EDA/EDC – Joint Board Meeting  
March 12, 2020  
7:15 A.M. to 8:15 A.M.  
Billings Library Community Room  
(light breakfast provided)

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

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

7:15 A.M. **Breakfast**

7:25 A.M. **Call to Order/Pledge of Allegiance/Roll Call:**  Mike Seppala, EDC Chair

7:27 A.M. **Public Comment/Recognitions/Special Announcements and Introductions:**

7:29 A.M. **Changes to Today’s Agenda**

7:30 A.M. **Consent Agenda**  
- February 13, 2020 Board Meeting Minutes  
- January 2020 EDA and EDC Financials

7:35 A.M. **Program-Level Action Items**

- Business Expansion and Recruitment—Allison/Lorene  
  - Big Sky Trust Fund Grant Applications  
  - EDC By Laws Revisions  
  - 504 Loan Approvals  

- Member Investor Program Update—Melanie

- Big Sky Finance—Brandon
  - EDC By Laws Revisions
  - 504 Loan Approvals

- Big Sky to Sky Point Project (Future Facilities) Update –Becky
  - Closing and RFP Update

7:55 A.M. **Executive Directors’ Report** (submitted in writing, Q&A as needed)

8:00 A.M. **2020 State of the Workforce Report**—Karen

8:15 A.M. **Adjourn for Board Planning Meeting** (see attached agenda)

Next EDA/EDC Board Meeting April 9, 2020 Big Sky Economic Development Board of Directors will make reasonable accommodations for known disabilities that may interfere with an individual's ability to participate. Persons requiring such accommodations should make their requests to Big Sky Economic Development as soon as possible before the meeting day. Please call Big Sky ED at 256-6871.
EDA/EDC Joint Board Minutes
Thursday, February 13th, 2020 – 7:15 AM – 9:00 A.M.
Billings Library, Community Room
510 N Broadway, Billings, MT

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

EDA Board Members Present: Bryce Terpstra, George Warmer, Greg McDonald, Jennifer Smith, Jennifer Owen, Ken Lutton, Paul Neutgens, Riley Bennett, Robin Rude, Shaun Brown (Ex-Officio), Nick Altonaga (Ex-Officio)

EDA Board Members Absent: Dana Pulis, Judi Powers, Don Jones (Ex-Officio), Greg Upham (Ex-Officio), John Brewer (Ex-Officio), Katy Easton (Ex-Officio)

EDC Board Members Present: Aaron Ramage, Andy Gott, Ann Kosempa, Bob Wilmouth, Dave Ballard, Eric Simonsen, Jon Stepanek, Mac Fogelsong, Mike Nelson, Mike Seppala, Nicole Benge, Scott Chesarek, Spencer Frederick, Steve Loveless

EDC Board Members Absent: Craig Bartholomew, Dan Edelman, David Ellis, Denis Pitman, Doug Hansen, Kim Jakub, Mitch Goplen

Staff and Guests: Elaine Labach, Kevin Nelson, Steve Arveschoug, Deanna Langman, Brandon Berger, Shanna Zier, Dustin Frost, Kevin Scharfe, Becky Rogers, Lorene Hintz, Karen Miller, Dianne Lehm, Allison Corbyn

Call to Order:
Robin Rude, EDA Chair, called the meeting to order at 7:15 A.M.

Public Comment/Recognitions/Special Announcements and Introductions:
Public Comment
Kevin Nelson addressed data pieces from Big Sky Economic Development and asked for more community enthusiasm and support for the Recreation Center that has been proposed for the South Side.

Agenda Changes:
None

Consent Agenda
January 2020 Board Minutes
Motion: Mike Seppala, to approve the January, 2020 Board Minutes, as presented to the Board. Second: Paul Neutgens Discussion: None Motion carried
December 2019 EDA/EDC Financials

Motion: Mike Seppala to approve the December 2019 EDA/EDC Financials, as presented to the Board.
Second: Ken Lutton
Discussion: Above
Motion carried

Program Level Reports and Action Items

Mid-Year Budget Report - Shanna
Shanna reviewed projected budgets that run through the end of the fiscal year. On the EDA, the bottom line reflects a negative net income. She then discussed the plan for making adjustments to address the shortfall and balance the budget.

Shanna then reviewed the projected EDC budget. We are on track with budgeted net income and expect no adjusts are necessary at this time.

Motion: Ken Lutton to approve the EDA/EDC Financials Review, as presented to the Board.
Second: Mike Seppala
Discussion: Above
Motion carried

Big Sky Finance – Brandon

SBA 504 Loan Requests

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

1. Montana Linen Supply, LLC (Equipment loan) – Request is for an increase in the amount of the SBA debenture from $1,954,000 to $2,107,000, for an increase of $153,000. This loan was originally approved electronically by the Board on June 20, 2019. The increase is due to the Borrower electing to add a small amount of furniture, additional features/options and unforeseen expenses related to installing the equipment from the prior location into the new facility. The loan has been approved by SBA and is in the final closing process. No other changes to the loan as approved. Borrower demonstrates the ability to cover the additional debt service as a result of the increased project costs.

Original Request – 06/20/2019: This request is for the acquisition of equipment for Montana Linen Supply LLC’s new commercial laundry facility. This request for equipment financing coincides with the previous request for the real estate financing for Montana Linen Supply LLC. The equipment is new equipment needed as a result of the expansion. For the most part, this equipment will not be replacing their current equipment, which will also be moved to the new facility. All equipment has a useful life of at least 10-years. This will be commercial laundry equipment (washers, dryers, press/ironers). This operation provides no dry-cleaning services – strictly commercial laundry.

The total SBA debenture related to the equipment financing package will be $1,954,000 on a projected 10-year note comprising 40% of the total project. Big Sky EDC may request a 20-year note from SBA as the overall weighted useful life of the equipment is closer to 20 year. Big Sky EDC and the SBA will be in a 2nd lien position being American Bank of Montana (same lender as for the real estate) on the personal property. A Public Policy goal for Rural Development will be achieved.
Motion: Andy Gott, to approve the Montana Linen Supply, LLC, Loan Request as presented to the Board.
Second: Jon Stepanek
Discussion: None
Motion: Carried

2. **Camelot Ranch LLC** – Request is for the refinance of existing debt associated with Camelot Ranch LLC located in Billings, MT. Stockman Bank (Billings) and MOFI (Missoula) provided financing to the borrower for the construction of the Camelot Ranch event venue back in 2016. MOFI provided three separate notes for the construction of just over $1MM and Stockman one note for $592k. The MOFI notes carry a high interest rate as well as a balloon payment. Borrower has requested use of the SBA 504 loan program to refinance all notes. Total refinance will be just over $1.5MM. New structure will be the traditional 50/10/10% split between Stockman Bank (1st lien), SBA (2nd lien) and borrower equity. This refinance will improve the borrower’s annual debt service by nearly $36k per year.

The total SBA debenture will be $722,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position on the real property behind Stockman Bank Billings. No new jobs are expected to be created as a result of the refinance. However, a Public Policy goal for Woman-owned business is achieved.

Motion: Mike Nelson, to approve the Camelot Ranch, LLC, Loan Request as presented to the Board.
Second: Mike Seppala
Abstentions: Spencer Frederick, Aaron Ramage
Discussion: None
Motion: Carried

3. **Gautam Lodging, LLC (Days Inn by Wyndham Sheridan)** – Purpose of the request is for the acquisition of the real and personal property associated with the Days Inn by Wyndham hotel located in Sheridan, WY. This is a 47-room economy class hotel. The ownership group is comprised of four individuals in the Sheridan and Gillette area. They currently own another, similar size hotel in Sheridan. Project was referred to Big Sky Finance by the Wyoming CDC. We agreed to take the request as it has minimal impact on our concentration and Sheridan is in our relative service market.

The total SBA debenture will be $698,000 on a 25-year note comprising 30% of the total project costs. Borrower is required to put in additional 10% equity as this is a special purpose property as well as being a new business to them. Big Sky EDC and the SBA will be in a 2nd lien position behind First Federal Bank & Trust of Sheridan, WY. There are expected to be three new jobs created as a result of this project. The project also meets a Public Policy goal for Rural Development.

Steve explained the various committees of BSED and encouraged everyone to participate where they can.

Motion: Andy Gott, to approve the Gautam Lodging, LLC, Loan Request as presented to the Board.
Second: Jon Stepanek
Discussion: None
Motion: Carried

**Updated RLF Loan Collection Procedures**
Brandon discussed changes to the Revolving Loan Fund Collection Procedures. The impetus behind the changes is the recent default of two of those loans.

Motion: Ken Lutton, to approve the Updated RLF Loan Collection Procedures, as presented to the Board.
Second: Eric Simonsen
Discussion: None
Motion: Carried
Big Sky to Sky Point Project – Becky
Becky reviewed the transfer agreement, which dictates how the EDC will transfer the building to the EDA at closing. This process, while a bit complicated, was determined to be the best mechanism to capture the donation given by Zoot.

Motion: Mike Seppala, to approve the execution of the EDC to EDA Transaction paperwork, as presented to the Board.
Second: Paul Neutgens
Motion: Carried

Release of RFP for Architectural Services
Becky presented and walked through the draft RFQ. Becky is planning to release this document once it is approved by the US EDA in Denver and after we've closed on the building.

Motion: Jennifer Smith, to approve the RFP for Architectural Services, contingent upon further legal review and EDA Approval, as presented to the Board.
Second: Aaron Ramage
Motion: Carried

Mid-Year Progress Report and Q&A
Big Sky Finance – Brandon
Brandon reviewed some of the portfolio and highlighted success stories out of the revolving loan fund. BSF has changed over to a new software to help increase productivity. BSF will remain vigilant as new CDC have come to Montana adding competition in the space. Brandon also highlighted a project from this year, Mountain Hot Tub in Bozeman.

BillingsWorks – Karen
Karen highlighted collaboration on their end with workforce councils in Helena and Lewistown, as well as the State Workforce Innovation Board of which Karen is a member. She also touted the hiring of Bo Bruinsma as the Career Outreach Director for SD2. With the 2020 State of the Workforce around the corner, Karen is staying busy. In the talent and attraction realm, the Better Off in Billings campaign is providing their recruiter toolkit to businesses around town. Karen also highlighted the BOIB Ambassadors group.

PTAC – Deanna
Deanna presented client success stories and commended the work done by our temporary employee, Phillip Luebke. In the Billings area, the PTAC has 277 active clients who have been awarded more than $64,000,000 in the past 6 months. Statewide, there are 1202 active clients having been awarded more than $120,000,000.

Rock31 – Kevin
Kevin highlighted the Rock31 Startup weekend, Early Stage Montana Showcase, 1 Million Cups Meetups, Youth Entrepreneurship, Kitchen Incubator, and one on one consulting.

One of Kevin’s success stories is Monsoon Beverages and is one of the largest Kava suppliers in the USA. Kevin connected the owner with a mentor that started a consumer-packaged goods company, helps refine and review his pitch deck, and assists him with business valuation.

SBDC – Lorene
Lorene filled in for Dena and shared the Sassy Biscuit success story. As the Board may be aware, Sassy Biscuit was visited by Second Lady, Mrs. Pence last year. Jillan was the recipient of mentoring at the SBDC and it has been our privilege helping her succeed.

Lorene also highlighted the work they have done with Marketplace 3301, the largest antique store in Montana.
VBOC – Dustin
Dustin highlighted the difficulties Service Members experience as they transition out of military life. The VBOC has put on multiple trainings in Montana, Wyoming, and Utah and has reached over 1,000 individuals through these trainings.

Dustin’s success story was the Montana Beauty Institute that has enjoyed success through their perseverance and hard work. Dustin helped connect MBI with Brandon’s team for financing.

Community Development – Dianne
Dianne reiterated CD’s program responsibilities, the impact of their work and in particular, the tax abatement program in Yellowstone County.

Dianne highlighted the Fuego Fire Station which received a $135,080 Montana Coal Board Grant to build a fire station in rural Yellowstone County.

New Business Recruitment – Allison
Think Billings has undergone a rebranding and boasts an updated logo. Allison also highlighted ROI solutions who have brought 340 jobs to town. Alison said she is working with five active prospects looking to expand or relocate to Billings. Allison also went on to highlight the work she does with Lorene and the Big Sky Trust Fund.

Marketing/Member Investor Program – Allison
Allison, on behalf of Melanie, highlighted the Member Investor Breakfasts, the weekly newsletter, industry specific forums and the Board Member Challenge to bring on new Member Investors.

The help from the Board has helped BSED added $30,000 in revenue.

Finally, Allison shared a note from a Member Investor that thanked BSED for the work we do and the scope of our work.

