

**Big Sky EDA/EDC  
Executive Committee Agenda  
December 4, 2019  
7:15 A.M. to 9:15 A.M.  
Rosebud Room, 2<sup>nd</sup> Floor – Granite Tower**

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

**Committee Members**                      **EDC**—Mike Nelson, Mike Seppala, Steve Loveless, Eric Simonsen, Molly Schwend  
**EDA**—Cory Moore, Robin Rude, Paul Neutgens, Jennifer Smith, Ken Lutton

**7:15 A.M.—30<sup>th</sup> Anniversary Breakfast (In-house for Ex. Committee and Staff)**

**7:30 A.M.— Call to Order – Cory Moore, EDA Chair**

**Agenda Changes for Today's Meeting:**

**Public Comments:**

**AGENDA**

- I. Approval of EDA/EDC Exec. Comm. Minutes**
- November 6, 2019 Ex. Committee Meeting (Attachment A) (Action)
- II. Approval of EDA/EDC Financials – Shanna**
- Sept. and Oct 2019 EDA and EDC Financials (Attachment B) (Action)
- III. Executive Director's Report- Steve** (Attachment C)
- Update: MEDA Next Generation Economic Development Tools Project (Info)
  - Succession Plan Work Project—Org. Structure Review (Info)
  - December Board Meeting—7:15 AM Breakfast and Board Roundtable (Info)
- IV. Program/Org. Directors' Updates**
- A. Operations--Becky
- 1. Future Facilities/Grant Application Update (Info)
  - 2. Nominating Committee Recommendations-2020 Officers—Mike Seppala (Handout) (Action)
  - 3. Personnel Policy Revisions (Info)
  - 4. January Ex. Committee Meeting—Move to January 8<sup>th</sup> (Action)
- B. TEDD Update—Thom/Dianne (Info)
- C. PTAC Program—Bozeman Subcenter Action Plan – Deanna (Handout) (Action/Info)
- D. Recruitment Update—Allison/Lorene
- 1. BSTF Grant Applications (Attachment D) (Action)
- V. Executive Session (as needed)**

**Public Comment**

**Adjourn**

**Next Executive Committee Meeting – January 8, 2019 (7:30 A.M. to 9:15 A.M.)** *Big Sky Economic Development Board of Directors will make reasonable accommodations for known disabilities that may interfere with an individual's ability to participate. Persons requiring such accommodations should make their requests to Big Sky Economic Development as soon as possible before the meeting day. Please call Big Sky Economic Development at 256-6871.*



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# ATTACHMENT A

**Big Sky EDA/EDC Joint Executive Committee Meeting Minutes**  
**Wednesday, November 6, 2019 – 7:30 A.M. to 9:15 A.M.**  
**Rosebud Conference Room, 2<sup>nd</sup> Floor – Granite Tower**

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

**Committee Members Present:**     EDA – Robin Rude, Ken Lutton, Cory Moore, Jennifer Smith  
   EDC – Eric Simonsen, Mike Nelson,

**Committee Members Absent:**     EDA – Paul Neutgens,  
   EDC – Molly Schwend, Steve Loveless, Mike Seppala

**Staff and Others Present:**         Steve Arveschoug, Melanie Schwarz, Austin Trunkle, Becky Rogers, Dianne Lehm, Shanna Zier, Allison Corbyn, Marcell Bruski, Thom MacLean, Dena Johnson

**Call to Order:**

Mike Nelson, EDC Chair, called the meeting to order at 7:30 A.M.

**Agenda Changes for Today's Meeting:**  
None

**Public Comment/Introductions**  
None

**Agenda:**

Approval of the October 2<sup>nd</sup> EDA/EDC Executive Committee Minutes

Motion: Ken Lutton to approve the October 2019 Executive Committee Minutes as presented to the Executive Committee.  
Second: Robin Rude  
Discussion: None  
Motion: Carried

Approval of August EDA/EDC Financials – Shanna

Shanna then presented her first edition of financials as our new controller. Shanna made a few changes to the structure and asked for input from the Committee. The Committee liked the new format for future financial statements. Shanna ran through some of the areas to note on the EDA financial statements and explained how she arrived at the figures presented to the Committee. She discussed a few items that may be booked monthly instead of annually as we move forward.

