

**Big Sky EDA/EDC
Executive Committee Agenda
Oct. 3, 2018 – 7:30 A.M. to 9:15 A.M.
Rosebud Room, 2nd 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** –Eric Simonsen, Mike Nelson, Mike Seppala, David Trost, Steve Loveless
EDA –Jennifer Smith, Cory Moore, Robin Rude, Sheri Nicholson, Paul Neutgens

Call to Order – Jennifer Smith, EDA Chair

Agenda Changes for Today's Meeting:

Public Comments:

AGENDA

- I. Approval of EDA/EDC Exec. Comm. Minutes**
- September 5, 2018 Ex. Committee Meeting (Attachment A) (Action)
- II. Approval of EDA/EDC Financials – Jim/Becky**
- August 2018 EDA and EDC Financials (Attachment B) (Action)
 - EDA-EDC Management Services Agreement Amendments (Attachment C) (EDA and EDC Action)
- III. Executive Director's Report** (Attachment D) (Info)
- One Big Sky District Update—Allison/Steve (Info)
 - BSED Legislative Priorities Update (Info)
 - Initiative 185 Policy Statement (Handout) (Action)
 - Higher Education 6 Mills (Handout) (Action)
 - Montana Economic Developers Association (MEDA) Strategy (Handout) (Info)
 - Conflict of Interest - Consent & Waiver (Attachment E) (Action)
- IV. Program/Org. Directors Updates**
- A. Operations:**
- 1. Future Facilities Taskforce—Becky/Jennifer (Handout) (Info/Action)
 - Due Diligence Update
 - Property Purchase Policy Discussion
 - 2. Nominating Committee Update—Becky/Mike
 - EDC Election Results (Handout) (Info)
 - EDA Board Notice/Application Process (Info)
- B. Big Sky Finance—SMART Audit Response Plan** (Handout) (Action)
- C. Marketing and Member Investors—Melanie**
- Annual Meeting Update (Goal: 95% Board Attendance) (Info)
- C. Other Program Reports (as needed)**
- Entrepreneur Space Plan Update-Dena (Info)
- V. Executive Session (as needed)**

Public Comment

Adjourn

Next Executive Committee Meeting – November 7, 2018 (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.



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT A

Big Sky EDA/EDC Joint Executive Committee Meeting Minutes
Wednesday, September 5, 2018 – 7:30 A.M. to 9:15 A.M.
Rosebud Room, 2nd 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 – Cory Moore, Jennifer Smith, Paul Neutgens, Robin Rude, Sheri Nicholson
EDC – David Trost, Eric Simonsen, Mike Nelson, Mike Seppala, Steve Loveless

Staff and others Present: Steve Arveschoug, Austin Trunkle, Becky Rogers, Melanie Schwarz, Jim Tevlin,
Dianne Lehm, Evelyn Pyburn (Big Sky Business Journal)

Call to Order:

Jennifer Smith, EDA Chair, called the meeting to order at 7:30 A.M.

Agenda Changes for Today's Meeting:

There are a couple of modifications to the agenda. Due to a time conflict with the Board of Regents on September 13th, there will be a discussion concerning the Board Meeting start time. Additionally, there will be a discussion with Melanie as we discuss where the funds for our donation to the Simulated Operating room will come from.

Public Comments:

None

Agenda:

Approval of EDA/EDC Executive Committee Minutes of August 2018

Motion: Sheri Nicholson, to approve and forward to the Board of Directors, the Executive Committee Minutes as presented to the Executive Committee.

Second: Eric Simonsen

Discussion: None

Motion carried

July 2018 EDA/EDC Financials - Jim

Jim discussed the July financials. The Committee likes the new format for the financials, which uses popout boxes and footnotes to explain items of discussion instead of a narrative. On the EDA side, we received the recovery of protested taxes. About 90 cents on the dollar was recovered. A recommendation for how to handle the receipt of those dollars will be handled later in the meeting.

Motion: Cory Moore, to approve the financials and forward to the Board of Directors, as presented to the Executive Committee.

Second: Steve Loveless

Discussion: None

Motion carried

Review Proposed Revised FY 2019 Budget and Projections - Jim

Jim then presented revised FY2019 Budgets. There was virtually no change in the EDC budget. There were three primary drivers that resulted in changes to the EDA budget. 1) The PTAC reimbursement rate was decreased by about \$70,000. The original rate received from the Feds changed which caused the decrease. 2) The employer contributions to salary and wages decreased as a result of a full-time position Recruitment changing to a part-time position. 3) The estimated Tax Protest Rate was reduced to 2.4%. Those decreases will very closely offset the decreased in PTAC reimbursement rate. David and Steve Loveless asked if there will be any issue with losing an FTE in the recruitment and outreach department. Steve Arveschoug mentioned that this will be a work in progress as BSED is hiring a new employee to backfill any void that will be left with the Recruitment position going to part time. We also restricted Recruitment to fall under Melanie's supervision to ensure the Recruitment effort can continue moving forward to accomplish its full scope of work.

Motion: Eric Simonsen, to approve and forward to the full Board, the revised FY2019 Budget, as presented to the Executive Committee.

Second: Sheri Nicholson

Discussion: None

Motion carried

Jim also shared revised projections for the next five years' budgets. The projections are being shared as helpful information, but no action is needed from the Committee.

Tax Protest Dollars Update/Recommendation – Jim/Steve

Steve rounded-out the budget discussion by speaking about the Tax Protest Dollars that will be received by BSED. These are one-time dollars. Steve's recommendation is that we roll those dollars into a fund for our potential facility move. If there is a balance left over, those funds would then be deposited in the Opportunity Fund.

Motion: David Trost, to approve and forward to the full Board, Steve's recommendation, as presented to the Executive Committee.

Second: Sheri Nicholson

Discussion: None

Motion carried

Executive Director's Report

Steve thanked the Committee for 100% turn-out and acknowledged that they all have rather busy schedules and appreciated their attendance.

Steve spoke about the Entrepreneurship Meet-Up and how the demographic we see in the photos from that event should inform how we move forward to serve them.

One Big Sky District Update – Allison/Steve

Allison and Steve visited Wisconsin in August to meet with our strategy partners as the planning for the One Big Sky District continues. The Monday following their return included a community debrief at the library which was very well attended. Further, the first OBSD Friday Coffee Discussions kicked off at MoAv this past week. This next Friday's (September 7th) meetup will be at Black Dog Coffee. There is also line of sight to have the OBSD Vision Statement done by the end of this week. Eric asked if there are additional outlets for information we can point our community members to. The OBSD Facebook page is an excellent resource and a OBSD website will likely go live next week. Both Allison and Kelly McCandless of the Chamber have partnered with CTA to bring that to fruition.

