

EDA/EDC – Joint Board Meeting
Thursday, April 11, 2019
7:15 A.M. to 8:30 A.M. (light breakfast provided)
and
Annual Board Planning—ThinkShop
8:30 A.M. to 2:00 P.M. (lunch provided)
Hilton Garden Inn
2465 Grant Rd
Salon A&B

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

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

7:15 A.M. Light Breakfast/Coffee, Get Ready!

7:30 A.M. Call to Order/Pledge of Allegiance/Roll Call: Mike Nelson, EDC Chair

7:33 A.M. Public Comment/Recognitions/Special Announcements and Introductions:

- SD2 High School Mill Levy—Todd Buchanan

(Handout) (EDA/EDC Board Action)

7:45 A.M. Changes to Today's Agenda

7:46 A.M. Consent Agenda

- March 14, 2019 Board Meeting Minutes
- February 2019 EDA and EDC Financials

(EDA/EDC Action)

(Attachment A)

(Attachment B)

7:48 A.M. Program-Level Action Items

- FY 2020 Budget Update—Jim/Becky
- Big Sky Finance —Brandon
 - 504/RLF Loan Approvals
- Future Facilities Task Force Update/Recommendation—Becky
- One Big Sky District/406 Impact Districts Update—Allison/Steve
 - Debrief/Next-Steps Plans (Spring 2019)
- TEDD Update—Thom/Dianne

(Info)

(Attachment C) (EDC Action)

(Handout) (EDA/EDC Action)

(Handout)

(Info)

8:15 A.M. Executive Director Report (written report only unless there are Board questions)

(Attachment D) (Info)

8:20 A.M. Public Comment

8:30 A.M. Adjourn and Board Planning - ThinkShop Begins (see attached Agenda)

Next EDA/EDC Board Meeting May 9, 2019. Big Sky Economic Development Board of Directors will make reasonable accommodations for known disabilities that may interfere with an individual's ability to participate. Persons requiring such accommodations should make their requests to Big Sky Economic Development as soon as possible before the meeting day. Please call Big Sky ED at 256-6871.



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT A



EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

EDA/EDC Joint Board Minutes
Thursday, March 14, 2019 – 7:00 AM – 9:00 A.M.
Big Sky Economic Development, 1st Floor Conference Room

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

EDA Board Members Present: Cory Moore, Robin Rude, Ken Lutton, Fred Sterhan, George Warmer, Jennifer Owen, Paul Neutgens, Don Jones (Ex-Officio), Matt Lurker (Ex Officio)

EDA Board Members Absent: Dana Pulis, Greg McDonald, Jennifer Smith, Judi Powers, John Brewer (Ex-Officio), Katy Easton (Ex-Officio), Greg Upham (Ex-Officio), Shaun Brown (Ex-Officio)

EDC Board Members Present: Mike Nelson, Eric Simonsen, Nicole Bengé, David Ellis, Andy Gott, Ann Kosempa, Mike Phillips, Jon Stepanek, Mike Seppala, Mitch Goplen, Craig Bartholomew, Dave Ballard, Denis Pitman, Doug Hansen, Mac Fogelsong, Molly Schwend

EDC Board Members Absent: Steve Loveless, Aaron Ramage, Bob Wilmouth, Dan Edelman, Scott Chesarek, Spencer Frederick

Staff and Guests: Steve Arveschoug, Austin Trunkle, Becky Rogers, Dianne Lehm, Allison Corbyn, Dena Johnson, Melanie Schwarz, Lorene Hintz, Dustin Frost, Brandon Berger, Jim Tevlin, Johnna Jablonski, Kevin Scharfe, Karen Baumgart, Patrick Klugman, Steve Hackmann

Call to Order:

Cory Moore, EDA Chair, called the meeting to order at 7:03 A.M. with the Pledge of Allegiance.

Public Comment/Recognitions/Special Announcements and Introductions:

Public Comment

Cory announced that it is Patrick Klugman's 30th Birthday.

VBOC Event – "Turn the Ship Around" - Dustin

Dustin made the Board aware of the upcoming VBOC event, "Turn the Ship Around" which features Veteran, Author, and Motivational Speaker, David Marquet. The event is on March 29th at MSUB and will begin at 8:30am. The registration for the event can be found at Big Sky Economic Development's website. You can expect the keynote to last about two hours.

FY Budget Process/Schedule Update – Jim/Becky

Becky and Jim then provided an update on the budget process and their projected schedule. The internal budget process is already underway and there will be a workshop in April that Jim will facilitate. At the workshop, Board Members can ask questions about the process and give their input. At the Executive Committee Meeting in May, the preliminary budget will be discussed and then the following month, the final budget will be up for Board consideration.

Agenda Changes:

Cory Moore is chairing the meeting instead of Mike Nelson. Becky's Future Facility update will only include info instead of a handout, and no action will be needed at this time.

Consent Agenda:

Approval of the February 2019 Board Meeting Minutes

Motion: Eric Simonsen, to approve the February 2019 Board Meeting Minutes as presented to the Board.
Second: Mike Seppala
Discussion: None
Motion carried

Approval of the January 2019 EDA/EDC Financials

Motion: Craig Bartholomew, to approve the January 2019 EDA/EDC Financials as presented to the Board.
Second: Ken Lutton
Discussion: None
Motion carried

Program Level Reports and Action Items

Big Sky Finance – Brandon

Brandon introduced our new Loan Specialist, Johnna Jablonski. Brandon recommends, per our by-laws, that Johnna be appointed as Assistant Secretary of the EDC for the purpose of attesting loan documents.

Motion: Mike Seppala, to approve the appointment of Johnna Jablonski as Assistant Secretary to the EDC.
Second: Craig Bartholomew
Discussion: None
Motion carried

SBA 504 Loan Requests

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

1. Montana Center for Somatic Psychotherapy PLLC – Request is for the purchase and renovations of an existing duplex for the operations of MT Center for Somatic Psychotherapy PLLC, located in Missoula, MT. This will be a relocation for this business from their currently leased space. The duplex is an up/down duplex and the borrower will occupy just over 64% of the building consisting of the main floor as well as the half story second floor. The basement is a one-bedroom apartment which will be sublet. Renovation costs are needed in order to convert the duplex from residential space to professional office space for this borrower.