Executive Director’s Focus – Steve
Steve thanked and acknowledged the BSED team and the impact of their work. Steve reviewed his areas of focus which include our Strategic Priorities, Community/Partnership Engagement, Organizational Leadership, and Economic Development Leadership.

Finally, the Board asked questions regarding legislative priorities, community development, and relationships with key partners, among others.

Public Comment
None

Adjourn
Mike Seppala Adjourned the meeting at 9:06 AM

Next Meeting – March 12th, 2020

Respectfully submitted,

Ken Lutton, EDA Secretary/Treasurer
Ann Kosempa, EDC Secretary/Treasurer

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

*Big Sky Economic Development Board of Directors will make reasonable accommodations for known disabilities that may interfere with an individual’s ability to participate. Persons requiring such accommodations should make their requests to Big Sky Economic Development as soon as possible before the meeting day. Please call Big Sky ED at 256-6871.*
ATTACHMENT B
Big Sky Economic Development Authority  
Financial Report for the Executive Committee and Board of Directors  
February 25, 2020

Included with this report are balance sheets reflecting the assets, liabilities and net assets of Big Sky EDA as of January 31, 2020. Also included is the statement of revenue and expenses through seven months of FY20 as compared to budget.

**Balance Sheet**

Current assets decreased slightly and totaled approximately $1,355,000 at the end of January. Current assets decreased from $1,493,000 at the end of December. We will see some fluctuation in the current assets amounts in February as we complete the purchase of the building. Accounts receivable decreased approximately $24,000 and at the end of January totaled $204,000. This is largely comprised of PTAC receivable of $100,000, VBOC receivable of $72,000, and SBDC receivable of $28,000. As of February 2020, these receivables have decreased to $150,000. The tax levy receivable balance continues to decrease with the collection of November tax funds. The tax levy receivable totaled approximately $508,000, a decrease from $512,000 in December. Protested tax receivable totaled an additional $23,000 in protested tax levy receivable. An allowance totaling approximately $23,000, 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. There was one CD that matured in January 2020 ($617,000). This was renewed into a short-term CD in order to maximize interest income until funds are needed for construction. There are two additional CDs that will mature at the end of February (total of $1,222,505). One of these CDs will be cashed out for the purchase of the building. The second CD will be renewed into a short-term CD.

Due To/Due From EDC totaled approximately $41,000 and represents the amount owed to EDA from EDC.

Accounts payable have decreased from $96,000 at December 2019 to approximately $38,000 at the end of January. Accrued expenses total approximately $93,000 and consist of salary/benefits accruals.

**Statement of Revenue and Expenses**

County tax (mill levy revenue) totaled $1,323,000 through January 2020. Department of Defense (PTAC) reimbursement and EDC reimbursement continue to remain below budget through January 2020. Opportunity fund investment revenue is also below budget through January 2020.

Salary/wage expense totaled $970,000 through January. This amount is slightly over-budget due to the payout of vacation and sick leave to employees no longer with the organization, combined with the PTAC service arrangement for Bozeman. This higher salary expense off set by a few items including the contributions from the City of Bozeman ($5,000) and Gallatin County (initial contribution of $9,000). Also, the PTAC Subcenter expense is about $70,000 below budget. This expense line item will remain below budget through the remainder of the fiscal year due to the Bozeman PTAC arrangement. Professional fees totaled approximately $78,000 through January 2020.
Through seven months of FY20 Big Sky EDA recognized revenue in excess of expenses totaling about $477,000, which was approximately $53,000 less than the budgeted amount. This variance continues to be driven by a few different things. Department of Defense (PTAC) reimbursement remains below budget, while salary/wage expense and professional fees are over budget. In addition, there is approximately a $48,000 variance in opportunity fund investment and interest income.
# Big Sky EDA
## Comparative Balance Sheet
### As of January 31, 2020 and 2019

<table>
<thead>
<tr>
<th></th>
<th>1/31/2020</th>
<th>1/31/2019</th>
<th>+/-</th>
<th>6/30/2019</th>
<th>+/-</th>
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<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Interstate Bank</td>
<td>$74,790</td>
<td>$68,651</td>
<td>$6,139</td>
<td>$23,571</td>
<td>$51,219</td>
</tr>
<tr>
<td>FIB-Recovered Property Taxes</td>
<td>148,202</td>
<td>147,854</td>
<td>348</td>
<td>97,854</td>
<td>50,348</td>
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<tr>
<td>Opportunity Fund-FIB</td>
<td>54,383</td>
<td>13,257</td>
<td>41,125</td>
<td>13,265</td>
<td>41,118</td>
</tr>
<tr>
<td>Opportunity Fund-Stockman</td>
<td>3,617</td>
<td>376,638</td>
<td>(373,021)</td>
<td>3,612</td>
<td>5</td>
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<tr>
<td>Opportunity Fund-Opportunity Bank</td>
<td>618,652</td>
<td>-</td>
<td>618,652</td>
<td>613,163</td>
<td>5,489</td>
</tr>
<tr>
<td>Stockman GE Maintenance</td>
<td>15,128</td>
<td>28,479</td>
<td>(13,351)</td>
<td>23,479</td>
<td>(8,351)</td>
</tr>
<tr>
<td>Yellowstone County Funds</td>
<td>440,616</td>
<td>387,294</td>
<td>53,322</td>
<td>519,877</td>
<td>(79,261)</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>1,355,387</strong></td>
<td><strong>1,022,173</strong></td>
<td><strong>333,213</strong></td>
<td><strong>1,294,821</strong></td>
<td><strong>60,566</strong></td>
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<tr>
<td><strong>Other Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>204,450</td>
<td>305,390</td>
<td>(100,941)</td>
<td>283,781</td>
<td>(79,332)</td>
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<tr>
<td>American Revenue Guarantee</td>
<td>6,887</td>
<td>6,887</td>
<td>-</td>
<td>6,887</td>
<td>-</td>
</tr>
<tr>
<td>Due To/Due From EDC</td>
<td>41,195</td>
<td>88,032</td>
<td>(46,837)</td>
<td>163,958</td>
<td>(122,762)</td>
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<td>Tax Levy Receivable</td>
<td>507,527</td>
<td>491,306</td>
<td>16,221</td>
<td>18,231</td>
<td>489,297</td>
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<td>Tax Levy Receivable - Protested</td>
<td>23,159</td>
<td>11,118</td>
<td>12,041</td>
<td>9,211</td>
<td>13,947</td>
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<tr>
<td>Allowance for Doubtful Accounts</td>
<td>(23,159)</td>
<td>(11,118)</td>
<td>(12,041)</td>
<td>(9,211)</td>
<td>(13,947)</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>11,284</td>
<td>5,427</td>
<td>5,857</td>
<td>39</td>
<td>11,245</td>
</tr>
<tr>
<td>Undeposited Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>2,421</td>
<td>-</td>
<td>2,421</td>
<td>2,421</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous Receivable</td>
<td>3,007</td>
<td>-</td>
<td>(3,007)</td>
<td>218</td>
<td>(218)</td>
</tr>
<tr>
<td><strong>Total Other Assets</strong></td>
<td><strong>773,764</strong></td>
<td><strong>900,050</strong></td>
<td><strong>(126,286)</strong></td>
<td><strong>475,535</strong></td>
<td><strong>298,229</strong></td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opportunity Fund - CDs</td>
<td>4,602,644</td>
<td>5,119,531</td>
<td>(516,887)</td>
<td>4,590,718</td>
<td>11,926</td>
</tr>
<tr>
<td>Loans Receivable</td>
<td>400,000</td>
<td>220,481</td>
<td>179,519</td>
<td>400,000</td>
<td>-</td>
</tr>
<tr>
<td>TEDD Receivable</td>
<td>44,325</td>
<td>64,775</td>
<td>(20,450)</td>
<td>64,775</td>
<td>(20,450)</td>
</tr>
<tr>
<td>Cabela's Conduit</td>
<td>9,648</td>
<td>4,980</td>
<td>4,668</td>
<td>4,982</td>
<td>4,666</td>
</tr>
<tr>
<td>Deferred Outflow of Resources</td>
<td>247,689</td>
<td>365,827</td>
<td>(118,138)</td>
<td>247,689</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td><strong>5,304,306</strong></td>
<td><strong>5,775,595</strong></td>
<td><strong>(471,289)</strong></td>
<td><strong>5,308,164</strong></td>
<td><strong>(3,858)</strong></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>7,433,457</strong></td>
<td><strong>7,697,819</strong></td>
<td><strong>(264,362)</strong></td>
<td><strong>7,078,520</strong></td>
<td><strong>354,937</strong></td>
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## Liabilities & Equity
### Current Liabilities

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</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>38,132</td>
<td>69,226</td>
<td>(31,093)</td>
<td>119,524</td>
<td>(81,391)</td>
</tr>
<tr>
<td>Accrued Expenses</td>
<td>92,908</td>
<td>97,261</td>
<td>(4,353)</td>
<td>118,144</td>
<td>(25,236)</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>6,534</td>
<td>-</td>
<td>14,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payroll Liabilities</td>
<td>(52)</td>
<td>290</td>
<td>(342)</td>
<td>4,979</td>
<td>(5,031)</td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>147,540</td>
<td>138,444</td>
<td>9,096</td>
<td>164,177</td>
<td>(16,628)</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>285,063</strong></td>
<td><strong>305,221</strong></td>
<td><strong>(20,158)</strong></td>
<td><strong>406,824</strong></td>
<td><strong>(121,761)</strong></td>
</tr>
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### Long Term Liabilities

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<tr>
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<tbody>
<tr>
<td>Deferred inflow or Resources</td>
<td>13,741</td>
<td>7,419</td>
<td>6,322</td>
<td>13,741</td>
<td>-</td>
</tr>
<tr>
<td>Pension Liability</td>
<td>884,804</td>
<td>908,811</td>
<td>(24,007)</td>
<td>884,804</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Long Term Liabilities</strong></td>
<td><strong>898,545</strong></td>
<td><strong>916,230</strong></td>
<td><strong>(17,685)</strong></td>
<td><strong>898,545</strong></td>
<td>-</td>
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### Current Year Excess of Expenses over Revenue

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<tbody>
<tr>
<td></td>
<td>476,699</td>
<td>629,485</td>
<td>(152,786)</td>
<td>(73,732)</td>
<td>550,431</td>
</tr>
</tbody>
</table>

### Balance at Beginning of Year

|                          | 5,773,151 | 5,846,883 | (73,732) | 5,846,883 | (73,732) |

### Net Assets

|                          | 6,249,850 | 6,476,368 | (226,518) | 5,773,151 | 476,699 |

### Total Liabilities & Equity

|                          | **7,433,457** | **7,697,819** | **(264,362)** | **7,078,520** | **354,937** |
# Big Sky EDA