Recommendation from the Ad Hoc Legislative Committee Support for Initiative 185 – funding for Medicaid

The first meeting of the Ad Hoc Legislative Committee has taken place and two important items came out of the discussions. The first is Initiative 185. This Initiative would place an additional tax on tobacco products in an effort to help fund Medicaid Expansion. This expansion sunsets in the upcoming session. The Legislative Committee feels there are Economic Development reasons why Medicaid Expansion is a good thing. Under BSED By-Laws, if the

Board chooses to take a position on Initiative 185, it would require a 3/5 affirmative vote. The Board in 2015 chose to support Medicaid Expansion. There was some discussion that if this Initiative were to pass, there would be a legal challenge in the Montana Supreme Court as it could be seen as appropriating those funds unlawfully. Steve Loveless spoke in favor of the initiative and offered his perspective as to why a "for" position would be prudent.

Motion: Eric Simonsen, to approve and forward to the full Board, to recommend a stance to support Initiative 185, as presented to the Executive Committee.

Second: Cory Moore

Discussion: None

Motion carried

MT Infrastructure Coalition Associate Membership

The second item to come out of the Legislative Committee discussions was our membership status on the Montana Infrastructure Coalition. The Committee's recommendation is that we renew our Associate Membership with the Coalition.

Motion: Mike Seppala, to approve and forward to the Board of Directors, to maintain BSED's membership with the Montana Infrastructure Coalition, as presented to the Executive Committee.

Second: Mike Nelson

Discussion: None

Motion carried

American Airlines Revenue Guarantee \$s--Recommendation

There is \$6,887.28 remaining from our initial contribution to the revenue guarantees and BSED must now decide what to do with the remaining funds. Steve recommends that the funds be left in the account for future air service recruitment efforts as a show of support for increasing air service to Billings.

Motion: Mike Seppala, to approve and forward to the full Board, to accept Steve's recommendation, as presented to the Executive Committee.

Second: Paul Neutgens

Discussion: None

Motion carried

Beartooth RC&D MOU

There is an MOU in place with Beartooth RC&D to contribute \$11,000 to their organization. Beartooth helps BSED with grant writing as well as offering their expertise when we call on them. Steve is asking the Executive Committee to grant him the authority to execute the MOU.

Motion: David Trost, to approve and forward to the full Board, to grant Steve the authority to execute the MOU, as presented to the Executive Committee.

Second: Eric Simonsen

Discussion: None

Motion carried

Due to a time conflict with the Board of Regents on September 13th, Steve is proposing starting our Board Meeting at 8 A.M. rather than 7:30 A.M. However, after discussion, there may be a need to poll the whole Board to see if they're able to attend at a later time.

VBOC Hiring Status

Becky announced that the SBA has confirmed the hiring of Dustin Frost as our new VBOC Director. Dustin's first day is September 10th.

Program/Org. Directors Updates

Operations

Future Facilities Taskforce RFP Finalists and Next Steps – Becky/Jennifer

It should be reflected that Mike Nelson left the room and abstained from the vote as he had identified a conflict of interest with one of the proposals received as part of the RFP. The Future Facilities Taskforce update was then given. Becky reiterated to the Committee why BSED is moving forward with this process. BSED is reaching its physical capacity in their current space and is unable to add more programs or staff within the current square footage. As a result, we created the Taskforce and conducted analysis to learn what was needed moving forward. The next step was to release an RFP for facilities that match the criteria needed. Twelve proposals were received as a result of the RFP. The Future Facility Taskforce scored the proposals and then selected seven for site visits. After conducting site visits, the Taskforce selected three finalists. They are Granite Tower, Hart Albin – Proposal A, and the Montana Paint Building. Moving forward, it is the Taskforce's recommendation to continue due diligence with the three finalists and bring a finalist to the Committee and Board in October. As part of the due diligence, BSED staff will be invited to tour each finalist and additional analysis will be done on cost, location and how the proposals accommodate space needs. Becky then asked what the Committee's recommendation was with regard to tenant improvement costs. The Committee was asked if they have preference whether tenant improvements were funded up front or if they were funded as part of the lease rate. David would like the costs of improvement rolled into the lease rate as it protects the organization should the term of the lease not be seen through. He noted that's what the organization has done in the past.

Motion: Sheri Nicholson, to approve and forward to the full Board the recommendations of the Future Facilities Taskforce, as presented to the Executive Committee.

Second: Mike Seppala

Discussion: None

Motion carried

Nominating Committee Update – Becky/Mike

Next was a Nominating Committee update from Becky. There will be six seats available to be filled on the EDC Board as the calendar year turns over. Becky discussed the nominees for the six seats and the structure of the ballot. One nominee, Mary Dyer, has removed her name from consideration so that change was noted. The nominating Committee also recommends approaching the County Commissioners to add an EDA Ex-Officio seat for the CEO of the Downtown Billings Alliance.

Motion: Cory Moore, to approve and forward to the full Board the recommendations of the Nominating Committee, as presented to the Executive Committee.

Second: Paul Neutgens

Discussion: None

Motion carried

Marketing and Member Investors – Melanie

Organizational Sponsorship Dollars Update

Melanie mentioned that the pledged funds BSED earmarked for the CTE Operating Room are tied up with the Conrad Road redevelopment. We had anticipated those funds would have been released by now. In the interim we will pull up to \$10,000 from the EDC which had an operating income of \$150,000.

E-Space Founding Partners Update

Melanie mentioned that we are up to \$44,000 of our \$50,000 goal for the initial E-Space funding.

Annual Meeting Update (Goal: 95% Board Attendance)

Melanie also spoke about the Annual Meeting on October 18th. She is requesting that BSED have a Board attendance rate of about 95%. There will be a luncheon at MSUB and a 2nd entrepreneur event that follows later that evening at the Depot.

Finally, the USDA is looking to relocate some of their D.C. offices and Billings is working to get on the short list of potential new locations. There will be approximately 600 jobs moving so it is very important we work to put in a competitive proposal.