On the EDC side, Shanna pointed out the Statement of Revenue and Expenses now includes restricted and unrestricted dollars where historically, only unrestricted dollars were reflected. The only restricted items at this time are contributions for the CTE staff member. We act as a pass-through for these contributions, so these funds do not impact the bottom line.

There was discussion about the mechanics of the Management Services Agreement and how it plays out in the budget.

Motion: Cory Moore to approve and forward to the Board the August 2019 EDA/EDC Financials, as presented to the Executive Committee.

Second: Ken Lutton

Discussion: None

Motion: Carried

Shanna also went through the July financials, which had been presented preliminarily the previous month, and highlighted a few items she changed. The July financials are now finalized.

Motion: Ken Lutton to approve and forward to the Board the July 2019 EDA/EDC Financials, as presented to the Executive Committee.

Second: Jennifer Smith

Discussion: None

Motion: Carried

#### FY 2019 Audit Review – Stefani Freese, Anderson Zurmeuhlen

Stefani Freese from Anderson Zurmeuhlen presented the audit to the Committee. She began by reminding the Committee that we conducted the audit a month earlier than we usually do due to the Controller transition and noted that everything went smoothly.

On the EDA, the auditors gave a clean, unmodified opinion. Stefani said the financial statements that our governance receives are good documents to guide decision making. She highlighted that the EDA's Balance Sheet current ratio, which measures liquidity to cover liabilities, and that it improved this year in comparison to past years. Stefani highly recommended that the Board closely read the MD&A letter. Stefani then highlighted an operating loss for the organization of (\$73,000) but pointed out this is not a material loss because it is a result of the pension liability entry.

With respect to the single audit for the PTAC, Stefani reported there were no internal control findings and no non-compliance with laws and regulations findings.

On the EDC, Stefani reminded the Committee there were new FASB accounting standards that went into effect this year regarding the presentation of the financial statements. She reviewed new CECL standards for 2022 that will impact the Big Sky Finance loan program in the future. The auditors did propose one adjustment for the EDC regarding a check that was written at the end of June for a loan that didn't fund until July. The adjustment reversed the receivable in the amount of \$30,000. Stefani said the mistake is due to human error and isn't alarming, but due to the amount of money involved, it had to be written up as a significant deficiency. That finding will be submitted to the SBA per their requirements. The EDC Financial Statements received a clean unmodified opinion. Stefani then reviewed the new liquidity disclosure and commented that the EDC has healthy liquidity. She then highlighted that a subsequent event was added to the financial report that showed the EDC Board voted to designate up to \$500,000 toward the purchase of the Montana National Bank Building contingent on BSED receiving the Federal EDA grant.

Motion: Cory Moore to approve and forward to the Board FY 2019 Audit Results, as presented to the Executive Committee.

Second: Ken Lutton

Discussion: None

Motion: Carried

## **Executive Director's Report – Steve**

### **MEDA Next Generation Community and Economic Development Tools Project Update**

Steve went through his Executive Director's Report and started with the MEDA RFP for next generation community and economic development tools. Steve mentioned that MEDA has tentatively agreed to select TIP Strategies to give their opinion on the state of Montana's economic development tools and how we can bolster their effectiveness or what could be potentially implemented. The fundraising for this effort continues and we hope to kick off the analysis later this month. The goal is to receive the final product in the Spring of 2020.

### **406 Impact District Concept Update**

Steve met with our lobbying group in Helena a couple weeks ago to keep discussion related to 406 Impact Districts current.

