

**EDA & EDC Joint Board Meeting  
Thursday, December 12, 2019  
7:15 A.M. to 9:00 A.M.  
Yellowstone Conference Room  
Granite Tower  
222 North 32<sup>nd</sup> Street  
Billings, MT**

***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. Holiday Breakfast**

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

**7:32 A.M. Public Comment/Recognitions/Special Announcements and Introductions**

- Introductions—Incoming EDA and EDC Board Members
- Recognition of Outgoing Board Members and Chairs

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

**7:47 A.M. Consent Agenda**

November 14, 2019 Board Meeting Minutes

(EDA & EDC Action)  
(Attachment A)

**7:48 A.M. BSED Financials—Shanna**

- EDA and EDC September 2019 and October 2019 Financials (Attachment B) (EDA & EDC Action)

**7:55 A.M. Program-Level Action Items/Reports**

- Big Sky Finance —Brandon
  - RLF Loan Approvals (Handout) (EDC Action)
- Operations—Becky
  - Election of Officers/Executive Committee for 2020 (Attachment C) (EDA & EDC Action)
  - EDA Grant Contract Approval (Attachment D) (EDA Action)
- PTAC – Deanna
  - Bozeman PTAC Update (Attachment E) (EDA & EDC Action)

**8:05 A.M. Board Roundtable Dialogue—"My world in sixty seconds"**

- Share the highlights of your year and what excites/worries you about 2020 (one minute each Board member)

**8:55 A.M. Executive Director Report**

- Public Safety Update Planned for Jan. Board Meeting (Attachment F) (Info)
- MEDA Next Generation of Community and Economic Development Tools Analysis (Info)

**8:58 A.M. Public Comment**

**9:00 A.M. Adjourn**

Next EDA/EDC Board Meeting January 9, 2020, 7:30 AM. 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, November 14<sup>th</sup>, 2019 – 7:30 AM – 9:00 A.M.**  
**Big Sky Economic Development – Yellowstone Conference Room**  
**Granite Tower 222 N. 32<sup>nd</sup> Street, Billings, MT**

*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, Dana Pulis, George Warmer, Greg McDonald, Jennifer Smith, Jennifer Owen, Ken Lutton, Paul Neutgens, Robin Rude, Done Jones (Ex-Officio), John Brewer (Ex-Officio)

**EDA Board Members Absent:** Fred Sterhan, Judi Powers, Greg Upham (Ex-Officio), Katy Easton (Ex-Officio), Shaun Brown (Ex-Officio)

**EDC Board Members Present:** Aaron Ramage, Ann Kosempa, Denis Pitman, Doug Hansen, Eric Simonsen, Mac Fogelsong, Mike Phillips, Mike Nelson, Mike Seppala, Scott Chesarek, Spencer Frederick,

**EDC Board Members Absent:** Bob Wilmouth, Craig Bartholomew, Dan Edelman, Dave Ballard, David Ellis, Jon Stepanek, Mitch Goplen, Molly Schwend, Nicole Benge, Steve Loveless

**Staff and Guests:** Lorene Hintz, Melanie Schwarz, Becky Rogers, Austin Trunkle, Brandon Berger, Jack Nickels, Dianne Lehm, Thom MacLean, Dena Johnson, Commissioner Ostlund, Shanna Zier, Marcell Bruski, Karen Baumgart, Stefeni Freese

**Call to Order:**

Cory Moore, EDA Chair, called the meeting to order at 7:32 A.M. with the Pledge of Allegiance.

**Public Comment/Recognitions/Special Announcements and Introductions:**

**Public Comment**

John Brewer brought the Board's attention to the license plate that benefits both the EDA and the Billings Chamber. That plate needs to have 400 users or it will be pulled from the list of available plates. Currently, we need 40 more plates by the end of the year to reach that mark. John is encouraging the Board to spread the word.

Mel announced that our breakfast on December 4<sup>th</sup> will be rescheduled to the spring of 2020.

**Agenda Changes:**

1. There will be no recruitment update today as Allison is in Chicago meeting with site selectors.
2. Attachment I was an accidental carry-over from the last agenda and will not be addressed.

**Consent Agenda**

Motion: Jennifer Smith, to approve the October 10, 2019 Board Minutes, as presented to the Board.

Second: Mike Seppala

Discussion: None

Motion carried

**July and August 2019 EDA/EDC Financials**

Shanna presented the financials which included the July and August financials. Shanna highlighted a few items on the July financials that have been adjusted from the preliminary financials. Shanna then presented the August financials. She adjusted the format of the financial statements and included narratives about items of note. On the EDA, she highlighted a few adjustments she's considering moving forward including recognizing appropriate pre-paid expenses, like insurance, within every month instead of one lump sum in the month it was paid. She is also looking to reconcile the interest accrued on CDs on a quarterly basis instead of yearly.

On the EDC, Shanna finetuned some of the expense categories so they mirror other financial statements. She highlighted a change with the balance sheet. It has historically only shown unrestricted items but the new format will now also include restricted dollars. The financials now reflect the CTE contributions which we collect and then pass-through to the school district.

Greg McDonald asked about our line of credit to the DBA. The Board was reminded the DBA has up to three years to pay back the \$400,000 loaned to them.

Cory asked for separate EDA and EDC motions for both July and August Financials.

Motion: Ken Lutton to approve the July 2019 EDA Financials, as presented to the Board.

Second: Robin Rude

Discussion: Above

Motion carried

Motion: Mike Seppala to approve the July 2019 EDC Financials, as presented to the Board.

Second: Mike Nelson

Discussion: Above

Motion carried

Motion: Ken Lutton to approve the August 2019 EDA Financials, as presented to the Board.

Second: George Warmer

Discussion: Above

Motion carried

Motion: Eric Simonsen to approve the August 2019 EDC Financials, as presented to the Board.

Second: Mike Seppala

Discussion: Above

Motion carried

**FY 2019 EDA and EDC Audits – Stefani Freese, Anderson Zurmuehlen**

Stefani Freese presented our FY 2019 Audit. Stefani announced that the EDA received a clean, unmodified opinion. That is to say, the financial statements as presented are, in their opinion, fair and accurate. Our internal control are in good shape and show no material weaknesses. The Audit also tests our compliance with federal regulations related to grant awards and reported that no non-compliance instances were found. AZ only proposed one adjustment relating to the state pension liability, which report had been prepared incorrectly on the State level and had to be reissued.

The EDC also received a clean, unmodified opinion of the financial statements. AZ does not report on internal controls for the EDC but is required to report significant deficiencies or material weaknesses. AZ did propose one adjustment that, due to materiality, was considered a significant deficiency. The adjustment was regarding a check that was written the end of June for a loan that didn't fund until July. The adjustment reversed the note receivable.

Motion: Ken Lutton to accept the FY 2019 EDA Results, as presented to the Board.

Second: Paul Neutgens

Discussion: None

Motion carried

Motion: Scott Chesarek to accept the FY 2019 EDC Audit Results, as presented to the Board.

Second: Mike Seppala

Discussion: None

Motion carried

### **Program Level Reports and Action Items**

#### **Big Sky Finance – Brandon**

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

1. **Montana Center for Somatic Psychotherapy PLLC** – Request is for an increase in the amount of the SBA debenture from \$135,000 to \$142,000. This loan was originally approved by the Board at the March 14, 2019 board meeting. The increase is due to extra remodel costs to the building from what was originally budgeted. The loan has been approved by SBA and is in the final closing process. No other changes to the loan as approved. Borrower demonstrates the ability to cover the additional debt service as a result of the increased project costs.
2. **Original Request – 03/14/2019:** 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 2<sup>nd</sup> lien position on the real property behind Stockman Bank of Missoula.

Aaron Ramage asked if there is any contingency margin without having to resubmit to SBA. Eric asked about change of use permit.

Motion: Mike Seppala, to approve the MT Center for Somatic Psychotherapy PLLC. Loan Request, as presented to the Board.

Second: Mac Fogelsong  
Abstentions: Spencer Frederick  
Discussion: Above  
Motion carried

Brandon went on to give an update on the El Corral Loan recovery efforts and mentioned he was able to liquidate the remaining kitchen equipment at a price that exceeded his expectation.

#### Operations – Becky

Becky presented the Nominating Committee recommendation for the EDA Board. The candidates selected are Bryce Terpstra – Jones Construction and Riley Bennett – Dick Anderson Construction. This recommendation will be forwarded to the County Commissioners for consideration at their next meeting.

Motion: Paul Neutgens, to approve the recommendation of the Nominating Committee, as presented to the Board.

Second: Jen Smith

Discussion: None

Motion: Carried

#### Future Facility Update

After the annual meeting, we took Angela Martinez on a tour of the Montana Bank Building. Still no firm timeline on when to expect word of a final award. An Announcement Messaging Team has been convened internally and they will continue to plan our next steps.

#### TEDD Project Update – Thom

Thom gave a TEDD Update to the Board. Last month, there was a tour of the TEDD with property owners, city council members, and other stake holders as we navigate annexation/waste water discussion. Thom will be updating the city in the coming weeks at a work session. Work now shifts to bringing the four new city council members up to speed on the TEDD.

KU has finished the short-term priority project plan and has shared those results with the community.

Steve asked if there is any potential to work with MDT on the frontage road improvement.

#### Annual Meeting Recap – Melanie

Melanie did an Annual Meeting Debrief with the Board Members and asked for their takeaways. Steve reminded the Board what the purpose of our meeting is. There was discussion about the décor, the speaker, and the attendance. Steve went on to explain how we select a speaker and the work and dialogue that goes into the planning. Steve also hoped the Board was able to think about the “what are you building?” message.

Melanie notified the Board that there is a news article that has misstated which building we intend to move in to.

#### PTAC Program Bozeman Subcenter Update – Steve

Steve updated for Deanna who is out of town. The PTAC situation in Bozeman has yet to be resolved but a solution may soon come. There are 180 clients in the Bozeman area that utilize the PTAC and as the State Contract Holder, we have an obligation to try and secure a host for that program. Jack Nickels asked why MSU had dropped the program but we can only surmise at this point what the final decision boiled down to.

#### Rock31 Update – Kevin

Cory spurred conversation about the Startup Weekend that occurred at the beginning of the Month and the success Rock31 achieved hosting that event. Dena took this opportunity to commend the work of the SBDC Team and particularly Kevin.

Steve brought attention to Veteran's Small Business Week which took place last week, and the events we put on or facilitated.

**Executive Director's Report – Steve**

**Public Safety Update Planned for December Meeting**

Public Safety remains a hot topic in Billings and Steve has invited Chris Kukulski to speak to our Board about the City's next steps.

**MEDA Next Generation of Community and Economic Development Tools Analysis**

Steve pointed out the MEDA Letter he has written and sent to partners around the state that details the RFP effort MEDA has undertaken with the aim of developing the next generation of community and economic development tools. Steve hopes that the analysis will be disseminated by May 1, 2020 and makes its way in the public policy dialogue as we ramp up for another legislative session. Jennifer Owens asked if we can expect anything to come of the "test session" this January as the State looks to move to an annual Legislature. Steve deferred to Commissioner Jones who is unsure of what the result will be.

**Keystone XL Pipeline Letter**

Keystone XL Pipeline talks have reignited recently and Melanie read a letter of support from our organization at a public meeting. The Board voted in 2011 to support Trans-Canada and the Keystone XL Pipeline because of the economic impact the project stands to bring to our region.

