state. Brandon participated in an SBA Roundtable event in Bozeman with SBA partners from the region and D.C., with a focus on manufacturing. We are pushing hard with the marketing of the SBA 504 Debt Refinance programs to capitalize on borrower's existing debt that may be coming up on a re-pricing. This program is beneficial with our rates continuing to remain lower than market rates.

The SBA 504 effective interest rates for SBA 504 loans continue to fluctuate monthly. We saw a nice decrease in March, benefiting the loans we had funded this month. Rates remain very favorable and below market. SBA 504 effective rates for December were:

- 25-year debenture = 6.246%
- 20-year debenture = 6.315%
- 10-year debenture = 6.348%

Economic Development Programs – Update through March 2025

APEX Accelerator

Since early April, MT APEX advisors in all six locations across the state (Billings, SW MT, Missoula, Kalispell, Great Falls, Lewistown) have provided 3139 hours of one on one advising to 1134 unique companies. Companies assisted by APEX were successful in winning contracts valued at \$276,322,892. Of this, \$70,738,577 went to companies in the Billings service area with \$64,482,362 specifically to companies in Yellowstone County and \$25,720,830 to companies served by Big Sky EDA's SW MT location. MT APEX held 42 training and/or industry days across the state with 613 companies in attendance.

A few success stories from the Billings region:

- Asphalt Plus, Inc. won a \$4.5M prime contract award from Indian Health Services for mechanical system repair and replacement at the Blackfeet Hospital. MT APEX has assisted the company with various contracting needs since 2010 including SAM, 8(a), market research, bidmatch, invoicing, etc. Company owners regularly attend MT APEX training and industry day events. Including this contract, the company has been awarded 43 federal contracts valued at \$8,665,211.
- RDO Construction Equipment Co. has been an APEX client since 2006. APEX has assisted RDO with SAM, locating opportunities, agency connections, procurement training and much more. The company recently won a \$3.9M contract with the Montana Department of Transportation for AWD motor patrols.
- MT APEX in Billings initially assisted Sysco Montana, Inc. with its SAM registration and invoicing through the DoD Wide Area Workflow invoicing system in early 2024. MT APEX has continued to assist Sysco and recently met with its CEO to explain the significance of SAM not only for receiving payment but as a strategic marketing tool in the federal marketplace. Since January, 2024 the company has sold \$1.9M in food products to DLA and Indian Health Services.
- NetZero Recycling Inc came to APEX in 2022 for assistance with SAM registration and responding to a U.S. Forest Service solicitation. The company was awarded a multi-year, national agreement to provide recycling services at wildfire incidents. APEX has continued to assist the company with various government needs and recently met with the company to set up bidmatch. To date, the company has been awarded contracts valued at \$692,927.
- Conditioned Air Systems, Inc. has been an APEX client since 2022 and was recently awarded a \$119,580 contract from the USDA Agricultural Research Service to replace a chiller condenser and heat exchanger.
- MT APEX finished its second Procurement Academy in March with 15 companies in attendance. The ten-week course was led by Tereza Brownell and took students through systematic learning to become "procurement ready" and better prepared to strategically pursue opportunities.
- MT APEX advisors finished its "wildfire season" in late March. Every year, starting in January, APEX advisors help wildfire contractors prepare responses to Forest Service solicitations for heavy equipment, weed washing, portable sinks/showers/toilets, water tenders, potable/grey water, catering, tents, mobile mechanic, clerical support, emergency medical and more. In Montana, APEX assists close to 250 unique companies that contract with the Forest Service.
- MT APEX participated in its first virtual "Midwest Matchmaker" with APEX Accelerators from ND, SD, MN, NE, IA, CO, KS, WY, and MO. 59 Montana companies had individual meetings with various federal agencies to discuss doing business.

- Other workshops included our monthly, What Happens After SAM? Northrop Grumman Strategic Teaming Alliance Roundtable (STAR), DoD Mentor Protégé, Doing Business with the Forest Service and the DoD Cybersecurity Maturity Model Certification (CMMC), Montana Department of Transportation Pre-Bid Conferences in Billings, Miles City, Kalispell and Butte and Support U.S. Supply Chains through the Defense Production Act (DPA).