MT Center for Somatic Psychotherapy PLLC is owned 100% by Hillary Welzenbach. She is a Licensed Clinical Professional Counselor and has been practicing since 2006. The business provides body-oriented psychotherapy to families, teens, adults and couples. They specialize in providing services to clients in need of treatment for anxiety, depression and/or PTSD.

There are projected to be two new jobs created as a result of this project. A Public Policy goal will be met as this will be a woman owned business. The total SBA debenture will be \$135,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position on the real property behind Stockman Bank of Missoula.

Motion: Andy Gott, to approve the Montana Center for Somatic Psychotherapy PLLC loan request as presented to the Board.

Second: Mike Seppala

Discussion: None

Abstentions: None

Motion carried

SBA 504 Loan Portfolio – Semi-annual Review:

Brandon presented to the Board a semi-annual overview of the Big Sky Finance SBA 504 Loan Portfolio. The current portfolio sits at 184 loans with outstanding principal balance of \$85M. All loans are current. The SBA 504 active loan portfolio status as of 02/28/19 was provided. Data from the last two calendar years, 2017 and 2018, was provided. This included for each year, total loans approved, funded, paid off and total number of jobs created each year. The Lender Portal Report for the period ending 12/31/2018 was provided to the Board. Brandon reviewed the scoring from the report. LPR rating of 1 and SMART score of 24. Metrics rated as Medium or High risk were discussed and highlighted for the Board. Information pertaining to industry concentration was also highlighted. The highest percentage industry concentration per the 12/31/18 Lender Portal Report was in the Accommodations industry, at 26.10%. An updated figure as of 02/28/19 showing Accommodation industry concentration down to 24.60% was provided. Brandon indicated that the team would look very closely at any new hotel prospect and its impact on the concentration to not increase this percentage. Working to reduce this exposure as new loans within other industries are booked. Overall, Brandon indicated there are no concerns with the loan portfolio at this time.

Motion: Mike Seppala to approve the results of the SBA Portfolio Review

Second: Jon Stepanek

Discussion: Above

Motion carried

Future Facilities Taskforce Update – Becky

Becky gave an update on the Future Facility RFP process. We received three proposals which included the Fratt Memorial Building, the Behner Building, and the Montana National Bank Building. Each property was visited by the Taskforce and it was concluded after evaluation, that the Bank Building and the Fratt Building will be moved forward for further due diligence work. Mitch Goplen will lead a team of industry experts to further analyze the cost and redevelopment of these facilities against our budget. Becky will keep the Board updated as the process continues.

Recruitment/Rock31 Prospect Request – Allison and Kevin

Kevin and Allison presented on an innovative start-up that would like to set up the manufacturing of their product in Billings. Allison and Kevin believe that offering an incentive will help them further their work while attracting them to Billings. The name of the start-up is Stix Fresh and their product is an all-natural sticker that increases the shelf life of fresh fruits and vegetables. The product also holds promise in further application to the medical field and agricultural. Their ask of the Opportunity Fund is to provide up to \$25,000 to the company, \$5,000 for each employee they hire, up to five employees. We will also help Stix Fresh pursue a grant through the Big Sky Trust Fund that would secure an additional \$5,000/employee. If the grant application is unsuccessful, we will match the additional \$25,000 (\$5,000/each employee hired) for a total potential investment of \$50,000. It is important to note that we will only be providing them dollars when jobs are created. Allison mentioned that this proposal hasn't been presented to Stix Fresh as they wanted to present it to the Board first.

Motion: Mike Phillips to approve the Opportunity Fund request of up to \$50,000 in employment-based incentives to Stix Fresh.

Second: Ken Lutton

Discussion: There was discussion related to Stix Fresh's business plan, background, other funding sources, the structure of the incentive pay-out, and if their product was proprietary.

Motion carried

Allison and Kevin also need Board approval to submit an application to the Big Sky Trust Fund on behalf of Stix Fresh.

Motion: Andy Gott to approve BSED assisting Stix Fresh in applying for State Funds
Second: Ken Lutton
Discussion: None
Motion carried

One Big Sky District/406 Impact Districts Update – Allison

Allison presented the OBSD Legislative effort update. The hearing is set for March 21st at 9am. They are working hard to get State support for the bill since this tool can be utilized by many communities, not just Billings. Allison shared a short video that was developed in partnership with Payne West that illustrates the benefit of the Impact Districts and how that couples with significant tax-base growth. Allison then gave a financial review of the OBSD budget. We are closing out work with Landmark as they have completed their scope of work. The original budget from the community was \$578,000. That budget was modified after the City Council voted to not approve the amendment agreement and work with Landmark ceased. The budget is now \$275,000. Of that budget, \$45,000 is remaining to be spent. Those remaining dollars will be contributed to paying the lobbyist and holding education events and marketing for the advocacy of the legislative bill. Steve gave context to the dollars our organization spent and why he believes our commitment of resources will be to Billings' benefit. Steve told the Board that he met with the Council Members who voted against the contract amendments with Landmark and listened to their perspective. Discussion was held concerning specifics of the legislative bill, the City Council decision, and what our next steps will be to get the bill passed. Allison announced there is a community coffee conversation tomorrow at Valley Federal Credit Union at 7:30am.

BIRD/City/BSED MOU Consideration – Patrick

Patrick was up next to present a renewal of the MOU we hold with the Billings Industrial Revitalization District. This renewal will be for the next three years. Steve mentioned that the city has yet to adopt the MOU so we are acting in advance of their deliberation. This is EDA action only.

Motion: Ken Lutton to approve the continuation of our agreement with the Billings Industrial Revitalization District and the City of Billings.
Second: Robin Rude
Discussion: None
Motion Carried

Executive Director's Report

Steve presented his Executive Director's report but first thanked his BSED team for all of the hard work they have put in on a day to day basis. House Bill 52, which consists of the existing Economic Development tools due to sunset, is waiting for executive action. Steve testified at its hearing and said they had a great showing. Steve expects there will be a reconvening of the Ad Hoc Legislative Committee within the next few weeks to discuss the bills we have been monitoring. The Board asked how they can be helpful with the 406 Impact Districts hearing. Steve said to just be there would be important. He encouraged Board Members to testify as representatives of their own businesses. He said the room should be filled with people who think Montana needs a fresh look at its Economic Development tools.

Public Comment

None

Cory adjourned the meeting.

Meeting adjourned: 8:50 A.M.

