

**Big Sky EDA/EDC
Joint Board Meeting Agenda
Thursday, May, 10, 2018, 7:00 A.M. to 9:00 A.M
Northern Hotel, 2nd Floor, North Ballroom
(breakfast included—Hosted by Mike Nelson)**

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.

7:00 A.M.—Breakfast

7:10 A.M.—Call to Order – Jennifer Smith, EDA Board Chair

7:12 A.M.—Pledge of Allegiance

7:13 A.M.—Agenda Changes for Today's Meeting

7:14 A.M.—Public Comment/Announcements/Introductions

7:20 A.M.—Consent Agenda:

1. April 12, 2018 Board Meeting Minutes
2. March 2018 EDA and EDC Financials

(Action EDA/EDC)
(Attachment A)
(Attachment B)

7:25 A.M.—Regular Agenda:

I. Program Reports/Action

- A. Big Sky Finance Loan approvals—Brandon (Attachment C) (Action EDC)
- B. Draft Outline of Strategic Plan/Priorities—Becky/Dianne (Attachment D) (Info)
- C. Controller—Review of Proposed FY 2019 Budgets--Jim (Attachment E) (Info)
- D. SBDC—Proposed Business Model for Entrepreneurship Space/Program—Steve/Dena (Attachment F) (Action EDA/EDC)
- E. EDC Special Election Recommendation (MSUB Chancellor)—Becky (Attachment G) (Action EDC)
- F. VBOC Notice of Award Execution—Steve (Attachment H) (Action EDA)
- G. Future Facilities Taskforce Update—Becky (Info)
- H. Member Investor Program Recap and Strategy for 2019—Melanie (Info)
- I. BillingsWorks Update—2018 State of the Workforce Report-Findings and Strategies—Karen (Info)

II. Parks Development Fund/Coulson Park Master Plan Update – Rick DeVore, Parks Board Chairman (Info)

III. Executive Director's Report

(No written report) (Info)

- One Big Sky District Planning Project—Development Plan Agreement (materials' sent via separate email) (Action EDA and EDC)
- Draft "Executive Director Focus for 2019" (Attachment I) (Info)
- FYI--June Board Meeting 7:00 A.M. to 9:00 A.M. (includes budget hearing) (Info)

8:50 A.M.--Public Comment

9:00 A.M.—Adjourn

Next Board Meeting – June 14, 2018 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 256-6871.



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT A



EDA · EDC CREATING MONTANA BUSINESS OPPORTUNITIES

EDA/EDC Joint Board Minutes
Thursday, April 12, 2018 – 7:30 AM – 8:30 AM
City College Health Science Building – HSCT 119

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: Chuck Tooley, Cory Moore, Fred Sterhan, Jennifer Smith, Ken Lutton, Mitch Goplen, Paul Neutgens, Robin Rude, Sheri Nicholson, John Brewer (ex-officio), Robyn Driscoll (ex-officio), Shaun Brown (ex-officio)

EDA Board Members Absent: Dana Pulis, Greg McDonald, Robin Rude, Terry Bouck (ex-officio)

EDC Board Members Present: Aaron Ramage, Andy Gott, Bob Wilmouth, David Trost, Debbie Singer, Duncan Peete, Eric Simonsen, Jon Stepanek, Mac Fogelsong, Mike Nelson, Mike Phillips, Mike Seppala, Molly Schwend, Steve Loveless

EDC Board Members Absent: Craig Bartholomew, David Ellis, Doug Hansen, John Ostlund, Ron Larsen, Scott Chesarek, Ty Elkin, Wayne Nelson

Staff and Guests: Steve Arveschoug, Becky Rogers, Jim Tevlin, Austin Trunkle, Brandon Berger, Ben Rose, Dianne Lehm, Patrick Klugman, Thom McClean, Lorene Hintz, Dena Johnson, Deanna Langman, Rosalind Dix, Melanie Schwarz, Karen Baumgart, Allison Corbyn, Katy Easton, Maisie Sulser, Wyeth Friday, Toni Schneider, Brian Brown

Call to Order:

Jennifer Smith, EDA Chair, called the meeting to order at 7:30 am with the Pledge of Allegiance.

Public Comment/Recognitions/Special Announcements:

The first order of business was to introduce the new EDC Board member, Mike Phillips. Mike comes to us from Opportunity Bank and brings a wealth of lending knowledge, particularly in the ag community.

Brian Brown of First Interstate Bank spoke on behalf of his company and the Billings Chamber of Commerce Board, thanking BSED for our efforts with the One Big Sky District and the leadership we are providing.

Next, Maisie Sulser and Katy Easton offered their expertise if anyone has questions regarding the \$400,000 line of credit agreement stipulated in the MOU.

Toni Schneider of CTA echoed the sentiments that Brian expressed, thanking us for the effort of our team.

Changes to Today's Agenda: None

Consent Agenda:

Approval of the March 2018 Board Meeting Minutes & the February 2018 EDA/EDC Financials

Motion: Sheri Nicholson, to approve the March 2018 Board Meeting Minutes & the EDA/EDC Financials, as presented to the Board.

Second: Mike Seppala

Discussion: None

Motion carried

Program-Level Action Items (as Needed)

Big Sky Finance – Brandon

504/RLF Loan Approvals

Next on the agenda was a revolving loan fund request. Big Sky EDC Finance Department is requesting approval for the following Revolving Loan Fund request. The Big Sky EDC Loan Committee has reviewed the request and recommends approval to the full EDC Board. The request meets all the underwriting and eligibility requirements of the EDC.

Bootleg Distillery, Inc. (Trailhead Spirits) – Request is for \$100,000 for assistance with financing of tenant improvements and relocation costs for Trailhead Spirits. Trailhead Spirits is looking to relocate from their existing leased space in the Depot (downtown Billings) to the west end near South 27th and Gabel Road. The new location will provide the business with additional space needed to increase production and capacity.

Trailhead Spirits is a local craft distillery owned by Casey and Steffanie McGowan (95% owners). They have been in business in Billings since 2013, at their location in the Depot. They will continue to have the testing room area in their new location, which is an important part of their operation. The new location will be highly visible and located in a high traffic area. The other important aspect of the move is the new location will provide them with the additional space they need in order to grow the operations by distilling and distributing more spirits. Their current location does not provide them any room for growth.

Big Sky EDC will utilize \$100,000 from the Revolving Loan Fund. The note will have a term of five years, amortized over 10. The rate will be fixed at 6.5%. Big Sky EDC will file a UCC on all business assets and be in a 2nd lien position to Stockman Bank (current lender).

Motion: Mike Seppala, to approve the Bootleg Distillery, Inc. Revolving Loan Fund request, as presented to the Board.

Second: Debbie Singer

Discussion: None

Motion carried

Recommendation for Loan Committee

Brandon's second request was to add Mac Fogelson to the Big Sky Finance Loan Committee. Mac Fogelson has volunteered to serve on the Big Sky EDC Loan Committee. Mac is Vice President and Chief Operating Officer at Sanderson Stewart. He currently serves on the Board of Big Sky EDC. Brandon feels it is important to have representation from the Board on the committee. Mac will be a valued member and bring a new perspective to the Loan Committee.

It is Brandon's recommendation as Finance Director of Big Sky EDC for Mac Fogelson to serve on the Corporation's Loan Committee.

Motion: Duncan Peete, to approve the request to add Mac Fogelson to the Big Sky Finance Loan Committee, as presented to the Board.

Second: Mike Nelson

Discussion: None

Motion carried

One Big Sky District MOU Consideration – Allison/Steve

Steve and Allison walked the Board through some background information to help educate them on what is dictated in the MOU. As a reminder, our Strategy Partners are the City of Billings, the Chamber of Commerce, the Downtown Billings Partnership and the TBID Board. Steve highlighted some of the more important points throughout the document. One such highlight was that the strategy partners will not be paying the Hammes Group directly, rather, they will be paying the vendors. Provision five of the MOU outlines the line of credit we are offering the DBP. Provision six dictates how the MOU may be terminated.

Sheri Nicholson had a question about how we will be repaid if the Yesteryear property fails to sell by the third year which is when BSED is due to be paid in full. Katy Easton explained that the debt the DBP would be in would take priority to other obligations as BSED would be considered a debt service. There was extensive conversation regarding the many different avenues of repayment.

Motion: David Trost, to approve the MOU, as presented to the Board.

Second: Mike Nelson

Discussion: None

Motion carried.

Stakeholder Survey Review – Becky

Becky presented a quick recap of the 2018 Stakeholder's Survey. This year, BSED opened the survey to the taxpayer base through social media links which increased the number of taxpayer respondents compared to previous years. Becky gave brief overviews of how each program rated as well as takeaways from the comments received. Councilman Shaun Brown asked what our goals are regarding awareness, satisfaction with programs etc. Steve agreed that it would be a useful exercise to establish a target number with our strategic goals.

Executive Directors' Report

Time being of the essence, Steve abbreviated his Executive Director's report. One of the updates he gave was about the telecommunications company choosing Missoula over Billings. Steve is working with the Governor's Office of Economic Development and the telecommunications company to gain some insight into how they arrived at their conclusion.

Public Comment:

John Brewer gave an Air Service update. American Airlines billed our community for \$419,000 in revenue guarantees. Half of the cost will be absorbed by a federal grant aimed at bolstering air service in small communities. It should also be noted that the winter quarter is the slowest for travel in our region. John Brewer expressed that he expects the spring quarter to be much stronger. Further, the meeting they had with American Airlines in November was very positive and American Airlines would like to run two direct flights per day from Billings to Dallas Fort Worth.