**Build Grant Update**

The BUILD Grant that our community leaders pursued in DC last month has been awarded to Missoula. The grants are very competitive nationally with about 700 applications submitted this year. We supported the Billings application because it included trail development and the completion of the Inner Belt Loop. Both of our Senators met personally with our team to go over the details of our applications and Congressman Gianforte stepped out of a committee meeting to make time as well. Discussion continued about the project in Missoula and what set their grant apart. Community cohesion and solidarity among leadership became a talking point and the need to present a united front.

**December 12th Board meeting**

Board Meeting next month at 7:15am and will include Breakfast. Steve would like each Board Member to give a 45 second debrief what life is like in their world.

**Public Comment**

Jack Nickels offered a comment in support of the Eastern Montana economy. Billings is the only voice that many of those communities have and listening to their needs is important as they conduct most of their business through Billings.

**Adjourn**

Corry Moore Adjourned the meeting at 9:01 AM

Next Meeting – January 9<sup>th</sup>

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.

*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 B



**Big Sky Economic Development Authority**  
**Financial Report for the Executive Committee and Board of Directors**  
**November 27, 2019**

Included with this report are balance sheets reflecting the assets, liabilities and net assets of Big Sky EDA as of September 30, 2019 and October 31, 2019. Also included is the statement of revenue and expenses through three and four months of FY20 as compared to budget.

**Balance Sheet**

Current assets totaled approximately \$843,000 at the end of October. Accounts receivable at October 31 totaled \$242,000. This is largely comprised of PTAC receivable of \$134,000, VBOC receivable of \$51,000, and SBDC receivable of \$51,000. As of November 2019, these receivables have decreased slightly to \$213,000. These higher than normal receivable balances are attributed to the Controller transition and timely invoicing. This has also caused a decrease in current assets to cover expenses. We continue to work through this and feel confident that we will obtain more timely reimbursements going forward. Tax levy receivable totaled approximately \$1,209,000 with an additional \$2,000 in protested tax levy receivable. An allowance totaling approximately \$2,000, or 100% of protested tax levy receivable is reflected to allow for potentially uncollectible protested tax levy.

Big Sky EDA invested the proceeds from the sale of the GE facility (approximately \$6 million) into certificates of deposit with maturities of 18 months. These proceeds are reflected under opportunity fund-CDs. The total of these CDs has decreased by about \$530,000 over the last year as a maturing CD was placed into a money market account in June for liquidity. The balance sheet also reflects \$400,000 in loans receivable from the Downtown Billings Alliance (DBA) as part of the One Big Sky District initiative. This loan was previously reflected as a loan for \$388,000, but it was determined when reconciling FY19 year-end entries, that the balance of this outstanding loan was actually \$400,000. The DBA is currently working to find a broker to list and sell the property they purchased with this line of credit. The DBA is not obligated to begin paying off the credit for 3 years, but are looking to begin paying before their period of obligation begins.

Due To/Due From EDC totaled approximately \$104,000 and represents the amount owed to EDA from EDC. Beginning in FY20, there was a change in the Management Services Agreement. The EDC will now reimburse the EDA for 25% of the controller's salary.

Accounts payable have decreased from \$127,000 at August 2019 to approximately \$44,000 at the end of October. Accrued expenses have also decreased and consist of Space to Place grant accruals for FY19, salary/benefits accruals, and PTAC subcenter accruals. Compensated absences have decreased from \$164,000 at August 2019 to \$148,000 at October 2019. This is due to vacation/sick leave payouts.

**Statement of Revenue and Expenses**

County tax (mill levy revenue) totals \$1,265,870 through October 2019. This amount includes first quarter entitlement of \$59,624 in September 2019 and \$1,206,814 in 2019 property tax receivable from October 2019. Department of Defense (PTAC) reimbursement is below budget through October 2019. We have accrued \$45,000 for this reimbursement for October 2019. This is a conservative accrual and the actual invoice for reimbursement will likely be higher. EDC reimbursement remains below budget through October. Opportunity fund investment revenue is

below budget through October 2019. I am still working to reconcile this account and hope to have this completed for the November 2019 financials.

Insurance expense totals \$13,100 through October 2019 and is over budget due to the annual payment of Liability insurance and Work comp. Dues and subscription expense is over budget due to the annual payment to Beartooth RCD for \$11,800. Professional fees totaled approximately \$39,000 through October 2019. Professional fees include \$20,000 for the Anderson ZurMuehlen FY19 audit and \$7,500 for the contract for accounting services with Avitus during the Controller transition.

Through four months of FY20 Big Sky EDA had recognized revenue in excess of expenses totaling about \$771,000, which was approximately \$37,000 less than the budgeted amount. This variance is largely due to below budget reimbursement for Department of Defense (PTAC) combined with \$20,000 variance in interest income. Historically, interest income for the CDs has been booked once a year. Interest income was reviewed in September in order to more accurately depict interest revenue. This entry was somewhat limited due to the inability to obtain September 2019 statements for all opportunity fund CDs. Interest income was booked based on the statements that were available. I will continue to pursue receiving current statements for all CDs in an effort to book interest income quarterly. Interest income from the opportunity fund CDs is earmarked to the opportunity fund and is not used operationally.

**Big Sky EDA**  
**Comparative Balance Sheet**  
**As of October 31, 2019 and 2018**

	10/31/2019	10/31/2018	+/-	6/30/2019	+/-
<b>Assets</b>					
First Interstate Bank	\$75,364	\$90,159	(\$14,795)	\$23,571	\$51,794
FIB-Recovered Property Taxes	53,202	1,000	52,202	97,854	(44,653)
Opportunity Fund-FIB	54,376	13,253	41,123	13,265	41,111
Opportunity Fund-Stockman	3,615	645,837	(642,222)	3,612	3
Opportunity Fund-Opportunity Bank	616,319	-	616,319	613,163	3,156
Stockman GE Maintenance	15,128	28,479	(13,351)	23,479	(8,351)
Yellowstone County Funds	24,827	150,904	(126,077)	519,877	(495,050)
<b>Total Current Assets</b>	<b>842,831</b>	<b>929,632</b>	<b>(86,801)</b>	<b>1,294,821</b>	<b>(451,990)</b>
<b>Other Assets</b>					
Accounts Receivable	241,952	278,947	(36,995)	283,781	(41,830)
American Revenue Guarantee	6,887	6,887	-	6,887	-
Due To/Due From EDC	103,992	132,479	(28,487)	163,958	(59,966)
Tax Levy Receivable	1,208,538	1,163,684	44,854	18,231	1,190,307
Tax Levy Receivable - Protested	2,455	448	2,007	9,211	(6,756)
Allowance for Doubtful Accounts	(2,455)	(448)	(2,007)	(9,211)	6,756
Prepaid Expenses	11,284	7,172	4,111	39	11,245
Undeposited Funds	-	-	-	-	-
Interest Receivable	2,421	-	2,421	2,421	-
Miscellaneous Receivable	-	3,007	(3,007)	218	(218)
<b>Total Other Assets</b>	<b>1,575,074</b>	<b>1,592,177</b>	<b>(17,103)</b>	<b>475,535</b>	<b>1,099,539</b>
<b>Non-Current Assets</b>					
Opportunity Fund - CDs	4,595,943	5,119,531	(523,588)	4,590,718	5,225
Loans Receivable	400,000	-	400,000	400,000	-
TEDD Receivable	64,775	75,000	(10,225)	64,775	-
Cabela's Conduit	4,983	4,979	4	4,982	1
Deferred Outflow of Resources	247,689	365,827	(118,138)	247,689	-
<b>Total Non-Current Assets</b>	<b>5,313,390</b>	<b>5,565,338</b>	<b>(251,948)</b>	<b>5,308,164</b>	<b>5,226</b>
<b>Total Assets</b>	<b>7,731,295</b>	<b>8,087,147</b>	<b>(355,852)</b>	<b>7,078,520</b>	<b>652,775</b>
<b>Liabilities &amp; Equity</b>					
<b>Current Liabilities</b>					
Accounts Payable	44,482	63,702	(19,220)	119,524	(75,042)
Accrued Expenses	95,870	187,627	(91,757)	118,144	(22,274)
Payroll Liabilities	255	688	(433)	4,979	(4,724)
Compensated Absences	147,540	146,353	1,187	164,177	(16,638)
<b>Total Current Liabilities</b>	<b>288,147</b>	<b>398,369</b>	<b>(110,223)</b>	<b>406,824</b>	<b>(118,677)</b>
<b>Long Term Liabilities</b>					
Deferred inflow or Resources	13,741	7,419	6,322	13,741	-
Pension Liability	884,804	908,811	(24,007)	884,804	-
<b>Total Long Term Liabilities</b>	<b>898,545</b>	<b>916,230</b>	<b>(17,685)</b>	<b>898,545</b>	<b>-</b>
Current Year Excess of Expenses over Revenue	771,453	925,664	(154,212)	(73,732)	845,184
Balance at Beginning of Year	5,773,151	5,846,883	(73,732)	5,846,883	(73,732)
<b>Net Assets</b>	<b>6,544,604</b>	<b>6,772,548</b>	<b>(227,944)</b>	<b>5,773,151</b>	<b>771,453</b>
<b>Total Liabilities &amp; Equity</b>	<b>7,731,295</b>	<b>8,087,147</b>	<b>(355,852)</b>	<b>7,078,520</b>	<b>652,775</b>

**Big Sky EDA**  
**Statements of Operations**  
**For the Periods Ending October 31, 2019**

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>Operating Revenue</b>							
County Taxes (Mill Levy Revenue)	\$1,206,353	\$1,200,000	\$6,353	\$1,265,870	\$1,260,000	\$5,870	\$1,461,225
Health Insurance Mill Levy	8,480	8,530	(50)	32,836	34,120	(1,284)	102,360
Recovery of Protested Taxes	-	-	-	-	-	-	-
Department of Defense	45,000	52,819	(7,819)	184,738	211,276	(26,538)	633,828
EDC Reimbursement	43,031	48,729	(5,698)	174,465	194,916	(20,451)	584,748
EPA-Brownfields	1,860	-	1,860	3,160	-	3,160	-
SBA/MT Dept of Commerce	14,000	13,708	292	56,306	54,833	1,473	164,500
SBDC Program Income	-	-	-	-	-	-	-
VBOC	23,382	25,000	(1,618)	97,100	100,000	(2,900)	300,000
Opportunity Fund Investment	-	2,083	(2,083)	-	8,333	(8,333)	25,000
Grant Administration	-	742	(742)	1,300	2,967	(1,667)	8,900
Miscellaneous Revenue	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>1,342,107</b>	<b>1,351,611</b>	<b>(9,505)</b>	<b>1,815,775</b>	<b>1,866,445</b>	<b>(50,671)</b>	<b>3,280,561</b>
<b>Operating Expenses</b>							
Salaries/Wages	142,078	134,398	7,680	546,924	537,590	9,333	1,612,771
Employer Contributions	31,312	44,200	(12,888)	160,274	176,799	(16,524)	530,396
Contingency	-	-	-	-	-	-	30,000
Contract Support	-	83	(83)	-	333	(333)	1,000
Community Development Projects	(2)	200	(202)	3,625	4,200	(575)	50,000
Dues and Subscriptions	847	1,000	(153)	31,647	25,806	5,841	52,025
Insurance	484	1,231	(747)	13,116	4,922	8,194	14,766
Marketing - Departmental	(477)	1,388	(1,865)	336	5,551	(5,214)	16,652
Marketing - Organizational	502	5,146	(4,644)	15,209	20,583	(5,375)	61,750
Office Equipment	3,623	583	3,040	3,623	2,333	1,290	7,000
Office Expense	1,606	1,667	(60)	5,418	6,667	(1,248)	20,000
Professional Fees	7,485	8,000	(515)	38,758	39,000	(242)	35,126
Property Tax Protests	-	-	-	-	-	-	49,190
PTAC Satellite	11,467	11,710	(243)	42,237	46,840	(4,603)	140,520
PTAC Subcenter	14,000	23,190	(9,190)	70,761	92,761	(21,999)	278,282
Rent	11,284	10,530	754	45,167	42,121	3,046	126,364
Repairs	-	-	-	352	-	352	-
Sponsorships	1,500	1,326	174	9,800	5,306	4,494	15,917
TEDD	30	417	(386)	56	1,667	(1,610)	5,000
Telecommunications	4,993	4,520	473	19,629	18,080	1,549	54,240
Travel/Training	8,818	11,102	(2,284)	39,068	44,408	(5,340)	133,223
Miscellaneous	499	3,377	(2,878)	8,244	13,508	(5,264)	40,525
<b>Total Operating Expenses</b>	<b>240,051</b>	<b>264,067</b>	<b>(24,016)</b>	<b>1,054,248</b>	<b>1,088,475</b>	<b>(34,227)</b>	<b>3,274,747</b>
<b>Net Operating Revenue</b>	<b>1,102,056</b>	<b>1,087,544</b>	<b>14,512</b>	<b>761,527</b>	<b>777,970</b>	<b>(16,443)</b>	<b>5,813</b>
<b>Non-Operating Income</b>							
Interest Income	1,132	7,528	(6,396)	9,926	30,111	(20,186)	90,334
<b>Net Revenue Over (Under) Expense</b>	<b>\$1,103,188</b>	<b>\$1,095,072</b>	<b>\$8,116</b>	<b>\$771,453</b>	<b>\$808,082</b>	<b>(\$36,629)</b>	<b>\$96,148</b>