Next Meeting – April 11th , 2019

Respectfully submitted,

Paul Neutgens, EDA Secretary/Treasurer

Steve Loveless, EDC Secretary/Treasurer

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

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EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

**EDA/EDC Board – Electronic Meeting Results
Monday, March 7, 2019**

Request:

Approval for BillingsWorks to submit a PAYA grant application that is due on Friday, March 8th.

BillingsWorks has the opportunity to partner with Helena, under the leadership of American Jobs for America’s Youth, to submit an application for the Partnership to Advance Youth Apprenticeship (PAYA) grant. The purpose of the grant is to expand youth apprenticeships in the Healthcare and IT industries.

Electronic Vote Results:

EDA Votes in Favor	EDA Votes Against	EDC Votes in Favor	EDC Votes Against
Cory Moore Dana Pulis Fred Sterhan George Warmer Jennifer Owen Judi Powers Ken Lutton Paul Neutgens Robin Rude	None	Aaron Ramage Ann Kosempa Craig Bartholomew Dave Ballard David Ellis Doug Hansen Eric Simonsen Jon Stepanek Mac Fogelsong Mike Nelson Mike Phillips Mike Seppala Molly Schwend Nicole Bengé Spencer Frederick	None

Please see the original request on the following page.

MEMO

February 25, 2019

TO: Steve Arveschoug, BSED, Executive Director

FROM: Karen Baumgart, BillingsWorks Director

RE: PAYA Grant Application Approval

CC: Melanie Schwarz, Marketing and Member Investor, Director

It's exciting to announce the opportunity for Yellowstone County, under the leadership of BillingsWorks, to partner with Helena, under the leadership of American Jobs for America's Youth, for the submission of the following grant: Partnership to Advance Youth Apprenticeship (PAYA).

Partnership to Advance Youth Apprenticeship (PAYA) Grant:

Expanding youth apprenticeship is a strategy for building a more inclusive economy by connecting the learning needs of students with the talent needs of industry. Leaders from industry, education, and government in cities, states, and regions across the country are well-positioned to build public-private partnerships to scale youth apprenticeship opportunities across industry sectors, including advanced manufacturing, finance and professional services, healthcare, information technology, and more.

To support the efforts of leaders in cities, states, and regions across the country, the Partnership to Advance Youth Apprenticeship (PAYA) seeks applicants for the PAYA Grant Initiative. Sites selected to receive grants will form the core of a visible national community of innovators at the forefront of the movement to expand participation in high-quality youth apprenticeship programs that produce equitable outcomes for students, employers and communities.

PAYA Terms: PAYA is looking to support both:

- Partnerships in cities, states, and regions working to launch new youth apprenticeship programs; and
- Practitioners who are already leading existing high-quality programs to expand the reach or improve the outcomes of their programs.

Aligned with PAYA's National Principles for High-Quality Youth Apprenticeship, grantees will develop and implement strategies that:

- Launch and expand youth apprenticeship pathways that are aligned to careers that pay family supporting wages and address the workforce needs of local industry partners;
- Advance policy and system alignment to mainstream youth apprenticeship as a high-quality post-secondary option for high school age youth, with equitable access and outcomes; and

- Articulate a long-term vision and plan for the sustainable expansion of their youth apprenticeship program(s).

To advance these strategies, PAYA will support grantees in three primary ways:

- Funding to support cross-site learning, strategy development, and implementation activities between May 2019 and October 2020;
- Technical assistance and support through peer-learning and access to national education, business engagement, and workforce experts; and
- Recognition and visibility through national research, communications and storytelling efforts to support their cases for expanding high-quality youth apprenticeship.

Confirmed Partners:

Yellowstone County:

- BillingsWorks (lead)
- Billings Education Foundation
- School District 2
- MSUB-City College
- Montana Dept. Labor and Industry

Helena:

- American Jobs for America's Youth (lead)
- Helena Wins
- School District 2
- Helena College
- Carroll College
- Montana Department of Labor and Industry

Deadline: March 8, 2019 at 9:59pm MT



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT B

Internal Memorandum

Date: March 27, 2019

To: Steve Arveschoug
Big Sky EDA/EDC Executive Committee
Big Sky EDA/EDC Board of Directors

From: Jim Tevlin

Subject: February 2019 BSEDA Financial Statements

Attached are Big Sky EDA and EDC's financial statements for the month of February 2019.

Big Sky EDA Balance Sheets

	Feb 28, 2019	Feb 28, 2018	+/-	
ASSETS				
Current Assets				
Checking/Savings				
First Interstate Bank	\$ 90,388.08	\$ 17,398.42	\$ 72,991.67	
FIB-Recovered Property Taxes	147,854.25	-	147,854.25	
Opportunity Fund - FIB	13,258.82	13,242.17	16.65	
Opportunity Fund - Stockman	377,011.20	1,245,573.90	(868,562.70)	(A), (B)
Stockman GE Maintenance	28,479.10	28,479.10	-	
Yellowstone County Funds	280,085.63	305,269.28	(25,183.65)	
	<u>837,077.09</u>	<u>1,609,960.87</u>	<u>(672,883.78)</u>	
Other Current Assets				
Accounts Receivable	245,945.24	344,181.48	(98,236.22)	
American Revenue Guarantee	6,887.28	19,985.08	(13,077.80)	
Due To/Due From EDC	144,829.10	94,028.28	50,800.84	
Miscellaneous Receivables	3,000.00	(8,648.75)	9,648.75	
Tax Levy Receivable	488,558.80	503,887.32	(15,328.52)	
Tax Levy Receivable - Protested	11,117.77	180,569.96	(169,452.19)	
Allowance for Doubtful Accts	(11,117.77)	(180,569.96)	169,452.19	
Prepaid Expenses	283.28	704.02	(415.74)	
	<u>689,503.70</u>	<u>656,117.39</u>	<u>(68,608.69)</u>	
Non-Current Assets				
Opportunity Fund - CDs	5,138,928.30	4,700,000.00	438,928.30	(A)
Loans Receivable	220,481.36	-	220,481.36	(B)
TEDD Receivable	64,775.00	75,000.00	(10,225.00)	
Cabela's Conduit	4,881.11	7,505.42	(2,524.31)	
Deferred Outflow of Resources	385,827.38	173,851.38	191,976.00	
	<u>6,794,983.15</u>	<u>4,956,356.80</u>	<u>838,626.35</u>	
TOTAL ASSETS	<u>\$ 7,521,578.94</u>	<u>\$ 7,522,438.06</u>	<u>\$ 89,143.68</u>	
LIABILITIES & EQUITY				
Current Liabilities				
Accounts Payable	64,840.93	103,780.05	(38,109.12)	
Accrued Expenses	88,037.82	288,094.65	(180,056.83)	(C)
Payroll Liabilities	241.34	283.60	(42.26)	
Compensated Absences	138,443.60	132,298.37	6,147.23	
Deferred Revenue - GE Settlement	-	-	-	
	<u>291,363.49</u>	<u>504,424.87</u>	<u>(213,061.38)</u>	
Long Term Liabilities				
Deferred Inflow of Resources	7,418.97	2,035.97	5,383.00	
Pension Liability	908,810.60	815,173.60	293,637.00	
	<u>916,229.77</u>	<u>817,209.77</u>	<u>299,020.00</u>	
Net Assets	<u>6,413,985.68</u>	<u>6,400,900.40</u>	<u>13,185.28</u>	
TOTAL LIABILITIES & EQUITY	<u>\$ 7,521,578.94</u>	<u>\$ 7,522,438.04</u>	<u>\$ 89,143.90</u>	