Meeting adjourned: 8:30 am.

Next Meeting – May 10, 2018

Respectfully submitted,

Robin Rude, EDA Secretary/Treasurer

Mike Seppala, 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 Budget Workshop Minutes
Tuesday, April 24, 2018 – 3:00 PM – 5:00 PM
Yellowstone Room, 1st Floor - Granite Tower

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: Fred Sterhan, Cory Moore, Chuck Tooley, Greg McDonald, Jennifer Smith, Sheri Nicholson

EDC Board Members Present: Bob Wilmouth, Mac Fogelsong, Mike Nelson, Eric Simonsen

Staff and Guests: Steve Arveschoug, Becky Rogers, Jim Tevlin, Austin Trunkle, Brandon Berger, Melanie Schwarz, Dianne Lehm, Karen Baumgart

Call to Order:
Eric Simonsen, EDC Chair, called the meeting to order at 3:05 pm.

Introduction:
Jim kicked off the workshop by noting that this will be a more informal dialogue as we review the budget together for the first time. It should be noted that there will be no voting or actions taken at this time.

Presentation:
Jim and Becky gave a presentation that covered the following information:

EDA:
Revenue
The primary sources of revenue are the Mill Levy and Federal and State Grants

Expenses
Salaries and Benefits, Federal Grant Pass-throughs, some program expenses

Focus
Control Expenses

EDC:
Revenue
The primary sources of revenue are Big Sky Finance Revenue and Member Investor Revenue

Expenses
EDA Professional Services, Some Program Expenses, Event Expenses

Focus
Maximize net income.
Program Expenses are, by-and-large, unrelated to salary and benefits.

Financial Relationship:

Management Services Agreement

EDC reimburses EDA for Director of Business Finance and Loan Officers (100%), Director of Marketing and Member Investors (50%), Executive Director (25%).

Staffing Plan:

Opportunities

Build capacity within:

- Marketing and Member Investor, BillingsWorks, Recruitment
- Build up the Finance Team by adding a Loan Processor
- Transition Admin Team into new configuration

Challenges

Revenue generated by max mill levy is estimated at a \$31,000 increase from last year
Tax protests eliminate any gain we see from the increase

Staffing Plan Options:

In the preliminary draft budget, the EDA would operate at a deficit. Some options to address that deficit are as follows:

1. Shift certain program expenses to EDC
Pro: Shares the cost of the programs, relieves pressure on EDA Funds
Con: Adds pressure on the revenue performance of Business Finance and Member Investor programs
2. Trim back on some of the Program “asks” for FY19 budget
Pro: Helps balance budget, programs will still function
Con: Forces difficult decisions to be made regarding which opportunities or priorities receives a focus
3. Not going forward with Staffing Plan additions
Pro: Relieves pressure on EDA funds
Con: We will need to determine what comes off our plate from a capacity standpoint

Mike Nelson asked if we are mandated to operate in the black on the EDC side. There is no written mandate, but it is the Executive Director’s direction that we will meet our obligations within a balanced budget.

Melanie spoke regarding Member Investor Revenue. Instead of aiming for X number of investors, we’d rather set a target dollar amount. We are mindful of the fact that the Chamber of Commerce’s primary revenue stream is membership dues and if we were to grow we would need to continue to distinguish BSED’s program from the Chamber’s program.

Funding Needs for Current Strategies:

Workforce Development & Talent Attraction – BillingsWorks

- Looking at a \$90,000 program budget - \$20,000 increase from FY 2018
- Making an effort to create capacity within the team

Strategic Placemaking Initiatives – Community Development

- Looking at a budget of \$50,000 for projects - \$10,000 increase from FY 2018

Retention & Recruitment of Businesses – Recruitment & Outreach

- Keeping a \$91,000 program budget – same as FY 2018
- Making an effort to create capacity within the team

Increase awareness of BSED – Marketing/Member Investors

- Would like to increase that budget
- Making an effort to create capacity within the team in order to increase focus Member Investor program

Funding Needs for New Strategies:

One Big Sky District

- Already made a commitment of \$50,000 from the Opportunity Fund
- There will be a substantial commitment of staff time going forward
- Looking at a budget of \$7,500 for odds and ends relating to project

Entrepreneur Space

- We will need seed money for start-up costs including additional 1.5 FTE
- Looking at a commitment \$50,000/year for three years (paid from the Opportunity Fund)

Lobby State Legislature for Economic Development Tools

- Looking at adding \$5,000 to Steve's travel budget

Mike Nelson asked what the returns would be as we designate resources to new areas such as the OBSD and Entrepreneur Space. With regard to Entrepreneur Space, the business plan projects that after the initial 3 years, it will be self-sustaining and generate a positive net income that will be retained by the organization. With OBSD, there is the possibility that the Mill Levy would increase as private investment begins to flow into the community. It should be noted that there may be a 5-year term before this return comes good.

Brandon had a question regarding our Future Facility and if this preliminary budget takes any of that aspiration into consideration. Because we will be in this lease until the next fiscal year, we have so far not added any of those expenses to our budget.

Meeting adjourned: 4:22 PM.

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BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT B

Internal Memorandum

Date: April 25, 2018
To: Steve Arveschoug
From: Jim Tevlin
Subject: March 2018 BSEDA Financial Statements

I have attached income statements for the year-to-date periods ended March 31, 2018 and 2017 and balance sheets as of March 31, 2018 and 2017.

Balance Sheet Overview:

Working Capital (Adjusted)

Presented below is a year-over-year working capital analysis. Note that I have included only those accounts that have an impact on our near-term liquidity. Specifically, I have excluded those accounts that are restricted (e.g. Opportunity Fund) or are related to the GE/Zoot transactions (e.g. Stockman Reserve Funds).

	Mar 31 2018	Mar 31 2017
Current Assets	\$ 1,196,272	\$ 1,170,572
Current Liabilities	<u>76,610</u>	<u>121,884</u>
Working Capital	\$ 1,119,662	\$ 1,048,688

Certificates of Deposit

During February and March 2018, I invested \$5,900,000 of funds previously classified as Stockman Reserve Funds in certificates of deposit at nine Member-Investor banks.

Long Term TEDD Receivable

The Lockwood TEDD has agreed to reimburse (up to \$75,000) Big Sky EDA for expenses related to the development of the TEDD Master Plan. This receivable will be collected when the TEDD has accumulated tax increment funds.

American Airlines Revenue Guarantee

The American Airlines Revenue Guarantee represents Big Sky EDA's pledge to American Airlines to support the new Billings to Dallas service. These funds, held in

escrow with the Billings Chamber of Commerce, were formerly included as part of the Stockman Reserve Funds. During December 2017, the Chamber withdrew \$5,035 to cover American's revenue shortfall during the fourth quarter of 2017.

MSUB/RMC Contribution

These amounts record Big Sky EDA's pledge to MSUB and Rocky Mountain College for assistance in constructing their science facilities. Each college will receive \$100,000. During February 2018, Rocky Mountain College, received its \$100,000 pledge.

MSUB/RMC Challenge Matching

These amounts record Big Sky EDA's pledge to match private contributions to MSUB and Rocky Mountain College. MSUB's and RMC's private matching contributions were \$109,350 and \$50,000, respectively. During February 2018, Rocky Mountain College, received its \$150,000 pledge.

Statements of Operations Overview:

Big Sky EDA's operating results (excluding the GE/Zoot transactions and MSUB/RMC contributions) for the year-to-date period ending March 31, 2018 reflects operating income of \$309,668 compared to operating income of \$336,610 for the prior fiscal year.

Protested taxes for half of the fiscal year (\$42k) are slightly less than the annual budgeted amount (\$45.6k). Per discussion with County Finance, one of the refinery's expected protest amount is significantly more than the amount protested. We will re-evaluate the expected protest amount for FY18 and make adjustments where necessary.

**Big Sky EDA
Balance Sheets**

	<u>Mar 31, 2018</u>	<u>Mar 31, 2017</u>
ASSETS		
Current Assets		
Cash & Cash Equivalents		
Opportunity Fund	\$ 13,243.15	\$ 576,001.35
Stockman Reserve Funds	45,573.90	49,517.20
Operating Cash	328,087.45	220,656.05
	<u>386,904.50</u>	<u>846,174.60</u>
Certificates of Deposit	5,900,000.00	-
Accounts Receivable		
Trade	18,083.34	17,980.28
Brownfields	1,912.29	34,934.66
VBOC	64,881.26	115,777.31
Department of Defense	137,884.00	130,920.00
Due From EDC	137,203.62	89,695.48
Mill Levy Receivable-Contested Taxes	180,608.24	110,577.91
Mill Levy Receivable	500,677.41	449,686.78
Allowance For Doubtful Accounts	(180,608.24)	(110,577.91)
	<u>860,641.92</u>	<u>838,994.51</u>
Prepaid Expenses	7,542.72	1,404.45
American Airlines Rev. Guarantee	19,965.08	25,000.00
Total Current Assets	7,175,054.22	1,711,573.56
Fixed Assets (net of depreciation)	-	8,626,099.28
Non-Current Assets		
Cabelas Conduit	4,975.82	9,667.28
Deferred Outflow of Resources	173,851.38	75,433.38
Long Term TEDD Receivable	75,000.00	-
GE Building Reserve	-	779,086.56
GE Escrow Account	-	137,805.93
	<u>253,827.20</u>	<u>1,001,993.15</u>
TOTAL ASSETS	<u>\$ 7,428,881.42</u>	<u>\$ 11,339,665.99</u>
LIABILITIES & NET ASSETS		
Current Liabilities		
Current Maturities of LTD	\$ -	\$ 508,070.50
Accounts Payable	53,163.07	121,916.06
Deferred Revenues	12,000.00	206,578.15
Accrued Expenses		
MSUB/RMC Contribution	100,000.00	-
MSUB/RMC Challenge Matching	109,300.00	-
Compensated Absences	128,972.75	100,427.43
Other	28,795.93	9,730.15
	<u>432,231.75</u>	<u>946,722.29</u>
Long Term Liabilities		
Deferred Inflow of Resources	2,035.97	58,936.97
Pension Liability	615,173.80	443,304.80
Long Term Debt	-	5,602,810.78
	<u>617,209.77</u>	<u>6,105,052.55</u>
Total Liabilities	1,049,441.52	7,051,774.84
Net Assets	6,379,439.90	4,287,891.15
TOTAL LIABILITIES & NET ASSETS	<u>\$ 7,428,881.42</u>	<u>\$ 11,339,665.99</u>