TEDD Expansion Update - Dianne

Dianne updated the Committee that there are several new property owners that would like to be included in the Lockwood TEDD. Some of these parcels are outside of the current zoning boundaries. The Lockwood School Board wrote a letter in opposition to expanding the TEDD, a letter to which we have responded. In addition, we have also offered to answer questions at a Lockwood School Board Meeting. One of the primary concerns the School Board has is how the TEDD expansion would affect the Lockwood taxpayers. Last year there was a -\$78,000 in increment but this year there will be positive increment in that account. Dianne said this is a property owner driven process.

Public Comment: None

Meeting adjourned at 9:36 A.M.

Next Executive Committee Meeting – October 3, 2018

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ATTACHMENT B

Internal Memorandum

Date: September 25, 2018

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

From Jim Tevlin

Subject: August BSEDA Financial Statements

Attached are Big Sky EDA and EDC's financial statements for the month of August 2018.

Big Sky EDA Balance Sheet

	Aug 31, 2018	Aug 31, 2017	+/-
ASSETS			
Current Assets			
Checking/Savings			
First Interstate Bank	\$ 132,908.74	\$ 24,329.81	\$ 108,578.93
Opportunity Fund	658,858.05	6,097,536.06	(5,438,678.01) (A)
Stockman GE Maintenance	28,479.10	46,322.10	(17,843.00)
Yellowstone County Funds	287,730.35	139,693.17	148,037.18
	<u>1,107,976.24</u>	<u>6,307,881.14</u>	<u>(5,199,904.90)</u>
Other Current Assets			
Accounts Receivable	175,717.17	262,595.36	(86,878.19)
American Revenue Guarantee	6,887.28	25,000.00	(18,112.72)
Due To/Due From EDC	171,187.38	52,583.13	118,604.25
Miscellaneous Receivables	11,862.55	24,342.45	(12,479.90)
Tax Levy Receivable	5,785.23	4,945.98	839.25
Tax Levy Receivable - Protested	999.26	138,952.69	(137,953.43)
Allowance for Doubtful Accts	(999.26)	(138,952.69)	137,953.43
Prepaid Expenses	516.32	2,342.86	(1,826.54)
	<u>371,955.93</u>	<u>371,809.78</u>	<u>146.15</u>
Other Assets			
Cabelas Conduit	9,643.12	5,003.80	4,639.32
Opportunity Fund - CDs	5,119,531.00	-	5,119,531.00 (A)
Deferred Outflow of Resources	173,851.38	173,851.38	-
Long Term TEDD Receivable	75,000.00	-	75,000.00
	<u>5,378,025.50</u>	<u>178,855.18</u>	<u>5,199,170.32</u>
TOTAL ASSETS	<u>6,857,957.67</u>	<u>6,858,546.10</u>	<u>(588.43)</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	85,824.39	151,058.16	(65,233.77)
Accrued Expenses	257,463.59	177,063.47	80,400.12
Deferred Revenue - GE Settlement	-	3,847,304.21	(3,847,304.21)
Deferred Revenues - GE Rent	-	57,026.15	(57,026.15)
	<u>343,287.98</u>	<u>4,232,451.99</u>	<u>(3,889,164.01)</u>
Long Term Liabilities			
Deferred Inflow of Resources	2,035.97	2,035.97	-
Pension Liability	615,173.80	615,173.80	-
	<u>617,209.77</u>	<u>617,209.77</u>	<u>-</u>
Net Assets	<u>5,897,459.92</u>	<u>2,008,884.34</u>	<u>3,888,575.58</u>
TOTAL LIABILITIES & NET Assets	<u>\$ 6,857,957.67</u>	<u>\$ 6,858,546.10</u>	<u>\$ (588.43)</u>

(A) In FY18, the proceeds of the sale of the GE facility (approx \$6 million) were invested in certificates of deposit with maturities of 18 months.

Big Sky EDA
Statement of Operations-Actual vs Budget
For the Two Months Ended August 31,

	2018	Annual Budget	Budget Remaining
Income			
Department of Defense	\$ 90,000.00	\$ 549,626.00	\$ 459,626.00
EDC Reimbursement	83,803.68	601,012.56	517,208.88
Grant Administration	4,266.00	17,650.00	13,384.00
Health Levy Revenue	14,415.00	90,264.00	75,849.00
Mill Levy Revenue	(365.37)	1,391,361.00	1,391,726.37
Opportunity Fund Investment	-	150,000.00	150,000.00
Recovery of Protested Taxes	146,854.25		(146,854.25)
SBA/MT Dept of Commerce	18,083.34	117,650.00	99,566.66
SBDC Program Income	62.81	3,211.00	3,148.19
VBOC	28,082.91	300,000.00	271,917.09
	<u>385,202.62</u>	<u>3,220,774.56</u>	<u>2,835,571.94</u>
Expense			
Advertising	400.83		(400.83)
Property Tax Protests	-	28,147.22	28,147.22
Business Recruitment	-	16,000.00	16,000.00
Community Development Projects	-	50,000.00	50,000.00
Contingency	-	17,500.00	17,500.00
Dues and Subscriptions	12,494.08	47,834.00	35,339.92
Employer Contributions	72,352.40	507,433.91	435,081.51
Insurance	10,052.00	14,766.00	4,714.00
Contract Support	-	2,000.00	2,000.00
Marketing	7,793.28	81,854.00	74,060.72
Miscellaneous	1,844.28	39,447.40	37,603.12
Office Equipment	1,894.18	8,700.00	6,805.82
Office Expense	4,165.60	19,000.00	14,834.40
One Big Sky District	1,527.80	55,000.00	53,472.20
Professional Fees	9,595.89	59,017.00	49,421.11
PTAC Satellite	13,955.76	87,714.00	73,758.24
PTAC Subcenter	40,829.68	253,543.00	212,713.32
Rent	21,617.00	111,632.00	90,015.00
Salaries/Wages	238,552.46	1,617,320.86	1,378,768.40
Sponsorships	1,500.00	6,600.00	5,100.00
TEDD	319.52	5,000.00	4,680.48
Telecommunications	8,840.39	48,001.00	39,160.61
Travel/Training	10,416.03	124,621.00	114,204.97
Workforce Development	1,353.71	15,000.00	13,646.29
	<u>459,504.89</u>	<u>3,216,131.39</u>	<u>2,756,626.50</u>
Operating Income/(Loss)	(74,302.27)	4,643.17	78,945.44
Other Income			
Interest Income	932.92	87,477.23	86,544.31
Net Income	\$ (73,369.35)	\$ 92,120.40	\$ 165,489.75