(A) In FY18, the proceeds of the sale of the GE facility (approx \$8 million) were invested in certificates of deposit with maturities of 18 months.

(B) As part of the One Big Sky District initiative, Big Sky EDA advanced \$220k to the Downtown Billings Alliance.

(C) On February 28, 2018, Accrued Expenses consisted primarily of \$206k of contributions to MSU Billings for their new science building. Big Sky EDA issued payment to MSU Billings in August 2018.

Big Sky EDA
Statements of Operations Actual vs. Budget
For the Eight Months Ended February 28,

	2019	Annual Budget	Budget Remaining
Income			
Department of Defense	\$ 341,857.00	\$ 549,828.00	\$ 207,789.00
EDC Reimbursement	338,029.23	601,012.58	261,983.33
EPA - Brownfields	20,137.58	20,137.58	-
Grant Administration	6,716.50	17,850.00	10,933.50
Health Levy Revenue	59,271.00	90,284.00	30,893.00
Mill Levy Revenue	1,271,783.38	1,391,361.00	119,577.64
Miscellaneous Revenue	1,447.17	-	(1,447.17)
Opportunity Fund Investment	-	150,000.00	150,000.00
Recovery of Protested Taxes	148,954.35	-	(148,954.35)
SBA/MT Dept of Commerce	89,974.05	117,850.00	27,875.95
SBDC Program Income	295.58	3,211.00	2,915.42
VBOC	200,321.27	300,000.00	99,678.73
	<u>2,477,787.07</u>	<u>3,240,912.12</u>	<u>783,125.05</u>
Expense			
Advertising	729.83	-	(729.83)
Property Tax Protests	10,789.51	28,147.22	17,377.71
Business Recruitment	908.60	16,000.00	15,093.40
Community Development Projects	(8,000.00)	50,000.00	58,000.00
Contingency	-	17,500.00	17,500.00
Dues and Subscriptions	36,575.41	47,834.00	11,258.59
Employer Contributions	302,957.24	507,433.91	204,476.67
Insurance	12,227.09	14,768.00	2,539.91
Contract Support	-	2,000.00	2,000.00
Marketing	52,576.10	81,884.00	29,277.90
Miscellaneous	27,465.41	39,447.40	11,981.99
Office Equipment	3,880.02	8,700.00	5,119.98
Office Expense	9,341.28	19,000.00	9,658.74
One Big Sky District	50,000.00	55,000.00	5,000.00
Professional Fees	73,282.31	79,154.58	5,872.25
PTAC Satellite	58,477.06	87,714.00	29,236.94
PTAC Subcenter	130,289.25	253,543.00	123,253.75
Rent	82,702.83	111,832.00	29,929.17
Repairs	1,582.50	-	(1,582.50)
Salaries/Wages	977,070.39	1,817,320.88	640,250.47
Sponsorships	8,330.00	6,600.00	1,270.00
TEDD	7,371.59	5,000.00	(2,371.59)
Telecommunications	39,202.91	48,001.00	11,798.19
Travel/Training	63,565.55	124,821.00	61,055.45
Workforce Development	15,000.28	15,000.00	(0.28)
	<u>1,949,983.04</u>	<u>3,236,268.88</u>	<u>1,286,285.81</u>
Operating Income	527,804.03	4,643.17	(523,160.86)
Other Income			
Interest Income	24,792.94	87,477.23	62,684.29
Gain on Sale of GE Building	14,485.57	-	(14,485.57)
Net Income	\$ 567,082.54	\$ 82,120.40	\$ (474,942.14)

In July 2018, the CHS refinery settled their protested taxes at approximately 90% of the protested amount. These funds will be earmarked to offset expenses associated with EDA's future facilities.

At the end of FY18, EDA accrued an additional \$6k to finish construction on Conrad Rd. In FY19, EDA received notice from the contractor that construction was complete. Additionally, EDA received a \$6k refund from the contractor.

Big Sky EDA
Statements of Operations - Year Over Year Actual
For the Eight Months Ended February 28,