Big Sky EDA
Statements of Operations
For the Nine Months Ended March 31, 2018

Note: Excludes GE/Zoot & MSUB/RMC
Contributions/Matching

	<u>2018</u>	<u>2017</u>	<u>Annual Budget</u>
Income			
Department of Defense	\$ 375,621.00	\$ 423,352.00	\$ 569,018.00
Private Billings/Works funding	12,500.00	18,750.00	20,000.00
EPA-Brownfields	26,363.90	97,974.77	-
VBOC Revenue	240,703.10	286,497.74	350,000.00
HUD Grant	-	19,701.14	-
EDA Reserve Funds	-	-	25,000.00
TEDD-CDBG	-	39,360.38	-
Grant Administration	6,343.16	3,220.21	6,844.00
EDC Reimbursement	355,575.39	275,560.86	576,514.81
Mill Levy Revenue	1,279,165.70	1,155,138.60	1,359,392.00
Miscellaneous Revenue	7,472.55	2,767.08	946.00
SBA/MT Dept of Commerce	93,061.42	85,195.60	112,685.00
Opportunity Fund	75,000.00	60,000.00	100,000.00
Health Levy Revenue	62,768.25	56,495.00	93,120.00
	<u>2,534,574.47</u>	<u>2,526,290.97</u>	<u>3,213,519.81</u>
Expense			
Advertising	460.14	7,550.52	60.00
Brownfields Expense	20,839.22	73,456.28	-
Business Incubation	30,939.32	-	30,000.00
BEAR	3,961.68	2,850.49	5,000.00
Community Development Projects & Planning	-	-	40,000.00
Protested Taxes	41,655.55	31,604.64	45,633.28
Intern/Contract Support	6,202.56	6,107.31	5,000.00
Sponsorships	17,674.09	11,663.00	6,600.00
Dues and Subscriptions	26,768.44	27,851.10	33,312.00
Employer Contributions	290,177.79	250,087.28	426,281.91
Insurance	15,657.42	12,596.00	14,106.00
Miscellaneous	34,238.27	27,513.69	29,180.00
Office Supplies	9,758.03	18,992.68	20,500.00
Office Equipment	4,383.45	-	6,500.00
Professional Fees	49,541.69	59,757.36	59,500.00
Professional Fees-TEDD Master Plan	82,500.00	-	75,000.00
Professional Fees-HUD	-	19,701.14	-
Marketing-Organizational	42,463.40	59,146.82	60,000.00
Opportunity Fund Project	-	60,000.00	25,000.00
PTAC Subcenter/Satellite	210,392.68	254,020.28	352,516.00
Business Recruitment	15,013.52	1,451.00	25,000.00
Rent	88,797.84	87,734.84	119,369.00
Repairs	1,252.86	2,471.43	3,200.00
Salaries/Wages	911,771.29	797,502.17	1,352,062.33
Telecommunication	23,564.19	22,222.20	25,340.00
Telephone-cell	-	-	4,560.00
TEDD Expense	-	41,004.01	3,000.00
Travel/Training	59,008.01	56,394.39	96,621.00
VBOC Expense	192,840.02	231,041.15	282,258.00
Workforce Development	32,955.14	23,457.29	47,000.00
Contingency	-	-	17,500.00
	<u>2,224,906.01</u>	<u>2,189,680.96</u>	<u>3,210,099.52</u>
Operating Income/(Loss)	309,668.46	336,610.01	3,420.29
Other Income/(Expense)			
Interest Income	2,315.71	1,342.08	3,000.00
	<u>2,315.71</u>	<u>1,342.08</u>	<u>3,000.00</u>
Net Income/(Loss)	\$ 311,984.17	\$ 337,952.09	\$ 6,420.29

Internal Memorandum

Date: April 25, 2018
To: Steve Arveschoug
From: Jim Tevlin
Subject: March 2018 Big Sky EDC Financial Statements

I have attached income statements for the year-to-date period ended March 31, 2018 and 2017 and balance sheets as of March 31, 2018 and 2017.

Note Big Sky EDC and Montana Community Finance Corporation (MCFC) merged on June 1, 2017. Note that Big Sky EDC acquired the funds in MCFC's Wells Fargo bank account and two certificates of deposit (\$75,115).

Balance Sheet Overview

Working Capital (Adjusted):

Presented below is a year-over-year working capital analysis. Note that I have included only those accounts that have an impact on near-term liquidity. Specifically, I have excluded those cash accounts that are restricted (e.g. SSBCI Cash) or designated (e.g. RLF Cash, Long-Term Reserve).

	Mar 31, 2018	Mar 31, 2017
Current Assets	\$ 428,925	\$ 206,534
Current Liabilities	<u>154,213</u>	<u>90,733</u>
Working Capital	\$ 274,712	\$ 115,801

From June 2012 through April 2015, Big Sky EDC received (and subsequently loaned out) \$2,298,513 from the Small Business Administration via the Montana Department of Commerce. This effort is known as the State Small Business Credit Initiative (SSBCI). Note that principal payments received under the SSBCI program were restricted to funding additional loans until April 2017 at which time all restrictions were removed

In September 2017, the Board approved the establishment of a \$100,000 long-term or "rainy day" reserve. Additionally, the Board approved a \$50,000 increase to EDC's short-term or operating reserve. Funding for these additions came from the SSBCI cash accounts referred to above.

Statements of Operations Overview:

Big Sky EDC's operating results for the year-to-date period ending March 31, 2018 reflects operating income of \$24,501 compared to an operating loss of \$25,834 for the prior year. The year-over-year increase is due primarily to increased SBA 504 servicing fees that are attributable to the merger with Montana Community Finance Corporation.

Big Sky Economic Development Corporation

Balance Sheets

	<u>Mar 31</u> <u>2018</u>	<u>Mar 31</u> <u>2017</u>
ASSETS		
Current Assets		
First Interstate Bank	\$ 423,924.71	\$ 191,485.11
Operating Reserve	150,000.00	-
Long-Term Reserve	100,000.00	-
Opportunity Fund	22,200.00	22,200.00
Revolving Loan Funds	186,845.88	194,933.97
SSBCI Unrestricted Funds	931,297.35	-
Certificates of Deposit	75,114.53	-
Miscellaneous Receivables	5,000.00	15,049.35
SSBCI Portfolio-Current	162,229.52	215,760.44
RLF Loan Portfolio-Current	72,389.57	57,968.53
	<u>2,129,001.56</u>	<u>697,397.40</u>
Other Assets		
Restricted Cash-SSBCI	-	1,016,603.69
SSBCI Portfolio	989,996.60	1,066,121.64
RLF Loan Portfolio	180,435.49	254,697.82
	<u>1,170,428.19</u>	<u>1,337,423.15</u>
TOTAL ASSETS	<u>\$ 3,299,433.65</u>	<u>\$ 3,034,820.55</u>
LIABILITIES & EQUITY		
Current Liabilities		
A/P & Accrued Expenses	\$ 17,009.77	\$ 1,037.50
Due to/Due From EDA	137,203.62	89,695.48
	<u>154,213.39</u>	<u>90,732.98</u>
Total Liabilities	154,213.39	90,732.98
Net Assets	3,145,220.26	2,944,087.57
	<u>3,145,220.26</u>	<u>2,944,087.57</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 3,299,433.65</u>	<u>\$ 3,034,820.55</u>

Big Sky Economic Development Corporation
Statements of Operations (Unrestricted)
For the Nine Months Ending March 31,