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

Big Sky EDA
Statements of Operations-Year Over Year Actual
For the Two Months Ended August 31,

	2018	2017	+/-
Income			
Department of Defense	\$ 90,000.00	\$ 86,391.00	\$ 3,609.00
EDC Reimbursement	83,803.68	79,958.58	3,845.10
EPA - Brownfields	-	14,863.33	(14,863.33)
Grant Administration	4,266.00	2,000.00	2,266.00
Health Levy Revenue	14,415.00	13,757.25	657.75
Mill Levy Revenue	(365.37)	1,539.96	(1,905.33)
Recovery of Protested Taxes	146,854.25	-	146,854.25
SBA/MT Dept of Commerce	18,083.34	19,352.86	(1,269.52)
SBDC Program Income	62.81	-	62.81
VBOC	28,082.91	49,058.51	(20,975.60)
	<u>385,202.62</u>	<u>266,921.49</u>	<u>118,281.13</u>
Expense			
Advertising	400.83	129.66	271.17
BEAR	-	329.31	(329.31)
Dues and Subscriptions	12,494.08	11,039.08	1,455.00
Employer Contributions	72,352.40	73,268.18	(915.78)
Incubator Expense	-	746.32	(746.32)
Insurance	10,052.00	12,869.38	(2,817.38)
Marketing	7,793.28	13,580.86	(5,787.58)
Miscellaneous	1,844.28	6,243.35	(4,399.07)
Office Equipment	1,894.18	-	1,894.18
Office Expense	4,165.60	1,990.35	2,175.25
One Big Sky District	1,527.80	-	1,527.80
Professional Fees	9,595.89	43,891.84	(34,295.95)
Program Expense	-	515.45	(515.45)
PTAC Satellite	13,955.76	16,944.14	(2,988.38)
PTAC Subcenter	40,829.68	40,262.12	567.56
Rent	21,617.00	21,494.52	122.48
Repairs	-	227.50	(227.50)
Salaries/Wages	238,552.46	233,105.00	5,447.46
SBDC Indirect	-	-	-
Sponsorships	1,500.00	2,500.00	(1,000.00)
TEDD	319.52	-	319.52
Telecommunications	8,840.39	5,525.14	3,315.25
Travel/Training	10,416.03	20,770.67	(10,354.64)
Workforce Development	1,353.71	1,471.82	(118.11)
	<u>459,504.89</u>	<u>506,904.69</u>	<u>(47,399.80)</u>
Operating Income/(Loss)	<u>(74,302.27)</u>	<u>(239,983.20)</u>	<u>165,680.93</u>
Other Income			
Interest Income	913.87	390.86	523.01
Net Income/(Loss)	<u>\$ (73,388.40)</u>	<u>\$ (239,592.34)</u>	<u>\$ 166,203.94</u>

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

Prior year amounts include \$15k for Brownfields assessments and \$25k for TEDD master plan expenses.

Big Sky Economic Development Corporation

Balance Sheets

	Aug 31, 2018	Aug 31, 2017	+/-	
ASSETS				
Current Assets				
First Interstate Bank	\$ 472,176.87	\$ 180,661.78	\$ 291,515.09	(A)
FIB SSBCI Principal	1,153,074.66	1,107,593.06	45,481.60	
FIB-Long Term Reserve	150,000.00	-	150,000.00	
FIB-Operating Reserve	100,000.00	50,000.00	50,000.00	
FIB-Opportunity Fund	22,200.00	19,200.00	3,000.00	
First Interstate Bank-RLF	215,900.75	236,988.78	(21,088.03)	
Wells Fargo	-	81,732.95	(81,732.95)	(A)
Accounts Receivable	1,000.00	1,000.00	-	
Certificates of Deposit	-	75,114.53	(75,114.53)	(A)
Miscellaneous Receivables	4,000.00	390.85	3,609.15	
Prepaid Expenses	907.35	-	907.35	
RLF Portfolio-Current	77,883.12	74,780.79	3,102.33	
SSBCI Portfolio-Current	123,202.93	205,671.98	(82,469.05)	
	<u>2,320,345.68</u>	<u>2,033,134.72</u>	<u>287,210.96</u>	
Other Assets				
FIB-OBSD/Coulson Park	205,850.00	-	205,850.00	(B)
RLF Portfolio-Non Current	249,023.07	206,550.02	42,473.05	
SSCBI Portfolio-Non Current	914,231.17	982,485.61	(68,254.44)	
	<u>3,689,449.92</u>	<u>3,222,170.35</u>	<u>467,279.57</u>	
TOTAL ASSETS				
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	1,028.20	6,388.39	(5,360.19)	
Accrued Expenses	37,950.00	5,000.00	32,950.00	
Due to/Due From EDA	171,187.38	52,583.13	118,604.25	
	<u>210,165.58</u>	<u>63,971.52</u>	<u>146,194.06</u>	
Net Assets				
	<u>3,479,284.34</u>	<u>3,158,198.83</u>	<u>321,085.51</u>	
TOTAL LIABILITIES & EQUITY	<u>\$ 3,689,449.92</u>	<u>\$ 3,222,170.35</u>	<u>\$ 467,279.57</u>	

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

(B) These restricted funds are specifically earmarked for the One Big Sky District and Coulson Park master plans.

Big Sky Economic Development Corporation
Statements of Operations-Actual vs Budget
For the Two Months Ended August 31,