Small Business Development Center

Professional Development

- 2025 Montana Women's Business Conference - Kayla attended

SBDC Day Celebration – March 19th

- Screening of Edge of the Plains at Art House

20 Trainings are currently on the calendar for 2025

- Start Smart: Your Guide to Building a Business – Jan, Feb, March
- QuickBooks – Four-part series – Part one held in March
- Social Media 101 - In Laurel in March

Success Stories

- Supply Chain Shark
 - Founders Josh Jackson and Owen Haacke worked with the SBDC to start their business.
 - The business provides accessible analytical tools to enhance supply chain transparency, efficiency, and profitability.
 - SBDC Business Advisor, Kayla Vokral, revised their financial projections and business plan.
 - They secured \$100,000 from the Big Sky Economic Loan Program to develop their app.
Testimonial: "The Billings SBDC has been fundamental to Supply Chain Shark's success! From navigating funding opportunities to educational programming, Kayla has provided us with just about every resource we need to succeed." - Josh & Owen
- Billings Esprit Health Clinic
 - Michelle Trudell contacted the SBDC to help expand her Sidney clinic to Billings.
 - Esprit Health Clinic offers personalized health and wellness services, including weight loss programs, body sculpting, and skin aesthetics.
 - SBDC advisor Lorene Hintz updated her financial projections and business plan.
 - Michelle secured \$84,500 from Stockman Bank (SSBCI loan program) and invested \$60,000.
 - Esprit Health Clinic opened on Grant Road & became a BSED Member Investor in January.
Testimonial: "The SBDC provided invaluable support and expertise, helping me expand my practice. Their kindness and guidance made a world of difference. My heart is full of gratitude!" - Michelle Trudell

- 105 Brewing
 - In 2021, Travis Zeilstra contacted the SBDC with a vision to open a Brewery in Billings Heights.
 - SBDC Advisor, Lorene Hintz, helped refine his business plan and financial projections.
 - His challenges included rising costs, as well as securing sufficient owner equity.
 - Travis raised \$1.052M through personal investment and partnerships with six contributors.
 - A \$2.332M loan from Stockman Bank made the \$3.385 million project a reality.
 - 105 Brewing's Coffee Shop opened in January, employing 4 full-time & 11 part-time staff.
 - The Brewery will be launching in April 2025.

Testimonial: "The SBDC's guidance was instrumental in helping me achieve my dream. Their support ensured my financial projections were solid and ready for the tough questions." - Travis Zeilstra

Member Investor Program (EDC)

Since our last Executive Director report, we have met our 160 Member Investor Goal! Currently we are at 163. Fourth quarter Member Investor invoices for FY'25 will be sent at the start of April, and we continue to communicate and close open invoices from July, 2024 to current. Eight new Member Investors have joined BSED's Member Investor Program since our last update; Askin Construction, Resilient Guides, Brady-Standard, and Transitional Marketing all joined at the Builder Level. Amazon, Layton Construction, Coca-Cola have joined the Collaborator, and Muth Electric to the Innovator Level. We co-hosted a Member Investor Lunch with Board Member and Building Remarkable Partner, Rocky Mountain College with a great roster of other Member Investors. We look forward to welcoming new ED Green to the Team and educating him to the Member Investor Program and how we can continue to grow the Program.

As always, please connect with me regarding new perspective Member Investor referrals or communications with current Member Investors at patrick@bigskyeda.org, 869-8419.

Veteran Business Outreach Center (VBOC)

The Big Sky VBOC's SBA Grant Year runs from May 1 to April 30. The VBOC will meet and/or exceed the annual goals set in year one of the five-year grant period. We are currently in the second year of the grant (The record below reflects 11 months of the current grant year).

Primary Mission: Transition Assistance Program (TAP), Boot to Business (B2B) Training for transitioning active-duty service members at the three Air Force Bases in our region of Montana, Utah, and Wyoming.

Secondary Mission: Reboot sessions for veterans (Conducted Online and/or Hybrid)

Tertiary Mission: Outreach Events

Notable Events: Joseph Mayden Photography Approved for the VA's Veteran Readiness & Employment (VR&E) funds (\$20,000) to purchase equipment for his business.