	2019	2018	+/-
Income			
Billings/Works	-	12,500.00	(12,500.00)
Coulson Park Revenue	-	12,000.00	(12,000.00)
Department of Defense	341,857.00	334,614.00	7,243.00
EDC Reimbursement	339,029.23	314,541.39	24,487.84
EPA - Brownfields	20,137.56	28,165.00	(8,027.44)
Grant Administration	8,716.50	8,343.18	373.34
Health Levy Revenue	59,271.00	55,660.75	3,710.25
Mill Levy Revenue	1,271,783.36	1,223,611.45	48,271.91
Miscellaneous Revenue	1,447.17	80,255.38	(78,808.21)
Recovery of Protested Taxes	148,954.35	-	148,954.35
SBA/MT Dept of Commerce	89,974.05	84,019.75	5,954.30
SBDC Program Income	295.58	2,217.00	(1,921.42)
VBOC	200,321.27	220,392.66	(20,071.39)
	<u>\$ 2,477,787.07</u>	<u>\$ 2,372,120.64</u>	<u>\$ 105,666.53</u>
Expense			
Advertising	729.63	460.14	269.69
Property Tax Protests	10,769.51	41,617.29	(30,847.78)
BEAR	-	3,698.72	(3,698.72)
Business Recruitment	908.60	18,494.31	(14,597.71)
Community Development Projects	(8,000.00)	2,500.00	(10,500.00)
Contributions	-	359,300.00	(359,300.00)
Dues and Subscriptions	36,675.41	28,636.32	10,039.09
Employer Contributions	302,957.24	268,325.48	16,431.76
Incubator Expense	-	28,610.72	(28,610.72)
Insurance	12,227.09	22,657.42	(10,430.33)
Contract Support	-	8,163.60	(8,163.60)
Marketing	52,576.10	63,814.48	(11,238.38)
Miscellaneous	27,465.41	27,522.49	(57.08)
Office Equipment	3,580.02	-	3,580.02
Office Expense	9,341.26	15,741.50	(6,400.24)
One Big Sky District	50,000.00	-	50,000.00
Professional Fees	73,282.31	149,258.92	(75,976.61)
Program Expense	-	1,014.09	(1,014.09)
PTAC Satellite	58,477.09	55,960.43	2,516.63
PTAC Subcenter	138,269.26	130,189.25	8,100.00
Rent	82,702.83	84,059.08	(1,356.25)
Repairs	1,582.50	1,172.66	389.64
Salaries/Wages	977,070.39	907,011.61	70,058.78
Sponsorships	5,330.00	8,979.33	(3,649.33)
TEDD	7,371.59	-	7,371.59
Telecommunications	38,202.61	21,128.78	15,074.05
Travel/Training	63,485.55	80,680.88	(17,175.31)
Workforce Development	15,000.28	18,088.45	(3,088.17)
	<u>1,855,803.04</u>	<u>2,357,064.09</u>	<u>(401,161.05)</u>
Operating Income	521,884.03	15,056.45	506,827.58
Other Income			
Interest Income	24,782.94	1,969.94	22,793.00
Net Income	\$ 546,678.97	\$ 17,056.39	\$ 529,622.58

Includes \$75k related to TEDD master plan loan.

In July 2018, the CHS refinery settled their protested taxes at approximately 90% of the protested amount. These funds will be earmarked to offset expenses associated with EDA's future facilities.

Represents contributions and challenge matches for the Rocky MT College and MSU-B science buildings.

Includes \$63k related to the TEDD master plan.

Big Sky Economic Development Corporation

Balance Sheets

	Feb 28, 2019	Feb 28, 2018	+/-	
ASSETS				
Current Assets				
First Interstate Bank	\$ 297,315.67	\$ 411,639.23	\$ (114,323.56)	(A)
FIB-SSBCI Principal	1,281,665.74	907,891.91	373,773.83	
FIB-Long Term Reserve	150,000.00	150,000.00	-	
FIB-Operating Reserve	100,000.00	100,000.00	-	
FIB-Opportunity Fund	22,200.00	22,200.00	-	
First Interstate Bank-RLF	245,392.26	179,921.51	65,470.75	
FIB-OBSD Restricted	113,146.92	-	113,146.92	(B)
Accounts Receivable	1,000.00	1,000.00	-	
Certificates of Deposit	-	75,114.53	(75,114.53)	(A)
Contributions Receivable	20,500.00	4,000.00	16,500.00	(C)
RLF Portfolio-Current	74,951.44	72,389.57	2,561.87	
SSBCI Portfolio-Current	123,590.12	169,802.47	(46,212.35)	
	<u>2,429,762.15</u>	<u>2,093,959.22</u>	<u>335,802.93</u>	
Other Assets				
Contributions Receivable-Non Current	43,750.00	-	43,750.00	(C)
RLF Portfolio-Non Current	234,008.29	185,181.82	48,824.47	
SSBCI Portfolio-Non Current	846,824.26	1,003,366.39	(156,842.13)	
	<u>3,554,042.70</u>	<u>3,282,507.43</u>	<u>271,535.27</u>	
TOTAL ASSETS				
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	83,649.68	24,347.58	59,302.08	
Accrued Expenses	10,862.50	15,254.03	(4,691.53)	
Due to/Due From EDA	144,829.10	94,028.26	50,800.84	
	<u>239,041.28</u>	<u>133,629.87</u>	<u>105,411.39</u>	
	<u>3,315,001.44</u>	<u>3,148,877.56</u>	<u>166,123.88</u>	
	<u>\$ 3,554,042.70</u>	<u>\$ 3,282,507.43</u>	<u>\$ 271,535.27</u>	
TOTAL LIABILITIES & EQUITY				

(A) In FY18, the certificates of deposit and bank accounts held by Montana Community Finance Corporation were closed/matured. The remaining funds were deposited into our First Interstate Bank account.

(B) These restricted funds are specifically earmarked for the One Big Sky District master plan.

(C) These receivables represent CTE funding commitments during FY19 (current) and FY20 (non-current)

Big Sky Economic Development Corporation
Statement of Operations-Actual vs Budget
For the Eight Months Ending February 28,

	<u>2019</u>	<u>Annual Budget</u>	<u>Budget Remaining</u>
Income			
504 Loan Origination	\$ 92,711.98	\$ 127,500.00	\$ 34,788.02
504 Loan Servicing	348,510.36	531,600.00	183,089.64
Member Investment	98,275.00	350,000.00	251,725.00
Miscellaneous Income	20,954.87	13,000.00	(7,954.87)
Private Billings/Works Funding	7,250.00	20,000.00	12,750.00
Recovery of Bad Debt	2,350.00	3,600.00	1,250.00
RLF Business Loan Interest	7,744.04	12,476.00	4,731.96
SSBCI Revenue	17,980.81	29,140.00	11,149.19
	<u>595,787.06</u>	<u>1,087,316.00</u>	<u>491,528.94</u>
Expense			
Advertising	329.00		(329.00)
BEAR Program	1,437.27	6,108.00	4,670.73
Rock31 Expenses	51,634.82	50,000.00	(1,634.82)
Business Recruitment	47,205.17	81,000.00	33,794.83
Dues and Subscriptions	17,126.49	15,593.00	(1,533.49)
EDA Reimbursement	339,029.23	601,012.56	261,983.33
Event Expense	24,421.51	51,500.00	27,078.49
Insurance	2,580.00	11,000.00	8,420.00
Marketing	7,477.13	11,000.00	3,522.87
Membership Development	2,740.72	7,500.00	4,759.28
Miscellaneous	7,701.09	36,418.00	28,716.91
Office Supplies	1,344.66	2,056.00	711.34
Professional Fees	32,604.40	22,500.00	(10,104.40)
Rent	25,289.30	36,320.00	11,030.70
Sponsorships	1,000.00	2,000.00	1,000.00
Telephone	4,070.86	4,980.00	909.14
Travel & Training	17,143.50	28,500.00	11,356.50
Workforce Development	12,242.82	59,695.00	47,452.18
	<u>595,377.97</u>	<u>1,027,182.56</u>	<u>431,804.59</u>
Operating Income	<u>\$ 409.09</u>	<u>\$ 60,133.44</u>	<u>\$ 59,724.35</u>

Negative variance due to SBA 504 legal fees incurred in FY18 on loans that did not fund.