	2018	Annual Budget	Budget Remaining
Income			
504 Loan Origination	50,728.73	127,500.00	76,771.27
504 Loan Servicing	85,783.92	531,600.00	445,816.08
Member Investment	12,000.00	300,000.00	288,000.00
Miscellaneous Income	1,500.00	13,000.00	11,500.00
Private BillingsWorks Funding	2,500.00	20,000.00	17,500.00
Recovery of Bad Debt	1,000.00	3,600.00	2,600.00
RLF Business Loan Interest	1,532.56	12,476.00	10,943.44
SSBCI Revenue	4,748.70	29,140.00	24,391.30
	<u>159,793.91</u>	<u>1,037,316.00</u>	<u>877,522.09</u>
Expense			
BEAR Program	506.01	6,108.00	5,601.99
Business Recruitment	2,386.05	81,000.00	78,613.95
Contingency	-	10,000.00	10,000.00
Dues and Subscriptions	2,329.17	15,593.00	13,263.83
EDA Reimbursement	83,803.68	598,137.86	514,334.18
Event Expense	-	51,500.00	51,500.00
Insurance	1,860.00	11,000.00	9,140.00
Marketing	1,786.09	11,000.00	9,213.91
Membership Development	23.00	7,500.00	7,477.00
Miscellaneous	1,710.12	36,418.00	34,707.88
Office Supplies	2,010.82	2,056.00	45.18
Postage and Delivery	99.13		(99.13)
Professional Fees	88.00	22,500.00	22,412.00
Rent	5,181.82	36,320.00	31,138.18
Sponsorships	-	2,000.00	2,000.00
Telephone	836.95	4,980.00	4,143.05
Travel & Training	5,903.60	28,500.00	22,596.40
Workforce Development	552.80	59,695.00	59,142.20
	<u>109,077.24</u>	<u>984,307.86</u>	<u>875,230.62</u>
Operating Income	<u>\$ 50,716.67</u>	<u>\$ 53,008.14</u>	<u>\$ 2,291.47</u>

Big Sky Economic Development Corporation
Statements of Operations-Year Over Year Actual
For the Two Months Ended August 31,

	2018	2017	+/-
Income			
504 Loan Origination	\$ 50,728.73	\$ 4,113.36	\$ 46,615.37
504 Loan Servicing	85,783.92	89,794.09	(4,010.17)
Member Investment	12,000.00	6,383.88	5,616.12
Miscellaneous Income	1,500.00	757.75	742.25
Private BillingsWorks Funding	2,500.00	-	2,500.00
Recovery of Bad Debt	1,000.00	900.00	100.00
RLF Business Loan Interest	1,532.56	3,822.89	(2,290.33)
RLF Loan Fund (net)	-	171.03	(171.03)
SSBCI Revenue	4,748.70	5,052.30	(303.60)
	<u>159,793.91</u>	<u>110,995.30</u>	<u>48,798.61</u>
Expense			
BEAR Program	506.01	-	506.01
Business Recruitment	2,386.05	2,779.76	(393.71)
Dues and Subscriptions	2,329.17	877.31	1,451.86
EDA Reimbursement	83,803.68	79,958.58	3,845.10
Event Expense	-	1,596.00	(1,596.00)
Insurance	1,860.00	-	1,860.00
Marketing	1,786.09	2,123.45	(337.36)
Membership Development	23.00	330.26	(307.26)
Miscellaneous	1,710.12	(59.45)	1,769.57
Office Supplies	2,010.82	313.64	1,697.18
Postage and Delivery	99.13	164.26	(65.13)
Professional Fees	88.00	1,735.00	(1,647.00)
Rent	5,181.82	4,756.38	425.44
Repairs	-	200.00	(200.00)
Telephone	836.95	837.36	(0.41)
Travel & Training	5,903.60	3,243.56	2,660.04
Workforce Development	552.80	-	552.80
	<u>109,077.24</u>	<u>98,856.11</u>	<u>10,221.13</u>
Operating Income	<u>\$ 50,716.67</u>	<u>\$ 12,139.19</u>	<u>\$ 38,577.48</u>



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT C

**Big Sky Economic Development Authority
Big Sky Economic Development Corporation
Agreement for Professional Services**

Section 1 Parties to the Agreement

This agreement is made and entered into in Billings, Yellowstone County, Montana, this ____ day of _____ by and between Big Sky Economic Development Authority, a local government entity, hereinafter referred to as Big Sky EDA, and Big Sky Economic Development Corporation, a Montana Non-Profit Corporation, hereinafter referred to as Big Sky EDC. This agreement in no way diminishes the responsibility of the Big Sky EDC Board of Directors for the operations of the certified development company that is Big Sky EDC.

Section 2 Purpose of Agreement

The purpose of this agreement is to secure from Big Sky EDA staff and support services for Big Sky EDC necessary for continuous effective operations and to comply with applicable regulations of the Small Business Administration.

Section 3 Services Performed

3.1 Staff Services

- ~~Big Sky EDA will provide to Big Sky EDC the services of an employee (Business Recruitment Program Manager) who will conduct business retention and recruitment activities.~~
- Big Sky EDA will provide to Big Sky EDC the services of five employees (Director of Business Finance, **Three** Loan Officers and **One** Loan Specialist) who will conduct business finance marketing, packaging and processing activities in support of Big Sky EDC's lending programs.
- Big Sky EDA will provide to Big Sky EDC the services of **two** employees (Director of Marketing and Member-Investors **and** **Business Outreach Project Manager**) that will conduct overall organizational marketing for EDA and EDC as well as Member-Investor recruitment, management, policy coordination and communication activities with the purpose of maintaining and expanding Big Sky EDC's Member-Investor base.
- Big Sky EDA will provide to Big Sky EDC the services of an employee (Executive Director) who will conduct overall executive-level management of Big Sky EDC.

- 3.2 **Support Services**
- Big Sky EDA will provide other necessary general and administrative support services including accounting, operations, reception and support to the Big Sky EDA Executive Director.

Section 4 Other

- 4.1 Big Sky EDA will provide office space including telephone and internet access for employees who will conduct Big Sky EDC's lending and Member-Investor programs.
- 4.2 Big Sky EDA will provide liability insurance allocable to employees who will conduct Big Sky EDC's lending and Member-Investor programs.

Section 5 Reimbursement

- 5.1 Reimbursement of Staff and Other Services

Big Sky EDC shall reimburse Big Sky EDA, on a monthly basis for the following expenses associated with services in Section 4 above:

	Salary	Fringe	Rent	Phone & Internet	Liability Insurance
Director-Business Finance	100% (\$40.75/hr)	100%	100%	100%	100%
Loan Officer (3)	100% (\$32.63/hr)	100%	100%	100%	100%
Loan Spec (1)	100% (\$28.10/hr)	100%	100%	100%	100%
Director-Mkt/MI Relations	50% (\$16.92/hr)	50%	50%	50%	50%
Business Outreach Proj. Mgr	50% (\$11.00/hr)	50%	50%	50%	50%
Executive Director	25% (\$18.15/hr)	25%	-	-	-
Controller	-	-	-	-	-
Operations Director	-	-	-	-	-
Receptionist	-	-	-	-	-

- Compensation under this agreement is for services performed, and payment is for services actually performed.
- Sources of compensation for services under this contract include Member-Investor funds, program income, and reserves. All

compensation will be paid to Big Sky EDA directly by Big Sky EDC, and not by any borrower.