**Big Sky Economic Development Corporation**  
**Financial Report for the Executive Committee and Board of Directors**  
**November 27, 2019**

Included with this report are balance sheets reflecting the assets, liabilities and net assets of Big Sky EDC as of September 30, 2019 and October 31, 2019. Also included is the statement of revenue and expenses through three and four months of FY20 as compared to budget.

**Balance Sheet**

Current assets totaled approximately \$2,237,000 at the end of October. Accounts receivable total \$9,700 and consist largely of Member Investor pledges for FY19. Contributions receivable of \$44,500 consist of CTE funding commitments for FY19. Prepaid expenses have decreased from \$20,000 to \$2,500 as expenses related to the annual meeting in October were recognized.

Due To/Due From EDA totaled approximately \$104,000 and represents the amount owed to EDA from EDC. Beginning in FY20, there was a change in the Management Services Agreement. The EDC will now reimburse the EDA for 25% of the controller's salary.

**Statement of Revenue and Expenses**

Historically, the statement of revenue and expenses for Big Sky EDC only represented unrestricted asset and liability amounts. A change has been made this fiscal year to include all amounts (both restricted and unrestricted). CTE (Career and Technical Education) Director Donations totaled \$10,000 through October 2019. This is a public/private partnership with BSED and Billings Public Schools. All payments will go directly to SD2 representing the private sector contributions for CTE.

The 504 loan origination revenue was adjusted in August 2019, to reclass loan amounts to deferred revenue and loan fee reimbursements (contra-expense account included in miscellaneous expense). The deferred revenue amounts will be recognized when loans fund. The 504 loan servicing revenue totaled \$173,000 through October 2019.

EDA reimbursement expense is below budget due as Mastercard invoices are now being paid by both EDC and EDA. Based on this change, this expense is anticipated to be below budget through FY20. Expenses related to the annual meeting were incurred and recognized in October. Event expense is slightly over-budget and totaled \$66,000 through October 2019.

Through four months of FY20 Big Sky EDC had recognized expenses in excess of revenue totaling about \$119,000, which was approximately \$6,000 more than the budgeted amount.

**Big Sky EDC**  
**Comparative Balance Sheet**  
**As of October 31, 2019 and 2018**

	10/31/2019	10/31/2018	+/-	6/30/2019	+/-
<b>Assets</b>					
First Interstate Bank	\$196,539	\$621,522	(\$424,983)	\$409,998	-\$213,459
FIB SSBCI Principal	1,388,592	1,233,180	155,412	1,335,009	53,583
FIB-Long Term Reserve	250,000	150,000	100,000	250,000	-
FIB-Opportunity Fund	22,200	22,200	-	22,200	-
FIB-RLF	221,050	231,661	(10,612)	268,288	(47,238)
FIB-OBSD Restricted	-	-	-	-	-
Accounts Receivable	9,742	1,000	8,742	34,158	(24,416)
Contributions Receivable	44,500	71,000	(26,500)	44,500	-
Prepaid Expenses	2,500	1,399	1,101	4,867	(2,367)
RLF Portfolio-Current	18,588	76,794	(58,206)	46,653	(28,065)
SSBCI Portfolio-Current	83,758	123,590	(39,832)	126,448	(42,689)
<b>Total Current Assets</b>	<b>2,237,469</b>	<b>2,532,346</b>	<b>(294,877)</b>	<b>2,542,120</b>	<b>(304,652)</b>
<b>Other Assets</b>					
RLF Portfolio-Non Current	236,477	240,204	(3,727)	127,979	108,498
SSCBI Portfolio-Non Current	800,791	888,075	(87,284)	800,791	-
<b>Total Other Assets</b>	<b>1,037,268</b>	<b>1,128,279</b>	<b>(91,011)</b>	<b>928,770</b>	<b>108,498</b>
<b>Total Assets</b>	<b>3,274,737</b>	<b>3,660,625</b>	<b>(385,888)</b>	<b>3,470,890</b>	<b>(196,154)</b>
<b>Liabilities &amp; Equity</b>					
<b>Current Liabilities</b>					
Accounts Payable	22,194	14,403	7,792	62,640	(40,446)
Accrued Expenses	1,438	30,750	(29,313)	20,473	(19,035)
Deferred 504 Revenue	45,992	-	45,992	3,936	42,056
Due to/Due from EDA	103,992	132,479	(28,487)	163,958	(59,966)
<b>Total Liabilities</b>	<b>173,616</b>	<b>177,632</b>	<b>(4,016)</b>	<b>251,007</b>	<b>(77,391)</b>
Current Year Excess of Expenses over Revenue	(118,763)	22,180	(140,943)	(240,929)	122,166
Balance at Beginning of Year	3,219,883	3,460,813	(240,929)	3,460,813	(240,929)
<b>Net Assets</b>	<b>3,101,120</b>	<b>3,482,993</b>	<b>(381,872)</b>	<b>3,219,883</b>	<b>(118,763)</b>
<b>Total Liabilities &amp; Equity</b>	<b>3,274,737</b>	<b>3,660,625</b>	<b>(385,888)</b>	<b>3,470,890</b>	<b>(196,154)</b>

**Big Sky EDC**  
**Statements of Operations**  
**For the Periods Ending October 31, 2019**

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>Operating Revenue</b>							
504 Loan Origination	\$0	\$11,250	(\$11,250)	\$11,036	\$45,000	(\$33,964)	\$135,000
504 Loan Servicing	43,443	43,874	(431)	172,852	\$175,496	(\$2,644)	526,488
CTE Director Donations (Restricted)	2,500	-	-	10,000	\$0	\$10,000	-
Member Investment	1,200	5,000	(3,800)	18,700	\$25,000	(\$6,300)	370,000
RLF Business Loan Interest	1,247	917	330	5,400	\$3,668	\$1,732	11,004
SSBCI Revenue	1,900	2,005	(106)	7,921	\$8,021	(\$100)	24,064
Recovery of Bad Debt	-	300	(300)	1,067	\$1,200	(\$133)	3,600
Miscellaneous Revenue	775	1,083	(308)	(438)	\$4,333	(\$4,771)	13,000
<b>Total Revenue</b>	<b>51,065</b>	<b>64,430</b>	<b>(15,865)</b>	<b>226,538</b>	<b>262,719</b>	<b>(36,180)</b>	<b>1,083,156</b>
<b>Operating Expenses</b>							
BEAR Program	-	449	(449)	-	1,795	(1,795)	5,386
Business Incubation	198	250	(52)	1,033	1,000	33	3,000
Contingency	-	-	-	-	-	-	10,000
Dues and Subscriptions	4,414	1,681	2,733	7,029	6,726	303	20,177
EDA Reimbursement	43,031	48,729	(5,698)	174,465	194,916	(20,451)	584,748
Event Expense	40,008	27,500	12,508	65,942	52,500	13,442	52,500
Insurance	-	917	(917)	-	3,667	(3,667)	11,000
Marketing - Departmental	2,298	3,000	(702)	8,432	18,387	(9,955)	61,548
Marketing - Organizational	4,706	5,000	(294)	15,376	8,833	6,543	11,000
Membership Development	2,000	1,250	750	2,624	5,000	(2,376)	15,000
Office Equipment	-	208	(208)	-	833	(833)	2,500
Office Supplies	346	171	175	1,104	685	418	2,056
Opportunity Fund Contribution	-	-	-	-	-	-	40,000
Professional Fees	175	6,744	(6,569)	20,726	26,976	(6,250)	80,928
Postage and Printing	-	83	(83)	-	333	(333)	1,000
Rent	3,395	3,421	(25)	13,580	13,683	(103)	41,049
Sponsorships	2,000	717	1,283	2,069	2,868	(799)	8,603
Telecommunications	869	468	401	2,615	1,873	742	5,619
Travel/Training	7,848	5,346	2,501	27,935	21,385	6,550	64,156
Miscellaneous	(3,049)	3,499	(6,548)	2,372	13,997	(11,625)	41,992
<b>Total Operating Expenses</b>	<b>108,241</b>	<b>109,435</b>	<b>(1,194)</b>	<b>345,301</b>	<b>375,458</b>	<b>(30,157)</b>	<b>1,062,263</b>
<b>Net Revenue Over (Under) Expense</b>	<b>(57,176)</b>	<b>(45,005)</b>	<b>(14,671)</b>	<b>(118,763)</b>	<b>(112,740)</b>	<b>(6,023)</b>	<b>20,894</b>