## Statements of Operations

For the Periods Ending January 31, 2020

<table>
<thead>
<tr>
<th>Month</th>
<th>YTD</th>
<th>Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Budget</td>
</tr>
<tr>
<td>Operating Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>County Taxes (Mill Levy Revenue)</td>
<td>$(168)</td>
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<tr>
<td>Health Insurance Mill Levy</td>
<td>9,010</td>
<td>8,530</td>
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<tr>
<td>Recovery of Protested Taxes</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Department of Defense</td>
<td>56,000</td>
<td>52,819</td>
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<tr>
<td>EDC Reimbursement</td>
<td>38,627</td>
<td>48,729</td>
</tr>
<tr>
<td>EPA-Brownfields</td>
<td>11,549</td>
<td>-</td>
</tr>
<tr>
<td>SBA/MT Dept of Commerce</td>
<td>13,911</td>
<td>13,708</td>
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<td>SBDC Program Income</td>
<td>320</td>
<td>-</td>
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<td>VBOC</td>
<td>23,181</td>
<td>25,000</td>
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<td>Opportunity Fund Investment</td>
<td>-</td>
<td>2,083</td>
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<td>Grant Administration</td>
<td>-</td>
<td>742</td>
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<tr>
<td>Miscellaneous Revenue</td>
<td>500</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>152,990</td>
<td>151,611</td>
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### Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Budget</th>
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<tbody>
<tr>
<td>Salaries/Wages</td>
<td>141,797</td>
<td>134,398</td>
<td>7,400</td>
<td>970,386</td>
<td>940,783</td>
<td>29,602</td>
<td>1,612,771</td>
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<td>Employer Contributions</td>
<td>44,859</td>
<td>44,200</td>
<td>659</td>
<td>305,748</td>
<td>309,398</td>
<td>(3,650)</td>
<td>530,398</td>
</tr>
<tr>
<td>Contingency</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30,000</td>
</tr>
<tr>
<td>Contract Support</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(333)</td>
<td>(333)</td>
</tr>
<tr>
<td>Community Development Projects</td>
<td>(722)</td>
<td>-</td>
<td>(722)</td>
<td>(400)</td>
<td>4,200</td>
<td>(4,600)</td>
<td>50,000</td>
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<td>Dues and Subscriptions</td>
<td>1,442</td>
<td>1,500</td>
<td>(58)</td>
<td>51,465</td>
<td>46,306</td>
<td>5,159</td>
<td>52,775</td>
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<tr>
<td>Insurance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13,116</td>
<td>14,231</td>
<td>(1,114)</td>
<td>14,766</td>
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<td>Marketing - Departmental</td>
<td>422</td>
<td>1,388</td>
<td>(966)</td>
<td>3,149</td>
<td>9,714</td>
<td>(6,565)</td>
<td>16,652</td>
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<td>Marketing - Organizational</td>
<td>4,421</td>
<td>5,146</td>
<td>(725)</td>
<td>36,290</td>
<td>36,021</td>
<td>269</td>
<td>61,750</td>
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<td>-</td>
<td>792</td>
<td>(792)</td>
<td>4,709</td>
<td>4,292</td>
<td>417</td>
<td>9,500</td>
</tr>
<tr>
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<td>1,851</td>
<td>1,667</td>
<td>184</td>
<td>10,738</td>
<td>11,667</td>
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<td>Professional Fees</td>
<td>20,410</td>
<td>-</td>
<td>20,410</td>
<td>77,698</td>
<td>35,126</td>
<td>42,572</td>
<td>35,126</td>
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<td>Property Tax Protests</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20,706</td>
<td>21,000</td>
<td>(294)</td>
<td>49,190</td>
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<tr>
<td>PTAC Satellite</td>
<td>7,259</td>
<td>11,710</td>
<td>(4,451)</td>
<td>68,536</td>
<td>61,970</td>
<td>(6,564)</td>
<td>140,520</td>
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<tr>
<td>PTAC Subcenter</td>
<td>9,693</td>
<td>23,190</td>
<td>(13,497)</td>
<td>92,713</td>
<td>162,331</td>
<td>(69,618)</td>
<td>278,282</td>
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<tr>
<td>Rent</td>
<td>11,284</td>
<td>10,530</td>
<td>754</td>
<td>79,412</td>
<td>79,712</td>
<td>(290)</td>
<td>126,364</td>
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<tr>
<td>Repairs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>352</td>
<td>-</td>
<td>352</td>
<td>-</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>2,000</td>
<td>-</td>
<td>2,000</td>
<td>19,480</td>
<td>15,917</td>
<td>3,563</td>
<td>15,917</td>
</tr>
<tr>
<td>TEDD</td>
<td>-</td>
<td>417</td>
<td>(417)</td>
<td>851</td>
<td>2,917</td>
<td>(2,065)</td>
<td>5,050</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>6,795</td>
<td>4,520</td>
<td>2,275</td>
<td>33,084</td>
<td>31,640</td>
<td>1,444</td>
<td>54,240</td>
</tr>
<tr>
<td>Travel/Training</td>
<td>11,674</td>
<td>12,044</td>
<td>(370)</td>
<td>68,582</td>
<td>78,656</td>
<td>(10,074)</td>
<td>144,533</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>699</td>
<td>3,377</td>
<td>(2,678)</td>
<td>13,762</td>
<td>23,640</td>
<td>(9,878)</td>
<td>40,535</td>
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<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>263,884</td>
<td>254,878</td>
<td>9,006</td>
<td>1,870,097</td>
<td>1,903,852</td>
<td>(33,756)</td>
<td>3,289,307</td>
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### Net Operating Revenue

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>(110,954)</td>
<td>(103,266)</td>
<td>(7,688)</td>
<td>456,705</td>
<td>477,427</td>
<td>(20,722)</td>
<td>(8,747)</td>
<td></td>
</tr>
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</table>

### Non-Operating Income

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income</td>
<td>6,279</td>
<td>7,528</td>
<td>(1,248)</td>
<td>19,994</td>
<td>52,695</td>
<td>(32,701)</td>
<td>90,334</td>
</tr>
<tr>
<td><strong>Net Revenue Over (Under) Expense</strong></td>
<td>($104,675)</td>
<td>($95,739)</td>
<td>($8,936)</td>
<td>$476,699</td>
<td>$530,121</td>
<td>($53,423)</td>
<td>$81,588</td>
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</table>
Big Sky Economic Development Corporation
Financial Report for the Executive Committee and Board of Directors
February 25, 2020

Included with this report are balance sheets reflecting the assets, liabilities and net assets of Big Sky EDC as of January 31, 2020. Also included is the statement of revenue and expenses through seven months of FY20 as compared to budget.

Balance Sheet
Current assets totaled approximately $2,285,000 at the end of January, a slight decrease from $2,290,000 at the end of December. Similar to EDA, we will see some fluctuation in the current assets amounts in February as we complete the purchase of the building. Accounts receivable total $39,000 and consist largely of Member Investor pledges for FY20 ($24,300), Member Investor pledges for FY19 ($9,500) and CTE receivable ($5,000). We sent out the next quarter of member investor invoicing in February, so we will see an increase in receivables and member investor revenue in February. This invoicing totaled approximately $70,000.

Accounts payable are low and totaled a little over $1,000 at the end of January. Due To/Due From EDA totaled approximately $41,000 and represents the amount owed to EDA from EDC.

Statement of Revenue and Expenses
The 504 loan origination revenue totaled $102,000 through January. This is approximately $24,000 over budget. There is an additional $42,000 in deferred 504 revenue that will be recognized as loans fund. The 504 loan servicing revenue remains slightly over budget and totaled $314,000 through January 2020. Member investor revenue is slightly below budget through January 2020, but will increase to approximately $200,000 in February.

With the exception of EDA reimbursement, event expense, and marketing, all other expenses remain close or in line with budget amounts through January.

Through seven months of FY20 Big Sky EDC recognized revenue in excess of expenses totaling about $8,000, which was approximately $45,000 more than the budgeted amount.
## Big Sky EDC
### Comparative Balance Sheet
#### As of January 31, 2020 and 2019

<table>
<thead>
<tr>
<th></th>
<th>1/31/2020</th>
<th>1/31/2019</th>
<th>+/-</th>
<th>6/30/2019</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Interstate Bank</td>
<td>$237,753</td>
<td>$378,804</td>
<td>($141,052)</td>
<td>$409,998</td>
<td>-172,245</td>
</tr>
<tr>
<td>FIB SSBCI Principal</td>
<td>1,428,916</td>
<td>1,257,377</td>
<td>171,539</td>
<td>1,335,009</td>
<td>93,907</td>
</tr>
<tr>
<td>FIB-Long Term Reserve</td>
<td>250,000</td>
<td>250,000</td>
<td>-</td>
<td>250,000</td>
<td>-</td>
</tr>
<tr>
<td>FIB-Opportunity Fund</td>
<td>22,200</td>
<td>22,200</td>
<td>-</td>
<td>22,200</td>
<td>-</td>
</tr>
<tr>
<td>FIB-RLF</td>
<td>190,788</td>
<td>240,195</td>
<td>(49,407)</td>
<td>268,288</td>
<td>(77,500)</td>
</tr>
<tr>
<td>FIB-OBSD Restricted</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>33,948</td>
<td>1,000</td>
<td>32,948</td>
<td>34,158</td>
<td>(210)</td>
</tr>
<tr>
<td>Contributions Receivable</td>
<td>5,000</td>
<td>57,500</td>
<td>(52,500)</td>
<td>44,500</td>
<td>(39,500)</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>3,175</td>
<td>2,694</td>
<td>481</td>
<td>4,867</td>
<td>(1,692)</td>
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<tr>
<td>RLF Portfolio-Current</td>
<td>62,547</td>
<td>75,570</td>
<td>(13,023)</td>
<td>46,653</td>
<td>15,894</td>
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<tr>
<td>SSBCI Portfolio-Current</td>
<td>50,748</td>
<td>123,590</td>
<td>(72,842)</td>
<td>126,448</td>
<td>(75,699)</td>
</tr>
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<td><strong>Total Current Assets</strong></td>
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<td>2,408,931</td>
<td>(123,855)</td>
<td>2,542,120</td>
<td>(257,045)</td>
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<tr>
<td><strong>Other Assets</strong></td>
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<td></td>
<td></td>
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<tr>
<td>RLF Portfolio-Non Current</td>
<td>233,947</td>
<td>235,880</td>
<td>(1,933)</td>
<td>127,979</td>
<td>105,968</td>
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<tr>
<td>SSCBI Portfolio-Non Current</td>
<td>800,791</td>
<td>867,681</td>
<td>(66,890)</td>
<td>800,791</td>
<td>-</td>
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<tr>
<td><strong>Total Other Assets</strong></td>
<td>1,034,738</td>
<td>1,103,560</td>
<td>(68,822)</td>
<td>928,770</td>
<td>105,968</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>3,319,814</td>
<td>3,512,491</td>
<td>(192,677)</td>
<td>3,470,890</td>
<td>(151,077)</td>
</tr>
</tbody>
</table>

### Liabilities & Equity
#### Current Liabilities
<table>
<thead>
<tr>
<th></th>
<th>1/31/2020</th>
<th>1/31/2019</th>
<th>+/-</th>
<th>6/30/2019</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>1,556</td>
<td>21,617</td>
<td>(20,061)</td>
<td>62,640</td>
<td>(61,084)</td>
</tr>
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<td>Accrued Expenses</td>
<td>7,500</td>
<td>5,375</td>
<td>2,125</td>
<td>20,473</td>
<td>(12,973)</td>
</tr>
<tr>
<td>Deferred 504 Revenue</td>
<td>41,744</td>
<td>3,022</td>
<td>38,722</td>
<td>3,936</td>
<td>37,808</td>
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<tr>
<td>Due to/Due from EDA</td>
<td>41,195</td>
<td>42,814</td>
<td>(1,619)</td>
<td>163,958</td>
<td>(122,762)</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
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<td>72,829</td>
<td>19,167</td>
<td>251,007</td>
<td>(159,011)</td>
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</table>