- Based on prevailing area wage rates and on professional knowledge and expertise of board members, Big Sky EDC has determined that the compensation rates charged by Big Sky EDA are customary and reasonable for similar services in the area.
- Contract payments for professional services will not exceed 65 to 75 percent of Big Sky EDC's income.

5.2 Big Sky EDA is prohibited from imposing any requirement on any applicant or borrower to purchase any other services from Big Sky EDA as a condition of Big Sky EDA performance of any staff or management functions of Big Sky EDC.

5.3 Additional compensation from CDC fee income such as multipliers or bonuses are not permitted.

5.4 All compensation paid to Big Sky EDA will be paid by Big Sky EDC and Big Sky EDA cannot charge the borrower for the same services.

Section 6 Term of Agreement, Termination

6.1 Term: This agreement shall remain in effect for the period **July 1, 2018 to June 30, 2019** unless modified by mutual agreement between the parties, or terminated by either party in accordance with provisions of this section. This agreement shall also provide for one 2-year option for renewal at the expiration of the initial term of this agreement on the same terms and conditions set forth herein.

6.2 Termination: Either party, without penalty, may terminate this agreement by delivery to the other party a written notice of termination within 30 days of the effective termination date. In the event of notice of termination, Big Sky EDC shall be entitled to receive services and Big Sky EDA shall be eligible to receive reimbursement for costs incurred pursuant to this agreement until the effective termination date.

Section 7 Miscellaneous Provision

7.1 Conflict of Interest: No member of the governing body of Big Sky EDC and no member of the governing body of Big Sky EDA shall have any personal financial interest in this agreement.

7.2 Breach: It is expressly understood that the only remedy in the event of breach of terms of this agreement shall be termination of the agreement in

accordance with Section 6.2

- 7.3 Entire Agreement: This agreement constitutes the entire agreement between parties relating to the rights herein granted and the obligations herein assumed. The parties hereto agree that the laws of the State of Montana shall govern this agreement.
- 7.4 Independent Contractors: It is expressly understood and agreed by the parties hereto that they are independent contractors and that nothing contained herein should be construed as giving rise to a partnership or joint venture.
- 7.5 The CDC's Board of Directors specifically acknowledges and retains the ultimate responsibility for all loan approvals and loan servicing actions, 13 CFR paragraph 120.823, and that such responsibility must be carried out independently of any control by a contractor.
- 7.6 No contractor or associate of a contractor may be a voting or non-voting member of the CDC's Board of Directors.

Execution

Executed this ____ day of _____, 2018

Big Sky Economic Development Authority

Jennifer Smith, Board Chair Big Sky EDA

Big Sky Economic Development Corporation

Eric Simonsen, Board Chair Big Sky EDC



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT D

October 2018
Executive Director's Report
(with Program Highlights)
to the Executive Committee & Board of Directors

Strategic Priorities

1. Strengthen Opportunities for Business Expansion and Economic Diversity

Foster Development of Planned, Ready-to-Go Industrial Space— See the TEDD update as a part of the Community Development section of this report. Our first public outreach meeting on the expansion of the TEDD will be October 3rd, 5PM at the Lockwood Fire Station. We will also meet with the Lockwood School Board on October 9th.

“GE to Zoot Project”— Final closeout work pending (Conrad Rd and O&M costs).

Opportunities for Building Economic Diversity and Support Innovative Business Growth—

- a) E-Space — A Model for Great Entrepreneurship and Business Growth Services—The branding work continues, with a planned unveiling the afternoon of our Annual Meeting—October 5th. The next big challenge is defining the space and that work is in progress. We did secure all the partner funding needed to move this project forward (\$54,000 per year), so we will soon begin the hiring process for our E-Space Program Manager. Exciting! A detailed update is available in the Small Business Development Center (SBDC) section of this report.
- b) Coal Country Coalition—Be looking for details on our annual Summit for regional economic development partners—targeting late October or early November. Stay tuned.

Workforce Development and Talent Attraction

Advocacy for MSU Billings and RMC— the MSUB Foundation held the groundbreaking for the new science building. What a great afternoon for the University and for the community. Now, moving forward, I have been asked to join other community members to support Chancellor Edelman’s effort to update the MSUB strategic plan. Additionally, for both RMC and MSUB, we are working with the One Big Sky District Planning Team to help define both development opportunities and needs related to the “health and wellness district” concept that is a part of this planning effort.

BillingsWorks/Talent Attraction and Career and Technical Education/Career Center—See the Billings Works Update as a part of this report for details on work related to Better Off in Billings.

2. Key Building-Remarkable Community Investments--Lead/partner/support key redevelopment and enhancement projects:

One Big Sky District— Planning and design work is underway and moving at 80MPH. We have a lot of work to do over the next 60 days. Catalyst projects are being identified in both the “lifestyle district” and the “health and wellness district.” Landmark and CTA are working this week on specific design elements related to a convention center, and they will present those preliminary ideas to City Council on October 1st and then to the balance of the Strategy Partners on October 2nd. Details of those meetings (time/location) has been sent to the Board via Allison. Our work with Landmark on October 1-2 will also include an info sharing meeting with our area legislators.

Coulson Park Redevelopment and Entryways Now—We held a project kick-off event on September 14th. The RFP for the Master Plan is out and responses are in. The review process will begin ASAP. We should have a contractor on board for this project by early November or sooner. The community will be asked to share ideas throughout the planning process.

EBURD Redevelopment—No new info to report. See the Community Development section of this report for more info, as available.

Trailhead Hospitality Vision Steering Committee—No new info. The scope of work for a plan/design/budget for the improvement of the Metra Park backside walkway, fence and landscaping is almost complete. The next step is securing funding for that work. Recall--the goal being to take steps forward in the improvement of the HWY 87 corridor as one of the major entryways for our community. The next meeting of the Committee is set for November 2, 2018, 11:45 A.M. to 1:00 P.M. at the City/County Planning Office, First Floor Conference Room. They meet every other month.

Air Service—I have been receiving a lot of concerns regarding our air service, most especially the cost of airfare. Now is the time to schedule our annual outreach visits with the airlines. The issue of cost will be on the top of the list for me. The redevelopment of the airport terminal is beginning its design phase. You will receive notice of public meetings, and I would encourage you to attend. The City needs to clearly understand the expectations of our business community for the quality of both air service and our airport facilities. Lastly, per the Board's direction, I will instruct the Air Service Taskforce to keep BSED's \$6,800 in remaining revenue guarantee contribution to help with future air service enhancement efforts.