**Big Sky EDA**  
**Comparative Balance Sheet**  
**As of September 30, 2019 and 2018**

	9/30/2019	9/30/2018	+/-	6/30/2019	+/-
<b>Assets</b>					
First Interstate Bank	\$63,744	\$236,764	(\$173,020)	\$23,571	\$40,173
FIB-Recovered Property Taxes	83,202	1,000	82,202	97,854	(14,653)
Opportunity Fund-FIB	54,374	13,251	41,123	13,265	41,109
Opportunity Fund-Stockman	3,614	645,618	(642,004)	3,612	2
Opportunity Fund-Opportunity Bank	615,534	-	615,534	613,163	2,372
Stockman GE Maintenance	15,128	28,479	(13,351)	23,479	(8,351)
Yellowstone County Funds	111,169	234,668	(123,499)	519,877	(408,708)
<b>Total Current Assets</b>	<b>946,765</b>	<b>1,159,781</b>	<b>(213,016)</b>	<b>1,294,821</b>	<b>(348,056)</b>
<b>Other Assets</b>					
Accounts Receivable	267,685	205,080	62,605	283,781	(16,096)
American Revenue Guarantee	6,887	6,887	-	6,887	-
Due To/Due From EDC	97,816	84,846	12,970	163,958	(66,142)
Tax Levy Receivable	2,737	4,818	(2,081)	18,231	(15,494)
Tax Levy Receivable - Protested	2,455	976	1,479	9,211	(6,756)
Allowance for Doubtful Accounts	(2,455)	(976)	(1,479)	(9,211)	6,756
Prepaid Expenses	11,284	6,855	4,429	39	11,245
Undeposited Funds	-	-	-	-	-
Interest Receivable	2,421	-	2,421	2,421	-
Miscellaneous Receivable	-	3,007	(3,007)	218	(218)
<b>Total Other Assets</b>	<b>388,830</b>	<b>311,493</b>	<b>77,337</b>	<b>475,535</b>	<b>(86,705)</b>
<b>Non-Current Assets</b>					
Opportunity Fund - CDs	4,595,943	5,119,531	(523,588)	4,590,718	5,225
Loans Receivable	400,000	-	400,000	400,000	-
TEDD Receivable	64,775	75,000	(10,225)	64,775	-
Cabela's Conduit	9,648	9,643	5	4,982	4,666
Deferred Outflow of Resources	247,689	365,827	(118,138)	247,689	-
<b>Total Non-Current Assets</b>	<b>5,318,055</b>	<b>5,570,002</b>	<b>(251,947)</b>	<b>5,308,164</b>	<b>9,891</b>
<b>Total Assets</b>	<b>6,653,650</b>	<b>7,041,276</b>	<b>(387,626)</b>	<b>7,078,520</b>	<b>(424,870)</b>
<b>Liabilities &amp; Equity</b>					
<b>Current Liabilities</b>					
Accounts Payable	57,096	77,125	(20,028)	119,524	(62,427)
Accrued Expenses	106,053	201,164	(95,111)	118,144	(12,091)
Payroll Liabilities	3,000	500	2,500	4,979	(1,979)
Compensated Absences	147,540	146,353	1,187	164,177	(16,638)
<b>Total Current Liabilities</b>	<b>313,689</b>	<b>425,142</b>	<b>(111,453)</b>	<b>406,824</b>	<b>(93,135)</b>
<b>Long Term Liabilities</b>					
Deferred inflow or Resources	13,741	7,419	6,322	13,741	-
Pension Liability	884,804	908,811	(24,007)	884,804	-
<b>Total Long Term Liabilities</b>	<b>898,545</b>	<b>916,230</b>	<b>(17,685)</b>	<b>898,545</b>	<b>-</b>
Current Year Excess of Expenses over Revenue	(331,735)	(146,979)	(184,757)	(73,732)	(258,004)
Balance at Beginning of Year	5,773,151	5,846,883	(73,732)	5,846,883	(73,732)
<b>Net Assets</b>	<b>5,441,416</b>	<b>5,699,905</b>	<b>(258,489)</b>	<b>5,773,151</b>	<b>(331,735)</b>
<b>Total Liabilities &amp; Equity</b>	<b>6,653,650</b>	<b>7,041,276</b>	<b>(387,626)</b>	<b>7,078,520</b>	<b>(424,870)</b>



**Big Sky EDA**  
**Statements of Operations**  
**For the Periods Ending September 30, 2019**

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>Operating Revenue</b>							
County Taxes (Mill Levy Revenue)	\$59,624	\$60,000	(\$376)	\$59,517	\$60,000	(\$483)	\$1,461,225
Health Insurance Mill Levy	8,480	8,530	(50)	24,356	25,590	(1,234)	102,360
Recovery of Protested Taxes	-	-	-	-	-	-	-
Department of Defense	45,496	52,819	(7,323)	139,738	158,457	(18,719)	633,828
EDC Reimbursement	44,144	48,729	(4,585)	131,433	146,187	(14,754)	584,748
EPA-Brownfields	798	-	798	1,300	-	1,300	-
SBA/MT Dept of Commerce	14,000	13,708	292	42,306	41,125	1,181	164,500
SBDC Program Income	-	-	-	-	-	-	-
VBOC	25,131	25,000	131	73,718	75,000	(1,282)	300,000
Opportunity Fund Investment	-	2,083	(2,083)	-	6,250	(6,250)	25,000
Grant Administration	-	742	(742)	1,300	2,225	(925)	8,900
Miscellaneous Revenue	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>197,672</b>	<b>211,611</b>	<b>(13,939)</b>	<b>473,668</b>	<b>514,834</b>	<b>(41,166)</b>	<b>3,280,561</b>
<b>Operating Expenses</b>							
Salaries/Wages	138,286	134,398	3,889	404,846	403,193	1,653	1,612,771
Employer Contributions	45,382	44,200	1,183	128,962	132,599	(3,637)	530,396
Contingency	-	-	-	-	-	-	30,000
Contract Support	-	83	(83)	-	250	(250)	1,000
Community Development Projects	196	200	(4)	3,628	4,000	(372)	50,000
Dues and Subscriptions	4,550	4,335	215	30,800	24,806	5,994	52,025
Insurance	-	1,231	(1,231)	12,632	3,692	8,941	14,766
Marketing - Departmental	50	1,388	(1,338)	813	4,163	(3,350)	16,652
Marketing - Organizational	4,535	5,146	(611)	14,707	15,438	(731)	61,750
Office Equipment	-	583	(583)	-	1,750	(1,750)	7,000
Office Expense	1,288	1,667	(378)	3,812	5,000	(1,188)	20,000
Professional Fees	8,271	8,000	271	31,273	31,000	273	35,126
Property Tax Protests	-	-	-	-	-	-	49,190
PTAC Satellite	10,047	11,710	(1,663)	30,770	35,130	(4,360)	140,520
PTAC Subcenter	7,382	23,190	(15,808)	56,761	69,570	(12,809)	278,282
Rent	11,284	10,530	754	33,884	31,591	2,293	126,364
Repairs	88	-	88	352	-	352	-
Sponsorships	500	1,326	(826)	8,300	3,979	4,321	15,917
TEDD	-	417	(417)	26	1,250	(1,224)	5,000
Telecommunications	4,805	4,520	285	14,636	13,560	1,076	54,240
Travel/Training	13,790	11,102	2,688	30,250	33,306	(3,056)	133,223
Miscellaneous	1,242	3,377	(2,135)	7,745	10,131	(2,386)	40,525
<b>Total Operating Expenses</b>	<b>251,697</b>	<b>267,403</b>	<b>(15,705)</b>	<b>814,197</b>	<b>824,408</b>	<b>(10,211)</b>	<b>3,274,747</b>
<b>Net Operating Revenue</b>	<b>(54,025)</b>	<b>(55,791)</b>	<b>1,766</b>	<b>(340,529)</b>	<b>(309,574)</b>	<b>(30,955)</b>	<b>5,813</b>
<b>Non-Operating Income</b>							
Interest Income	7,104	7,528	(424)	8,794	22,584	(13,790)	90,334
<b>Net Revenue Over (Under) Expense</b>	<b>(\$46,921)</b>	<b>(\$48,263)</b>	<b>\$1,342</b>	<b>(\$331,735)</b>	<b>(\$286,991)</b>	<b>(\$44,745)</b>	<b>\$96,148</b>

**Big Sky EDC**  
**Comparative Balance Sheet**  
**As of September 30, 2019 and 2018**

	9/30/2019	9/30/2018	+/-	6/30/2019	+/-
<b>Assets</b>					
First Interstate Bank	\$243,417	\$313,900	(\$70,484)	\$409,998	-\$166,581
FIB SSBCI Principal	1,375,163	1,221,060	154,103	1,335,009	40,154
FIB-Long Term Reserve	250,000	150,000	100,000	250,000	-
FIB-Opportunity Fund	22,200	22,200	-	22,200	-
FIB-RLF	217,435	225,128	(7,693)	268,288	(50,853)
FIB-OBSD Restricted	-	315,832	(315,832)	-	-
Accounts Receivable	18,492	1,000	17,492	34,158	(15,666)
Contributions Receivable	44,500	71,000	(26,500)	44,500	-
Prepaid Expenses	18,000	1,399	16,601	4,867	13,133
RLF Portfolio-Current	20,907	77,395	(56,488)	46,653	(25,746)
SSBCI Portfolio-Current	94,152	123,590	(29,438)	126,448	(32,295)
<b>Total Current Assets</b>	<b>2,304,265</b>	<b>2,522,503</b>	<b>(218,238)</b>	<b>2,542,120</b>	<b>(237,855)</b>
<b>Other Assets</b>					
RLF Portfolio-Non Current	237,662	244,095	(6,433)	127,979	109,683
SSCBI Portfolio-Non Current	800,791	898,459	(97,668)	800,791	-
<b>Total Other Assets</b>	<b>1,038,453</b>	<b>1,142,553</b>	<b>(104,100)</b>	<b>928,770</b>	<b>109,683</b>
<b>Total Assets</b>	<b>3,342,718</b>	<b>3,665,056</b>	<b>(322,338)</b>	<b>3,470,890</b>	<b>(128,172)</b>
<b>Liabilities &amp; Equity</b>					
<b>Current Liabilities</b>					
Accounts Payable	36,769	10,643	26,126	62,640	(25,872)
Accrued Expenses	1,438	30,350	(28,913)	20,473	(19,035)
Deferred 504 Revenue	48,400	-	48,400	3,936	44,464
Due to/Due from EDA	97,816	84,846	12,970	163,958	(66,142)
<b>Total Liabilities</b>	<b>184,422</b>	<b>125,839</b>	<b>58,583</b>	<b>251,007</b>	<b>(66,585)</b>
Current Year Excess of Expenses over Revenue	(61,587)	78,405	(139,992)	(240,929)	179,342
Balance at Beginning of Year	3,219,883	3,460,813	(240,929)	3,460,813	(240,929)
<b>Net Assets</b>	<b>3,158,296</b>	<b>3,539,218</b>	<b>(380,921)</b>	<b>3,219,883</b>	<b>(61,587)</b>
<b>Total Liabilities &amp; Equity</b>	<b>3,342,718</b>	<b>3,665,056</b>	<b>(322,338)</b>	<b>3,470,890</b>	<b>(128,172)</b>

**Big Sky EDC**  
**Statements of Operations**  
**For the Periods Ending September 30, 2019**

	Month			YTD			Fiscal Year
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>Operating Revenue</b>							
504 Loan Origination	\$13,536	\$11,250	\$2,286	\$11,036	\$33,750	(\$22,714)	\$135,000
504 Loan Servicing	43,999	43,874	125	129,408	\$131,622	(\$2,214)	526,488
CTE Director Donations (Restricted)	-	-	-	7,500	\$0	\$7,500	-
Member Investment	6,500	5,000	1,500	17,500	\$20,000	(\$2,500)	370,000
RLF Business Loan Interest	2,068	917	1,151	4,154	\$2,751	\$1,403	11,004
SSBCI Revenue	2,056	2,005	51	6,021	\$6,016	\$5	24,064
Recovery of Bad Debt	467	300	167	1,067	\$900	\$167	3,600
Miscellaneous Revenue	650	1,083	(433)	(1,213)	\$3,250	(\$4,463)	13,000
<b>Total Revenue</b>	<b>69,276</b>	<b>64,430</b>	<b>4,847</b>	<b>175,474</b>	<b>198,289</b>	<b>(22,816)</b>	<b>1,083,156</b>
<b>Operating Expenses</b>							
BEAR Program	-	449	(449)	-	1,347	(1,347)	5,386
Business Incubation	835	250	585	835	750	85	3,000
Contingency	-	-	-	-	-	-	10,000
Dues and Subscriptions	1,290	1,681	(392)	2,614	5,044	(2,430)	20,177
EDA Reimbursement	44,144	48,729	(4,585)	131,433	146,187	(14,754)	584,748
Event Expense	4,753	5,000	(247)	25,934	25,000	934	52,500
Insurance	-	917	(917)	-	2,750	(2,750)	11,000
Marketing - Departmental	138	5,129	(4,991)	6,134	15,387	(9,253)	61,548
Marketing - Organizational	1,754	2,000	(246)	10,670	3,833	6,837	11,000
Membership Development	61	1,250	(1,189)	624	3,750	(3,126)	15,000
Office Equipment	-	208	(208)	-	625	(625)	2,500
Office Supplies	483	171	312	757	514	243	2,056
Opportunity Fund Contribution	-	-	-	-	-	-	40,000
Professional Fees	6,940	6,744	196	20,551	20,232	319	80,928
Postage and Printing	-	83	(83)	-	250	(250)	1,000
Rent	3,369	3,421	(51)	10,184	10,262	(78)	41,049
Sponsorships	-	717	(717)	69	2,151	(2,082)	8,603
Telecommunications	509	468	41	1,746	1,405	341	5,619
Travel/Training	4,296	5,346	(1,050)	20,087	16,039	4,049	64,156
Miscellaneous	9,447	3,499	5,948	5,421	10,498	(5,077)	41,992
<b>Total Operating Expenses</b>	<b>78,018</b>	<b>86,064</b>	<b>(8,045)</b>	<b>237,060</b>	<b>266,024</b>	<b>(28,963)</b>	<b>1,062,263</b>
<b>Net Revenue Over (Under) Expense</b>	<b>(8,742)</b>	<b>(21,634)</b>	<b>12,892</b>	<b>(61,587)</b>	<b>(67,735)</b>	<b>6,148</b>	<b>20,894</b>