Big Sky Economic Development Corporation
Statements of Operations-Year Over Year Actual
For the Eight Months Ended February 28,

	<u>2019</u>	<u>2018</u>	<u>+/-</u>
Income			
504 Loan Origination	\$ 92,711.88	\$ 21,785.90	\$ 70,926.08
504 Loan Servicing	348,510.36	365,720.43	(17,210.07)
Member Investment	98,275.00	84,975.76	13,299.24
Miscellaneous Income	20,954.87	3,921.30	17,033.57
Private BillingsWorks Funding	7,250.00	-	7,250.00
Recovery of Bad Debt	2,350.00	9,864.59	(7,314.59)
RLF Business Loan Interest	7,744.04	11,058.54	(3,314.50)
RLF Loan Fund (net)	-	619.90	(619.90)
SSBCI Revenue	17,990.81	20,373.60	(2,382.79)
	<u>595,787.06</u>	<u>518,120.02</u>	<u>77,667.04</u>
Expense			
Advertising	329.00	-	329.00
BEAR Program	1,437.27	-	1,437.27
Rock31 Expenses	51,634.82	-	51,634.82
Business Recruitment	47,205.17	41,504.78	5,700.39
Dues and Subscriptions	17,126.49	11,828.31	5,498.18
EDA Reimbursement	339,029.23	314,541.39	24,487.84
Event Expense	24,421.51	34,660.79	(10,239.28)
Insurance	2,580.00	11,002.00	(8,422.00)
Marketing	7,477.13	6,091.12	1,386.01
Membership Development	2,740.72	3,269.38	(528.66)
Miscellaneous	7,701.09	7,515.28	185.81
Office Supplies	1,344.66	1,980.42	(635.76)
Postage and Delivery	-	699.37	(699.37)
Professional Fees	32,604.40	22,740.30	9,864.10
Rent	25,289.30	19,266.10	6,023.20
Repairs	-	953.50	(953.50)
Sponsorships	1,000.00	-	1,000.00
Telephone	4,070.86	3,084.33	986.53
Travel & Training	17,143.50	13,456.28	3,687.22
Workforce Development	12,242.82	408.75	11,834.07
	<u>595,377.97</u>	<u>492,802.10</u>	<u>102,575.87</u>
Operating Income	<u>\$ 409.09</u>	<u>\$ 25,317.92</u>	<u>\$ (24,908.83)</u>

The year-over-year decrease in loan serving revenue is due to higher than expected loan payoffs



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT C

April 11, 2019 – Big Sky EDC Board Meeting

SBA 504 Loan Requests

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

1. **Jump Time Montana LLC (Bearded Dogs LLC)** – Request is for the purchase of land and new construction for Jump Time Montana LLC. This project is a new indoor trampoline park to be located in Bozeman, MT, in the Four Corners area. The project consists only of the financing for the real property. The equipment will be financed separately by the primary lender, First Security Bank of Bozeman. Jump Time Montana will be the third trampoline park owned and operated by these borrowers. The other facilities are located in Boise, Twin Falls, and Meridian, Idaho. Chad Babcock and Eric Anderson own the facility and business (50/50). Chad started and has successfully operated the other facilities, beginning in 2010. This is the first and only indoor trampoline park in the Gallatin Valley.

There are projected to be 13 new jobs created as a result of this project. A Public Policy goal for Rural Development will be achieved. The total SBA debenture is projected to be \$994,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position on the real property behind First Security Bank of Bozeman.

2. **Glacier Stone Fabrication, Inc. (SVM Holdings, LLC)** – Request is for the purchase of an existing building for the operations of Glacier Stone Fabrication, Inc., located on Highway 2 in Kalispell, MT. The facility being purchased is the building that Glacier Stone Fabrication currently leases. Glacier Stone Fabrication is owned 100% by Sergey Morozov. Sergey started the business in 2015. They provide solid surface manufacturing for new and remodeled homes and businesses, primarily fabricating quartz, granite and marble countertops. By purchasing the property, the new monthly occupancy expense will be less than what is currently paid in rent.

There is currently projected to be one new job created as a result of this project. A Public Policy goal for Rural Development will be achieved. The total SBA debenture is projected to be \$191,000 on a 20-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position on the real property behind Glacier Bank of Kalispell.



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT D

**April 2019
Executive Director's Report
(with Program Highlights)
to the Executive Committee & Board of Directors**

Strategic Priorities

- 1. Economic Diversity and Innovation—grow and diversify our economy through small business growth, entrepreneurship, fostering innovative business ideas, and maintaining a regional focus:**
 - a. ROCK31 – Connect Build Grow—Kevin and I had a great meeting with Chancellor Edelman to discuss the status of this program. It was positive, and Chancellor Edelman continues his great support of ROCK31. As we move forward he wants to see connections with MSUB students. That will absolutely be a part of the mission at ROCK31—encouraging the entrepreneurship dreams of our college students. See more in the Rock31 section of the Program Reports.
 - b. Coal Country Coalition—No new information on the work of the Coalition.

- 2. Workforce Development and Talent Attraction—via the BillingsWorks Partnership—build and enhance our workforce development strategies/programs and further our talent attraction efforts to meet future workforce needs in support of our regional business community:**
 - a. Advocacy for MSU Billings and RMC— Still planning to have MSUB and RMC provide status reports to the Board. That will likely happen at the May or June Board meetings.
 - b. BillingsWorks/Talent Attraction and Career and Technical Education/Career Center—See the Billings Works Update as a part of this report for details on work related to Better Off in Billings and preparation of the 2019 State of the Workforce Report. The CTE Advisory Committee met March 7th to consider next steps for this effort to align CTE with real workforce needs in our market. The immediate next step is to fill the CTE Director. That search process will begin ASAP.