Program Updates

SBDC

The SBDC team traveled to DC for their annual conference. We received professional development training in the areas of on-trend marketing strategies, cyber security, business incubation & acceleration programs, management, high-growth startups, multi-million dollar exits, business development and access to capital. We had the privilege of connecting with Congressional staff on our program funding as well as attended tours of the Capital and White House. September was productive in serving several new and existing companies with technical assistance and consulting. We served several members in our pre-business workshop as well as through our online training program of Profit Mastery.

B.E.A.R.

The BEAR meeting worked directly with a company who attended the monthly meeting to practice and refine their pitch for Early Stage Montana. They received input and coaching on key aspects of both their pitch and business model. The team assessed the status of ongoing company referrals as well outlined a strategy to help expanding companies grow. The BEAR team added VBOC Director, Dustin Frost and Insurance Agent, Heather Peters to the team of mentors.

Entrepreneur Program & Space

Meet-UP | Mentor-UP | Business-UP

The momentum continues for our new entrepreneur hybrid program offering programmed space, incubation & acceleration services, case management consulting and expert mentorship.

The [Early Stage Montana](#) team held the first state-wide finale bringing all the regional winners to Bozeman to compete for 50K in prize money and a chance to pitch in front of Angel Investors and Venture Capitalists. 7 companies pitched throughout a daylong event that also included panel discussions led by tech sector experts from across the country. 2 companies tied for first place which led to 2

companies splitting the grand prize. The top 3 won the ability to pitch at the next Frontier Angel investor meeting for a chance at obtaining additional funding for their company. All 7 of the Early Stage companies show multi-million dollar exit potential at year 5.

We are in the home stretch of working with Dana Pulis and her team at Kinetic to develop a brand for the program that will be unveiled at our annual meeting.

We have secured over \$50k in additional member investor dollars to fund ongoing operating costs for the program. The job posting for the new Program Manager | Senior Business advisor has been posted on our website. We are excited to find a talented and dynamic leader for this exciting new role.

Big Sky Finance

The team at Big Sky Finance continues to stay busy with SBA 504 loan requests. During September, we closed on two 504 loans totaling \$2,898,000, both of which should fund in November. One of these is the first 25-year debenture we have closed here in Montana. Sherry will be traveling to Kalispell to close on this loan. The other is for a project here in Billings. As these two loans come to a close and fund, we are in the process of underwriting three new loans we hope to take to loan committee in early October. Overall, there continues to be good SBA 504 loan activity as the summer comes to an end. Here in Billings, Ben and Brandon relocated their offices up to the 4th floor to make room for our new VBOC Director and Business Outreach Project Manager. We should be out of the boxes by year-end!

SBA 504 effective rates for the month of September continue to be favorable, down slightly from the previous month. The rate on the 25-year note was 5.29%, the 20-year note was 5.25% and the 10-year note for equipment loans was 5.25%. All fixed rates for the term of their loan!

VBOC

New VBOC Director, Dustin Frost, started on Sept. 10. After initial onboarding and introduction to the BSED programs and staff, highlights include:

1. Introduction to National and Montana SBA key players.
2. Assignment of Seattle VBOC director as a Mentor for Dustin. After video conference introduction, the tentative plan for Dustin is to do a three-day trip to Seattle for introduction to Seattle VBOC programs, trainings and daily operation (November 19 – 21).
3. Travel to Bozeman (Sept. 20 – 22) for Bunker Labs – Bozeman end of summer event, meeting with Commit Foundation Leadership, introduction to Montana Women's Business Center Leadership and Early Stage Montana Showcase. The Bunker Labs relationship is significant and will there will be an ongoing effort to build a partnership. This also allowed me to meet new Montana SBA Deputy Director Brent Donnelly.
4. Meeting with American Legion Post 117 Commander.
5. Brian's scheduled B2B trainings per agreement are continuing. Dustin travelled with Brian to Malmstrom for B2B from Sept. 25 to Sept. 27 for initial introduction to the trainings and to meet key local and base contacts. Dustin is also scheduled to attend upcoming B2B trainings in Wyoming and Utah in October and November.
6. National Veterans Small Business Week is Nov. 5 – 9. Stay tuned for details about a Billings event during that week. VBOC will also coordinate with resource partners in our 3 states to participate in other trainings or events during this week.

Community Development

The Lockwood TEDD Advisory Board met on September 19th in BSED's Yellowstone Room and began developing their annual work plan. The process to expand the zoning jurisdictional boundary for those property owners wishing to be included in the TEDD has been completed as of September 25th. The Comprehensive Development Plan Amendment is now being considered by the Planning Board and then will be considered by the County Commissioners. Upcoming meeting and public hearing dates include: October 10th Planning Board public hearing, October 30th Board of County Commissioners public hearing, November 13th second public hearing at the Board of County Commissioners.

Coulson Park press conference took place on September 14 to announce the City is seeking consultants to develop the Master Plan for the park.

Additional property owner projects have been completed in Emerald Hills with the Fuels Reduction Program. A new Brownfield assessment project has been submitted to EPA for approval. The Subaru redevelopment project tax abatement request has been approved by Billings City Council and is now under consideration by the County Commissioners.

PTAC

PTAC is in the process of planning its annual matchmaking event which is set for March 7th, 2019. We are anticipating representation from approximately 30 agencies and attendance by over 100 companies. On October 3rd, the procurement staff from the State of Montana will be in Billings to present information on how to contract with the state. This is a fantastic opportunity for companies to learn about the multitude of business opportunities that are available through 36 unique, state agencies. From August, 2017-July 2018, PTAC clients across the state were successful in winning 1,980 unique federal, state and local contracts valued at over \$97 million! Of that, 207 contracts totaling \$24,816,055 were awarded to companies in our area. **September 28th is National PTAC Day** and is an opportunity for PTACs nationwide to celebrate the work and counseling they have provided to their clients.

Recruitment and Outreach

Over the last month, the focus of recruitment has been project management for One Big Sky District, putting together a proposal for the new office locations for USDA, and refining the recruitment strategy through learning best practices with two other economic development agencies.

