

**Big Sky EDA/EDC
Executive Committee Agenda
July 7, 2021
7:30 A.M. to 9:15 A.M.
Yellowstone Conference Room**

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

Committee Members **EDC** –Ann Kosempa, Mac Fogelsong, Kim Jakub, Mike Seppala, Aaron Ramage
EDA –Paul Neutgens, Ken Lutton, Judi Powers, Dana Pulis, Riley Bennett

7:30 A.M.— Call to Order – Ann Kosempa, EDC Chair

Agenda Changes for Today's Meeting

Public Comments/Board Member and Staff Announcements

7:35 AM –REGULAR AGENDA

- I. Executive Director's Report- Steve** (Attachment A) (Info)
- Board Projects Review—"Let's Rock" Capital Campaign—Comm. Designation (Board Chairs Action)
 - Update: Montana College of Osteopathic Medicine (Info)
 - Public Safety Mill Levy Proposal (Handout) (Info/Action)
 - Strategic Priorities Road Show and/or Ex Comm Breakfast w/ ExD—Aug 4th Ex Committee Idea (Ann/Steve) (Info)
- II. Approval of EDA/EDC Exec. Comm. Minutes**
- June 2, 2021 Ex. Committee Meetings (Attachment B) (Action)
 - June 4th Special Ex. Committee Meeting (Attachment C) (Action)
- III. Approval of EDA/EDC Financials – Shanna**
- May 2021 EDA and EDC Financials (Attachment D) (Action)
 - Update-Budget/Mill Levy Hearing with Yellowstone County Commissioners (Info)
 - Anderson ZurMuehlen Audit Engagement (Info)
- IV. Program Directors' Updates**
- A. Operations--Becky
 - Big Sky to Sky Point Project Update—Becky (Info)
 - B. Recruitment/Business Outreach/ ED Policy Update—Allison (Info)
 - Opportunity Fund Committee Project/Recommendation (Attachment E) (Action)
 - Recruitment Project Update (Info)

Executive Session (As Needed)

Public Comment

Adjourn

Next Executive Committee Meeting – August 4, 2020 (7:30 A.M. to 9:15 A.M.) Big Sky Economic Development Board of Directors will make reasonable accommodations for known disabilities that may interfere with an individual's ability to participate. Persons requiring such accommodations should make their requests to Big Sky Economic Development as soon as possible before the meeting day. Please call Big Sky Economic Development at 256-6871.



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ATTACHMENT A

July 2021
Executive Director’s Report
to the Board of Directors
(with Program-Level Highlights)

Strategic Priorities (FY 2022)

I’m providing this listing of our FY 2022 Strategic Priorities as a point of reference for the Board and others. In future Executive Director Reports I will provide an update related to each of the five areas of priority. Details on the list of Objectives for each area will be found in the Program Updates section of this report. Our goal is to track progress with each of our Strategic Priorities over this next fiscal year.

1. Make Community Development Investments for a Measurable Impact to our Quality of Place

Objectives

- a. Advocate for a comprehensive approach/investment in Public Safety (Board and ED) (We will discuss the proposed mil levy at Executive Committee and Board meetings. Our support will be important. I have asked Dan Brooks with the Chamber to update us on the efforts behind success with this mill levy.)
- b. Incentivize downtown revitalization by identify and securing shovel-ready sites to spur new private investment
- c. Support the redevelopment of MetraPark, and associated private investment and entryway beautification (CD and MetraPark)
- d. Secure the \$250,000 match requirement for Phase I Coulson Park development, and advocate for a comprehensive approach to new parks and trails development (CD and ED)
- e. Support concept-development for a Native American cultural center (DC)

2. Invest in Essential Infrastructure That Directly Drives New Private Investment

Objectives

- a. Secure \$6.0 million to kickoff water and sewer infrastructure development in the TEDD (CD)
- b. Support the development of three new business/industry parks: Laurel at west interchange; HWY 3 Airport corridor; and I-90 south Frontage Road (RT, CD)
- c. Align our business recruitment efforts with these development and secure new private investment (RT)

3. Build Upon our Leadership Status as a Regional Healthcare HUB

Objectives

- a. Shepherd the development of the Montana College of Osteopathic Medicine from the permit process to opening (July 2023), propose and advocate clerkship and residency program development, and facilitate private sector partnership opportunities, including applied research and bioscience (ED and RT)
- b. Incentivize downtown redevelopment that complements and connects the medical corridor to downtown (RT, ED, CD)
- c. Partner with the MIST initiative to secure research and lab space for the attraction of bioscience companies (RT, ED)