1. Counseling				
2. Total Counseling Sessions	501	501	400	125%
3. Non-B2B Training				
4. Non-B2B Training (excl. B2B/Reboot)	<u>53</u>	<u>53</u>	3	1767%
5. Total Attendees Non-B2B Training Events	<u>761</u>	<u>761</u>	20	3805%
6. Boots to Business				
7. Boots to Business Sessions	<u>11</u>	<u>11</u>	12	92%
8. Boots to Business Attendees	<u>150</u>	<u>150</u>	164	91%
9. Boots to Business Modules	88	88	96	92%
10. Reboot				
11. Reboot Sessions	<u>6</u>	<u>6</u>	6	100%
12. Reboot Attendees	<u>248</u>	<u>248</u>	60	413%
13. Reboot Modules	48	48	48	100%
14. Outreach				
15. Total Outreach Events	<u>75</u>	<u>75</u>	80	94%
16. Business Starts	<u>3</u>	<u>3</u>	1	300%

Engagement – Update through March 2025

Marketing/Communications/Events

#	J	F	M	A	M	J	J	A	S	O	N	D	YTD
Newsletters	20	22	24										66
Org Training/Events	6	6	6										18
Podcast Episode Released to date	5	4	5										24
Press/Media Interviews/Media Mentions	1	9	2										
External Meetings/Outreach/Presentations	9	16	10										

BillingsWorks Outreach

#	J	F	M	A	M	J	J	A	S	O	N	D	YTD
Hosted Meeting/Event	3	2	2										
Community Outreach/Meeting	14	17	12										

Rock31

*New reporting beginning in March w/ new Director

#	J	F	M	A	M	J	J	A	S	O	N	D	YTD
Private Offices	9/10	9/10	9/10	10/10	9/10	9/10	9/10	9/10	8/10	9/10	8/10	7/10	-
Dedicated Desks	13/15	13/15	15/15	15/15	15/15	14/15	14/15	12/15	13/15	13/15	12/15	13/15	-
24/7 Shared Space	25	27	21	18	17	17	17	18	21	22	24	24	24
8 am – 5pm Shared Space	25	30	17	18	19	18	17	18	17	18	19	19	19
Gross Membership Revenue	\$8498	8925.50	\$9,044.20		\$9,566.10	\$8065	\$9512	\$9099	\$9683	\$8337	\$7984	\$5586	-

HIGHLIGHTS

- **Marketing/Communications**

- Katelyn joined Airservice communications committee
- Airservice (BSED and BIL) Bought 2 digital billboard spaces which gains 155,646 daily impressions
- Attended Airservice Breakfast and following committee meeting
- Attended BillingsWorks Steering Committee meeting to share Airservice survey information
- Submitted content to Govology monthly newsletters for APEX
- Rebranded Yellowstone Summer Jobs Program
- Attended Quarterly BOIB Ambassadors meeting at the airport
- Katelyn joined the Billings Depot Board and hosted March meeting
- Coordinated Annual Big Sky Finance Breakfast at the Northern
- Attended Member Investor Lunch at Rocky
- Attended Women in Business Summit in Bozeman (Katelyn, Shaye, and Marcell)
- Attended Amazon Ribbon Cutting (Steve spoke – Katelyn and Marcell attended)
- Created marketing campaign for upcoming BOIB event in April
- Attended Space2Place Grant Application winners overview
- Attended Historic Depot Ribbon Cutting
- Attend AEDO Accreditation Lunch & Learn BSED
- Attended MT Chamber Business Days at the Capitol (Marcell and Ashley)
- Attend and participate in MEDA weekly Policy zoom meetings (Monday's and Wednesday's) - Marcell

- Listened in on hearings as needed, Steve testified in support of HB245 on two occasions
 - Attended Leadership MT session in Helena (toured Boeing and DNRC fire shop) – Marcell
 - Worked with an artist to change out the art in the Rock31/Mezzanine space – now displaying Trevan Hiersche
 - Recorded 9 new podcast episodes, released 14 new episodes
 - One-on-one meetings with Billings staff representatives from Senator Daines, Senator Sheehy, and Representative Downing's offices. – Marcell
 - Attended "Powerful Opportunities" Energy conversation – Marcell
 - Attended BBER
 - Planned and hosted BSED's February Team check-in/staff planning
 - Hosted Montana Ambassador Lunch Meeting (Marcell is VP of the Billings Chapter)
 - BSED presentation at Downtown Rotary – Steve presented, Marcell attended
 - Managed and created press release announcement of BSED's new Executive Director
 - Joined the MSUB Business Advisory Council – Marcell
- **BillingsWorks**
 - Hosted Q1 BillingsWorks Steering Committee Meeting
 - Hosted Q1 BOIB Ambassador meeting
 - Attended and presented on a panel at the Montana Chamber Women in Business Summit
 - Helped plan and execute the 2025 Healthcare Immersion Day for 30 students through the Billings BioScience Committee
 - Joined the Health Care Services Advisory Board for Montana State University-Billings
 - Co-hosted MEDA's monthly Workforce Peer Connect calls
 - Facilitated the transition for the Yellowstone County Summer Jobs Program from AJAY MT to become a fully BSED program under BillingsWorks
 - Facilitated the Yellowstone County Summer Jobs Program committee meetings
 - Recruited students from every Yellowstone County high school to participate in the YCSJP, with 40 student applications thus far
 - Participated in the planning for the 2025 Laurel High School Career Fair
 - Attended the Billings Chamber of Commerce's Agriculture Committee meetings and the Annual Celebration of Agriculture Banquet
 - Completed the Billings Chamber of Commerce's BUILD program
 - Attended the BBER Economic Outlook Seminar