	<u>2018</u>	<u>2017</u>	<u>Annual Budget</u>
Income			
RLF Business Interest	\$ 12,428.70	\$ 16,515.57	\$ 24,095.00
RLF Loan Fund Interest	542.38	437.74	500.00
RLF Origination Fee	-	850.00	-
Miscellaneous Revenue	4,973.55	5,131.68	7,327.71
Merger/Transition Reserve Funds	-	-	35,000.00
Member Investment/Event Support	95,004.79	142,512.48	248,500.00
Recovery of Bad Debt	9,964.59	2,700.00	3,600.00
SSBCI Interest Income	24,144.92	23,466.65	30,288.00
SBA 504 Origination Fees	31,250.28	43,015.01	167,325.00
SBA 504 Servicing Fees	400,122.59	187,185.20	530,378.00
	<u>578,431.80</u>	<u>421,814.33</u>	<u>1,047,013.71</u>
Expense			
Business Recruitment	44,431.18	40,174.21	66,000.00
MCFC Merger	-	2,432.60	35,000.00
Dues and Subscriptions	11,912.89	6,565.86	11,755.00
EDA Reimbursement	355,575.39	275,560.86	576,514.81
Insurance	11,002.00	9,990.00	10,772.00
GE Transition	-	1,704.77	-
Marketing	6,346.12	2,668.63	12,000.00
Membership Development	3,495.29	1,144.70	4,500.00
Miscellaneous	7,787.15	4,831.04	11,656.00
Office Supplies	2,140.20	385.68	8,000.00
Operating Reserve Contribution	-	-	25,000.00
Postage and Delivery	780.11	1,092.93	4,600.00
Professional Fees	33,219.80	20,390.00	27,500.00
Rent	24,011.72	1,708.72	33,480.00
Repairs	1,053.50	-	1,500.00
SSBCI-MBOI Fee	-	4,331.61	-
Event Expense	34,445.23	53,236.07	66,000.00
Workforce Development	-	-	15,000.00
Telephone-cell	3,542.54	2,550.00	8,235.00
Travel & Training	14,187.36	16,246.51	28,500.00
Contingency	-	-	25,904.43
	<u>553,930.48</u>	<u>445,014.19</u>	<u>971,917.24</u>
Operating Income/(Loss)	24,501.32	(23,199.86)	75,096.47
Other Expense			
Interest Expense	-	(2,634.54)	-
	<u>-</u>	<u>(2,634.54)</u>	<u>-</u>
Net Income/(Loss)	<u>\$ 24,501.32</u>	<u>\$ (25,834.40)</u>	<u>\$ 75,096.47</u>



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT C

May 10, 2018 – 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 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. **Marketplace 3301 LLC** – Request is for the purchase of an existing commercial real estate property for Marketplace 3301 LLC, located at 3301 1st Avenue N., Billings, MT. Marketplace 3301 has been leasing this space since 2010, and now have the opportunity to purchase the property. Marketplace 3301 is one of the largest antique malls in Montana. They have over 100 vendors inside the building who display and sell their products. Brice and Shelly Turk are the owners.

There are projected to be four new jobs created as a result of this project over the next two years. The project meets a Public Policy goal for a Woman Owned business. The total SBA debenture will be \$342,000 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 Western Security Bank.



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT D

A. Execution of our Core-Mission

1. Business Support Services
 - Small Business Development Center
 - Business Expansion And Retention (BEAR)
 - Procurement and Technical Assistance Center (PTAC)
 - Big Sky Finance
 - BillingsWorks
 - Veteran Business Outreach Center (VBOC)
2. New Business Recruitment
3. Community Development
4. Outreach and Member Investor Program

B. Strategic Priorities

1. Workforce Development (via the BillingsWorks Partnership)

Continued Focus:

- CTE Partnership/Renewed Vision
- Talent Attraction (Better Off in Billings)
- Strengthening our higher education system's impact in healthcare, technology, and business-related workforce

2. Strategic Placemaking (Building Remarkable Community Investments)—

Continued Focus:

- Coulson Park Master Plan/Corette
- Trailhead Hospitality Corridor (HWY 87/Metra Park Corridor)
- Lockwood TEDD
- Urban renewal project support—EBRD, SSBURD, Laurel Urban Renewal Authority, and Downtown Urban Renewal (DBP)
- Enhanced Air Service and Airport Terminal Redevelopment

Emerging Opportunities:

- One Big Sky District Development Planning
- Space2Place Micro Placemaking Projects
- Entryway Beautification

3. Economic Diversity/Innovation

- *"Business-Up"* entrepreneurship support model with space and programming to drive new business creation and the success of our existing businesses

C. Organizational Opportunities

1. Execute growth plan for Big Sky Finance
2. Grow Member Investor Program Impact/Relationships/Resources
3. Work, Thrive, Live initiative for retention, recruitment, and engagement of the BSED team
4. Future Facilities for BSED and *Business-Up*
5. Build Program Awareness



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT E

Big Sky Economic Development Authority

Revenues & Expenses

	FY18 Budget	FY19 Budget	(+/-)
Income			
BSEDA Reserve	\$ 25,000.00	\$ -	\$ (25,000.00)
Department of Defense	569,018.00	525,868.00	(43,150.00)
EDC Reimbursement	576,514.82	596,657.00	20,142.18
Grant Administration	6,844.00	17,650.00	10,806.00
Health Levy	93,120.00	87,300.00	(5,820.00)
Mill Levy Revenue	1,359,392.02	1,390,560.00	31,167.98
Miscellaneous Revenue	945.97	-	(945.97)
Private BillingsWorks Funding	20,000.00	20,000.00	-
SBA/MT Dept of Commerce	112,685.00	117,650.00	4,965.00
SBDC Program Income	-	3,211.00	3,211.00
VBOC Revenue	350,000.00	300,000.00	(50,000.00)
	-	-	-
	<u>3,113,519.81</u>	<u>3,058,896.00</u>	<u>(54,623.81)</u>
Expense			
Advertising	60.00	-	(60.00)
BEAR/Advisory Council	5,000.00	-	(5,000.00)
Business Recruitment	25,000.00	10,000.00	(15,000.00)
Contingency	17,500.00	17,500.00	-
Dues and Subscriptions	33,312.00	42,262.00	8,950.00
Employer Contributions	468,163.91	495,926.19	27,762.28
Insurance	14,106.00	14,106.00	-
Intern/Contract Support	15,000.00	2,000.00	(13,000.00)
Marketing-Departmental	7,000.00	9,600.00	2,600.00
Marketing-Organizational	60,000.00	60,000.00	-
Miscellaneous	35,231.97	21,236.40	(13,995.57)
Office Equipment	10,500.00	10,200.00	(300.00)
Office Supplies	19,000.00	22,211.00	3,211.00
Professional Fees	81,500.00	51,017.00	(30,483.00)
Business Incubation	30,000.00	-	(30,000.00)
PTAC Satellite	100,619.00	79,845.00	(20,774.00)
PTAC Subcenter	251,897.00	249,244.00	(2,653.00)
Rent	127,289.02	111,632.00	(15,657.02)
Salaries/Wages	1,482,062.34	1,549,645.88	67,583.54
Sponsorships	6,600.00	6,600.00	-
Tax Protests	45,633.28	70,229.62	24,596.34
TEDD Expense	3,000.00	5,000.00	2,000.00
Telecommunication	29,900.00	45,600.00	15,700.00
Telephone-Cell	1,044.00	960.00	(84.00)
Travel/Training	145,986.00	124,621.00	(21,365.00)
Workforce Development	54,695.00	10,000.00	(44,695.00)
Community Development Projects	40,000.00	40,000.00	-
One Big Sky District	-	5,000.00	5,000.00
	-	-	-
	<u>3,110,099.52</u>	<u>3,054,436.08</u>	<u>(55,663.44)</u>
Operating Income/(Loss)	3,420.29	4,459.92	1,039.63
Other Income/(Expense)			
Interest Income	3,000.00	87,477.23	84,477.23
	<u>\$ 6,420.29</u>	<u>\$ 91,937.15</u>	<u>\$ 85,516.86</u>

Big Sky Economic Development Corporation

Revenues & Expenses

	FY18 Budget	FY19 Budget	(+/-)
Income			
Member Investment	\$ 269,500.00	\$ 300,000.00	\$ 30,500.00
Miscellaneous Revenue	7,327.71	13,000.00	5,672.29
Recovery of Bad Debts	3,600.00	3,600.00	-
RLF Business Interest	24,595.00	12,476.00	(12,119.00)
SBA 504 Origination Fees	167,325.00	127,500.00	(39,825.00)
SBA 504 Servicing Fees	530,378.00	531,600.00	1,222.00
SSBCI Revenue	30,288.00	29,140.00	(1,148.00)
	-	-	-
	<u>1,033,013.71</u>	<u>1,017,316.00</u>	<u>(15,697.71)</u>
Expense			
BEAR/Advisory Council	-	3,500.00	3,500.00
Business Recruitment	66,000.00	91,000.00	25,000.00
Contingency	25,904.42	10,000.00	(15,904.42)
Dues and Subscriptions	14,255.00	15,593.00	1,338.00
EDC Reimbursement	576,514.82	596,657.00	20,142.18
EDC Reserve Contribution	25,000.00	-	(25,000.00)
Insurance	10,772.00	11,000.00	228.00
Marketing-Departmental	12,000.00	-	(12,000.00)
Marketing-Organizational	11,000.00	-	(11,000.00)
Membership Development	4,500.00	4,500.00	-
Miscellaneous	20,256.00	31,418.00	11,162.00
Office Equipment	8,000.00	-	(8,000.00)
Office Supplies	-	2,056.00	2,056.00
Organizational Event Expense	71,000.00	51,500.00	(19,500.00)
Professional Fees	27,500.00	22,500.00	(5,000.00)
Rent	33,480.00	36,320.00	2,840.00
Sponsorships	-	2,000.00	2,000.00
Telecommunication	8,235.00	4,980.00	(3,255.00)
Travel/Training	28,500.00	28,500.00	-
Workforce Development	15,000.00	59,695.00	44,695.00
	-	-	-
	<u>957,917.24</u>	<u>971,219.00</u>	<u>13,301.76</u>
Operating Income/(Loss)	75,096.47	46,097.00	(28,999.47)
Other Income/(Expense)			
Interest Income	-	-	-
	<u>\$ 75,096.47</u>	<u>\$ 46,097.00</u>	<u>\$ (28,999.47)</u>