#### Current Year Excess of Expenses over Revenue
<table>
<thead>
<tr>
<th></th>
<th>1/31/2020</th>
<th>1/31/2019</th>
<th>+/-</th>
<th>6/30/2019</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Year Excess of Expenses over Revenue</td>
<td>7,935</td>
<td>(21,150)</td>
<td>29,085</td>
<td>(240,929)</td>
<td>248,864</td>
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<td>Balance at Beginning of Year</td>
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<td>3,460,813</td>
<td>(240,929)</td>
<td>3,460,813</td>
<td>(240,929)</td>
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<tr>
<td><strong>Net Assets</strong></td>
<td>3,227,818</td>
<td>3,439,662</td>
<td>(211,844)</td>
<td>3,219,883</td>
<td>7,935</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Equity</strong></td>
<td>3,319,814</td>
<td>3,512,491</td>
<td>(192,677)</td>
<td>3,470,890</td>
<td>(151,076)</td>
</tr>
<tr>
<td>Monetary Item</td>
<td>Month</td>
<td>YTD</td>
<td>Fiscal Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>-------</td>
<td>-------</td>
<td>-------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Actual</td>
<td>Budget</td>
<td>Variance</td>
<td>Actual</td>
<td>Budget</td>
</tr>
<tr>
<td>Operating Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>S04 Loan Origination</td>
<td>$18,670</td>
<td>$11,250</td>
<td>$7,420</td>
<td>$102,287</td>
<td>$78,750</td>
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<td>S04 Loan Servicing</td>
<td>43,166</td>
<td>43,874</td>
<td>(709)</td>
<td>314,295</td>
<td>307,118</td>
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<td>CTE Director Donations (Restricted)</td>
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<td>-</td>
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<td>150</td>
<td>131,610</td>
<td>162,500</td>
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<td>RLF Business Loan Interest</td>
<td>1,233</td>
<td>917</td>
<td>316</td>
<td>9,632</td>
<td>6,419</td>
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<td>SSDCI Revenue</td>
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<td>120</td>
<td>14,171</td>
<td>14,037</td>
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<td>Recovery of Bad Debt</td>
<td>-</td>
<td>300</td>
<td>(300)</td>
<td>9,067</td>
<td>2,100</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>788</td>
<td>1,083</td>
<td>(295)</td>
<td>2,350</td>
<td>7,583</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>68,191</td>
<td>61,930</td>
<td>6,261</td>
<td>581,112</td>
<td>578,508</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BEAR Program</td>
<td>1,980</td>
<td>50</td>
<td>1,930</td>
<td>2,712</td>
<td>2,494</td>
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<td>Business Incubation</td>
<td>260</td>
<td>-</td>
<td>260</td>
<td>2,519</td>
<td>3,000</td>
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<td>Contingency</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dues and Subscriptions</td>
<td>791</td>
<td>1,577</td>
<td>(787)</td>
<td>13,279</td>
<td>11,688</td>
</tr>
<tr>
<td>EDA Reimbursement</td>
<td>38,627</td>
<td>48,729</td>
<td>(10,102)</td>
<td>298,675</td>
<td>342,163</td>
</tr>
<tr>
<td>Event Expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>66,289</td>
<td>52,500</td>
</tr>
<tr>
<td>Insurance</td>
<td>844</td>
<td>917</td>
<td>(73)</td>
<td>3,688</td>
<td>6,417</td>
</tr>
<tr>
<td>Marketing - Departmental</td>
<td>8,178</td>
<td>8,000</td>
<td>178</td>
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<td>36,887</td>
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<tr>
<td>Marketing - Organizational</td>
<td>100</td>
<td>-</td>
<td>100</td>
<td>18,295</td>
<td>11,000</td>
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<tr>
<td>Membership Development</td>
<td>342</td>
<td>1,250</td>
<td>(908)</td>
<td>5,091</td>
<td>7,500</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>1,042</td>
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<td>Office Supplies</td>
<td>417</td>
<td>171</td>
<td>246</td>
<td>2,438</td>
<td>1,199</td>
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<td>Opportunity Fund Contribution</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Professional Fees</td>
<td>-</td>
<td>6,744</td>
<td>(6,744)</td>
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<td>47,208</td>
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<td>Postage and Printing</td>
<td>582</td>
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<td>855</td>
<td>583</td>
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<td>Rent</td>
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<td>3,421</td>
<td>(890)</td>
<td>22,649</td>
<td>23,945</td>
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<td>Sponsorships</td>
<td>500</td>
<td>717</td>
<td>(217)</td>
<td>2,569</td>
<td>5,018</td>
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<td>Telecommunications</td>
<td>464</td>
<td>468</td>
<td>(4)</td>
<td>4,158</td>
<td>3,278</td>
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<td>Travel/Training</td>
<td>(1,056)</td>
<td>4,445</td>
<td>(5,501)</td>
<td>38,814</td>
<td>36,523</td>
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<tr>
<td>Miscellaneous</td>
<td>6,612</td>
<td>3,499</td>
<td>3,112</td>
<td>17,386</td>
<td>24,496</td>
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<tr>
<td>Total Operating Expenses</td>
<td>61,171</td>
<td>80,072</td>
<td>(18,901)</td>
<td>573,477</td>
<td>635,860</td>
</tr>
<tr>
<td>Net Revenue Over (Under) Expense</td>
<td>7,020</td>
<td>(18,143)</td>
<td>25,162</td>
<td>7,935</td>
<td>(37,352)</td>
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</table>
Alpine Aviation Express LLC, doing business as Alpine Air, is planning to expand its operations in Billings, MT over the next two years.

In 2018, Alpine Air finished its cargo conversion for the Beechcraft 1900D; it was then approved by the FAA. The Alpine Super Freighter is now the largest single piloted cargo aircraft in the world. The 1900D aircraft will haul large quantities of cargo while being extremely cost effective when compared to its counterparts. They can now ship more with less giving Alpine a competitive edge in our industry.

This extraordinary achievement is due to many years of engineering and planning to bring a conversion that was created with the carrier and client in mind. In 2020, Alpine Air will continue expanding their aircraft fleet and staff to meet the growing demand for services. In Billings, they anticipate creating 30 net new jobs comprised of: 17 new pilots, 3 parts clerks, 5 mechanics, and 5 mechanic helpers in the next two years. To accommodate the growing staff and fleet of aircrafts, they will be expanding their facility in Billings. The current facility is insufficient for current staff, so they have leased office space in downtown Billings until the new facility is constructed.

They gathered the needed funds for construction and are now ready to draw up plans for the new facility. Alpine aims to finish the planning portion of the project by fall of 2020 and finish construction by the end of 2021. Alpine is requesting a $25,000 planning grant from the Big Sky Trust Fund with the State Department of Commerce. This grant will help pay for pre-engineering and planning. The total planning costs are well over $200,000.

**Meadowlark Brewing**

Meadowlark’s creation came about like any other American dream, it was just that, a dream. Our founder, Travis, an avid craft beer “researcher”, moved home to Sidney, Montana in 2010 to help with the other family business Sidney Red-E-Mix, which is when the real encouragement from his parents came into play. Sidney, a small town in Eastern Montana was ready for some locally made beer. As with the rest of the country, the people of Sidney, were becoming more aware of and thirsty for craft beer. Travis and family saw this new “thirst” very inline with their new goals and dreams, and so the journey began.

Meadowlark has now outgrown is brewing space and is looking for better distribution and more space in Billings. They have 20,000 square foot building planned out on Zoo Drive. They were approved for a $25,000 planning grant will help them with the planning a feasibility around the layout of the facility.

They are currently planning to hire 13 employees at the facility in Billings and are applying for a Job Creation Grant to help with building materials, furniture & fixtures, and wages. Positions include Front House manager, Head brewer, brewery manager, assistant brewer, servers, and sales reps.

The job creation grant would provide $5,000 per job created for a total of $65,000.

For more information on the company you can visit: [https://meadowlarkbrewing.com/](https://meadowlarkbrewing.com/)
BYLAWS

OF

BIG SKY ECONOMIC DEVELOPMENT CORPORATION
(a Montana Nonprofit Public Benefit Corporation)

*****************************************************************************

These Bylaws adopted _____________, 2020, by the Board of Directors of Big Sky
Economic Development Corporation (the "Corporation") supersede all Bylaws previously
adopted or ratified by Board of Directors.

1. CORPORATION NAME, PURPOSES, POWERS AND OFFICES.

1.1 Name and Location.

This Corporation shall be known as Big Sky Economic Development
Corporation. Offices of the Corporation shall be located in the City of Billings, Montana,
and in such other localities as may be determined by the Board of Directors.
Additionally, the Corporation shall operate as a Certified Development Company (CDC)
as accredited by the U.S. Small Business Administration (SBA), pursuant to the SBA 504
Loan Program.

1.2 Authority.

This Corporation is incorporated under, and shall be operated according to the
Montana Nonprofit Corporation Act (the “Act”).

1.3 Purposes.

As stated in the Corporation’s Articles of Incorporation, the Corporation is
organized and shall be operated exclusively for charitable, scientific, social welfare and
educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue
Code of 1986 as it now exists or as it may hereafter be amended. The Corporation is
dedicated to attracting, retaining and growing jobs and business throughout Yellowstone
County, Montana and, for purposes of the SBA 504 Loan Program, the Corporation’s
“Area of Operations” is the entire State of Montana.
1.4 **Powers.**

The Corporation shall have those specific powers enumerated in the Articles of Incorporation and shall exercise all rights and powers conferred on non-profit public benefit organizations under Section 35-2-118 of the Act; provided, however, that the Corporation shall not engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Corporation.

1.5 **Registered Office.**

The registered office of this Corporation required by the Act to be maintained in the State of Montana may be, but need not be, identical with the principal office in the State of Montana, and the address of the registered office and registered agent may be changed from time to time by resolution of the Board of Directors.

2. **REGULATION OF CORPORATE ACTIVITIES AND DISTRIBUTIONS**

2.1 **Restricted Activities.**

No substantial part of the Corporation’s activities shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene (including the publishing or distribution of statements) in any political campaign on behalf of or in opposition to any candidate for public office.

2.2 **Exempt Activities.**

Notwithstanding any other provision of these Bylaws, no Director, officer, employee, or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended, or an organization contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended.

2.3 **Prohibited Distributions.**

No part of the net earnings, properties or assets of this Corporation, on dissolution or otherwise, shall inure to the benefit of, or be distributable to, its Members, Directors, officers or other private persons or individuals, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Section 1.3.

3. **MEMBERS**

3.1 **Classes of Members.**

There shall be two (2) classes of Membership in the Corporation:
A. Class A Members: Class A Members will only have the right to vote for the election of Directors to the Board of Directors as specifically authorized by these Bylaws. Class A Members will pay dues. The rate of the dues and the time for remittance of such dues shall be determined by the Board of Directors from time to time. All Class A Members will be notified of such determinations. Dues, once paid, shall not be refunded unless requested in writing by the Class A Member and approved by the Board of Directors. No person or entity can control more than 25 percent of the Corporation's voting membership.

B. Class B Members: Class B Members shall not have any voting rights and shall not pay any dues.

3.2 Requirements for All Members

Members must be responsible for actively supporting economic development in the Area of Operations and must, at a minimum, have background and expertise in one or more of the following areas: (1) internal controls, (2) financial risk management, (3) commercial lending, (4) legal issues related to commercial lending, (5) corporate governance, and (6) economic, community or workforce development.

All Members must live or work in the Area of Operations.

The number of Members shall be at least twenty-five (25).

3.3 Applications

All applications for membership shall be submitted on forms furnished by the Corporation and filed with the Secretary/Treasurer of the Corporation and shall be subject to the review and approval of the Executive Committee and/or its designee. By execution and submission of the application for membership, the applicant shall be deemed to have agreed to accept and comply with the Bylaws and mission of the Corporation, as the same may from time to time be adopted or amended.

3.4 Termination of Membership

A. The Board of Directors may terminate the membership of any Member, after taking into consideration, all relevant facts and circumstances, if such Member:

(1) Is a Class A Member and in arrears in the payment of dues for a period of three (3) months, or

(2) Does not comply with the Corporation Bylaws or applicable SBA statutes, regulations or operating procedures.

Notice of such termination shall be given in writing addressed to the Member and sent by first-class or certified United States mail with postage prepaid to the last address of the Member shown on the Corporation's records, and shall take effect at the time specified in the notice.
B. The membership of any Member shall automatically terminate if and upon the date that such a Member becomes ineligible for membership.

C. The membership of any Member shall automatically terminate upon such Member’s written resignation delivered to the Executive Director personally or by United States mail with postage prepaid.

4. **POWERS, AUTHORITY AND RESPONSIBILITY**

4.1 **Governing Body, Powers and Responsibilities.**

The governing body of the Corporation shall be the Board of Directors. The Board of Directors shall have supervision, control and direction of the affairs of the Corporation, shall actively promote and pursue the Corporation’s objectives, and shall supervise the disbursement of the Corporation’s funds. The Board of Directors may adopt such rules and regulations for the conduct of its business as shall be deemed advisable, and may, in the execution of the powers granted, delegate certain of its authority and responsibility to one or more Committees.

Specifically, the Board of Directors is responsible for the following:

1. Ensuring the structure and operation of the Corporation complies with the SBA's Loan Program Requirements;
2. Approving the mission and the policies of the Corporation;
3. Hiring, firing, supervising and annually evaluating the Executive Director;
4. Setting the salary for the Executive Director and reviewing all salaries of other employees as set in accordance with the Corporation’s salary administration guidelines;
5. Establishing, at its discretion, and being responsible for Committees including any Executive Committee and Loan Committee;
6. Ensuring that the Corporation’s expenses are reasonable and customary;
7. Hiring directly an independent auditor to provide financial statements in accordance with the SBA’s Loan Program requirements;
8. Monitoring the Corporation’s portfolio performance on a regular basis;
9. Reviewing a semiannual report on portfolio performance from the Executive Director, which includes, but is not limited to, asset quality and industry concentrations;
10. Ensuring that the Corporation establishes and maintains adequate reserves for operations;
11. Ensuring that the Corporation invests in economic development in its SBA-approved Area of Operations in which it has a portfolio, approving each investment separately or by approval of the Corporation’s budget if the budget includes such investments, and having a written report in the Corporation’s Annual Report to SBA on investments in economic development in each State in which the Corporation has an outstanding 504 Loan;
(12) Establishing a policy in these Bylaws prohibiting any actual conflict of interest or the appearance of same, including with respect to any actions of the Board of Directors, and enforcing the policy;
(13) Retaining accountability for all actions of the Corporation;
(14) Establishing written internal control policies as required by SBA regulations;
(15) Establishing commercially reasonable loan approval policies, procedures and standards;
(16) Approving all SBA loans greater than $2,000,000.00 prior to submission of loan applications to SBA, and ratifying all approvals by the Loan Committee, as set forth in Section 5.3 of this Bylaws, of SBA loans of $1,000,000.00 to $2,000,000.00 prior to Debiture closing;
(17) Maintaining Directors' and Officers' Liability and Errors and Omissions insurance in the amounts established by the SBA; and
(18) Having all Directors of the Board of Directors annually certify in writing that they have read and understand 13 C.F.R. § 120.823, and copies of the certifications being included in the Corporation's Annual Report to SBA; and
(19) Ensuring compliance with loan servicing and liquidation responsibilities as set forth in SBA’s SOP 50.55.