- 3. Strategic Placemaking--building-remarkable community investments to encourage and support the retention and attraction of workforce and new private investment:**
 - a. Development of Planned, Ready-to-Go Industrial Space—See the TEDD update as a part of the Community Development section of this report. The Community Development team will join Lockwood Water and Sewer District (LWSD) for a briefing with Billings City Council. The goal of that briefing is to gain the City's support for the expansion of the LWSD service area to include the TEDD properties. Under a current agreement between LWSD and the City of Billings, the City has to agree with an expansion of the service territory before those lands can be served by LWSD. The Monday night meeting will be a work session, so the City's action on this request will likely follow within 30 days. Also, Allison will be presenting a TEDD recruitment and marketing plan to the County Commissioners on April 8th and then to the Lockwood TEDD Advisory Committee later in the month.

- b. One Big Sky District—SB 340 was tabled in Senate Taxation Committee Thursday morning (March 28th). Please refer to my separate email communication to the Board for details and next steps. We have truly laid the groundwork for a redevelopment vision and an economic development tool. We don't want to lose the value of that work, so we are working on next steps and we'll present those to the Board at our April 11th Board Meeting/Planning Session. The Recruitment section of this report will provide you with more details on the One Big Sky District Planning project.
- c. Coulson Park Redevelopment and Entryways Now—This project is underway. See details in Program Reports--Community Development Section of this report.
- d. EBURD Redevelopment—We are still waiting on the City's action on the BSED/BIRD/City MOU. Following our Board's approval, the MOU went to the City for their consideration.
- e. Trailhead Hospitality Vision Steering Committee— The scope of work for a plan/design/budget for the improvement of the Metra Park backside walkway, fence and landscaping is complete. The next step is securing funding for that work. Grant applications pending for this project. The next meeting of the Committee is set for May 3, 2019, 11:45 A.M. to 1:00 P.M. at the City/County Planning Office, First Floor Conference Room. They meet every other month.
- f. Air Service—No new info.
- g. Space2Place—Micro projects that facilitate quality of place—Review of the Space2Place proposals is now underway. See Community Development section of this Report for more details. The winning projects will be announced at the April Better Off in Billings event.

Program Updates

Recruitment

Much of the focus over the last month has been on 406 Impact Districts legislation. Outside of that, we are working to prepare for Select USA which is a conference focused on recruiting Foreign Direct Investment. Additionally, I attended the Site Selectors Guild Annual Conference which is focused on relationship building with top site selectors in the nation and learning about the biggest trends. The biggest take away was the emphasis on not just the workforce you have today but how you can demonstrate to a business that you have the workforce they will need for the next decade.

Big Sky Finance

We have pulled out of the deep freeze and it appears activity has picked up with the Spring time weather. The Big Sky Finance team has been busy working on SBA 504 loan activity. We received approval from SBA on one SBA 504 loan for \$135k and had another fund this month in the amount of \$342k. Our loan committee reviewed and approved three other loans we will be working on submitting to SBA very soon.

Marketplace 3301 LLC is in downtown Billings and theirs is the loan that funded. This is a borrower that we worked with in partnership with our SBDC, assisting them with the purchase of their building they had been leasing. It was a successful team effort! Marketplace 3301 is an antique type of mall with over 100 vendors selling all sorts of treasures. If you have not visited them, I would highly recommend stopping in and most likely will walk out with something for your home. They also serve up a great cup of coffee at their coffee bar!

Our new Loan Specialist, Johnna Jablonski, started with us on March 4! She has been a very welcome addition to the team and the organization, diving right in to the servicing of our loan portfolio and learning all about the SBA 504 loan program and other services provided by the organization. Welcome Johnna!

SBA 504 effective rates for the month of March continue to be very attractive: 25-year rate is 4.74%, 20-year rate is 4.59% and 10-year rate remained at 4.63%. These rates are fixed for the term of the loan providing borrowers with no interest rate risk! We provide the SBA 504 loan product throughout the entire state of MT!

Community Development

The Lockwood TEDD Advisory Board met on March 20th. The primary discussion at the meeting is to contract with KLJ on preparing the area for future grant funding opportunities for the needed infrastructure. The contract was approved on March 26th.

Community Development is receiving multiple Brownfield assessment inquires, meeting with different interested property owners, and currently finishing one Phase II project and has two separate Phase I assessments initiated.

Staff continues to work with the Yellowstone County Local Emergency Planning Committee (LEPC) on the spring Preparedness Conference set for April 2nd. The All Hazard Mitigation Plan for Yellowstone County is close to wrapping up the evaluation process with the consulting team and will have a draft document for review later this spring.

Space2Place micro placemaking grant applications are currently being reviewed with the selection committee and awards will be announced at the Better Off in Billings event. CD Team is collaborating internally on the planning the Better Off in Billings event scheduled for April 25th.

The Coulson Park Masterplan is initiated and the Steering Committee has been created. Dates have been finalized for Thursday, April 18th and Friday, April 19th for the Kick-Off Summit. This will be a chance for the design team to present analysis and opportunities/constraints to the public and stakeholders. We will make sure to identify meetings and hope to see you there to provide input to this strategic priority project!

Member Investor Program and Organizational Marketing

As part of the strategy partner team, we were tasked with the local public relations and communications for the 406 Impact Districts. The work was to help educate the local and state stakeholders, prepare for the hearings in Helena, and continue to spread the word on the benefits of a new statewide economic development tool.

BSED and VBOC worked together to host Intent Based Learning with David Marquet. The registration showed close to 300 attendees for the keynote and around 60 for the workshop. We offered this event at no charge to Veterans and their spouses.

Growth of the Member Investor program is moving forward. Due to the legislative work, we will have to extend that into April, but we are on track for our budget goal.

Preparation has started for our 30th Anniversary year. We will be having our regular Annual Meeting and then on the actual anniversary date of December 4th, we will be having a BSED Board Reunion Dinner, inviting all past board members and county commissioners to celebrate with us.

VBOC

Training

With no B2B trainings at our 3 bases this month, the VBOC focused on a number of additional trainings. The highlight of these was a first ever Reboot at Fort Harrison in Helena with over 15 vets/spouses completing all 8 modules of the B2B Intro to Entrepreneurship training (including 2 who travelled from Kalispell and 2 from Great Falls to attend. In coordination with the Billings SBDC team, Dustin also helped to deliver our monthly Pre-Business Development workshop (10 attendees, 1 veteran). For the first time, Dustin also attended and trained a session of the 10 week NxLevel training (21 attendees, including 3 veterans and 4 spouses of veterans).