### **BUILD Grant Update – DC Trip**

Steve was in Washington DC recently to propose with other community partners our worthiness for a BUILD Grant from the Department of Transportation. The grant would be used to help complete the Inner-Belt Loop project. The group also met with our congressional delegation while in DC. Steve went on to explain some of the local dynamics at play as it relates to the BUILD Grant applications for both the Lockwood By-Pass and the Inner Belt Loop.

### **Keystone Pipeline Letter**

Steve spoke to the letter of support we had submitted several years ago in support of the Keystone XL Pipeline. We recently updated the letter and submitted it again to the DEQ on the heels of a recent field hearing held in town. Steve is asking the Executive Committee if they think we should ask the Board to renew its support for the Keystone XL Pipeline. The Executive Committee has taken the position that the issue does not need to be raised with the Board.

### **December 4<sup>th</sup> Executive Committee Meeting**

The next Executive Committee will likely take place at the Northern Hotel as it coincides with our 30<sup>th</sup> Anniversary Celebration at the Northern at 8am.

## **Program/Org, Directors Updates**

### **TEDD Update – Thom**

Thom provided a TEDD Update to the Executive Committee. KLJ recently completed the Short-Term Strategic Plan they were hired to develop. They identified two priority infrastructure project to focus on in the near future. The projects are 1) Extension of water and sewer from Old Hardin road to Coulson Road and 2) Extension of road, water, and sewer along I-90 Frontage Road.

We have continued our discussion with the City related to the issue of water and sewer service to Lockwood and potential annexation. The City is asking property owners to waive their right to protest which has proven to be a sticking point.

Thom spoke about the TEDD Tour that occurred last month with City and County Leadership. There will also be a lunch hosted today with the aim of building consensus and moving this project past this roadblock. Steve said there is frustration from the County Commissioners, which Steve is sympathetic to, and that continuing this process is of the utmost importance. Steve provided a letter of communication to the Executive Committee for their reference.

#### Recruitment Update – Allison

Allison gave a recruitment update to the Committee. Coming up, there has been good collaboration at the state-level and a group will be heading to a site selector lunch in Chicago. There has been positive news as it relates to air service in our community, and we remain committed to expanding service to new markets. The Architecture Sector Partnership will be kicking off this Friday, with the aim of an agriculture sector partnership coming to fruition too. Allison went on to say that there have been a few new leads she is pursuing and is learning from the recruitment efforts of other states.

#### Operations Update – Becky

Becky mentioned that Angela Martinez took a tour of the Montana National Bank building after the Annual Meeting a few weeks ago and seemed very excited about the project. In anticipation of an announcement about the grant coming soon, an internal team is being gathered to plan the elements of a press event.

Becky then provided the recommendation from the Nominating Committee for the EDA seats. The Nominating Committee met yesterday and interviewed five applicants for two seats. All applicants were highly qualified and would have added value to the Board. The Committee recommends Riley Bennett and Bryce Terpstra for the open seats. This recommendation will go before the Board and then be forwarded to the County Commissioners for appointment. It is important to note that the Commissioners have full discretion to appoint from the full pool of applicants. It was then suggested Riley be recommended for the 3-year term and Bryce for the 5-year term.

Motion: Cory Moore to accept and forward to the Board, the Recommendation of the Nomination Committee, as presented to the Executive Committee.

Second: Robin Rude

Discussion: Above

Motion: Carried

Becky went on to say that the Officers for 2020 will be presented to the Committee for consideration next month.

#### PTAC Program Bozeman Subcenter Update –Deanna

Deanna is hopeful that the PTAC situation will be resolved soon. The Gallatin County Commissioners voted to provide the match funds to keep the Bozeman PTAC functioning. The City of Bozeman was also contributing funds. The funds would have been sent to a small economic development group, but some concerns came up because this organization does not have audited financial reports. This would be potentially troublesome for federal reimbursement rates. Currently, two solutions are being considered. One is to have the contributed funds come to us instead of a local organization until the end of the program year (July 2020), which would allow Deanna a chance to find a long-term solution and give Phillip stable employment in the interim. Alternatively, Gallatin County could take on Phillip as an employee and the County would become our sub recipient. An update will be given at the next meeting.