- **Rock31**
 - Hosted ScalingMT Speaker Series watch party in conjunction with ScalingMT (ongoing). To date, we have hosted 7 watch parties, allowing Rock31 members to learn from successful founders across the state and nation, as well as network with other Montana entrepreneurs.
 - Currently delivering a free 6-week marketing masterclass. Rock31 member Sandra Gebhardt, a nationally recognized marketer and trainer, is facilitating.
 - Graduated Barista Incubator member in May. She is currently operating a related business, Billings ReFill Shoppe, downtown.
 - Provided scholarships for 7 Rock31 members to attend QuickBooks training, facilitated by SBDC.
 - Keith & Dena visited Fargo ND on a Rock31 outreach and education trip. Highlights:
 - Connected with counterparts at Greater Fargo Moorehead EDC to learn how their organization is supporting entrepreneurs.
 - Plugged into the entrepreneurial ecosystem (attended events, held meetings, toured incubators & accelerators).
 - Engaged with multiple organizations to begin the process of sharing programming, resources, and tools for Rock31 members and the organization.

Organizational/Policy Matters

1. Legislative Priorities – See the attached summary from Marcell highlighting some of the legislation that is active in the 2025 Session that is related to our economic development priorities. I will review a few of these policy changes/proposals at our April Board meeting.
2. Board Planning Session – Thank you to the Board members, guests, and team that joined the Board Planning Session March 28th. Notes from that meeting are attached for your review. I will have a few takeaways to add to this list when we discuss next-steps at the April Board meeting.
3. Leadership Transition Planning/Action – Paul is officially on Board- April 1st. He and I will work together through April 15th (my last day in the office). As planned, will be available through May 2nd, working remotely as needed. Paul will offer a report at the April Board meeting as well.
4. RVU - College of Veterinary Medicine – this \$30 million project is underway, and what a significant new investment for our community and the state of Montana. RVU has asked to be considered for a tax abatement to help offset the cost of infrastructure improvements on the site. Dianne has been working on their application, which is due for hearing April 14 with the City and April 15 with the County. Remember, the RVU investments are all private-sector investments,

adding to the Yellowstone County tax base. I will join the hearings and offer BSED encouragement for this application.

5. AEDO Application – the team (led by Haley) is working on our re-accreditation for the status as an Accredited Economic Development Organization (AEDO) through our national association – International Economic Development Council (IEDC). The application will be submitted by April 15th (target date), with plans for a peer-review site visit in August. This is an important credential for the team and the organization — one of only two in Montana and one of 86 across the nation. It gives is a benchmark for best practices in our economic and community development work.
6. Final Report to the Board – I will share some final thoughts/encouragement with the Board at the April meeting. I would just add here that I am honored to have worked for the BSED Board of Directors, as a part of a great BSED team of professionals. Thank you so much for your leadership, support, patience, and your willingness to listen to my “I’ve got an idea” presentations at Board meetings, and annual meetings, and countless committee meetings.

Know that your leadership has been the active ingredient in so many of our accomplishments over the last 16+ years. Keep leading with your “yes” and executing our mission with passion and excellence.

Continue to take good care of the BSED Team. They are a special, smart, hardworking group that love our community, and they are helping to drive real economic impacts.

Take care and God bless.