4.2 Qualifications of Board of Directors.

The Board of Directors shall consist of no less than seven (7) nor more than twenty-five (25) at least seven (7) less than nine (9) nor more than twenty-five (25) voting Directors, with the exact number to be set as shall be fixed from time to time by resolution of the Board of Directors, but no decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director. Directors shall be elected by the Membership in accordance with Section 4.3.

A. At any time that the Corporation is operating as a Certified Development Company (CDC) pursuant to the SBA 504 Loan Program, the Board of Directors shall ensure that the Board of Directors is comprised of Directors meeting at least the following qualifications:

(1) The Board of Directors must live or work in shall be representative of the Corporation's State of Incorporation (Montana) or in an area that is contiguous to Montana that meets the SBA definition of a Local Economic Area for the Corporation, Area of Operations and must be actively involved in encouraging economic development in the Corporation's Area of Operations.

(2) At a minimum, the Board of Directors must have Directors with background and expertise in internal controls, financial risk management, commercial lending, legal issues related to commercial lending, and corporate governance, and economic, community or workforce development.
(3) At least two (2) Directors must possess commercial lending experience satisfactory to the SBA, but Directors from the commercial lending field must comprise less than 50% of the directors on the Board of Directors.

(4) At least one (1) Director must represent the economic, community or workforce development fields.

(5) All Directors voting on Loan approval or servicing actions must live or work in the Area of Operations.

(6) No Director may serve on the board of directors of another SBA 504 certified development company. Directors may be employed by or serve on the boards of other entities, including civic, charitable, or comparable organizations, provided that such employment or common board directors do not create affiliation between the Corporation and such other organization(s).

(7) Directors may be currently employed or retired. Retirees may represent the field from which they retired or the community.

(8) No Corporation staff other than the Executive Director who is the CDC Manager, may serve as Directors.

(9) No Contractors (as defined by 13 C.F.R. § 120.824) nor any officer, director, 20 percent or more equity owner, or key employee of a Contractor may be a voting or non-voting or their affiliates may serve as Directors.

(10) Directors must either be Class A Members or serve as employees or representatives of a Class A Member in good standing of the Corporation, and there shall be only one (1) Director at a given time employed by or representing a Class A Member organization.

B. Notwithstanding the foregoing, action taken by the Board of Directors which is otherwise valid shall not be deemed invalid due to failure to comply with the Board composition requirements, provided diligent effort has been made and is being made to ensure that all representative criteria are met.

4.3 Election of Directors.

Directors shall be elected by the Class A Members as follows:

A. At least thirty (30) days before the Annual Meeting of the Membership, the Secretary/Treasurer shall send the slate of nominees for all open positions on the Board of Directors as proposed by the Nominating Committee to the Class A Members together with an electronic ballot/proxy to vote for Directors. Class A Members must
return their ballot/proxies to the Secretary/Treasurer within fourteen (14) days for the vote by ballot/proxy to count. The results of the election are announced at the Annual Meeting of the Membership.

B. If a special election is held to fill vacancies on the Board of Directors, the Secretary/Treasurer shall send the slate of nominees for all vacant positions on the Board of Directors as proposed by the Nominating Committee to the Class A Members together with an electronic ballot/proxy to vote for Directors. Class A Members must return their ballot/proxies to the Secretary/Treasurer within fourteen (14) days for the vote by ballot/proxy to count. The results of the election are announced to the Membership via electronic mail.

4.4 **Terms of Directors.**

A. A Director shall serve an initial term of five (5) years and, if re-elected, a second term of three (3) years. If the Board of Directors increases the number of Directors, then the Class A Members shall elect the Directors to fill the new positions using the same procedure for electronic voting set forth in Section 4.3. Unless a Director dies, resigns or is removed, each Director shall serve his/her full term beginning upon election and until his/her successor is duly elected and qualified. A Director may be re-elected; however, no Director shall serve longer than two (2) successive terms (an initial term of five years and a second term of three years) without at least a one (1) year absence from the Board of Directors before being re-elected. For purposes of leadership continuity, if a Director is serving as Chair of the Board during the final year of such Director’s second successive term on the Board of Directors, then such Director is eligible, subject to confirmation by a vote of the Class A Members, to serve an additional one (1) year term on the Board of Directors in order to serve on the Executive Committee as the immediate Past Chair.

B. Any former Director of Big Sky Economic Development Authority ("BSEDA") may be elected to a single, three (3) year term as a Director of the Corporation if elected to the Corporation's Board of Directors immediately following the end of such person's term on the Board of Directors of BSEDA. If such person, however, has had at least a one (1) year absence from the Board of Directors of BSEDA prior to election to the Corporation's Board of Directors, then such person may serve an initial term of five (5) years and, if re-elected to the Corporation's Board of Directors, a second term of three (3) years as a Director of the Corporation.

4.5 **Removal of Directors.**

Any Director may be removed, with or without cause, by the vote of the majority of the remaining Directors excluding the Director proposed for removal. Written notice of removal shall be given to the affected Director, and shall take effect at the time specified in the notice. In addition, a Director may be removed for three (3) consecutive unexcused absences from meetings of the Board of Directors.
4.6 **Resignation of Directors.**

A Director may resign at any time by delivering written notice to the Board of Directors, the Chair of the Board, the Executive Director, or the Secretary/Treasurer of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board of Directors or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

4.7 **Vacancies on Board of Directors.**

A. If between July 1 and August 31 of any year, a vacancy occurs in the Board of Directors because of the death, removal, resignation, disqualification or otherwise of a Director or an increase in the number of Directors occurs, the vacancy shall be filled by election by the Class A Members as set forth in Section 4.3A.

B. If between September 1 and June 30 of any year, a vacancy occurs in the Board of Directors because of the death, removal, resignation, disqualification or otherwise of a Director or an increase in the number of Directors occurs, the Secretary/Treasurer shall cause a special election to be held by the Class A Members to fill the vacancy as set forth in Section 4.3B.

C. A Director elected to fill a vacancy that occurs because of the death, removal, resignation, disqualification, or otherwise of a Director shall be elected for the unexpired term of his/her predecessor in office.

D. A vacancy that will occur at a specific later date may be filled before the vacancy occurs, but the new Director may not take office until the vacancy occurs.

4.8 **Regular Meetings.**

The Board of Directors shall hold regular meetings at least quarterly at the time, date and place, inside or outside of the State of Montana, established by the Board of Directors. If it appears that a quorum of the Board of Directors will be unable to attend a regular meeting, the regular meeting may be rescheduled.

4.9 **Special Meetings.**

Special meetings may be called at any time by the Chair of the Board, the Executive Director, or upon the written request of any two (2) Directors, and shall be held at any time, date and place designated by person or persons calling the meeting.

4.10 **Meetings by Remote Communication.**

Any or all Directors may attend a meeting of the Board of Directors by means conference telephone or the use of any means of communication by which all Directors participating in the meeting may hear each other simultaneously during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting. The Board of Directors may determine that one or more meetings of the Board
of Directors shall be held solely by means of remote communication. Such authorization may be general or confined to specific instances. If voting takes place at such a meeting where some or all Directors are voting at the meeting by means of remote communication, reasonable means to verify that every person voting is sufficiently identified must be implemented and a record of any vote or other action taken must be kept.

4.11 Notice of Meetings.

Written notice of every Annual, regular and special meeting of the Board of Directors, stating the date, time, place and purpose of the meeting must be given to each Director not less than two (2) days prior to the date of the meeting. Regardless of whether the meeting is a regular meeting or a special meeting, if a purpose of the meeting is to consider (1) an amendment to the Articles of Incorporation, (2) a plan of merger, (3) the sale, lease, exchange, or disposition of all or substantially all of the Corporation’s property, or (4) the dissolution of the Corporation, then a notice must be given to each Director at least seven (7) days before the meeting stating the purpose, and the notice must be accompanied by a copy of or summary, if applicable, of the proposed amendment to the Articles of Incorporation, the proposed plan of merger, the transaction for the disposition of the Corporation’s property, or the proposed plan of dissolution.

A. Effective Date. Notice of any meeting shall be deemed to be effective at the earlier of (i) five (5) days after being deposited in the United States mail, addressed to the Director’s business office, with postage prepaid, if sent by regular mail, (ii) the date shown on the return receipt if sent by registered or certified mail, return receipt requested, to the Director's business office and the receipt is signed by or on behalf of the Director, (iii) the date when sent if e-mailed to the Director's e-mail address on record with the Corporation, or (iv) the date delivered if hand-delivered.

B. Waiver of Notice. Whenever any notice is required to be given to a Director, a waiver thereof in writing, signed by the Director entitled to the notice, regardless of whether the waiver is signed before or after the time of the meeting, is equivalent to the giving of the notice. If a Director entitled to notice of a meeting participates or attends the meeting, the Director’s participation or attendance constitutes a waiver of notice of the meeting, unless the Director, upon arriving at the meeting or prior to the vote on a matter not noticed in conformity with the Montana Nonprofit Corporations Act, the Articles of Incorporation, or the Bylaws, objects to lack of notice and does not vote for or assent to that action.

4.12 Quorum and Voting.

A quorum shall be at least a majority of the Directors on the Board of Directors. A quorum must be present to transact business. There shall be no proxy voting by the Board of Directors. Unless otherwise stated in these Bylaws or required by the laws of the State of Montana, all issues to be voted on shall pass by the affirmative vote of a majority of those Directors present at the meeting at which a quorum is present and in which the vote takes place. Any action of the Board of Directors with regard to SBA
loan approval or servicing actions shall require the presence of at least two (2) Directors with commercial lending experience, other than the Executive Director, who must vote on such matter.

4.13 **Actions Without Meeting.**

Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken and signed by at least a majority of the Directors on the Board of Directors. Action under this Section 4.13 is effective when the last Director whose vote is needed to approve the action signs the consent unless the consent specifies a different effective date. Prompt notice of the approval of the action by less than unanimous written consent of all Directors shall be given to each Director who did not consent in writing to the action. A written consent will be considered a signed writing if transmitted electronically if the transmission contains or is accompanied by information from which it can be determined that the electronic transmission was made by the Director and the date on which the Director transmitted the electronic transmission. Written consents shall be filed with the minutes of the Board of Directors and have the effect of a meeting vote.

4.14 **Presumption of Assent.**

A Director who is present at a meeting of the Board of Directors at which action on any matter is taken shall be presumed to have assented to the action taken unless the Director’s dissent is entered in the minutes of the meeting or unless a written dissent to such action is filed with the person acting as the secretary of the meeting before the adjournment thereof, or unless such dissent is forwarded by registered mail to the Secretary/Treasurer of the Corporation immediately after the adjournment of the meeting. The right to dissent shall not apply to a Director who voted in favor of such action.

4.15 **Compensation of Directors.**

No Director shall receive any compensation from the Corporation for services rendered as a Director. Directors may be reimbursed for any reasonable expenses incurred by them in the execution of their official duties, including travel expenses. Nothing contained herein shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving reasonable compensation for personal services rendered to the Corporation that are reasonable and necessary to carry out one or more of the tax-exempt purposes of the Corporation.

4.16 **General Standard of Conduct of Directors.**

A Director shall discharge his/her duties as a Director or Committee member in good faith, with the care that an ordinarily prudent person in a similar position would exercise under similar circumstances, and in a manner that the Director reasonably believes to be in the best interest of the Corporation, and may act in reliance on the written opinion of any attorney for the Corporation. In discharging duties, a Director is
5. **COMMITTEES OF THE BOARD**

5.1 **Executive Committee.**

The Executive Committee shall be an advisory committee only with no delegation of authority from the Board of Directors. The Executive Committee shall consist of the Chair of the Board, Vice Chair of the Board, Secretary/Treasurer, immediate Past Chair of the Board and at least one (1) additional Director chosen by the Board of Directors to serve as an Executive Committee Member at Large. The Chair of the Board shall serve as the chair of the Executive Committee. In order to provide the Executive Committee with the necessary operational information concerning the Corporation, the Executive Director shall be an *ex officio* non-voting member of the Executive Committee. As such, the Executive Director shall receive notice of all Executive Committee meetings and shall participate in the discussion of all issues presented for consideration of the Executive Committee, but shall not be entitled to vote on any matter related to the Executive Director’s performance or compensation. The foregoing delegation of authority to the Executive Committee does not relieve the Board of Directors of its responsibility imposed by law or SBA Loan Program Requirements. All recommendations actions of the Executive Committee must be acted upon shall be approved by the Board of Directors.