Following the conversations with two leaders in recruitment in markets of similar size, many of the methods and approaches we employ were validated and new information was gleaned regarding how they engage their community in identifying prospects and how essential having ready to go sites is in the process. In the upcoming weeks we will be finalizing our strategy for the year ahead with the new information and will be convening the recruitment committee.

BillingsWorks

September was a month full of outreach for BillingsWorks! The Better Off in Billings social media campaign closed on the 3rd and brought the Facebook page just under 500 likes. We had lots of submissions of content (pictures and videos) capturing what makes our locals #betteroffinbillings! Karen joined Governor Bullocks' Education Policy Advisor, Siri Smillie, in a presentation for the National Governors' Association-Education Advisors in Little Rock, AR speaking on the value of a local workforce initiative partnering with its state. BillingsWorks also convened an IT/Tech Sector Partnership meeting, presented the Career Center's Simulated OR room with a \$10,000 check, and saw the Jobs for Montana Graduates' Cellular Plus and Rimrock Mall practicums kick off this past month.

Marketing and Member Investor

We hired the first ever, Business Outreach Project Manager, Marcell Bruski. Marcell will be part of the team that includes BillingsWorks, New Business Recruitment, Marketing and Member Investors. Please welcome Marcell to the team.

We are less than one month from our 29th Annual Meeting. This year we will be hosting two events. The first is the Annual Meeting Lunch – Building a Remarkable Community through Dynamic Economic Development. Our speakers will include a brief overview from Bob Dunn regarding the One Big Sky District planning and then our keynote panel includes Montana Governor Steve Bullock, Wyoming Governor Matt Mead, and South Dakota Governor Dennis Daugaard. The second event will be at 4:00 that afternoon – Transforming Communities through Entrepreneurship. This event will be a meet-up for local entrepreneurs and will be the unveiling of the new name and logo for the Entrepreneur Space. We will also have a national entrepreneur as a speaker as well as the winners from the recent statewide Early Stage Montana.

Organizational/Program/Policy Matters

1. Future Facilities Taskforce – Due Diligence has continued on the three proposals selected as finalists, which include (in no particular order) Granite Tower, Montana Paint Building, and Hart Albin Building. On Monday, September 24th, BSED staff and a handful of Board Members took a tour of each facility to see the proposed space and ask questions. Work on the cost analysis is still being conducted as well as the space assessment analysis. Eric Simonsen from Simonsen-Architect has been contracted to conduct an analysis on each proposed floorplan to determine how functional the proposed space is in comparison to the space requested in the RFP. Next steps in the process include running the analysis past a few industry experts, meeting with the Taskforce to collect final thoughts on the analysis, and then bringing a final recommendation to the Board in October.
2. Work, Thrive, Live Initiative (WTL) – In October, the Work, Thrive, Live team is sitting down with BSED Directors to review the current policy that gives guidance for structuring flexible schedules, a hot topic identified through the WTL research. The WTL team has drafted some recommendations to the policy and will review and gather feedback from the Directors. From there the WTL team will discuss those recommendations with Steve, who will determine the final policy. The goal is to outline clearly defined expectations of what discretion Directors have to structure the flexibility of their team's schedule.
3. Strategy Plan—Final Strategic Plan/Work Plan document will be sent to the Board prior to the October Board meeting. So sorry for the delay. We will also provide the Board with a Summary Strategic Plan document that will not include the work plans.
4. Montana Economic Developers Association (MEDA)—The MEDA held its 2018 Fall Conference last week (September 20-21) in Missoula. We invested a considerable amount of time working on our legislative strategy for the 2019 Session. We also shared ideas regarding the use of Opportunity Zones, in partnership with other economic development tools, to help stimulate community development projects, including housing and other private-sector investments. It was a great meeting of economic developers from all over Montana. As a reminder here's a general outline of the objectives of the MEDA strategy: 1) extend the 2019 sunset date that applies to the suite of economic development tools; 2) redirect funding to the SBDC network and the certified regional development corporations throughout Montana; and 3) following the Session, begin work on a renewed game plan for the essential tools and resources for the economic development of Montana

in preparation for the 2021 session. I will provide the BSED Ad Hoc Legislative Committee details of this MEDA strategy for their review.

5. Ad Hoc Legislative Committee—right now I am working on the “policy statement” for the I-185 Medicaid expansion proposal. This is tough in that I want to clearly show our support for Medicaid expansion, but also recognize the concerns expressed by the Board regarding the single-interest tax approach to funding. I have asked Steve Loveless to help edit my first draft, and I should have that ready for review at the Executive Committee (or sooner via separate email to the Board). The Committee will meet October 12th to develop the BSED Legislative Priorities, and that should be ready for Board action at our November meeting. Per the direction of the Board, BSED will remain an associate member of the Montana Infrastructure Coalition.

**Respectfully submitted,
October 3 and 11, 2018**

A handwritten signature in black ink, appearing to read 'SA', with a stylized flourish extending to the right.

**Steve Arveschoug
Executive Director**



BIG SKY
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ATTACHMENT E

Steve Arveschoug

From: Kevin P. Heaney <kheaney@crowleyfleck.com>
Sent: Wednesday, September 26, 2018 3:52 PM
To: Steve Arveschoug
Subject: Conflict of Interest - Consent and Waiver

Steve,

The City of Billings asked Crowley Fleck to represent it in lobbying and government affairs matters in the 2019 Montana Legislative Session, and potentially beyond the end of the session. I will not provide those legal services, other Crowley Fleck attorneys will. Since we represent Big Sky Economic Development Authority in the One Big Sky project in which the City is an adverse party, Crowley Fleck can only represent the City in lobbying and governmental affairs matters if BSED and the City both consent and waive any conflict of interest. Crowley Fleck believes it can represent the City in lobbying and government affairs matters without limiting or adversely affecting our ongoing representation of BSED. If BSED consents to Crowley Fleck's representation of the City, Crowley Fleck will maintain all confidences of BSED and the City and will not share confidential information received from one client with the other client, no matter how pertinent it may be. Please send me a reply email in the affirmative, if BSED consents to Crowley Fleck's representation of the City as described above. By consenting, BSED waives: (1) the right to assert a conflict of interest arising from Crowley Fleck's representation of BSED and the City; and (2) any claims arising from that conflict. If you have questions regarding the above, please contact me.

Thanks,

Kevin

Kevin Heaney
Crowley Fleck PLLP
490 North 31st Street, Suite 500
Billings, Montana 59101
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