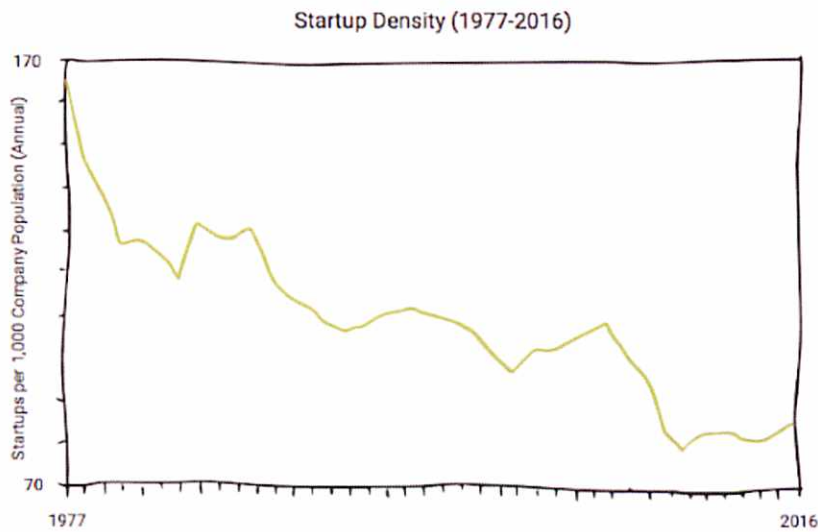
BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT F

There is an entrepreneurship deficit.

Despite this increase in interest in entrepreneurship, the reality is that we are in the midst of a thirty-year decline in entrepreneurship activity. Although entrepreneurship is discussed a lot, Americans are starting new businesses at about half the rate they were a generation ago.

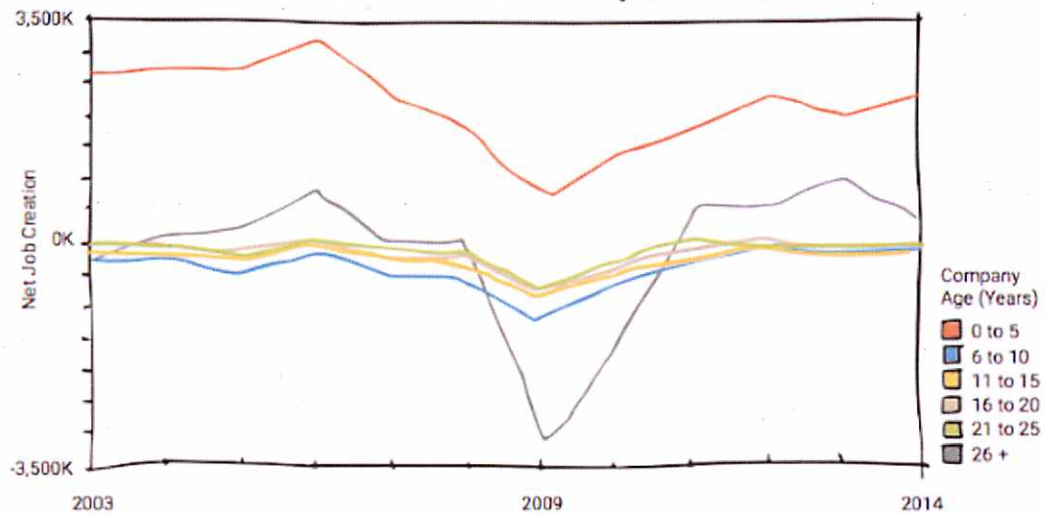


Startup Density is a measure of the number of startups relative to the total number of companies.

...because entrepreneurship benefits all of us.

Entrepreneurship empowers individuals, improves standards of living throughout a community, and creates jobs, wealth and innovation in the economy. In fact, most of the net new jobs in the U.S. are created by new and young companies.

Job creation in the United States is fueled by new companies that have been in business five years or less





Business-UP (Biz-UP)

www.businessup.space



INNOVATE | COMMERCIALIZE | PROFIT

Innovation solves a **problem**. Commercialization happens when the market is willing to pay for the **solution** to the **problem**. A business (the opportunity) gets **UP and running** when you sell the solution at a **profit**.

Meet UP

Meet UPs are informal and formal encounters that provide innovators, inventors, small business owners and entrepreneurs a collision point where relationships, synergies and social capital will elevate confidence, connectivity and collaboration. **(Ingredients: a nimble space with coffee or water – the innovators may just turn that water into wine!)**

- **Co-working** – programmed virtual and physical space (daily, weekly & monthly options)
- **One Million Cups** (of coffee) – Kauffman Foundation's national meetup platform that they refer to as "Church for Entrepreneurs" is an hour every Wednesday morning across the country from 9:00am-10:00am – this platform is a stage for 2 innovators to pitch their idea to other E's who provide raw feedback and ideas for advancing their concept.

- **Intentional Collaborative Events (ICE)** – Everyone brings a problem. An electronic vote (Poll Everywhere app) is taken on which problem they all want to solve. The next 2 hours is spent on helping to solve that problem. The attendees can continue to work on the problem outside of the facilitated event.
- **SLACK** – (Facebook for Entrepreneurs – build a cohort / communication blog space for virtual collaboration)
- **Reverse Pitch** – companies pitch their problems to innovators who develop solutions
- **Meetup Mixer** – informal social gathering
- **Startup Weekend & Biz-UP pitch days**
- **Maker Fair**
- **Micro Biz Days**

Mentor UP

Successful entrepreneurs (Zoot and others) and professional experts provide specialized **one-on-one mentorship and counsel** (legal (IP), human resources, marketing, accounting, sales, management...) to mentor entrepreneurs on their path to commercialization.

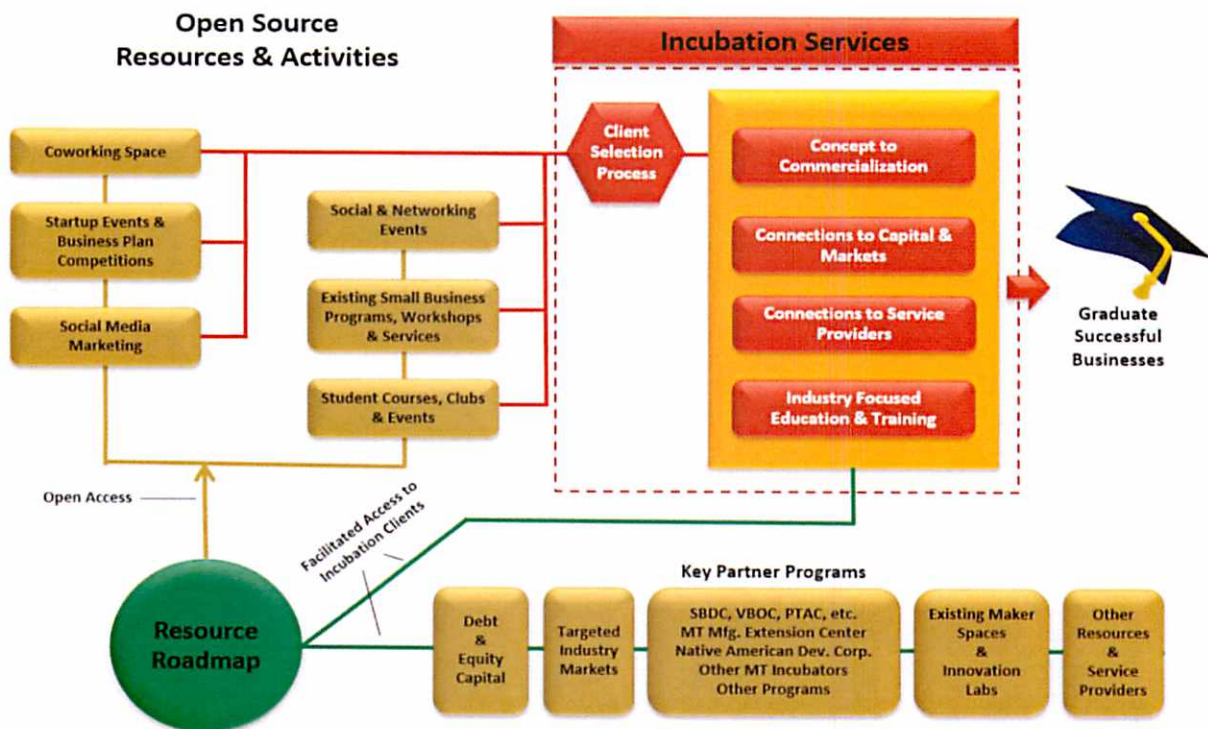
- **Mentor Monday** – matchmaking mentor hour
- **B.E.A.R.** – Private Sector Think Tank & One-on-One referral
- **Mentor Connect** – (Smart board with mentor profiles and the capability to schedule face time)
- **Angel Accelerator** – Early Stage Montana
- **Angel/VC Panel Days**

Biz-UP (programming)