5.2 **Nominating Committee.**

The Nominating Committee consisting of at least three (3) Directors appointed by the Chair of the Board. The Nominating Committee shall provide nominations for all open Board of Directors positions whenever needed.

5.3 **Loan Committees.**

One or more Loan Committees may be established by the Board of Directors and, if the Corporation is approved by SBA as a multi-state CDC for purposes of the 504 Loan Program, then there shall be a Loan Committee for each state in which the Corporation
provides 504 Loans. The function of each Loan Committee shall be, prior to submission of loan applications to SBA, to approve 504 loans up to $2,000,000.00, but 504 loans of $1,000,000.00 to $2,000,000.00 must be ratified by the Board of Directors or Executive Committee if delegated approval authority prior to Debenture funding, and to approve credit decisions for 504 Loan servicing actions. Each Loan Committee shall be composed of at least four (4) Class A and/or Class B Members, and/or Directors and/or individuals who are not Members or Directors. Loan Committee members must have a background in either financial risk management, commercial lending, or legal issues relating to commercial lending and cannot be associated with another SBA 504 certified development company. Loan Committee members are appointed by the Board of Directors, one (1) of whom is selected by the Loan Committee members to serve as the Chairperson of the Loan Committee. All members of the Loan Committee must live or work within the Corporation’s State of Incorporation (Montana) or in an area that meets the SBA definition of a Local Economic Area for the Corporation, except that, for Projects that are financed under the Corporation’s Multi-state authority (if any), either (1) the Loan Committee in the additional State consists only of Loan Committee members who live or work in that additional State and satisfies the other requirements of this Section 5.3 (13 C.F.R. §§ 120.823(d)(4)(ii)(A) through (D)), or (2) the Corporation’s Board of Directors or Loan Committee (if established in Montana) includes at least two (2) Loan Committee members who live or work in the additional State when the Loan Committee votes on Projects in the additional State, with the Loan Committee members who live and work in the additional State voting only on Projects in that additional State Area of Operations where the 504 Loan Project on which they are voting is located unless the Project falls under one of the exceptions for 504 Loans outside the Corporation’s Area of Operations. The presence at any meeting of the Loan Committee of no less than four (4) five (5) Loan Committee members authorized to vote shall constitute a quorum, and a quorum must be present to transact business at the meeting. A majority vote of the Loan Committee members present at a meeting of the Loan Committee shall be sufficient to transact business. Any action of the Loan Committee with regard to 504 Loan approval or servicing actions shall require the presence of at least two (2) Loan Committee members with commercial lending experience satisfactory to SBA who must vote on such matter. No employees of the Corporation, including the Executive Director, shall serve on the Loan Committee. The Loan Committee must have no actual or apparent conflict of interest; for example, a Loan Committee member participating in deliberations on a 504 Loan for which the participating Third Party Lender is the Loan Committee member’s employer or with which the Loan Committee member is otherwise associated must abstain from the Loan Committee vote on that SBA loan. The Loan Committee shall make recommendations to the Board regarding lending policies and procedures. The foregoing delegation of authority to the Loan Committee does not relieve the Board of Directors of its responsibility imposed by law or SBA Loan Program Requirements.

5.4 Other Committees.

The Board of Directors may create additional committees. Except as otherwise provided in this Section 5, Committees may include Class A and/or Class B Members who are not also Directors, but such Committees shall include no less than two (2)
Directors as members. The members of any Committees shall serve at the pleasure of the Board of Directors. Committees shall have such authority and exercise such powers as may be designated by the Board of Directors, but no Committee may (1) approve the dissolution or merger of the Corporation, or the sale, pledge, or transfer of all or substantially all the Corporation’s assets; (2) elect, appoint, or remove Directors or fill vacancies on the Board of Directors or any Committees; or (3) adopt, amend, or repeal the Articles of Incorporation or Bylaws. All actions of any other Committee must either be approved or ratified by the Board of Directors.

5.5 Resignation of Committee Member.

Any Committee member may resign at any time by giving written notice to the Board of Directors, the Chair of the Board, the Committee Chairperson or the Secretary/Treasurer of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board of Directors, the Chair of the Board, the Committee Chairperson or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

5.6 Removal of Committee Member.

Any Committee member may be removed, with or without cause, by a vote of a majority of the Board of Directors excluding any Director serving as a Committee member proposed for removal. Written notice of removal shall be given to the affected Committee member, and shall take effect at the time specified in the notice.

5.7 Vacancy of Committee Member.

In the event a vacancy occurs in a Committee member position due to death, resignation, or removal, the vacancy shall be filled in the same manner as members are appointed to that Committee. A vacancy that will occur at a specific later date may be filled before the vacancy occurs, but the new Committee member may not take office until the vacancy occurs. A Committee member elected to fill a vacancy shall be elected for the unexpired term of his/her predecessor in office.

5.8 Committee Meetings.

Sections 4.10, 4.11, 4.12, 4.13 and 4.14 which govern meetings by remote communication, notice and waiver of notice, quorum and voting requirements, action without meetings, and presumption of assent apply to Committees and their members. In addition, Committees shall keep regular minutes of their proceedings and report the same to the Board of Directors.

5.9 General Standard of Conduct of Committee Members.

Section 4.15 which governs the general standard of conduct of Directors applies to Committees and their members.
6. **OFFICERS**

6.1 **Number and Qualifications of Officers.**

The elected officers of the Corporation shall be a Chair of the Board, Vice Chair of the Board, and Secretary/Treasurer. The Board of Directors may elect other officers and assistant officers if the Board of Directors deems it necessary or desirable to do so. The Board of Directors is required to elect the primary officers listed above. However, if the Board of Directors specifically authorizes an officer to appoint one (1) or more assistant officers, the officer may do so. Any two (2) offices except the offices of Chair of the Board and Secretary/Treasurer may be held by the same individual at the same time. In addition to the elected officers, the Board of Directors shall employ an Executive Director as provided in Section 6.8.

6.2 **Election and Term of Office.**

The Board of Directors shall elect officers of the Corporation for a term of one (1) calendar year. Each officer shall hold office until a successor is duly elected and qualified or until the officer resigns, dies or is removed as provided in Section 6.3.

6.3 **Removal of Officer.**

The Board of Directors may remove any officer at any time, with or without cause. The removal shall be without prejudice to the contract rights, if any, of the person removed. The election or appointment of any officer by the Board of Directors shall not of itself create contract rights.

6.4 **Resignation of Officer.** An officer may resign at any time by giving written notice to the Board of Directors, the Chair of the Board, or the Secretary/Treasurer of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board of Directors, Chair of the Board, or Secretary/Treasurer, and the acceptance of the resignation shall not be necessary to make it effective.

6.5 **Vacancy of Officer.**

Unless otherwise provided for above, all vacancies and newly created offices shall be filled by the Board of Directors at any meeting of the Board of Directors.

6.6 **Duties of the Officers.**

The duties and powers of the officers of the Corporation shall be as follows or as hereafter set forth in a resolution of the Board of Directors:

A. **Chair of the Board.** The Chair of the Board shall preside at all meetings of the Board of Directors and Membership. The Chair shall appoint Committee chairpersons and advisors and shall coordinate the work of Committee chairpersons and officers in order that the purposes of the Corporation be promoted.
B. **Vice Chair of the Board.** The Vice Chair of the Board shall assist the Chair of the Board and shall preside at meetings in the absence of the Chair of the Board.

C. **Secretary/Treasurer.** The Secretary/Treasurer, through the Executive Director or designee, shall be responsible to see that accurate and complete financial records are maintained. The Secretary/Treasurer shall also be responsible for the proper care of the minutes of the meetings of the Board of Directors, see that all notices are fully given in accordance with the provisions of these Bylaws or as required by law, and be the custodian of the corporate records.

6.7 **Compensation of Officers.**

Officers may receive reasonable salary or compensation as may be fixed by the Board of Directors.

6.8 **Executive Director.**

The Board of Directors shall employ an Executive Director, upon such terms and conditions are the Board of Directors deems proper, who shall be responsible for the day-to-day management of the Corporation, subject only to policies enacted by the Board of Directors. The Executive Director shall serve as an *ex officio* non-voting member of the Board of Directors and shall attend all Board of Directors meetings. The Executive Director shall act as the duly authorized representative of the Board of Directors in all matters except those in which the Board of Directors has formally designated another individual or group to act. The Executive Director shall be responsible for hiring and firing employees of the Corporation based upon the general guidelines prescribed by the Board of Directors. The Executive Director is directly accountable to the Board of Directors. In addition, the Executive Director may appoint one or more employees of the Corporation as Vice Executive Directors, who shall have the title of Vice Executive Director and perform the duties and exercise the powers of the Executive Director with respect to the SBA 504 Loan Program as specified in such employee's appointment, and perform such other duties as may, from time to time, be assigned to that Vice Executive Director by the Executive Director or, in the absence of the Executive Director, by the Board of Directors.

6.9 **General Standard of Conduct of Officers.**

An officer with discretionary authority shall discharge his or her duties in good faith, with the care that an ordinarily prudent person in a similar position would exercise under similar circumstances, and in a manner that the officer reasonably believes to be in the best interest of the Corporation. In discharging duties, an officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

1. One or more officers or employees of the Corporation whom the officer reasonably believes to be reliable and competent in the matters presented; or
(2) Attorneys, public accountants, or other persons as to matters that the
officer reasonably believes are within the person's professional or expert
competence.
An officer is not acting in good faith if the officer has knowledge concerning the matter
in question that makes reliance otherwise permitted unwarranted. An officer is not liable
to the Corporation or any other person for any action taken or not taken as an officer if
the officer acted in compliance with this Section.

7. CONTRACTS, LOANS, CHECKS AND DEPOSITS: SPECIAL CORPORATE
ACTS

7.1 Contracts.

The Board of Directors may authorize any officer or officers or agent or agents to
enter into any contract or execute or deliver any instruments in the name of and on behalf
of the Corporation and such authorization may be general or confined to specific
instruments.

7.2 Loans.

The Corporation shall not allow anyone to contract on behalf of it for
indebtedness for borrowed money unless the Board of Directors authorizes such a
contract by resolution. The Corporation shall not allow anyone to issue evidence of the
Corporation’s indebtedness unless the Board of Directors authorizes the issuance by
resolution. The authorization may be general or specific. The Corporation shall make no
loans to any Directors, Committee members, officers or employees.

7.3 Checks, Drafts, etc.

All bank accounts and deposit accounts shall be in the name of the Corporation,
and, unless specifically directed by the Board of Directors, such depositories may be
designated by the Executive Director of the Corporation. The Board of Directors shall
authorize by resolution which officers or agents may sign and issue all Corporation
checks, drafts or other orders for payment.

7.4 Investments.

The Corporation shall have the right to retain all or any part of any securities or
property acquired by it in whatever manner, and to invest and reinvest any funds held by
it, according to the judgment of the Board of Directors, without being restricted to the
class of investments which the Board of Directors is or may hereafter be permitted by law
to make or any similar restriction; provided, however, that no action shall be taken by or
on behalf of the Corporation if such action would result in the denial of the tax exemption
under Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now
exist or as they may hereafter be amended. The Board of Directors may delegate to the
Treasurer the day-to-day management of such investments as the Board of Directors may
authorize.
8. INDEMNIFICATION AND ADVANCE FOR EXPENSES

8.1 Mandatory Indemnification.

The Corporation shall indemnify a Director or former Director, who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he or she is or was a Director of the Corporation against reasonable expenses incurred by him or her in connection with the proceedings.

8.2 Permissible Indemnification.

The Corporation shall indemnify a Director or former Director made a party to a proceeding because he or she is or was a Director of the Corporation against liability incurred in the proceeding, if the determination to indemnify him or her has been made in the manner prescribed by the Act and payment has been authorized in the manner prescribed by the Act.

8.3 Advance for Expenses.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of (a) a written affirmation from the Director, officer, employee or agent of his or her good faith belief that he or she is entitled to indemnification as authorized in this Section 8, and (b) an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Corporation as authorized in this Section 8.

8.4 Indemnification of Officers, Agents and Employees.

An officer of the Corporation who is not a Director is entitled to mandatory indemnification under this Section 8 to the same extent as a Director. The Corporation may also indemnify and advance expenses to an employee or agent of the Corporation who is not a Director to the same extent as a Director or to any extent consistent with the Act and public policy that may be provided by the general or specific action of the Board of Directors or by contract.