Strategic Priorities, continued

4. Grow and Attract Innovative Companies

Objectives

- a. Complete the Rock31/BSED building to support a strong, growing entrepreneurship ecosystem and deliver BSED services (R31, DO, ED, Bd)
- b. Foster the growth of a talent pool (through effective partnerships) that aligns with the needs of innovate companies (BW, R31)
- c. Deploy a targeted business expansion and recruitment strategy to realize measurable job growth and investment in this sector (RT)

5. Develop, Retain and Attract the Next Generation of our Workforce

Objectives

- a. Facilitate business/education partnerships that serve to strengthen the alignment of workforce needs and workforce development efforts to meet current and future workforce needs (BW)
- b. Enhance our BOiB talent retention and attraction measures to support employers' efforts to recruit workforce (BW, BOiB)
- c. Advocate for the growth of key programs, enrollment, and capital investment at RMC and MSUB in partnership with college/university leadership/Board of regents/legislators (BW, ED)

Board of Directors' FY 2022 Projects

When approving the FY 2022 Strategic Priorities, the Board also approved the Board Projects for FY 2022. I've listed those below for your reference. We will ask and select Board members to lead these projects and we'll ask that the full Board be engaged in these Projects.

Details of that leadership/engagement will be discussed at the July Executive Committee and Board meetings. In like to our Strategic Priorities, we will be tracking our progress on these Board Projects throughout the fiscal year.

FY 2022 Board Projects

1. Raise \$250,000 toward the funding of Rock31/BSED Downtown Center for Entrepreneurship
2. Sustain and grow the Member Investor Program to 160 members by June 2022

Program Updates

Big Sky Finance

The following loan activity, all pertaining to the SBA 504 Loan program, has occurred in June:

SBA 504 Loan approvals: 1 loan for \$361,000
LC 504 loan presentations: 2 loans for \$1,564,000

We are currently underwriting several SBA 504 loans and responding to inquiries frequently. Jo Ann has remained busy with loan inquiries and most of the loan underwriting. Loan servicing has picked up as it is that time of the year where we begin to receive annual financials and confirm all property taxes are current. Johnna is handling these servicing items as well as other servicing items that come up. Brandon and Aaron are working on a number of loan closings.

Brandon had in-person meetings with the following providing education on the SBA 504 Loan program.

- FIB Commercial Market team
- NAI Business Properties
- Various other one-on-one meetings with commercial lenders.

Aaron represented Big Sky Finance at the statewide MEDA event in Helena.

Contact us anytime if you would like us to present on the SBA 504 Loan program to your team or group.

Interest rates on SBA 504 loans continue to remain low and competitive, providing a great opportunity for long-term, fixed rate financing. The effective rates for loans funded in June dropped from the previous month and were:

- 25-year debenture = 2.89%.
- 20-year debenture = 2.77%
- 10-year debenture = 2.62%.

The SBA 504 Loan program is an excellent financing option for a small business looking to acquire commercial real estate and/or equipment! This can be for straight purchase, new construction, or debt refinance! Rates are fixed for the term of the loan! Contact Brandon or Jo Ann with any questions.

VBOC

*Big news for us was Ryan Luchau starting at end of May as our new Training Manager/Business Advisor.

Training: 47 attendees at 4 events in the month of June

- In Person Boots to Business at Hill AFB, Utah - 17 attendees. Delivered in partnership with Utah Women's Business Center and Utah Veterans Business Resource Center
- Virtual Boots to Business at Malmstrom AFB, MT – 12 attendees.
- Montana Veterans Startup Roadmap –8 attendees, including 1 Montana veteran - In partnership with Billings SBDC/Rock 31.

Training goal 1 is 100% B2B coverage: **GOAL MET**

Goal 2 is 5 non B2B training events with >29 attendees per quarter. **GOAL MET** We have completed 4 events with 33 attendees so far with 1 month still left in the quarter.

Outreach highlights: 13 meetings w/ 119 attendees. Our goal is 30 outreach meetings per quarter. A little below goal but this is due to the fact that Ryan has only been at the job for a little over a month. No question this will increase in the future.

Counseling – 45 counseling sessions with 19 veteran or military spouse clients in the last month. Goal is 41 sessions per month- **GOAL Met.** Other counseling goals:

1. ≥150 referrals to local resource partners in the year: Currently at 25 referrals after just month 2 of the new program year.
2. 100% of new veteran e-center sign ups each month have at least 1 counseling session: Current rate is 72% as we wait for contact with 7 clients.