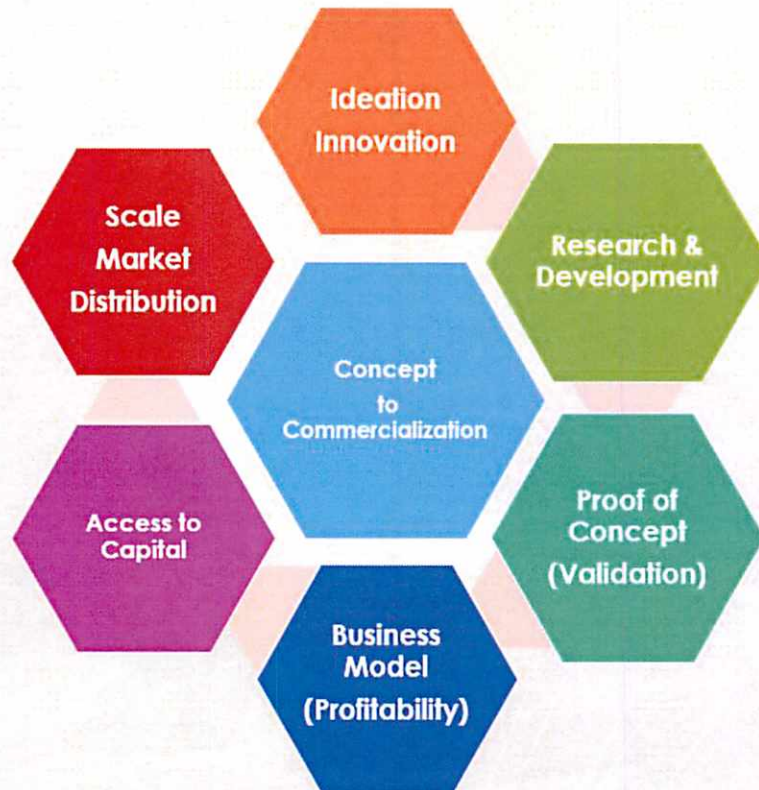
INNOVATE | COMMERCIALIZE | PROFIT

Business incubation services coupled with programmed physical (co-working) and virtual (online) space to access/grow social capital, overcome barriers (including the perception of barriers) and optimize success through specialized consulting and custom training paths.

The program is designed to build on existing resources (offered at BSED), connect with existing programs (offered in our community) and build programming to fill the gaps. Incubation services are offered to residents (meaning they will physically locate in the incubation space) and non-residents (meaning they don't have their own office but still use the services). The program includes concept to commercialization services (consulting, training and mentorship), connections to capital & markets, connections to service providers and industry focused education and training. This program is available to pre-venture, startup, existing businesses and students.



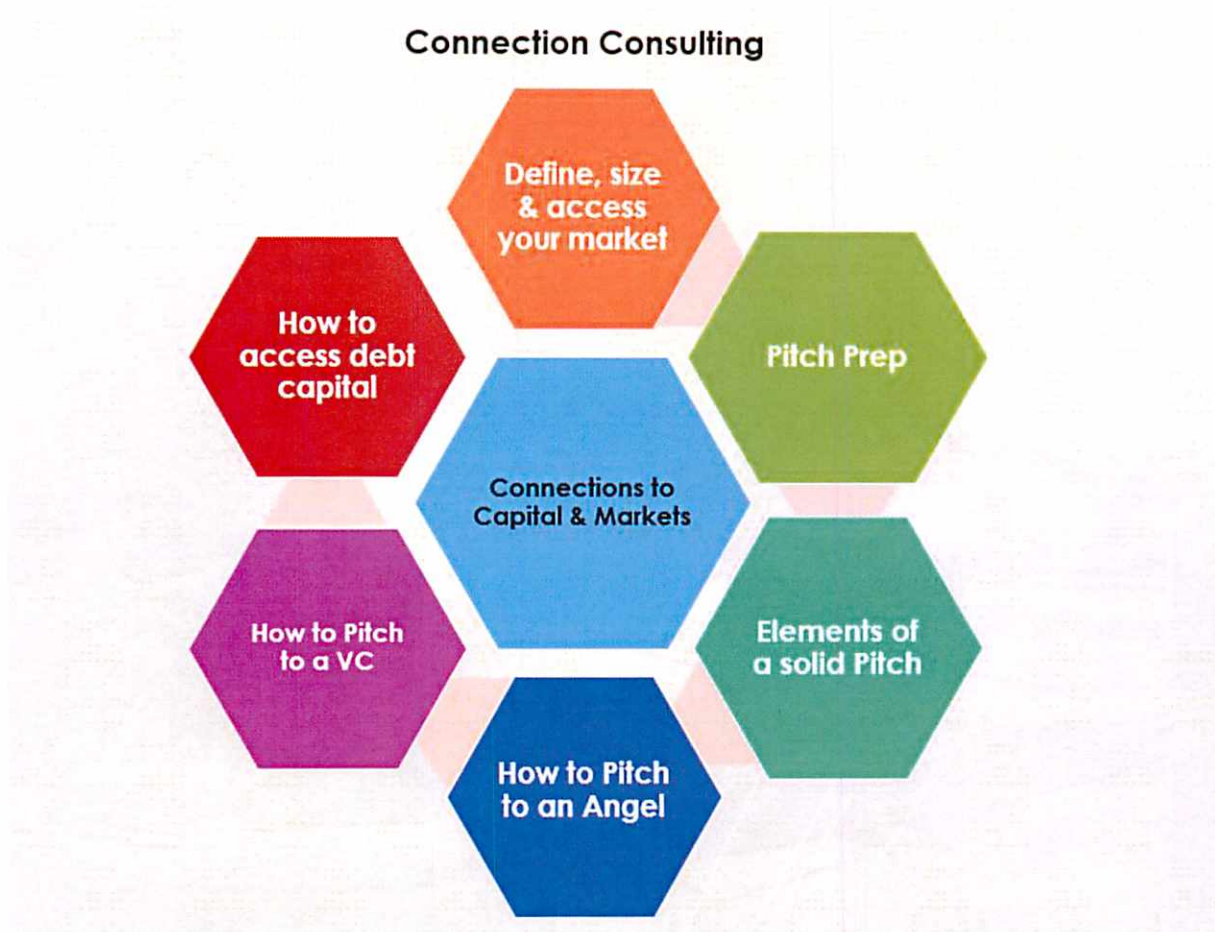
Concept to Commercialization (One-on-one commercialization consulting)



Concept to Commercialization consulting is one-on-one intensive case management direction which takes the client through every stage. Clients set and are held accountable for goals and progress on their path.

Connections to Capital & Markets

Pitch Prep & Market potential courses (taught by Angel Investors & VCs)



One-on-one consulting and training to connect with capital and markets.

Connections to Service Provider



The Program Manager serves as a case manager to connect each client with all relevant services and programs within the ecosystem. This is a direct referral with follow-up. The Program Manager is the expert on the entire entrepreneurial ecosystem and serves as a connector to all resources available to clients.

Industry focused education and training



FastTrac New Venture 10 weeks

FastTrac Growth Venture 10 weeks

FastTrac Tech Venture 10 weeks

FastTrac The Intentional Entrepreneur 4 hours

FastTrac General - Listening to your Business 4 hours

NxLevel – Customized for industry specific cohort 10 weeks

Business fundamentals & Acumen – (Marketing, Finance, Accounting, Legal, Operations)

Custom Training – clients will be onboarded to custom training tracts that fit their goals

How is this different than what we already do?

Our consultant team provided an in-depth market analysis. This is a summary of the gaps in our current entrepreneurial ecosystem.

Table 5.1: Key Partner Traded Sector Resources and Services

	Business Assistance (one-on-one)	Commercialization Assistance (one-on-one)	Structured Incubation Services	Structured Mentor Network	Structured Resource Network	Content for Courses, Workshops & Events	Student Innovation Programs – K-12	Student Innovation Programs – Post Secondary	Ideation & Business Competitions	Business Financing - Equity	Business Financing - Debt	Facility – Co-working Space	Facility – Incubator Space	Facility – Maker Space & Labs	Social & Networking Events
Beartooth Resource Conservation & Development	X										X				
Big Sky CoSpace												X			
Big Sky Economic Development	X					X			X		L				
Billings Career Center							X								X
Billings Chamber of Commerce															X
Billings Public Schools							X								
Bozeman Technology Incubator	L	L	L	L	L	L				L					
CTA Architects												R			
Downtown Billings Alliance									X						
Frontier Angels									X	L					
Montana Community Development Corporation											X				
Montana Manufacturing Extension Center	L					L									
Montana State University Billings						L	L	L						L	
Montana Technology Enterprise Center/MonTec	L	L	L	L	L	L									
Native American Development Center	R										R				
Next Frontier Capital									X	L					
Rocky Mountain College						L		L							
MagicSpace at SCRaP							X								X
STEM Billings							X								
TechNet															X