BIG SKY  
ECONOMIC DEVELOPMENT

EDA • EDC    CREATING MONTANA BUSINESS OPPORTUNITIES

# ATTACHMENT C

**December 4, 2019**

**Recommendation of the Joint-Nominating Committee  
For the Big Sky Economic Development 2020 Officers and Executive Committee**

---

The Joint Nominating Committee of the EDA/EDC met on November 5, 2019 to consider officers and Executive Committee members for 2020. Following discussion and follow-up calls by staff, the Nominating Committee hereby submits the following recommendation for consideration:

**2020 EDA Officers/Executive Committee**

Robin Rude, Chair  
Paul Neutgens, Vice Chair  
Ken Lutton, Secretary/Treasurer  
Judi Powers, Member at Large  
Greg McDonald, Member at Large

**2020 EDC Officers/Executive Committee**

Mike Seppala, Chair  
Steve Loveless, Vice Chair  
Ann Kosempa, Secretary/Treasurer  
Mike Nelson, Immediate Past Chair  
Mac Fogelsong, Member at Large

---



BIG SKY  
ECONOMIC DEVELOPMENT

EDA • EDC    CREATING MONTANA BUSINESS OPPORTUNITIES

# ATTACHMENT D

GRANT     COOPERATIVE AGREEMENT

**FINANCIAL ASSISTANCE AWARD**

FEDERAL AWARD ID NUMBER  
05-01-05938 URI:113070

RECIPIENT NAME  
Big Sky Economic Development Authority

PERIOD OF PERFORMANCE  
November 22, 2019 - May 22, 2024

STREET ADDRESS  
222 N. 32nd Street #200

FEDERAL SHARE OF COST  
\$ 2,007,121

CITY, STATE, ZIP CODE  
Billings, Montana 59101-1948

RECIPIENT SHARE OF COST  
\$ 2,007,121

AUTHORITY  
Public Works and Economic Development Act of 1965, as amended (42 U.S.C. § 5301)

TOTAL ESTIMATED COST  
\$ 4,014,242

CFDA NO. AND NAME  
11.300, Public Works

PROJECT TITLE  
ROCK31 Connect Build Grow

This Award Document (Form CD-450) signed by the Grants Officer constitutes an obligation of Federal funding. By signing this Form CD-450, the Recipient agrees to comply with the Award provisions checked below and attached. Upon acceptance by the Recipient, the Form CD-450 must be signed by an authorized representative of the Recipient and returned to the Grants Officer. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally withdraw this Award offer and de-obligate the funds.

- DEPARTMENT OF COMMERCE FINANCIAL ASSISTANCE STANDARD TERMS AND CONDITIONS
- R & D AWARD
- FEDERAL-WIDE RESEARCH TERMS AND CONDITIONS, AS ADOPTED BY THE DEPT. OF COMMERCE
- SPECIFIC AWARD CONDITIONS
- LINE ITEM BUDGET
- 2 CFR PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS, AS ADOPTED PURSUANT TO 2 CFR § 1327.101
- 48 CFR PART 31, CONTRACT COST PRINCIPLES AND PROCEDURES
- MULTI-YEAR AWARD. PLEASE SEE THE MULTI-YEAR SPECIFIC AWARD CONDITION.
- OTHER(s): EDA Standard Terms and Conditions for Construction Projects (February 12, 2016)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER

Angela B. Martinez, Regional Director



DATE

11/22/19

PRINTED NAME, PRINTED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL

Steve Arveschoug, Executive Director

DATE

SPECIFIC AWARD CONDITIONS  
U.S. DEPARTMENT OF COMMERCE  
Economic Development Administration (EDA)

**CONSTRUCTION PROJECTS:** Public Works Program under Section 201 of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. §3121 et seq.) (PWEDA)

<b>Project Title:</b> ROCK31 Connect Build Grow	
<b>Recipients Name:</b> Big Sky Economic Development Authority	<b>Project Number:</b> 05-01-05938

1. This EDA Award supports the work described in the approved final scope of work, which is incorporated by reference into this Award, as the *Authorized Scope of Work*. All work on this project should be consistent with this *Authorized Scope of Work*, unless the Grants Officer has authorized a modification of the scope of work in writing through an amendment memorialized by a fully executed Form CD-451.

The Authorized Scope of Work for this project consists of the purchase and renovation of an existing building (24,111 Square foot building- four levels) located at 201 North Broadway, Billings, Montana which will house Rock31 Connect Build Grow program.

2. The Authorized Representative's name, title, address, and telephone number are:

Steve Arveschoug Big Sky Economic Development Authority 406-869-8401	Executive Director 222 N. 32 <sup>nd</sup> Street #200 Billings, MT 59101-1948
--	--

The Point of Contact's name, title, address, and telephone number are:

Becky Rogers Big Sky Economic Development Authority 406-869-8405 <a href="mailto:becky@bigskyeda.org">becky@bigskyeda.org</a>	Operations Director 222 N. 32 <sup>nd</sup> Street #200 Billings, MT 59101-1948
--	---

The Grants Officer is authorized to award, amend, suspend, and terminate financial assistance awards. The Grants Officer is:

Angela B. Martinez Regional Director Phone: 303-844-3909 Email: <a href="mailto:AMartinez@eda.gov">AMartinez@eda.gov</a>	Economic Development Administration 1244 Speer Boulevard, Suite 431 Denver, Colorado 80204
---	--



The Federal Program Officer oversees the programmatic aspects of this Award. The Federal Program Officer is:

Cindy Edwards Area Director Phone: 303-844-5360 Email: <a href="mailto:cedwards@eda.gov">cedwards@eda.gov</a>	Economic Development Administration 1244 Speer Boulevard, Suite 431 Denver, Colorado 80204
--	--

The Project Officer is responsible for day-to-day administration and liaison with the Recipient and receives all reports and payment requests. The Project Officer is:

Veronica Jacobson Phone: 303-844-4703 Email: <a href="mailto:vjacobson@eda.gov">vjacobson@eda.gov</a>	Economic Development Administration 1244 Speer Boulevard, Suite 431 Denver, Colorado 80204
---	--

**3. ADDITIONAL INCLUDED DOCUMENTS:**

In addition to the regulations, documents, or authorities incorporated by reference on the Financial Assistance Award form (Form CD-450) the following additional documents are included with and considered to be part of the Award's terms and conditions:

- A Recipient's final completed Application including subsequently submitted documents (this item not enclosed in this Award package);

Should there be a conflict between the above referenced documents and the Specific Award Conditions (this document), the Specific Award Conditions, including any attachments, shall prevail.

**4. PROJECT DEVELOPMENT TIME SCHEDULE:** The Recipient agrees to the following Project Development Time Schedule:

Date of Award .....November 22, 2019  
Return of Executed Financial Assistance Award/Amendment....30 calendar days after receipt of Form CD-450/CD-451  
Start of Construction no later than .....November 22, 2021 (24 Months from Date of Award)  
Construction Completed.....November 22, 2023 (48 Months from Date of Award)  
Authorized Award End Date..... May 22, 2024 (54 Months from Date of Award)

Project Closeout – All Project closeout documents, including any required program reports, shall be submitted to EDA not more than 90 calendar days after the date the Recipient accepts the completed project from the contractor(s).

The Recipient shall diligently pursue the development of the Project so as to ensure completion within this time schedule. Moreover, the Recipient shall promptly notify EDA in writing of any event that could substantially delay meeting any of the proscribed time limits for the Project as set forth above. The Recipient further acknowledges that failure to meet the Project Development Time Schedule may result in EDA's taking action to terminate the Award in

accordance with the regulations set forth at 2 C.F.R. §§ 200.338 through 200.342, as applicable.

5. **PROJECT REPORTING AND FINANCIAL DISBURSEMENTS INSTRUCTIONS:**

A. **AWARD DISBURSEMENTS: Reimbursable basis only:** EDA will make disbursements under this Award on a reimbursement basis only, based on actual costs. The “*Request for Reimbursement*” (Form SF-271) is used to request a disbursement, which shall be approved in writing by the Project Officer.

Please note that prior to the initial disbursement, Recipients must complete the attached Form SF-3881, “*ACH Vendor/Miscellaneous Payment Enrollment Form*” and submit it to NOAA’s Accounting Office by FAX to 301-528-3675 (*FAX is required to secure confidentiality of sensitive information*). The form must be completed by the respective parties (EDA, Recipient Bank, and Recipient) at the start of each new award.

B. **REPORTS:**

a. *Project Progress Reports:* The Recipient shall submit project progress reports to the Project Officer on a quarterly basis for the periods ending **December 31, March 31, June 30, and September 30**, or any portion thereof until the final grant payment is made by EDA. Reports should be submitted using the approved EDA template, which will be provided by the Project Officer and discussed during the project kick-off meeting. Reports are due no later than 15 days following the end of the quarterly period.

b. *Financial Reports:* The Recipient shall submit a “*Federal Financial Report*” (Form SF-425) on a semi-annual basis for the periods ending **March 31 and September 30**, or any portion thereof, for the entire project period. Reports are due no later than 30 days following the end of the semiannual reporting period. Form SF-425 (and instructions for completing this form) is available at:  
<https://www.gsa.gov/portal/forms/download/149786>.

A final Form SF-425 must be submitted no more than 90 calendar days after the expiration date of the Award (e.g., the Award end date specified on the Form CD-450 or Form CD-451). Final Financial reports should follow the guidance outlined by the form instructions for submitting mid-term financial reports, but should ensure that all fields accurately reflect the total outlays for the entire project period, and that all matching and program income (if applicable) is fully reported. Final grant rate and determinations of final balances owed to the government will be determined by the information on the final Form SF-425, so it is imperative that this final financial form is submitted in a timely and accurate manner.

6. **ALLOWABLE COSTS AND AUTHORIZED BUDGET:** Total allowable costs will be determined at the conclusion of the award period in accordance with the administrative authorities applicable pursuant to the *Financial Assistance Award* (Form CD-450), including the applicable requirements set forth in 2 C.F.R. part 200, after Final Financial Documents are submitted.