8.5 Insurance.

The Corporation shall purchase and maintain insurance (a) to insure itself with respect to the indemnification payments it is authorized or obligated to make pursuant to this Section 8, and (b) on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise to insure against any liability asserted against person and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would
have the power to indemnify the person against such liability under the provisions of this Section 8.

9. **CONFLICT OF INTEREST.**

9.1 **Conflict of Interest.**

A Director shall disclose to the Board of Directors any material interest which the Director directly or indirectly has in any person or entity which is a party to a transaction under consideration by the Board of Directors in accordance with the Corporation's Rules of Conduct Conflict of Interest Policy attached as an Exhibit to these Bylaws. The interested Director shall abstain from voting on the transaction; provided, however, that the Director's presence may be counted in determining whether a quorum is present for purposes of Section 4.12 of these Bylaws.

9.2 **Approval of Conflict of Interest Transactions.**

A transaction in which a Director has a conflict of interest may be approved:

A. In advance by the vote of the Board of Directors or a Committee if: (i) the material facts of the transaction are disclosed or known to the Board of Directors or Committee and (ii) the Directors or Committee members approving the transaction in good faith reasonably believe that the transaction is fair to the Corporation; or

B. Before or after the transaction is consummated by obtaining approval of: (i) the attorney general of Montana; or (ii) a state district court in any action in which the attorney general is joined as a party.

10. **MEETINGS OF THE MEMBERSHIP.**

10.1 **Annual Meeting of the Membership.**

The Annual Meeting of the Membership shall be held between September 1 and October 31 of each year. The time, date and place of the Annual Meeting of the Membership will be designated by the Board of Directors. At the Annual Meeting, the Executive Director and chief financial officer shall report to the Membership on the activities and financial condition of the Corporation and the results of the Board of Directors election.

10.2 **Special Meetings.**

The Corporation may hold special meetings of the Membership at such place, date and time as designated by the Board of Directors.

10.3 **Notice of Meetings.**

Notice of Membership meetings shall be given to each Member by electronic mail sent to the Member's e-mail address on record with the Corporation by the
Secretary/Treasurer not less than thirty (30) days or more than sixty (60) days in advance of the meeting date, stating the place, date, time and purpose of the meeting. Notice of a special meeting of the Membership shall include a description of the matter or matters from which the meeting is called.

A Member may waive notice of a Membership meeting before or after the date and time stated in the notice. The waiver must be in writing, be signed by the Member entitled to the notice, and be delivered to the Corporation for inclusion in the minutes or filing with the corporate records. A Member's attendance at a Membership meeting (a) waives objection to lack of notice or defective notice of the meeting unless the Member, at the beginning of the meeting, objects to holding the meeting or transacting business at the meeting, and (b) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice unless the Member objects to considering the matter when it is presented.

10.4 Quorum.

A quorum shall consist of fifty-one percent (51%) of the Class A Members current on the payment of dues and in good standing, present at the meeting in person or by electronic ballot/proxy, and the quorum must be present to transact business at the meeting.

10.5 Majority Vote.

Class A Members shall only have the right to vote for the election of Directors to the Board of Directors. An affirmative vote of the majority of the votes cast in person or by electronic ballot/proxy shall be required for the election of Directors to the Board of Directors. In the event of a tie vote, the Executive Director will cast the deciding vote.

11. MISCELLANEOUS

11.1 Books and Records.

The Corporation shall keep correct and complete books and records of accounts and shall keep minutes of the proceedings of the Board of Directors and committees having any of the authority of the Board of Directors. All books and records of the Corporation may be inspected by any Director, or his or her agent or attorney, for any proper purpose at any reasonable time at the main office of the Corporation.

11.2 Fiscal Year.

The fiscal year shall begin July 1 and end on June 30 each year, unless otherwise established by the Board of Directors.
11.3 **Amending Bylaws.**

The Bylaws of the Corporation may be amended or repealed by majority vote of the entire Board of Directors as is necessary or appropriate to carry out the purposes of the Corporation to the fullest extent permitted by law. No such amendment or repeal shall in any way conflict with the purposes of the Corporation as stated in its Articles of Incorporation or otherwise cause the Corporation to lose its qualification as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time.

12. **DISSOLUTION**

12.1 **Dissolution.**

Upon dissolution of the Corporation, the Board of Directors shall, after paying or providing for payment of all the liabilities of the Corporation, distribute all the remaining assets of the Corporation exclusively for the purposes of the Corporation and the purposes set forth in Section 501(c)(3) of the Internal Revenue Code, as the same may be amended from time to time. Any assets not so distributed by the Board of Directors shall be transferred to the Big Sky Economic Development Authority exclusively for public purposes unless it is no longer an exempt political subdivision of the State of Montana, in which case all remaining assets shall be disposed of by the District Court of the county in which the principal office of the Corporation is then located, exclusively for the Corporation’s purposes or to an organization or organizations organized and operated for the purposes as the Court shall determine.

**CERTIFICATE OF ADOPTION OF BYLAWS**

The undersigned hereby certifies that the above Bylaws of Big Sky Economic Development Corporation were duly adopted by unanimous vote of the Board of Directors during the meeting on ____________, 202017, and now constitute the Bylaws of the Corporation.

DATED: ____________, 202017.

____________________________________
Secretary/Treasurer
March 12, 2020 – Big Sky EDC Board Meeting

**SBA 504 Loan Requests**

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

1. **Daniels Gourmet Meats LLC (Daniels Properties, LLC)** – Request is for the purchase of an existing building for the operations of Daniels Gourmet Meats LLC, located in Bozeman, MT. Purchase is only for the existing land and building. The property is located at 520 W. Griffin Dr. Daniels Gourmet Meats currently leases a portion of this building. The purchase will allow them to expand their operations. Daniels Gourmet meats is owned 100% by Austin Daniels and was started in February 2017. It is a locally owned and operated artisan meat market featuring local beef, pork, poultry and lamb. They specialize in small batch artesian style products and charcuterie, along with doing game processing year-round. They offer retail and wholesale services.

   The total SBA debenture will be $459,000 on a 20-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position on the real property behind First Montana Bank out of Bozeman. There are projected to be six new jobs created as a result of this project. The project also meets a Public Policy goal for Rural Development.

2. **Fun and Fancy Free Learning Center, LLC (Wall Wilbert, LLP)** – Request is for the purchase of land, new construction and equipment/FF&E for the Fun and Fancy Free Learning Center located in Polson, MT. This is an existing daycare facility in Polson which serves this rural community as well as the reservation population. The business currently operates out of three separate buildings located throughout Polson. This new building will allow them to have all operations under one roof as well as take on more clients. They consistently have a sizable wait list. Lisa Wall-Wilbert and Alex Wilbert are 50/50 owners of the operating company and have been operating the daycare since 1998.

   The total SBA debenture will be $770,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position on the real and personal property behind Glacier Bank in Polson. Ten new jobs are expected to be created as a result of this expansion. A Public Policy goal for Rural Development will be achieved.
March 2020
Executive Director’s Report
to the Executive Committee & Board of Directors
(with Program-Level Highlights)

Strategic Priorities

1. Economic Diversity and Innovation—grow and diversify our economy through small business growth, entrepreneurship, fostering innovative business ideas, and maintaining a regional focus:

   a. ROCK31 – Connect Build Grow—See the SBDC/Rock 31 section of this report for more details. Board members, if you haven’t joined us yet for one of our One Million Cups meetings, please plug a meeting into your schedule. Wednesday, February 26th we had over 60 participants—all supporting and mentoring our entrepreneur presenters. This is all about building the entrepreneurship community. The weekly open-dialogue and support system for new entrepreneurs is every Wednesday at 9AM at Last Chance Cider House. Join us!

   We closed on the purchase of the Montana Bank Building on Friday, February 28th. Excellent job by our team (Becky and all). Now the real work begins as we move toward the opening of the new facility. We will be engaging our entrepreneur community and others in the design process for the ROCK31 space. That effort should begin April/May 2020, immediately following the selection of a project architect, which will be determined by an RFQ (request for proposal) process. The RFQ should go out mid-March.

   b. Coal Country Coalition—Next meeting of the Coalition will be March 11, 1:00 PM to 5:00 P.M. We will brief the Board on next steps.

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—The first meeting of the Billings Healthcare Education Advisory Committee, formed by MSUBs Chancellor Edelman, was held February 26th. Good meeting with healthcare industry leaders. The need for more nursing talent was certainly the theme—both nursing students and experienced/educated teachers.

   Meetings with RMC to follow to understand their response to workforce needs and new program opportunities.

   b. Business Healthcare Summit—February 27th we held the Business of Healthcare Summit. What a powerful event highlighting the impact of the healthcare industry in our community—620,000 population service area, growing fast and now over 30% of our economy. Melanie will share the highlights of the Summit and next steps with the Board. Tremendous effort by Melanie and her team. Thank you, Melanie!
c. 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. Mark your calendars for April 16th—the annual State of the Workforce Report and Better Off in Billings event. Stay tuned for more details.

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—We participated in a Work Session meeting with City Council to ask them to support the TEDD project (without the requirement for future annexation). Good discussion, but at the end Council voted to direct City staff to pursue an agreement with Lockwood Water and Sewer that would require property owners to sign a waiver of right to protest annexation. The vote was 6 to 5, but it is an unbinding vote. So, we will be asking City Council to reconsider this direction. We are working on a proposed letter from the County Commissioners to City Council. That letter should go out by the end of the week (March 6th). If Council is unwilling to reconsider, the property owners will likely pursue other options, without the City’s partnership.

b. Downtown Redevelopment-One Big Sky District—The Strategy Partners will meet again March 6th to update one another on our collective work on the downtown redevelopment plans. Do know that work continues on the elements of the plan that was developed during the One Big Sky District process—housing, convention center, innovation center, partnerships with key downtown and medical corridor interests, and legislation. We will brief the Board on further developments in this area later this month. We will also continue to build relationships with City Council so that there is a solid understanding of where this work is headed.

Work continues on other infrastructure needs in other parts of town where lacking infrastructure is a limiting factor in attracting new development. We’ ll coordinate a meeting with the TransTech team and City leadership very soon so that we can seize an opportunity that is ripe for development in that area.

c. Coulson Park Redevelopment and Entryways Now—The final draft Master Plan was presented at a public meeting February 4th. Now the plan goes to City Council for a Work Session discussion tonight (March 2nd). We are hopeful that Council will support moving the Master Plan forward to a formal City Council vote. We will brief the Board on the outcome of this meeting and the schedule for future Council meetings on this topic.

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—We did receive the CDBG Grant—$45,000, so work can begin on a plan/design/budget for the improvement of the Metra Park backside walkway, fence and landscaping project. That is exciting news.

The next meeting of the Committee is set for March 6, 2020, 11:45 A.M. to 1:00 P.M. at the City/County Planning Office, First Floor Conference Room.

f. Air Service—See Recruitment Section of this report for details.
g. **Next Generation of Economic and Community Development Tools (MEDA and Montana Chamber Foundation)**—This project is full steam ahead. We held meeting last week (Feb. 25-27) in Bozeman, Butte, Anaconda and Dillon. We are receiving outstanding input through these outreach meetings. The next set of meetings will be the week of March 16th in Kalispell and Helena, then on to Missoula the end of March. FYI—See the attached press release on this project for more details.

**Program Updates**

**BillingsWorks**
BillingsWorks is a member of the The Montana Youth Apprenticeship Partnership (MYAP) who visited with a CareerWise consultant in February as they begin to implement their grant toward advancing youth apprenticeships in healthcare and IT. MYAP is excited to be partnering with St. John’s for the first ever Nursing Youth Apprenticeship. Speaking of youth apprenticeships, February was the month our community’s first Apprentice Signing Day took place! The Northern Hotel hosted a fantastic press release party where their first ever culinary apprentice signed his work/education agreement in a partnership between The Northern, Dept. of Labor and Industry and School District 2. Additionally, BillingsWorks is partnering with the Billings Chamber, DBA and the Substance Abuse Connect Coalition and met this month to further investigate hosting an industry led “Wake Up Call” around methamphetamine use, workforce, and crime.

**PTAC**
Since August 1st, MT PTAC clients (all 7 locations statewide) have been successful in winning $124 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 $65 million!

BSED received its annual performance review for the MT PTAC from Defense Contract Management Agency (DCMA). The purpose of the review was to assess the quality of BSED’s performance pursuant to DLA’s terms and conditions for the cooperative agreement. All aspects of the report were positive. Jaime Como (DCMA reviewer) concluded the report with the following comment. “The Big Sky PTAC complies with the cooperative agreement’s terms and conditions. The PTAC makes an effort to go above and beyond the requirements and demonstrates an extraordinary commitment to the success of the program. The Government is receiving services as negotiated in the agreement. This cooperative agreement should be continued and could be an example for other PTACs in numerous areas.”