Outreach

- Bunker Labs – Bunker Brews event at Hoplite Industries in Bozeman
- Carrol College, Helena
- Montana Talks Statewide Radio w/ guest Captain David Marquet
- 730 KYVA Morning Radio (2 times – once with guest David Marquet and Andy Worshek)
- KTVQ Live TV interview promoting intent based leadership training
- USS Billings Commissioning Committee
- Beartooth RC & D
- Cogent Companies – veteran manager interested in becoming involved in our programs

Counseling – The VBOC team consulted with 9 individual veteran clients in March as they pursue small business opportunities. These efforts also included 6 referrals to SBA resource partners throughout our region.

SBDC | Rock31

Noteworthy:

- National SBDC Day (March 20th) was a huge success. We held a local event as well as a social media campaign to highlight local success stories.
- HB52 has moved from the Senate to the House for a hearing. This will take place during the first two weeks of April. We are working hard to find clients able to travel to Helena and testify to keep and grow our State SBDC funding.
- An Early Stage startup company has received their first round of seed investment. “Cardsetter” continues to work with our team and was a participant in the Early Stage Montana hyper-accelerator. We are so excited to celebrate this milestone on their path to commercialization.

Team activity:

- We served 57 new and existing companies with technical assistance, training, loan packaging, and consulting.
- 22 companies started the NxLevel Business course (10-week course to build a strategic business plan)
- The team participated in 3 community Board meetings/Committees/Events.
- The team conducted 2 outreach site visits.
- Kevin and Dustin taught 14 diverse business owners at our monthly “Pre-Biz” workshop
- Kevin visited San Francisco where he participated in the final class of his behavioral economics boot camp. He has strengthened his ability to coach clients on consumer behavior.
- While in San Francisco Kevin toured the Workshop Café, where for \$2 an hour, you can select a workstation, get some focused work done and eat breakfast or lunch.
- Kevin and Karen met with the STEM Billings team to prepare for the STEM Billings Saturday event on March 30th. Both Karen and Kevin will be facilitating an activity called, Coding a Lego Maze. Where kids solve a maze using code and play with Legos along the way.
- Paul Gladen and Kevin are working together each week preparing to add a Montana Code School site here in Billings.

Ongoing projects:

- Rock31 will host Early Stage Montana’s regional pitch competition in Billings on May 14th from 5:00pm-8:00pm at the Zoot building in Billings. The top regional tech-centric “Early Stage” (less than \$10MM in Revenue) companies from each region will compete for \$50k at a state-wide showcase with access to a room full of potential investors.
- As part of the Rock31 “Co-working Friday” initiative, Kevin collaborated with programmers, entrepreneurs and freelancers on March 22nd at MoAV Coffee.

- Kevin connected with Montana Code School to determine the necessary steps to happen to add a location here in Billings. We have several full stack developers here in Billings who are enthusiastic about mentoring students if MCS decides to branch out of Bozeman and Missoula.
- We are now in the middle of negotiations with an innovative startup out of Washington as they seriously considering manufacturing their product here in Billings.
- A client developing consumer packaged goods met with Steve Hackman from Zoot and Kevin to tour Zoot's commercial kitchen on the west end. Zoot is in the process of putting in gas lines to develop a state-of-the-art kitchen that can be utilized as an incubator for entrepreneurs looking to start a restaurant or a consumer-packaged goods business.

BillingsWorks

Spring has sprung! And, BillingsWorks hasn't eased up on workforce development efforts. We are currently working on the April 2nd, "Let's Get to Work," job fair, mandatory for high school seniors. This is another great example of the business community connecting more directly with the education system. Speaking of, BillingsWorks is working with the community committee on the messaging and marketing of the upcoming School District 2 high school levy. Jobs Jamboree, the state's largest job fair, also went down in March and had over 170 employers attend, and over 1,800 job seekers walk through the door. BillingsWorks has taken a lead role in facilitating the transition of our CTE Business Liaison Director. The CTE Advisory Board is working on the job description and will begin a search effort in the next couple of weeks. Finally, the talent attraction campaign: Better Off in Billings-There's Space For You Here... launched early this month and has already generated leads! We continue to tackle the talent shortage at both ends: growing our own and bringing them in!

PTAC

Mark your calendars for Wednesday, May 29th for our annual MT PTAC "GovMatch" event. Buyers from over 30 federal, state and local agencies will be on hand to meet with companies to discuss business opportunities. Visit www.montanaptac.org for a list of confirmed and pending agencies. Billings PTAC has been assisting Land Design, Inc. since 2011 with its government contracting efforts. Recently, PTAC assisted the company with updating its registrations for subcontract work with HDR Engineering. HDR has a contract with EPA for remediation/reclamation near Butte. Newman Restoration and Cleaning, LLC recently contacted the PTAC for assistance with federal and state registrations. Initially, the company was pursuing work with the United States Postal Service but in the interim was contacted by the U.S. Forest Service for flood restoration work at its office in Harlowton. Company owner is very pleased that his company received this contract.

Organizational/Policy Matters

1. Future Facilities Taskforce – At the last meeting, we announced we would continue due diligence on two facilities: 1) The Montana National Bank Building and 2) The Fratt Memorial building. Mitch Goplen is heading up a group of industry experts to analyze the buildings and determine what it will take to bring each up to code and the costs associated with a remodel. A cost estimate for each facility will be completed soon. The Future Facility Taskforce will review that information and bring a recommendation to the Board on April 11th.
2. Work Thrive Live - During our discovery work last year, we assessed the need to revamp our performance review process. Trends in performance management show that frequent feedback models are more effective than once-a-year review models. We also assessed the need to more closely tie performance to compensation outcomes. We have developed a performance-based model that will be implemented this month with staff. Our next goal is to implement a real-time feedback model that will assist directors in giving their teams more frequent feedback directed towards the growth and development of the individual team member.

3. Ad Hoc Legislative Committee—HB52 has passed the House as of the date of this writing, but now with a 2-year sunset. That creates some challenges. MEDA will now reach out to the Senate Committee members to ask for a longer sunset date. This could get tricky. Stay tuned.

**Respectfully submitted,
April 3 and 11, 2019**

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

**Steve Arveschoug
Executive Director**