Except as otherwise expressly provided for within these Specific Award Conditions, the Investment Rate for the award (see 13 C.F.R. §§ 300.3 and 301.4) shall apply to allowable costs incurred by the Recipient in connection with the project. The Federal share in the allowable costs shall be based upon the Investment Rate (see 2 C.F.R. § 200.43). In the event of an underrun in total allowable costs for this project, the Federal share of allowable costs shall be determined by the Investment Rate established in the Form CD-450, or subsequently executed Form CD-451. The Federal Share of total allowable costs shall not exceed the dollar amount of the original Award and subsequent amendments, if any.

A. Under the terms of the Award, the total approved authorized budget is:

Federal Share (EDA Amount)	\$2,007,121
Non-Federal Matching Share	\$2,007,121
Total Project Cost	\$4,014,242

B. Under the terms of this Award, the total approved **Line Item Budget** is:

COST CLASSIFICATION	Proposed	Approved
Administrative and legal expenses	\$35,000	\$35,000
Land, structures, rights-of-way, etc.	\$1,000,000	\$1,000,000
Relocation expenses and payments	\$0	\$0
Architectural and engineering fees	\$292,644	\$292,644
Other architectural and engineering fees	\$0	\$0
Project inspection fees	\$0	\$0
Site work	\$0	\$0
Demolition and removal	\$0	\$0
Construction	\$2,544,728	\$2,544,728
Equipment	\$0	\$0
Contingencies	\$141,870	\$141,870
Total Project Costs	\$4,014,242	\$4,014,242

7. **MATCHING SHARE:** The Recipient agrees to provide the Recipient's non-Federal Matching Share contribution for eligible project expenses in proportion to the Federal share requested for such project expenses. (See 13 C.F.R. § 300.3) The Recipient also certifies that, in accepting the Financial Assistance Award, the Recipient's Matching Share of the project costs is committed and unencumbered, from authorized sources, and shall be available as needed for the project.

8. **REFUND CHECKS, INTEREST, OR UNUSED FUNDS:** Treasury has given EDA two options for having payments deposited to EDA's account:

- i. The first one is Pay.Gov. This option allows the payee to pay EDA through the Internet. The payee will have the option to make a one-time payment or to set up an account to make regular payments.
- ii. The second option is Paper Check conversion. All checks must identify on their face the name of the DOC agency funding the award, award number, and no more than a

two-word description to identify the reason for the refund or check. A copy of the check should be provided to the EDA Project Officer. This option allows the payee to send a check to NOAA's Accounting Office, who processes EDA's accounting functions at the following address:

U.S. Department of Commerce  
National Oceanic and Atmospheric Administration  
Finance Office, AOD, EDA Grants  
20020 Century Boulevard, Germantown, MD 20874

The accounting staff will scan the checks in to an encrypted file and transfer to the Federal Reserve Bank, where the funds will be deposited in EDA's account. While this process will not be an issue with most payees, there are occasionally issues for entities remitting funds to EDA via check. If you are remitting funds to EDA via check, please make note of the following:

- If a check is sent to EDA, it will be converted into an electronic funds transfer by copying the check and using the account information to electronically debit your account for the amount of the check. The debit from your account will usually occur within 24 hours and will appear on your regular account statement.
- EDA will not return your original check; the original will be destroyed and a copy will be maintained in our office. If the Electronic Funds Transfer (EFT) cannot be processed for technical reasons, the copy will be processed in place of the original check. If the EFT cannot be completed because of insufficient funds, EDA will charge you a one-time fee of \$25.00, which will be collected by EFT.

9. **CONSTRUCTION COMPLETION:** In keeping with prudent grants management policy, EDA construction projects must be completed within five (5) years from the date the Form CD-450 is signed by the Recipient accepting the Award. If construction is not completed by this date and the Grants Officer determines, after consultation with the Grant Recipient, that construction to completion cannot reasonably be expected to proceed promptly and expeditiously, the grant may be terminated. Extensions beyond the five-year project period are exceedingly rare and can only be authorized by the Assistant Secretary. Nothing in this paragraph is intended to alter the Project Development Time Schedule set forth in provision 4 above.

10. **GOALS FOR WOMEN AND MINORITIES IN CONSTRUCTION:** Department of Labor regulations set forth in 41 C.F.R. § 60-4 establishes goals and timetables for participation of minorities and women in the construction industry. These regulations apply to all federally assisted construction contracts in excess of \$10,000. The Recipient shall comply with these regulations and shall obtain compliance with 41 C.F.R. § 60-4 from contractors and subcontractors employed in the completion of the Project by including such notices, clauses and provisions in the Solicitations for Offers or Bids as required by 41 C.F.R. § 60-4. The goal for the participation of women in each trade area shall be as follows: From April 1, 1981, until further notice: 6.9 percent.

All changes to this goal, as published in the Federal Register in accordance with the Office of Federal Contract Compliance Programs regulations at 41 C.F.R. § 60-4.6, or any successor regulations, shall hereafter be incorporated by reference into these Specific Award Conditions.

Goals for minority participation shall be as prescribed by Appendix B-80, Federal Register, Volume 45, No. 194, October 3, 1980, or subsequent publications. The Recipient shall include the "*Standard Federal Equal Employment Opportunity Construction Contract Specifications*" (or cause them to be included, if appropriate) in all Federally-assisted contracts and subcontracts. The goals and timetables for minority and female participation may not be less than those published pursuant to 41 C.F.R. § 60-4.6.

11. **PROCUREMENT:** The Recipient agrees that all procurement transactions shall be in accordance with the regulations at 2 C.F.R. §§200.317 through 200.326, as applicable.
12. **BUY AMERICAN:** Consistent with Executive Order 13858, *Strengthening Buy-American Preferences for Infrastructure Projects*," the Recipient is encouraged to use, to the greatest extent practicable, iron and aluminum as well as steel, cement, and other manufactured products produced in the United States in every contract, subcontract, purchase order, or subaward that is chargeable under this Award.
13. **ARCHITECT/ENGINEER AGREEMENT:** Prior to initial disbursement of funds by EDA, the Recipient must submit to the Government for approval, an Architect/Engineer Agreement that meets the requirements in the EDA's "Summary of EDA Construction Standards," as well as the competitive procurement standards of 2 C.F.R. part 200, as applicable. The fee for basic Architect/Engineer Services will be a lump sum or an agreed maximum, and no part of the fees for other services will be based on a cost-plus-a-percentage-of-cost or a cost using a multiplier.
14. **EVIDENCE OF GOOD TITLE:** Prior to the initial disbursement of funds by EDA, the Recipient shall provide opinion of counsel, satisfactory to EDA, that the Recipient has acquired good and marketable title to land, free of all encumbrances, as well as rights-of-way, long term leases, easements, state or local government permits or other items necessary for the completion of the project in accordance with 13 C.F.R. § 314.7.
15. **USEFUL LIFE:** The Estimated Useful Life of this project is hereby determined to be 15 years from the date of Award.
16. **FIRST PRIORITY UNSUBORDINATED LIEN OR COVENANT OF FEDERAL SHARE:** Prior to initial disbursement of funds by EDA, Recipient shall execute a first priority unsubordinated lien in favor of EDA, declaring EDA's interest in the property acquired or improved, in whole or in part, with the funds made available through this Award. This lien must be perfected and placed of record in the real property records of the jurisdiction in which the property is located. If EDA determines, in its sole discretion, that there is a legal impediment to the Recipient's grant of a first priority lien to EDA, EDA may instead accept a Covenant of Purpose, Use and Ownership, in a form satisfactory to EDA, recorded with the appropriate jurisdiction.

The Recipient further agrees that, in the event that it alienates in any manner, any interest in the real property acquired or improved with Award funds, or no longer uses the property for the authorized purpose of the Project, EDA shall be entitled to recover damages. EDA's regulations at 13 CFR part 314 provide that, upon disposition, encumbrance or unauthorized use of the property acquired or improved with Award funds, at the sole discretion of EDA, EDA shall be entitled to a recovery based upon the Award amount, the amount of funds actually disbursed under the Award, or the ratio of the percentage of EDA's participation in the total cost of the Project to the fair market value of the property at the time of disposition, encumbrance or unauthorized use plus costs and interest.

This lien or covenant must remain in effect through the Estimated Useful Life of the Project. Alienation shall include but not be limited to sale, lease, rent, option or mortgage, with the exception of those leases or rental agreements which EDA approves, in writing, if applicable under this Award.

17. **MEMBERSHIP AGREEMENTS:** Prior to the execution of any membership agreement or the final disbursement of funds, whichever occurs first, the Recipient shall provide EDA with a template of the membership agreement for EDA's approval. The approved template shall be used for all members.
18. **HISTORICAL RESOURCES:** If during construction of the project, historical and archeological resources, including burial grounds and artifacts are discovered, the Recipient shall immediately stop construction in the area, contact the State Historic Preservation Officer and EDA and follow the SHPO's instruction for the preservation of resources.
19. **ENVIRONMENTAL SITE ASSESSMENTS (PHASE I AND PHASE II):** Prior to EDA's approval of bid documents, the Recipient shall provide the completed Phase I and II documents to EDA. If any hazardous materials and/or remediation is identified in the documentation EDA may amend its environmental assessment and these Specific Award Conditions to address any additional mitigation measures.
20. **ENVIRONMENTAL PERMITS:** Prior to EDA's approval of bid documents, the Recipient shall provide documentation satisfactory to EDA that the permits listed below have been obtained or that the bid documents include language requiring the contractor to obtain the permits prior to the start of construction. If the contractor obtains the permits, then prior to initial disbursement of any construction costs, the Recipient shall provide EDA with satisfactory documentation that the permits have been obtained.
  - MDEQ asbestos abatement permit
21. **ASBESTOS AND LEAD BASED PAINT:** Prior to EDA's approval of bid documents, the Recipient shall provide documentation satisfactory to EDA that the asbestos, lead based paint, and any other hazardous materials, as identified in the Phase II, have been remediated prior to demolition, construction, or renovation, or the bid documents shall include language requiring the contractor to complete all remediation prior to the start of any demolition, construction or renovation. If the contractor completes the remediation, then prior to initial disbursement of any demolition, renovation or construction costs, the Recipient shall provide EDA with

satisfactory documentation that the asbestos, lead paint, and any other identified hazardous materials have been remediated.

22. **NONRELOCATION:** In signing this award of financial assistance, the Recipient(s) attests that the EDA funded project will not be used to induce the relocation or the movement of existing jobs from one Region to another Region by a primary beneficiary of the Award. (See 13 C.F.R. § 300.3) In the event that EDA determines that its assistance was used for such relocation purposes, EDA reserves the right to pursue all rights and remedies, including suspension of disbursements and termination of the award for convenience or cause, and disallowance of any costs attributable, directly or indirectly, to the relocation and the recovery of the Federal share thereof.

For purposes of ensuring that EDA assistance will not be used for relocation purposes, each applicant must inform EDA of all employers that constitute primary beneficiaries of the project assisted by EDA. EDA considers an employer to be a “primary beneficiary” if, in seeking EDA assistance, the applicant estimates that such employer will create or save 100 or more permanent jobs as a result of the investment assistance and specifically names the employer in its application to EDA to make the Award. In smaller communities, EDA may consider a primary beneficiary to be an employer of 50 or more jobs permanent jobs so identified.

23. **PERFORMANCE MEASURES:** The Recipient agrees to report on program performance measures and program outcomes in such a form and at such intervals as may be prescribed by EDA in compliance with the Government Performance and Results Act (GPRA) of 1993, and the Government Performance and Results Modernization Act of 2010.