#### Annual Meeting Recap –Melanie/Marcell

Melanie and Marcell asked the Executive Committee to provide feedback on the annual meeting. Each member commended the effort of Marcell and Melanie. One of the most consistent comments was that the venue was too cold. Steve went on to ask Melanie what we want Board Members to know, feel, and do as they leave.

**Executive Session: None**

#### **Public Comment:**

Dena gave a brief update on how the Startup Weekend went. The event was at MSUB and 21 folks participated in the weekend. There were five ideas and five teams that set out to solve a problem with innovative thinking. Kevin did a great job getting people to sign up for the event and Dena said each of those people needed about five

touchpoints in order to sign up. Cory and Ken from the Committee both participated as a judge and a coach, respectively. Dena also mentioned that every Wednesday, our Chapter of 1 Million Cups meets at 9am.

Mike adjourned the meeting at 9:38am

Next Meeting – December 4<sup>th</sup>, 2019



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# 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 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 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 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 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  
ECONOMIC DEVELOPMENT

EDA • EDC    CREATING MONTANA BUSINESS OPPORTUNITIES

# ATTACHMENT C

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

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***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. They 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***

### **SDBDC | 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 – (EDA grant status and Granite Tower lease status)  
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**

A handwritten signature in black ink, appearing to read 'Steve Arveschoug', with a stylized, cursive script.

**Steve Arveschoug  
Executive Director**



BIG SKY  
ECONOMIC DEVELOPMENT

EDA • EDC    CREATING MONTANA BUSINESS OPPORTUNITIES

# ATTACHMENT D

## **BIG SKY TRUST FUND APPLICATIONS**

This application cycle we have two businesses submitting. These grants are administered by the Montana Department of Commerce. Our organization is the pass through for the funds and supports the business through the application process. These applications reflect the number of the jobs the businesses estimate they will create over the next year. These jobs must meet wage thresholds and grant disbursements for job creation are made on a reimbursement basis.

### **COMPANY INFORMATION**

#### **Meadow Lark**

Founded in 1983, Meadow Lark Transport is a logistics company that does freight brokerage, trucking company business support, and hauling with both company drivers and owner operators. Located on 2913 Millennium Circle, Meadow Lark has seen significant growth over the past year, a trend they expect to continue.

They are applying to BSTF for the creation of 63 jobs; truck drivers, customer service, and brokerage employees. Their total grant application is for \$315,000.

The company will also be applying for workforce training dollars as they invest heavily in their staff for both onboarding and continuing education.

For more company information you can visit their website at: <https://meadowlarktransport.com/>

#### **WebBuy**

Complete LLC dba WebBuy is a Billings-born company that provides an online tool the can fully execute the car buying transaction – from selection, pricing, finance, taxes, etc. for in-state and out-of- state sales. It fully connects consumers, lenders, and dealerships with just one app. The start-up company is located in Yellowstone County, founded in 2014 by co-founders Steve Zabawa and Tom Murray. They currently operate out of Suite 1 of RimRock Auto located at 4120 King Ave West, Unit 1 in Billings MT. The Billings location in Montana will continue to support the economy in Yellowstone County and the State. The company will continue to bring money from outside Montana's borders to circulate within Montana and Yellowstone County for continued economic impact on our region.

WebBuy's services support many small auto dealerships in Montana. Their services allow business owners to sell product to customers all over the United States 24/7 and allows for long term sustainability in Montana's economy.

WebBuy is the world's first fully integrated car buying web application. It is car buying for the 21st Century. WebBuy puts the entire SHOP–CUSTOMIZE–FINANCE–BUY process together in one self-serve application

This is WebBuy's second BSTF application. They plan to create 20 jobs as developers, support specialist, sales associates, and installation specialists. Their total grant application is for \$100,000. They currently have 24 employees.

For more company information you can visit their website at: <https://webbuy.com>