X = already exists

L = exists at a low level

R = exists at a restricted level

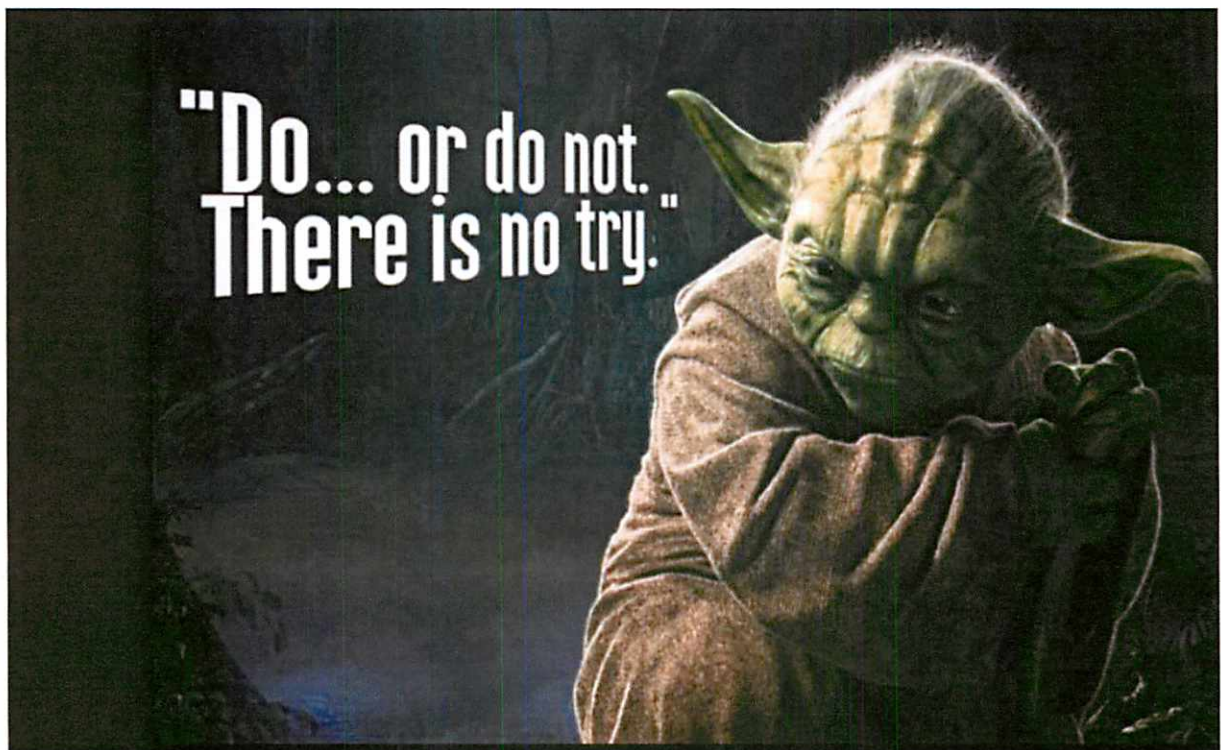
Utilization/Participation Rates

	Year 1	Year 2	Year 3	Year 4	Year 5
Coworking – Monthly Community Memberships	30 to 40	30 to 40	40 to 50	40 to 50	50 to 60
Coworking – Monthly Contract Users	20 to 25	25 to 35	25 to 35	30 to 40	30 to 40
Coworking – Day Users (per month)	6 to 10	8 to 12	10 to 14	10 to 14	10 to 14
Incubation Services – New Resident Clients per Year	1 to 3	1 to 3	2 to 5	3 to 6	3 to 6
Incubation Services – Cumulative Resident Clients Served	1 to 3	2 to 6	4 to 11	7 to 17	10 to 23
Incubation Services – Non-Resident Clients Served per Year	2 to 4	2 to 4	3 to 5	4 to 6	6 to 8
Incubation Services – Cumulative Non-Resident Clients Served	2 to 4	4 to 8	7 to 13	11 to 19	17 to 27
Social & Networking Events (estimate 1 per month)	20 to 30 per event	25 to 35 per event	25 to 35 per event	30 to 50 per event	30 to 50 per event
Course & Workshops	Managed by Key Partners				

Programming and 6-year projected budget are based on a conservative interpretation of our consultant's projected utilization/participation rates. In addition, we have modified the budget (reducing revenue & expenses) which is reflected below.

Pro Forma P&L	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Incubation Services	\$ -	\$ 6,300	\$ 12,600	\$ 23,100	\$ 37,800	\$ 56,700
Co-Working / Incubation Space & Membership Fees	\$ -	\$ 42,964	\$ 103,636	\$ 120,484	\$ 139,312	\$ 142,312
Programs & Events & Training	\$ -	\$ 13,400	\$ 15,200	\$ 15,200	\$ 15,200	\$ 15,200
Member Investor	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
BSED Opportunity Fund	\$ 100,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Founding Funding Partners	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ -
Total Revenue	\$ 150,000	\$ 192,664	\$ 211,436	\$ 213,784	\$ 247,312	\$ 244,212
Operating Expenses						
Salaries/Wages	\$ 65,000	\$ 65,813	\$ 67,458	\$ 69,144	\$ 70,873	\$ 72,645
Payroll Taxes & Benefits	\$ 20,800	\$ 21,060	\$ 21,587	\$ 22,126	\$ 22,679	\$ 23,246
Rent (\$17 sq.ft)	\$ 2,325	\$ 45,008	\$ 90,015	\$ 90,015	\$ 90,015	\$ 90,015
Telephone - (Mobile)	\$ 960	\$ 960	\$ 960	\$ 960	\$ 960	\$ 960
Printing & Signage	\$ 500	\$ 500	\$ 515	\$ 530	\$ 546	\$ 563
Marketing / Advertising / Meetup events / training	\$ 20,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Office	\$ 1,000	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126
FF&E	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093
Software, Misc. Computer Materials	\$ 5,000	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126
Travel, meetings & professional development	\$ 15,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Memberships, Subscriptions, etc.	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700
Licenses & Fees	\$ 1,000	\$ 500	\$ 515	\$ 530	\$ 546	\$ 563
Miscellaneous	\$ 5,000	\$ 5,000	\$ 5,100	\$ 5,202	\$ 5,306	\$ 5,412
Total Operating Expenses	\$ 138,285	\$ 162,540	\$ 209,909	\$ 212,360	\$ 214,872	\$ 217,447
Net Income	\$ 11,715	\$ 30,124	\$ 1,527	\$ 1,424	\$ 32,440	\$ 26,765

		Projected Cash					
		Year -1	Year 1	Year 2	Year 3	Year 4	Year 5
Beginning Cash Balance		\$ -	\$ 11,715	\$ 41,839	\$ 43,366	\$ 44,790	\$ 77,229
Cash Receipts							
Revenue From Operations		\$ -	\$ 62,664	\$ 131,436	\$ 158,784	\$ 192,312	\$ 214,212
Founding Funding Partners		\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ -
Member Investor		\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
BSED - Opportunity Seed Funding		\$ 100,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Cash Receipts - Capital Costs							
Facility Fit-up Grants		\$ -	\$ 54,630				
Furniture, Fixture, Equipment Grants / Sponsorshi		\$ -	\$ -				
Total Cash Receipts		\$ 150,000	\$ 247,294	\$ 211,436	\$ 213,784	\$ 247,312	\$ 244,212
Cash Disbursement							
Operating Expenses		\$ 138,285	\$ 162,540	\$ 209,909	\$ 212,360	\$ 214,872	\$ 217,447
Cash Disbursement - Capital Costs							
Facility Fit-up Grants		\$ -	\$ 54,630				
Furniture, Fixture, Equipment - BSED		\$ -	\$ -				
Total Cash Disbursement		\$ 138,285	\$ 217,170	\$ 209,909	\$ 212,360	\$ 214,872	\$ 217,447
Net Change In Cash Position		\$ 11,715	\$ 30,124	\$ 1,527	\$ 1,424	\$ 32,440	\$ 26,765
Ending Cash Balance		\$ 11,715	\$ 41,839	\$ 43,366	\$ 44,790	\$ 77,229	\$ 103,994



The FORCE is here and READY!



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT G



May 10, 2018

RE: 2018 EDC Board Member Nominating Committee Recommendation

The EDC Nominating Committee was polled on April 25, 2018 and referred an issue to the Executive Committee and Board recommending they hold a special election to fill the vacant EDC position created by Dr. Ron Larsen leaving Montana State University – Billings.

The Nominating Committee recommends that Dr. Dan Edelman, the new chancellor for MSU-B, be the only candidate nominated for approval by a majority vote of the Member Investor Companies. The nomination would be pending a confirmation from Dr. Edelman, who has held preliminary conversations with the Nominating Committee but has been unable to provide confirmation at this point.