At this time, all Awards for construction assistance require Recipients to report actual job creation/retention and private investment leverage three (3), six (6), and nine (9) years after an EDA investment. Recipients are to retain sufficient documentation so that they can submit these required reports. Failure to submit this required report can adversely impact the ability of the Recipient to secure future funding from EDA.

Performance measures and reporting requirements that apply to program activities funded by this investment will be provided in a separate GPRA information collection document. EDA staff will contact Recipients in writing within a reasonable period prior to the time of submission of the reports with information on how this data should be submitted. Recipients should ensure adequate and sufficient records are kept to support the methodology for computing initial job and private investment estimates and all subsequent actual performance data calculations so that this information can be made available to EDA in the event of an audits or performance site visits.

24. **REPORTING OF MATTERS RELATED TO RECIPIENT INTEGRITY AND PERFORMANCE:**

*A. General Reporting Requirement*

If the total value of your currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of this Federal award, then you as the recipient during that

period of time must maintain the currency of information reported to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIS)) about civil, criminal, or administrative proceedings described in paragraph B of this award term and condition. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

***B. Proceedings About Which You Must Report***

Submit the information required about each proceeding that:

1. Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the Federal Government;
2. Reached its final disposition during the most recent five year period; and
3. Is one of the following:

(a) A criminal proceeding that resulted in a conviction, as defined in paragraph E of this award term and condition;

(b) A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more;

(c) An administrative proceeding, as defined in paragraph E. of this award term and condition, that resulted in a finding of fault and liability and your payment of either a monetary fine or penalty of \$5,000 or more or reimbursement, restitution, or damages in excess of \$100,000; or

(d) Any other criminal, civil, or administrative proceeding if:

(i) It could have led to an outcome described in paragraph B.3.(a), (b), or (c) of this award term and condition;

(ii) It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and

(iii) The requirement in this award term and condition to disclose information about the proceeding does not conflict with applicable laws and regulations.

***C. Reporting Procedures***

Enter in the SAM Entity Management area the information that SAM requires about each proceeding described in paragraph B of this award term and condition. You do not need to



submit the information a second time under assistance awards that you received if you already provided the information through SAM because you were required to do so under Federal procurement contracts that you were awarded.

#### *D. Reporting Frequency*

During any period of time when you are subject to the requirement in paragraph A of this award term and condition, you must report proceedings information through SAM for the most recent five year period, either to report new information about any proceeding(s) that you have not reported previously or affirm that there is no new information to report. Recipients that have Federal contract, grant, and cooperative agreement awards with a cumulative total value greater than \$10,000,000 must disclose semiannually any information about the criminal, civil, and administrative proceedings.

#### *E. Definitions*

For purposes of this award term and condition:

1. Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (e.g., Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the Federal and State level but only in connection with performance of a Federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.
2. Conviction, for purposes of this award term and condition, means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere.
3. Total value of currently active grants, cooperative agreements, and procurement contracts includes—
  - (a) Only the Federal share of the funding under any Federal award with a recipient cost share or match; and
  - (b) The value of all expected funding increments under a Federal award and options, even if not yet exercised.



BIG SKY  
ECONOMIC DEVELOPMENT

EDA • EDC    CREATING MONTANA BUSINESS OPPORTUNITIES

# ATTACHMENT E

## Update on MT PTAC, Bozeman Location Deanna Langman

We have reached a solution for sustaining PTAC services in Bozeman. The City of Bozeman and Gallatin County have agreed to contribute matching funds to Big Sky EDA to retain Phillip as an employee through the end of the performance period (July, 2020). The City of Bozeman is contributing \$5,000 and Gallatin County is contributing up to \$21,000 with an initial distribution of \$9,000. These contributions are sufficient to make the match that is required for the Bozeman location. Big Sky EDA has generated invoices for these amounts and will submit for payment this week. Future cash requests will be submitted to Gallatin County based on need.

This arrangement with Phillip as a Big Sky EDA employee is an interim solution. Long term, Big Sky EDA will be issuing an RFP for a new subrecipient to host the PTAC in Bozeman for the new program year, 2020-2021. Before we do that, we will be coordinating a meeting with stakeholders in that area to educate them about PTAC and engage them in the process in advance of the RFP release.

The Bozeman office is located in the Allied Engineering Services, Inc. building. The company donated the office space.



BIG SKY  
ECONOMIC DEVELOPMENT

EDA • EDC    CREATING MONTANA BUSINESS OPPORTUNITIES

# ATTACHMENT F

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

---

***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—See the SBDC/Rock 31 section of this report for more details. Our One Million Cups weekly open-dialogue and support system for new entrepreneurs continues— every Wednesday at 9AM at Last Chance Cider House. Join us!  
  
And, join the young entrepreneurs of our community during the Christmas Stroll in Downtown Billings, December 6<sup>th</sup>. Entrepreneurs from Skyview and Senior will be selling their products at the Montana Bank Building (future home of Rock31).
  - b. Coal Country Coalition—Nothing new to report in this area.
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— I will be meeting with Dr. Elaine Labach, Dean of the College for Business, and Bill Kennedy, MSUB Foundation, President to discuss future opportunities for the development of the College of Business. We are also working with the MSUB Veterans outreach office through our Veterans Business Outreach Center (VBOC) program, and most recently hosted a “Best Practices in hiring veterans” event on the MSUB campus. It was an outstanding opportunity to engage our business leaders, preparing them to hire and onboard veterans.
  - b. BillingsWorks/Talent Attraction and Career and Technical Education/Career Center—See the BillingsWorks section of this report for all the details of our work related to BillingsWorks and Better Off in Billings. The Montana Chamber was in Billings November 20<sup>th</sup> to discuss the findings from their most recent Montana Employer Survey. The input from business across Montana are very similar to the findings from our Yellowstone County Employers Survey from the last 4 years (“Failure to find qualified workers is limiting our ability to grow our business. In fact, nearly 40% of Montana businesses are now saying that they have turned down new business because of a lack of staff”). We will be sharing all of the MT Chamber’s findings as a part of our State of the Workforce Report this spring. Stay tuned.
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. Our work with City Administration, TEDD Advisory Committee, Lockwood Water and Sewer, and landowners continues. We did not update Council on November 18<sup>th</sup> (too much on Council’s agenda), but our meetings with key partners continues, including the newly elected Council members. The TEDD Advisory Committee is now preparing information to present to Council which they hope will show that annexation would be a costly consideration for the City. They are hoping to present to Council in January 2020. We will keep the BSED Board up to date on this important project.
- b. Downtown Redevelopment-One Big Sky District— Individual redevelopment projects for downtown are now under discussion, and our role has been to support these efforts with facilitation, information, and ideas to help fill gaps that keep these projects from being reality. Allison is leading this effort in partnership with Katy Easton, Downtown Billings Allison. In addition, I am working on infrastructure needs in other parts of town as well that appears to be a limiting factor in attracting new development. On November 18<sup>th</sup> I asked City Council to take a closer look at the redevelopment of 32<sup>nd</sup>, between King and Gabel. In order for TransTech to continue to grow, that roadway must be improved. The City is considering plans that might address only a portion of the road (to the canal), but not all the way to the intersection of 32<sup>nd</sup> and Gabel, which is essential to new growth. I will continue to work on that issue with landowners and the City. Additionally, I will be attending the Heights Taskforce (November 26<sup>th</sup>) to stay up to speed on issues and opportunities in the Heights.

We are just weeks away from launching the Next Generation of Economic and Community Development Tools Analysis Project with MEDA partners from throughout the state. Yesterday (November 25<sup>th</sup>) we secured an important partnership in this effort when the Montana Chamber Foundation Board approved funding for the project and will now come on-board as a partner. The plan now is to kick on the work on December 16<sup>th</sup>. If you have an interest in joining us in this work, we can still use key private-sector partners. Let me know what you think.

- c. Coulson Park Redevelopment and Entryways Now—The final draft Master Plan will be presented to the project steering committee and then the full Parks Board January 2020. Then the Plan moves on to City council. We will keep the Board in the know on this project because we will need support at City Council to get this plan passed and then move on to funding. Exciting! As I have said before, the BSED team will begin work on a fundraising plan to garner the matching funds needed for the \$250,000 grant that was award to this project from the oil-spill settlement dollars administered by the State. Our goal is to not only meet the match requirement, but to assemble \$1.0 million dollars to kick-start this project. Stay tuned for more details.
- d. EBURD Redevelopment—See Community Development section of this report for any details on our work related to the redevelopment of the East Billings Urban Renewal District, including our Brownfields Assessment Program
- e. Trailhead Hospitality Vision Steering Committee— See the Community Development section of this report regarding the work for a plan/design/budget for the improvement of the Metra Park backside walkway, fence and landscaping project. Our CDBG grant application is still awaiting State approval to fund this project. The next meeting of the Committee is set for January 3, 2020, 11:45 A.M. to 1:00 P.M. at the City/County Planning Office, First Floor Conference Room. We will likely consider additional work in this area as we work with the Metra Park Advisory Board on their plans to conduct a plan master process for Metra Park. Stay tuned as we learn more details about this effort.

- f. **Air Service**—Plans are now underway for face-to-face visits with key airlines (Delta and United) this fall. The effort is to secure expanded or additional direct-flight service to key markets. See Recruitment Section of this report for details.

## ***Program Updates***

### **SBDC | Rock31**

#### **Noteworthy:**

- Angela Martinez, EDA Denver Regional Director will announce the amount of the award and participate in a ribbon cutting event for the Rock 31 program.
- A successful Startup Weekend was held Nov 1-3. Grant Carlile, Startup Weekend Facilitator, was an awesome, energetic, facilitator. There were 20 participants, 14 mentors, 5 judges, and 5 staff members assisting in the weekend.
- 2 generous donors provided grant funds for the Startup Weekend teams that decide to continue developing their technology and headquarter their business here in Yellowstone County.

#### **Team activity:**

- The team provided 75 counseling sessions to 34 unique companies.
- 12 diverse business owners attended our monthly “Pre-Biz” workshop.
- The Rock 31 team attended Early Stage Montana in Missoula and had coached most of the businesses that were presenting.
- The team visited Mission Mountain Food Processing in Ronan to learn about more packaging and labeling resources for our clients.
- The team conducted an outreach in Big Timber and Columbus.
- The DOC onboarded Island Mountain Development \$404,2000 Big Sky Trust Fund to assist in creating 86 jobs; the BSTF Program Manager & Financial officer attended
- A team member joined in Leadership Billings that meets monthly throughout the year.
- The team participated in (BSED) community Board meetings/Committees/Events.
- A team member participated in Rocky Mountain Board meetings/committees.
- Several of the team are working with Christie Williams, Business Development Commercial Loan Officer from Dakota Business Lending to assist businesses that are applying for loans.
- The team attended the Bauer Eye Clinic site visit with the BSED team.
- Several of the team met with SCORE to discuss partnering in local trainings.
- A team member attended Beartooth RC&D meeting and attended a site visit at Tuscano Machine in Big Timber.
- Several team members met with SBA federal and regional officers.
- The Rock31 team led a business model canvas workshop for the entrepreneur students at Skyview and provided business and sales advice to the entrepreneur students at Senior.

#### **Ongoing projects:**

- One Million Cups is being held weekly on Wednesdays at 9 am at Last Chance.
- Co-working Fridays at MoAv coffee, downtown location.
- Outreach to the surrounding nine counties that SBDC serves.

### **Big Sky Finance**

November was a good month for SBA 504 loan funding. Two 504 loans funded this month for a total of \$3,399,000. One was Mountain Hot Tub located in Bozeman and the other was Nelson’s ACE Hardware

located in Whitefish. Both were new construction projects for existing businesses. There were no SBA 504 loan approvals this month. However, we continue to work on building the pipeline and working with prospects on projects that will soon be moving towards approval.