Respectfully submitted, April 10, 2025

Steve Arveschoug
Executive Director



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT I

2025 BSED Board Planning Session
March 28, 2025
8:30AM to 1:30PM
Board Planning Summary

Purpose/Objectives

- Lead with our ‘yes’, dive in and take on new challenges or projects
- Strategic priorities are set every two years, this was accomplished at the 2024 Board Planning Session. This Board Planning Session is the halfway point, and it is important to evaluate our priorities and make sure actions are aligned with these priorities. Focuses include:
 - Ensure we are aligned with our Strategic Priorities by looking at our community and responding to its needs, adjusting as necessary to ensure we are being as effective as possible
 - Listen to community voices- County, City, Strategic Partners, Board Members, etc.
 - Embrace role as BSED Ambassador
 - Communicate what BSED does, to the broader community
 - Look at ways to engage Member Investors and how we can leverage these resources to aid BSED’s efforts in economic development
 - Create a list of actionable items that we can accomplish in the next 60 days
 - Build board relationships and strengthen personal connections

Essential BSED Background

Overview of BSED public and private partnership and the managed service agreement between the EDA and EDC, with objective of setting a foundation for upcoming budget planning. BSED has four focuses- Business Advising/Lending, Community Development, New Business Recruitment, and Workforce Development. Review of Sources and Uses chart that outlines how funds from County, State, Federal, grants, etc. are divided among the various BSED programs. Explanation on how some programs make money to put towards BSED programs and projects where others don’t make money for the organization, but they do work that helps support BSED’s mission. Discussed the Opportunity Fund, how it works, and what projects it has been used for historically.

BSED Serving with Passion and Excellence - “Impacts” Roundtable

Panelists — Al McCormick, Bravera Bank; Joe Easton, Coca-Cola High Country; Mikelann Mollman, Mollman Farm, Worden; Jen Dillabaugh, Rock Creek Soaps; Alisa Etzel, Stahly Engineering

Local business owners/community members shared the background of each of their businesses and how they have been involved with BSED and have benefited from various BSED programs.

Feedback provided from panelists-

- Opportunity to improve awareness of what BSED is and what we offer to the greater community
- Shared that the greatest impact to new business was having BSED Staff visit business face to face and share available services and resources
- They are grateful for the connections and networking that BSED is able to help facilitate
- Wish there was a way to expedite process for obtaining permits from the city of Billings
- Appreciate the training and workshops offered, find them valuable and have even shared workshops with the rest of their teams/employees
- Challenges with retaining and recruiting enough workers, especially those with the necessary skills

Strategic Priorities Spotlight

Brief overview of BSED’s five strategic priorities and provided an update on our goal of impacting 3,000 local businesses. Nine months in, we are currently at 46% of our goal with 1,404 local businesses impacted to date. Shared information regarding the top 11 industries that these businesses are part of. Highlighted strategic priority of retaining and attracting quality talent and how BSED is addressing this priority by identifying target markets for out of state recruitment, focusing on creating an identity for Billings as Montana’s City, enhancements to the Better Off In Billings website, and various programs that BSED offers that focus on growing workforce specifically.

BSED Partners Roundtable – Our Partners Priorities

Panelists — Mark Morse, Yellowstone County Commissioner; Bill Cole, Mayor, City of Billings; Debbie Potter, Billings Chamber Board Chair; Nick Steen, Downtown Association Chair; Kurt Markegard, City of Laurel

Panelist shared each of their key priorities or challenges that they were currently focusing on. A common theme was crime and public safety.

Key Priorities/Focuses-

Yellowstone County Commissioners

- Renovating the Miller Building and plan on moving into that space within the year. Billings Courthouse renovations underway, working on removing all non-courthouse functions out of the courthouse
- Large focus on reducing Crime in Yellowstone County. Short Term Detention Center is on schedule to open October 1st
- Working on increasing inmate reimbursement rates both in state and federally to actual cost-\$117 per day compared to \$82 (state) and \$85 (federal) we are currently receiving. Board action on Tuesday 4/2 for the Federal rate

Downtown Billings Association

- Focused on member recruitment and retention as numbers are currently down. Trying to raise awareness
- Moving into new building and plan on converting first floor into an incubator area for entrepreneurs to rent smaller office spaces (200-300 sq. ft)
- Focus on promoting downtown and changing the narrative so people feel safe
- New AC Marriot due to open mid-2026, breaking ground in April 2025