Becky Rogers
Operations Director



BIG SKY
ECONOMIC DEVELOPMENT

EDA · EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT H

NOTICE OF AWARD



U.S. Small Business Administration		NOTICE OF AWARD																																											
1. AUTHORIZATION <i>(Legislation/Regulation)</i> Section 9(b) (17) of the Small Business Act, U.S.C. 637(b) (17)		2. Grant/Cooperative Agreement No. SBAHQ18V0021																																											
3. RECIPIENT: <i>(Name, Organizational Unit, Address)</i> Big Sky Economic Development Authority Attn: JAMES TEVLIN 222 N 32nd Street Suite 200 Billings MT 59101		4. PROJECT PERIOD <i>(Mo./Day/Yr.)</i> From 05/01/2018 Through 04/30/2019	<i>(Mo./Day/Yr.)</i>																																										
		5. BUDGET PERIOD <i>(Mo./Day/Yr.)</i> From 05/01/2018 Through 04/30/2019	<i>(Mo./Day/Yr.)</i>																																										
		6. FEDERAL CATALOG NO. 59.044	7. ADMINISTRATIVE CODES 8211001EZ0019																																										
		9. AWARD AMOUNT Amount of SBA Financial Assistance	\$300,000.00																																										
8. TITLE OF PROJECT/PROGRAM <i>(limit to 53 spaces)</i> FY 2018 VB0C		11. RECOMMENDED FUTURE SUPPORT <i>(Subject to the availability of funds and satisfactory progress of the project)</i>																																											
10. DIRECTOR OF PROJECT <i>(Program or Center Director, Coordinator or Principal Investigator)</i> NAME Arveschoug Steve Last First Initial ADDRESS: Same as above		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th>BUDGET YEAR</th> <th>TOTAL DIRECT COST</th> <th>BUDGET YEAR</th> <th>TOTAL DIRECT COST</th> </tr> <tr> <td>a.</td> <td style="text-align: right;">\$0.00</td> <td>b.</td> <td style="text-align: right;">\$0.00</td> </tr> </table>		BUDGET YEAR	TOTAL DIRECT COST	BUDGET YEAR	TOTAL DIRECT COST	a.	\$0.00	b.	\$0.00																																		
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12. Approved Budget <i>(Excludes SBA Direct Assistance)</i> <input checked="" type="checkbox"/> SBA Funds Only <input type="checkbox"/> Total project costs including all other financial participation.		13. Remarks <i>(Other Terms & Conditions Attached)</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No																																											
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Federal Share</th> <th style="text-align: center;">Non-Federal Share</th> </tr> </thead> <tbody> <tr> <td>a. Personal Service_____</td> <td style="text-align: right;">134,460.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>b. Fringe Benefits_____</td> <td style="text-align: right;">43,366.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>c. Consultants_____</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>d. Travel_____</td> <td style="text-align: right;">36,695.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>e. Equipment_____</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>f. Supplies_____</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>g. Contractual_____</td> <td style="text-align: right;">1,017.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>h. Other_____</td> <td style="text-align: right;">7,560.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>i. TOTAL DIRECT COSTS_____</td> <td style="text-align: right;">\$223,098.00</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>j. Indirect cost_____</td> <td style="text-align: right;">76,902.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>(Rate). 0 % of S & W/TADC</td> <td></td> <td></td> </tr> <tr> <td>k. OTHER APPL. COSTS_____</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>l. TOTAL APPROVED BUDGET</td> <td style="text-align: right;">\$300,000.00</td> <td style="text-align: right;">\$0.00</td> </tr> </tbody> </table>			Federal Share	Non-Federal Share	a. Personal Service_____	134,460.00	0.00	b. Fringe Benefits_____	43,366.00	0.00	c. Consultants_____	0.00	0.00	d. Travel_____	36,695.00	0.00	e. Equipment_____	0.00	0.00	f. Supplies_____	0.00	0.00	g. Contractual_____	1,017.00	0.00	h. Other_____	7,560.00	0.00	i. TOTAL DIRECT COSTS_____	\$223,098.00	\$0.00	j. Indirect cost_____	76,902.00	0.00	(Rate). 0 % of S & W/TADC			k. OTHER APPL. COSTS_____	0.00	0.00	l. TOTAL APPROVED BUDGET	\$300,000.00	\$0.00	14. THIS AWARD IS SUBJECT TO THE FOLLOWING COST PRINCIPLES AND OMB UNIFORM ADMINISTRATIVE REQUIREMENTS : <input type="checkbox"/> 2 CFR Part 220 - Cost Principles for Educational Institutions <input type="checkbox"/> 2 CFR Part 225 - Cost Principles for State and Local Governments <input checked="" type="checkbox"/> 2 CFR Part 230 - Cost Principles for Non-Profit Organizations <input type="checkbox"/> FAR Subpart 31.2 - Principles for Determining Cost Applicable to Awards with For-Profit Organizations <input type="checkbox"/> 13 C.F.R. Part 143 - Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments <input checked="" type="checkbox"/> 2 CFR Part 215 - Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and other Non-Profit Organizations. <input checked="" type="checkbox"/> OMB Circular - A - 133 - Audits of States, Local Governments, and other Non-Profit Orgs.	
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15. THIS AWARD IS SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE SIDE																																													
16. CRS - EIN 81-0465162		17. COUNTY NAME Yellowstone	18. CONGRESSIONAL DISTRICT NO. MT-001																																										
19a. CITY CODE 06550	b. COUNTY CODE 111	c. STATE CODE 30	d. PROGRAM CODE 211001																																										
BUDGET CODE 20a. 1818890400DB21100120030	DOCUMENT NO. b. SBAHQ18V0021	AMT. ACTION FIN. ASST. c. \$300000.00	TYPE OF ORGANIZATION d. Non-Profit																																										
21. AGENCY OFFICIAL <i>(Signature, Name and Title)</i> Monica Butler			22. DATE ISSUED <i>(Mo./Day/Yr.)</i> 04/19/2018																																										
23. RECIPIENT OFFICIAL <i>(Signature, Name and Title)</i>		24. DATE <i>(Mo./Day/Yr.)</i>																																											

THIS AWARD IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING.

- A. The program legislation and / or regulation cited in block 1.**
- B. This award notice including terms and conditions, if any, noted under block 13, Remarks.**
- C. SBA Federal Assistance Regulations or Manual issuances in effect at the beginning date of the budget period.**
- D. The applicable program announcement, if any.**
- E. SBA Policy Guidelines in effect as of the beginning date of the budget period .**
- F. SBA Administrative Regulations / Guidelines in effect as of the beginning date of the budget period.**

In the event that there are any conflicting or otherwise inconsistent policies applicable to this award, the above order of precedence shall prevail. Acceptance of ALL terms and conditions is acknowledged by the Recipient's Signature in block 23.

U.S. Small Business Administration

NOTICE OF AWARD

ITEM NO. (A)	ITEM OR SERVICE (Include Specifications and Special Instructions) (B)	QUANTITY (C)	UNIT (D)	ESTIMATED COST	
				UNIT PRICE (E)	AMOUNT (F)
0001	<p>DUNS Number: 867205726</p> <p>Delivery: 03/29/2018</p> <p>Delivery Location Code: 211001</p> <p>Small Business Administration</p> <p>Office of Veterans Bus. Development</p> <p>409 3rd St., S.W.</p> <p>Washington DC 20416 USA</p> <p>Accounting Info:</p> <p>1818.890400DB.211001.20030.4110.610001.2110001.0000.1379710</p> <p>Period of Performance: 05/01/2018 to 04/30/2019</p> <p>VBOC grant</p> <p>Obligated Amount: \$300,000.00</p> <p>The total amount of award: \$300,000.00. The obligation for this award is \$300,000.00.</p>				300,000.00



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT I

Strategic Priorities

1. Strategic Placemaking Initiatives (lead/support role)
2. One Big Sky District Development Planning Project (lead role w/ partners)
3. Entrepreneurship Model Launch (support role)
4. Workforce Development (support role)

Community Leadership

1. Community Vision Leadership—(strategic placemaking initiatives, workforce development)
2. Key Partnerships Stewardship and Development
 - Engage new MSU-B Chancellor
 - Engage new SD2 Superintendent
 - Engage new City Administrator and team
 - Maintain partnerships—Billings Chamber, RMC, Yellowstone County, DBP/Alliance, City of Billings, City of Laurel (includes service on Chamber Board and DBP Board)

Organization Leadership/Duties

1. Work, Thrive, Live/ Staff Development (lead/support role)
2. Strategic Planning
 - Future Facilities (support/lead)
 - Opportunity Fund Strategy
3. Program Support
 - Business Finance Growth Plan (support role)
 - VBOC Transition
 - Enhance Business Recruitment (support role)
 - Member Investor Relationships (support role)
 - Others--ongoing
4. Board Engagement (lead/support)

Economic Development Leadership

1. MEDA Board President
 2. Economic Development Policy Advocacy (2019 Session) (MT Chamber, MT Infrastructure Coalition)
 3. 2019 Legislative Priorities (w/ Ad hoc Legislative Committee)
-

Delegated Duties/Projects and Priorities

1. Budget Development Process and Budget Management (Jim/Becky)
 - Check authorization and signing (Becky)
 - Monthly financial statement review (Becky)
 - Budget Development/Salary-Setting Processes (Jim/Becky)
2. TEDD Development (CD and Allison)
3. Coulson Park Master Plan/Corette (CD)
4. MSUB Science Building (Melanie)
5. HR Opportunities and Challenges (Becky)
6. Management of Performance Evaluation Process (Becky)
7. Member Investor Relationships (Melanie)
8. CTE Advisory (Melanie/Karen)
9. Trailhead Hospitality Corridor Vision Steering Committee (CD)
10. Air Service (Allison)
11. Billings Works Steering Committee (remain an active participant)
12. Internal/External Communications (Becky/Melanie)
13. Facilitation of Staff and Board Planning (Becky and appointed Director)

Important Definitions Concerning Ex. Director Role

“Lead”—act as project lead and coordinate all necessary support team members

“Support”—set program/project expectations with director/manager, provide guidance as needed, and address key decision items as needed; project lead will provide routine check-in/reports

“Participant”—serve as an active part of a committee or project team, but not the lead or support role (I.E., BillingsWorks Steering Committee)

“Decision Items Which Need Executive Director Direction”—

- 1) a change in scope of project/program;
- 2) setting budget priorities and a change in budget-authority;
- 3) involves Board-level decision making and engagement;
- 4) has potential impact on key partner or community/business leader relationships;
- 5) involves multiple programs/projects;
- 6) involves a critical personnel/staffing decision;
- 7) involves significant organizational branding/marketing;
- 8) involves response to media/public/policymaker inquiries