Brandon and Sherry were in Bozeman closing on two SBA 504 loans. We also had good interaction with some lenders in the area as well as prospects. Brandon presented to the AFWA (Accounting & Financial Women's Alliance) along with Jeff McGough from First Interstate Bank. We provided information to them on SBA lending as part of their Fall CPE training.

SBA 504 effective rates for the month of November did creep up just a tad over the previous month. The 20-year effective rate for loans funded in November was 3.74%. The effective rate on the 25-year debenture for November was 3.80%, and the effective rate on the 10-year debenture was 3.93% (10-year debentures only fund every other month). The SBA 504 loan program is an excellent financing tool offering low down payment and excellent, long-term, fixed rates for borrowers' commercial real estate and/or equipment financing! We can also refinance existing commercial real estate debt!

### **PTAC**

Since August 1<sup>st</sup> 2019, MT PTAC clients (all 7 locations statewide) have been successful in winning **\$93.6 million** in federal, state, local and subcontract awards. Of that, clients served by the Billings location have been successful in winning government contracts/subcontracts valued at **\$62.1 million!** This includes two substantial contracts awarded to MT Peterbilt from Old Frito Lay, Inc. The contracts were awarded as part of Frito Lay's supplier diversity program and federal government subcontracting plan. PTAC assisted MT Peterbilt with its Minority Business Enterprise (MBE) certification, which was required to become a supplier to Old Frito Lay, Inc.

PTAC has assisted Heisco, LLC over the last year with its government contracting strategies. The company recently won a \$42,152 contract from Indian Health Services to install a new nurse station call system.

PTAC assisted Oftedal Construction with preparation for GovMatch 2019 and updating various registrations. Since July, the company has been awarded three contracts from the Federal Highway Administration valued at \$2.9 million.

Since 2018, PTAC has assisted BCL Enterprises, LLC with various registrations for wildfire contracting. During the last wildfire season, BIA awarded two contracts for emergency portable toilets valued at \$73,715.

### **Member Investor Program**

We hosted our monthly member investor breakfast with much of the discussion focused around workforce, business recruitment and local government. The membership committee met to review potential member investors and ways to increase board engagement to bring on new member investors. More to come in January. The team visited Bauer and Clausen Optometry for our November outreach visit.

### **Community Development**

#### **Tax Abatements:**

Community Development received notice that the Opportunity Bank Leadership Team chose to remove their application for a tax abatement regarding their new location on 27<sup>th</sup> Avenue. The Community Development Team has begun the process for the annual tax abatement report and has sent out letters to



all businesses with active abatements and reached out to the DOR regarding active abatements. The Team looks to present the annual report in January to both City Council and the County Commissioners.

**Yellowstone Fuels Reduction Program:**

The Yellowstone County Fuels Reduction Team met, and the Community Development Team revised and updated an RFQ to be sent out from Yellowstone County to all interested contractors throughout the region. The notice from the Commissioners will be approved on December 3<sup>rd</sup> and contractors will have until Monday, December 30<sup>th</sup> at 5pm to submit proposals. After recommendations from the Steering Committee in early January, we hope to start the program in February.

**Brownfields Program:**

Continue work providing Phase I and Phase II environmental site assessments. The CD Team has submitted one additional eligibility form to the EPA after two last month to move forward with three separate Phase I projects. We continue to receive calls from interested property owners/buyers and provides knowledge of the Brownfield Program and its benefit to help encourage reuse, expansion, and redevelopment within the EBURD and DT TIF. We could always use your help to provide awareness to the program and refer any potential Phase I & II projects to any CD Team Members.

**Coulson Park:**

The CD Team and full Steering Committee met with the Parks Dept. and DHM to review the (almost) final masterplan for Coulson Park. The Parks Dept. will host a public meeting in December to review the final masterplan and invite all community members and elected officials. We will make sure to keep the board updated on the December Public Meeting date and January Council Meeting date.

**MSUB Science Building / Coal Board:**

CD Member Klugman continues to work with MSUB to submit invoices and reporting required for the \$500,000 Coal Board grant received.

**Lockwood TEDD:**

KLJ has completed the 2019 Strategic Plan for two priority short term projects. The Advisory Board has reviewed the plan and will take it to the County Commissioners for approval. We continue our work with the City to extend the Wastewater Service Agreement to include the TEDD Study area. We conducted a small group meeting between area property owners and three City Council members. We are in the process of meeting with the new City Council-elects to bring them up to speed on the purpose and promise of the TEDD. We will go before a City Council work session and then a business meeting for their decision after the holidays. Montana Department of Commerce is compiling a list of Industrial Parks and requested information on Yellowstone County Parks. The CD Team and Business Recruitment responded to the request and will provide updates to MT DOC on new developments.

**MetraPark Beautification Project:**

The CDBG planning grant application was submitted on September 24. The application deadline, originally September 27, was extended to November 5. Department of Commerce estimates that the review process will take two months.

**Space2Place:**

All Space2Place projects from 2019 have been completed and paid except for one. We are planning to release this year's application after January 1<sup>st</sup>.

**Coal Country Coalition:**

Thom is setting up a meeting with the Coal Country Coalition members in conjunction with the next Coal Board meeting held in Billings on December 12.

Laurel:

The Laurel Urban Renewal Agency held its meeting in November. We continue to participate in those meetings. The City Planner along with LURA are looking to update the Growth Management Plan and set the vision for the next several years. Their next meeting is December 18<sup>th</sup>.

Fuego Fire:

We continue to work with the fire district and Yellowstone County on submitting draw requests to the Coal Board for reimbursement of funds to build the structure. Fuego Fire's new fire station is under roof and enclosed. Interior work continues at the site. The fire department plans an open house and ribbon cutting this spring.

Substance Abuse Connect/Community Crisis Center:

The Substance Abuse Connect Diversion Partners, with the Community Crisis Center are submitting a grant application to the Montana Department of Public Health and Human Services under the crisis diversion grant program for program development and program enhancements to better serve the area. The CD Team is assisting in reviewing the proposal.

Bridger Wind Project:

The CD Team is working with Steve Simonson of Beartooth RC&D to provide resources to support the project during construction which will occur through summer of 2020.

Lockwood TEDD:

We are continuing our effort to find resolution with the City regarding the expansion of sewer service into the TEDD area. On October 10, we conducted a bus tour of the Lockwood TEDD and the BN Industrial subdivision followed by a facilitated discussion with the participants. The event was well attended with our three County Commissioners, six City Council members, Mayor Cole, several TEDD property owners, City staff, BSED staff and board members, TEDD Advisory Board members, and a commercial realtor. The tour and dialogue were valuable in familiarizing the City Council members with the geography of the TEDD and some of the issues related to its development. Next steps include an additional information packet for the City Council to further help them understand the issue and a small group meeting between 3 or 4 Council members and 3 or 4 TEDD property owners. This is scheduled to go before City Council at a work session on November 18, and hopefully to a regular meeting in December.

KLJ Engineering is nearing completion of the Strategic Plan for initial infrastructure development. They have received no substantive comments and input through Advisory Board meetings on the two proposed projects. They will finalize the report and provide it to the Advisory Board at the November meeting.

Metrapark Beautification Project—Yellowstone County's CDBG Planning Grant was submitted September 24, ahead of the September 27 deadline. Thom spoke with the Dept of Commerce after submission with questions around the additional November 15 deadline. They clarified that this is not an additional grant cycle, but just an extended deadline for the original grant cycle. Thus, they will not review until after the November 15 deadline.

Space2place—Space2Place projects were all completed by the September 30<sup>th</sup> deadline. To date, we have either closed or submitted for final payment all but two grants – Montana Firefighters Memorial and the Downtown Billings Alliance.

**Tax Abatements:**

We have submitted a project to both City and County legal departments for review regarding eligibility, we hope to submit a full application and identify the project next month.

**Yellowstone Fuels Reduction Program:**

We received notice in the beginning of September the grant has been awarded! The Yellowstone County Fuels Reduction Team met to discuss next steps and will look to submit an RFQ to interested contractors throughout the region. We will work not only with Yellowstone County employees, but also our own PTAC to identify potential contractors who can submit proposals for the RFQ.

**Brownfields Program:**

Continued work providing Phase I and Phase II environmental site assessments. The CD Team has submitted two separate eligibility reports to EPA to move forward with two separate Phase I projects. We also have received interest from a third project and hope to submit another eligibility report in the coming weeks. We continue to receive calls from interested property owners/buyers and provides knowledge of the Brownfield Program and its benefit to help encourage reuse, expansion, and redevelopment within the EBURD and DT TIF. We could always use your help to provide awareness to the program and refer any potential Phase I & II projects to any CD Team Members.

**Coulson Park:**

The CD Team, along with other BSED Team Members, are working with the Consultants (DHM, design) and Parks and Rec to finalize the Masterplan and look to present to City Council in November or beginning of December. The final plan will be presented on November 13<sup>th</sup> at the Parks Board Meeting, feel free to attend if available! More to come!!

**MSUB Science Building/Coal Board:**

CD Member Klugman will continue to work with MSUB to submit invoices and reporting required for the \$500,000 Coal Board grant received.

**Fuego Fire/Coal Board:**

Two draw requests have been submitted to the Coal Board for reimbursement of funds expended. The new Fire Station structure is enclosed and will be completed this fall.

**Recruitment**

In recruitment, we are closing in on finishing our Think Billings rebranding. In partnership with the State, Missoula, Great Falls, and Butte we hosted a great site selector education luncheon in Chicago - with 11 site selectors in attendance. There has been some great business expansion conversations lately so recruitment has been linking arms with SBDC and Big Sky Finance to meet the business needs. Between the three different company's expansions there would be over 100 jobs created within the next year. The call center company, ROI, will be hiring over 100 in the month of December - taking them to 300.

**BillingsWorks**

BillingsWorks' major accomplishment in November was partnering to provide a successful training to local employers on "Best Practices for Hiring Veterans." The committee that created and provided this event composed of the VBOC, Job Service, Yellowstone Valley SHRM Chapter, Ci

***Organizational/Policy Matters***

1. Future Facilities Taskforce

The Federal EDA has kept in close contact with us over the past few weeks and it appears we are now on track to receive the grant. We anticipate we'll receive official notice in a matter of weeks. In the meantime, we are making preparations for some of the next steps of the process which include closing on the facility and putting out an RFQ for an architect.

2. Nominating Committee Recommendations-Election of Officers for 2020—The EDA/EDC Nominating Committee met (November 5<sup>th</sup>) and consider officers for 2020. Attached for for your review are the recommendations (the Executive Committee will receive this information as a handout. The full Board will receive the reference attachment). The Yellowstone Commissioners acted to approved our recommendations for appointments to the EDA Board. We now have two new EDA Board members—Bryce Terpstra (5-year term), President of Jones Construction; and, Riley Bennett (3 -year term), Project Manager for Dick Anderson Construction. Bryce and Riley should be able to join us for our December Board meeting for introductions.

3. Succession Plan Work Project—Our organizational Succession Plan calls for the Executive Director and Board to periodically evaluate the structure of the organization so as to foster internal leadership development, executive director balance/focus, and future leadership succession of leadership. I will be asking two to three members of the Board to join me in this evaluation process. Additionally, I am asking a handful of staff members to share with me their input re organization structure. I will carry that information into my work with the Board members. If you have experience and interest in this work, please let me know.

**Respectfully submitted,  
December 4 and 12, 2019**



**Steve Arveschoug  
Executive Director**