Billings Chamber

- Member retention is a concern, focusing on ensuring businesses understand the benefits of being a member
- Potentially looking at relocation, looking at several different spaces
- Working on an ice arena in Amend Park with plans for a rec center next to it
- Focus on making Billings a hub for sports across the state
- Legislative year, looking at what is best for the Billings community
- Partnering with BSED to participate in Airline Headquarter visits where they are working on increasing number of flight options and reducing ticket prices

City of Laurel

- Focus on strengthening communication between mayor and council members to ensure the citizens of Laurel are getting the government that they need. Having first meeting of department heads in 6 years
- TIF district working on downtown Laurel, covering irrigation ditches, adding ADA sidewalks, updating lighting
- EMS services are a major concern. Levy passed last year to hirer more EMS personnel but call volumes continue to increase. Currently have public works volunteers helping drive EMS vehicles

- Fire Department responds to calls throughout the county, but the city of Laurel covers the expense which puts a strain on city resources that could be used for funding parks and the cemetery
- Jail capacity continues to be a major concern

City of Billings

- Staffing concerns for department heads, struggle to recruit talent
- Homestead Bill 231- house values under \$720,000 will see a sizeable reduction in property taxes (97% of Billings homes). Charter caps the number of mills that can be assessed. \$6.5 million decrease in tax revenue. A potential fix would allow to increase number of mills but would not go into effect until 2026 for 2025 revenue so we would be a year behind. Billings would still need to cut \$2 million from budget. 80% of those dollars are allocated to public safety. Additionally, the fix would only go through June 2026, if voters do not vote for this fix, then we are back to being down \$6.5 million
- Public safety remains a priority, reduction in crime in 2022 and 2023, plateaued in 2024
- Jail expansion
- Focus on community vibe/brand and improving perception

Becoming the Ultimate BSED Ambassador

BSED currently engages the community through numerous resources including online platforms, newsletters, annual events and programs, regular training sessions/workshops, and reports.

Board actions/commitments to strengthen role as BSED Ambassador- Tabletop

Discussion/Report out-

- Connect with new businesses monthly, in person
- Create a brochure with each program and list of BSED services
- Focus on MI retention and recruitment by creating a structure to process outside of board members facilitating introductions as they do now
- Share on social media- let your network know that you are on the BSED board and you are happy to help make connections or provide additional information about the organization
- Help introduce new Executive Director to partners – build his network
- Tenured board members (3+ years) take a more proactive approach to onboarding new board members to ensure they have a greater understanding of the board quicker. Meet new board members for coffee or lunch within the first 3 months of them joining the board
- Create concise talking points to convey to others what BSED is and benefits of being a MI
- Know the issues in the community and work to find industries that can help solve these problems
- Quarterly dinners with new MI or business owners

Overall Takeaways/Next steps- Tabletop Discussion/Report out

Focus on takeaways that educate or influence our priorities, budget, and partnerships. Identify action items that can be accomplished within the next 60 days.

- Monthly newsletter of Top 5 topics with focus on sharing *why* each is important to the greater community
- Focusing on Targeting companies and sharing that BSED is a services group. Explain how BSED can help
- Reduce communications received from BSED by allowing board members the opportunity to choose which topics they would like to learn more about and subscribe to those communications specifically
- Utilize the new sources and uses chart
- Strengthen partnerships by communicating face to face with new businesses, member investors, and board members
- Panel discussions with new businesses
- BSED brochure of services provided that Board members can use to share with new businesses
- Add business names to board member nametags, help build board member relationships and connections
- Remain open to change, react quickly and remain nimble. Embrace change and approach with positivity

Executive Director Transition

The Board is essential to a smooth transition for the new Executive Director. Steve's last official day on 4/15 but he will be available as needed through 5/2 and Paul's first day is 4/1. These two weeks of overlap will be focused on training with the team and Steve.

What Paul needs from the Board-

- Focus on relationships and networks. Allow Paul to get to know you and your network as well as the Board taking the time to get to know Paul's network
- Help Paul take a deep dive into the priorities and needs of Yellowstone County
- Brutal honesty and open communication. Share suggestions, feedback and ideas

How to support a successful transition-

- Support the staff, be attentive
- Be present
- Invite Paul to get to know the Board and know that their doors are always open and would love for him to stop by and get to know the work that they do
- Board Chairs are here to assist. They have been working closely with Steve in order to help share that knowledge with Paul
- Paul can reach out to any of the Board members at any time with questions, guidance, problem solving etc.