Please mark your calendars for MT PTAC GovMatch 2020. The event will held on May 27th in Billings. Buyers from over forty federal, state and local government agencies have been invited to discuss business opportunities with MT companies.

Stone Tree, LLC DBA: Laurel Power Systems was recently awarded a $48,250 contract from Indian Health Services for emergency generators. Since 2017, PTAC has assisted the business with its federal and state contracting efforts. Company managers have followed up with contacts from GovMatch 2019 and are actively pursuing opportunities.

**Community Development**

**Tax Abatements:**
The Community Development Team presented the annual report on Monday, February 3rd at City Council and the following Thursday to the County Commissioners at their Discussion Meeting. The Team also discussed a potential new tax abatement with Raw Machinery INC. regarding a possible expansion to their business with the Recruitment Team.
Yellowstone Fuels Reduction Program:
The Community Development Team partnered with the County DES Department and BLM to tour the emergency access routes in Emerald Hills; it is anticipated recently awarded funds will help to clear the emergency routes and thin vegetation and additional fuels. A contract was also drafted and sent to Advanced Arbor Care (AAC) to review; after AAC signs the contract it will be sent to Yellowstone County Commissioners to be fully executed. We hope to create a list of projects and begin projects in March of this year.

Brownfields Program:
Continued work providing Phase I and Phase II environmental site assessments. We continue to receive calls from interested property owners/buyers and provide knowledge of the Brownfield Program and its benefit to help encourage reuse, expansion, and redevelopment within the EBURD and DT TIF. As always, we could 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 final public community meeting was hosted on Tuesday, February 4th at the Senior Community Center at 360 N. 23rd Street from 4pm to 6pm. We had our largest turnout of the entire process and anticipated between 50-75 throughout the night. Team Member Klugman joined Our Montana on their weekly Community 7 show to expand outreach for Coulson Park. The Masterplan is set to be presented to Council Monday, March 2nd at the work session. We hope to have as much Board and community support as possible!

MSUB Science Building / Montana Coal Board:
CD Members Lehm and Klugman have submitted the first draw request of invoices and reporting required for the $500,000 Coal Board grant received. The first draw request was for $268,733.71. Klugman and Lehm continue to work with MSUB regarding the draw requests and reimbursement for the total $500,000 awarded, as well as make sure the required quarterly reports are submitted to Coal Board from MSUB.

Lockwood TEDD:
We conducted a property owner meeting on February 6. This meeting was well attended, with 23 attendees, including 13 property owner representatives. We reviewed the current discussions with the City of Billings regarding the extension of the Lockwood Water and Sewer District sewer boundary, advising that the issue is on the City Council February 18 work session agenda. Matt Corcoran of KLJ presented and answered questions on the feasibility and costs of a package wastewater system to serve this area. He also addressed the Montana Department of Transportation’s decision to use a 1-dimensional flood mapping model instead of 2-dimensional for their Bypass project. The 2-dimensional model is better for landowners as it would lower the base flood elevation, removing about 200 acres out of the floodplain and decreasing the amount of fill necessary in other areas. The information needed for the 2-dimensional mapping is available, but the process to gain FEMA’s approval of the model is expensive ($100,000 to $300,000) and time-consuming (around a year). He suggests that the County and property owners work together to get this model adopted despite the cost due its positive effects on land usage, land value, taxable value, and development costs.

On February 18, the Billings City Council considered the extension of the Lockwood Water and Sewer District sewer boundary to serve the TEDD area. Our position was that the City Council should allow the extension under the existing Wastewater Service Agreement between the City and LWSD, as allowed and
anticipated, without requiring the “Waivers of the Right to Protest Annexation” suggested by City staff. By a 6 – 5 vote, the Council instructed the City Staff to proceed with the extension WITH the Waivers as a condition – property owners would be required to sign the Waivers if and when they hook into the extended system.

MetraPark Beautification Project:
Tuesday, February 25th, Commissioners issued the Request for Proposals for a Concept Plan on the redevelopment of the MetraPark border with US Highway 87 on the west and south sides of that facility. The RFP was presented for review to the MetraPark Advisory Board at their January 28th meeting. It was presented to the Board of County Commissioners for review at their February 18th Discussion meeting. It was on their February 25th Regular meeting agenda for approval. Upon approval we will publish. We are also working with the Commissioners to set up a steering committee.

Space2Place:
The Space2Place grant applications are now open and due by March 5. We are working with Melanie and Marcell to promote the project throughout Yellowstone County.

Coal Country Coalition:
We have scheduled our next meeting for Wednesday, March 11 from Noon to 5:00 at our offices. Currently working to develop the agenda.

Laurel:
The Laurel Urban Renewal Agency held its meeting in January. 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.

Community Builders Training:
Dianne Lehm, Katy Easton, Monica Plecker, Kristi Drake, and Hannah Groves headed to Grand Junction, Colorado for three days of intense training, taking a deep dive into our community’s challenges and opportunities for growth with the Community Builder’s Building Better Places trainers. We learned great techniques, were reminded of tools we hadn’t used for a while and did the tough work to make an action plan to move forward. We felt energized and ready to share what we learned. Our team will continue to meet and move forward with the action items identified. Please reach out to any of the team to learn more and join in on the efforts.

Yellowstone County Local Emergency Planning Committee (LEPC):
As part of our role with the LEPC, we are working with two member agencies to gather letters of support for grant applications for State Homeland Security Grant funds. Yellowstone County and the regional HazMat Team are requesting funding of over $400K to upgrade and improve their equipment for emergency preparedness and disaster response.

SBDC | Rock31
Entrepreneurial Development Highlights
Noteworthy:
- The team hosted Headwaters Economic Development team from Butte. We provided tours of the Bank Building, Woods Power Grip, Sassy Biscuit, and several other businesses on March 3 & 4.
- Team members participated in BSTF’s Onboarded Process of WebBuy who is planning to create 17 new jobs in the next year; also Onboarded was Alpine Air who is planning to create 30 new jobs in the next year.
• 8 different businesses presented at One Million Cups this month. Average weekly attendance is currently at 60 people and continues to grow.

Team activity:
• The team provided 77 counseling sessions to 45 unique companies.
• The team partnered with Zoot to host a kitchen incubator tour and meetup at the west end ZE building to better understand the needs of our food entrepreneurs.
• Team members attended the Economic Outlook Seminar Training event presented by the BBER team on Feb 4th.
• 8 diverse business owners attended our monthly “Pre-Biz” workshop on February 13th.
• The team participated in (BSED) community Board meetings/Committees/Events.
• A team member attended a planning session and the College Trustee Event at Rocky Mountain College.
• Team members had 5 minutes to update the Board of Directors on Success Stories and accomplishments of the SBDC and Rock31 at the February board meeting.
• Team members attended the full day Staff Planning on Feb 20th.
• Staff appreciation day was held on Feb 21st. The day started with breakfast at Sophies, visiting the Billings Zoo, and the afternoon was PTO.
• The team attended the team outreach visit at Family Services on Feb 24th.
• “Building Your Brand” with Allyn Hulteng was held on Feb 25th – 2nd of 12 workshops in the Entrepreneurial Academy Series.
• QuickBooks Training was sponsored by SCORE and SBDC Feb 25-27th.
• The team attended the Healthcare Summit at the Northern Hotel on Feb 27th.

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
• Leadership Billings meets monthly throughout the year

Member Investor
The 2020 Business Healthcare Summit on February 27th was a great success. We had a full day including the 2020 Economic Impact of Healthcare, a report on the community health assessment, a CEO panel including the new CEO from Billings Clinic, Scott Ellner, two CEO’s from major med-tech companies, the two provosts from MSUB/Rocky, recruiters from our leading health organizations and a report from the Urban Indian Health and Wellness Center. Whew… The over 125 participants spent the day learning and participating in how we can help leverage and grow our evolving healthcare sector. At the end of the day four groups formed to implement “action plan” for ideas coming from the summit. We will keep you updated with their progress throughout the year.
The BSED Board Challenge to secure 30 new board members by the April board meeting is still rolling. We had over 10 meetings and secured three new investors in February. March will be the final month and we are on track to meet our goal.
The marketing team is working on three key events coming this spring including SBDC Day and Early Stage MT Regional Showcase on March 18th, Better Off in Billings on April 16th and Economic Development week May 4-8.
Recruitment
Recruitment has been focused on supporting a few different expanding business with the BSTF deadline approaching. Also, we have received two leads this past month, one for a chemical distributor and the other a large manufacturer. The chemical company was a direct conversation with the CEO who is visiting Montana in a few months and may add time in Billings. The manufacturer lead is through a site selection group and required specific properties be submitted. We had two properties to submit that were close to what was required.

VBOC
Training: 14 attendees
- Boots to Business at FE Warren AFB, Cheyenne, WY: 6 veteran and/or spouse attendees
- Pre-Biz Business Development Workshop at Big Sky Economic. Delivered in partnership with the SBDC- 8 attendees, including 2 veterans

Outreach highlights: 4 events w/ 56 attendees
- Commit Foundation Mentoring & Transition Workshop
- Wyoming Business Council
- Butte Local Development Corp.

Counseling—36 counseling sessions with 17 individual veteran or military spouse clients so far in February as they pursue small business opportunities. These efforts also included 11 referrals to resource partners throughout our region.

Big Sky Finance
February has been a fast and busy month for the Big Sky Finance team! SBA 504 loan activity is picking up...early months of the year always seem a bit slower. We received approval on one SBA 504 loan for a project in Bozeman. No loans were funded this month. However, we have presented numerous loan requests to loan committee. Three loans were approved for submission to SBA and one is pending.
Additionally, we have met with several prospects across the state and should see more projects coming to fruition.

Sherry and Jo Ann came to Billings for our staff planning and appreciation event. We were able get together as a team and strategize on growing the program and will continue to work on that. Finalized the Revolving Loan Fund collection procedures. Continue to work on servicing actions and providing our borrowers with their year-end loan information.

SBA 504 effective rates for February dropped significantly from the January rates. The 20-year effective rate for loans funded in February was 3.39%. The effective rate on the 25-year debenture for February was 3.46% and the effective rate for the 10-year debentures remained at 3.80%. These rates offered through the SBA 504 Loan program, provide borrowers with a great, fixed rate financing option for the acquisition of real property and/or equipment. We can also refinance existing commercial real estate debt!

Organizational/Policy Matters

1. Big Sky to Skypoint Project—On February 28th, we take ownership of the Montana National Bank building and will enter into the next phase of our project. The draft RFQ was submitted to the US EDA for review. They have returned with some revisions, which will be expedited, and then they will submit the RFQ draft to their legal counsel for review. They informed us that legal
review will take a couple weeks. As soon as the RFQ is approved, we will expedite its release and begin the Architect selection process.

One other item to note concerns a few of the current tenants of the building. They had business issues that impeded them from moving out by our closing date of February 28th. We were asked to allow them to stay an additional month to aid in their transition. As a result, we will carry three tenants until March 31st in addition to the Symphony, who will be staying until early Summer.

2. **2020 Board Planning and Stakeholder Survey** — The 2020 Impact Survey (Stakeholder Survey) results are in and we will present those findings to the Board on the March 12th Planning Session. We will also review hear from three “hot topic” panels on 1) City/County Priorities and Partnership; 2) What will it really take to retain and attract tech talent and companies; and 3) The missing ingredients to downtown redevelopment. With this input in hand, the Board will be asked to set the strategic priorities for BSED. It will be a busy, productive day.

3. **Structural Evaluation Project Under Succession Plan**—Work is pending — (Board participants include: Dana Pulis, Paul Neutgens, Steve Loveless., and Ken Lutton). Hope to kick off this effort as we move into our budget and staffing work.

4. **Build Grant Partnership**—We have coordinated a meeting with City and County officials (set for March 5th) to consider the options to partner and support a 2020 Build grant application. I’m hopeful this meeting will find a basis for cooperation, but the preliminary ideas being shared seems to suggest that parties have their minds made up about what should be in that Build Grant. I will brief the Board on the outcome of this meeting.

5. **NDQ Assessment Team**— The Committee’s work continues on an evaluation of the economic impacts realized by communities that have enacted non-discrimination ordinances. The goal of this work is to understand those impacts (qualitative and quantitative—if available). We are reaching out to Montana communities to understand their assessment of the impacts, and we are working to find models or other research via IEDC that can help us better understand the economic development ramifications of this issue. The Committee will meet again March 4th to review preliminary findings. Our goal is not to get in the middle of this issue, but to educate the process as it related to economic development.

Respectfully submitted,
March 4 and 12, 2020

Steve Arveschoug
Executive Director