Marketing/BillingsWorks

Marketing

- Assisting PTAC with marketing efforts for GovMatch (Virtual) 2021
- Assisting Rock31 with marketing the Edge of the Plains documentary
- Setting the project lists/retainers with external marketing agencies for FY22
- Continuing to provide support to programs marketing needs

BillingsWorks

- Met with SD2 Greg Upham and Bo Bruinsma about fostering career pathways
- Kicked off the 2021 Summer Intern Leadership Institute on June 15th (15 interns)
- Spent a week working with Kinetic filming the 3 BOIB talent attraction videos. These videos will Billings status as regional healthcare hub, the lifestyle, and work-life in Billings (B-roll will continue throughout the summer to highlight a few major Billings events)

Community Development

| | |
|-----------------------------------|-------------|
| Project Funding Received YTD | \$2,037,000 |
| Coulson Park Funding Received YTD | \$60,500 |
| Project Funding Requests YTD | \$2,132,000 |
| Assisted on Funding Requests YTD | \$1,400,000 |
| Brownfield Assessments YTD | 5 |

Staff and Hiring:

We are excited to welcome Steve Simonson to the Community Development Team on July 1st.

US EDA Revolving Loan Fund Grant

The internal team continues working with the US EDA in completing the startup documents.

Tax Abatements:

The Community Development Team is working with a solar energy company on a tax abatement request in Yellowstone County.

Yellowstone Fuels Reduction Program:

The CD Team has continued communication with the Yellowstone County Team and has meet with new BLM representative Wald.

Brownfields Program:

Two large projects within the EBURD have been initiated. One project is moving forward with a Sampling and Analysis Plan.

Coulson Park:

We continue to work to match the \$250,000 challenge grant. BSED Team has met with multiple stakeholders and community leaders regarding the challenge grant and continues to follow up on the

requests. We staffed a booth promoting Coulson Park at the Centennial Park Grand Opening on June 5th from noon – 3pm.

MSUB Science Building / Montana Coal Board:

We continue to work with MSUB to allocate the final 5% (\$10k) after final construction. MSUB is planning a ribbon cutting ceremony on September 1st. The quarterly report for the project has been submitted to the Coal Board.

Housing:

The local group outlined goals and objectives for conducting a housing summit that will coincide with the regional housing study being completed for Beartooth RC&D.

Lockwood Targeted Economic Development District (TEDD):

Twenty-nine of thirty-three properties in the Lockwood TEDD have joined the Lockwood Water and Sewer District. The First Amendment to the Wastewater Service Agreement has been finalized and signed by all parties. Our focus now shifts to extending infrastructure to the area and recruiting businesses to locate there.

KLJ is nearing completion of their work, in partnership with Morrison Maierle, on preliminary engineering which expands on water and sewer engineering in the existing Infrastructure Master Plan. This will serve as a basis for the final design of the water and sewer mains. They will determine expected flow rates and study alternatives for connection to the LWSD existing system.

Yellowstone County issued a Request for Qualifications for completion of final design and construction documents for the infrastructure improvements needed in the TEDD. KLJ and Morrison Maierle partnered to produce a proposal. The Yellowstone County commissioners will vote on whether to work with that proposal at their June 29th meeting.

MetraPark Beautification Project:

Sanderson Stewart has completed the final plan for this project. The Yellowstone County Commissioners approved the concept plan at their June 1 meeting. We are waiting on some additional invoices and information from Sanderson Stewart. Upon receipt, we will be able to close out the CDBG Planning Grant with the Department of Commerce.

MetraPark Master Plan Project:

We are serving on two working groups of the MetraPark Master Plan Steering Committee and providing resources and input into the final plan design. Our Board has provided resources toward the education and outreach components related to the Master Plan.

Space2Place:

Several of the seven projects funded through our Space2Place program have made progress. Tyson Middle and the Underground Culture Krew have completed work on the Skate Park Mural. This project transformed that area and exploded on social media, with some posts garnering 70,000 views. The Southside Task Force and Elyssa Leininger have begun work on their underpass murals. The Yellowstone Valley Animal Shelter has chosen a design for their project. The Broadview Community Center is nearing completion on their outdoor seating area.

Disaster Recovery:

The Economic Response and Recovery Team has paused its bi-weekly meetings, but we will continue to monitor recovery of our local economy as well as the public health situation. We are also monitoring relief funds available from the American Rescue Plan Act (ARPA) and the progress of the infrastructure bill being considered by Congress to determine where those funds may align with the needs of our community.

BRC&D Response and Recovery Funding:

Our organization's work continues to include providing training, business services to impacted businesses, and industry research across the Beartooth RC&D region.

Laurel:

We met with Laurel Leadership on projects and planning efforts in Laurel related to the 1-90 west Laurel Interchange including infrastructure development and local economic development efforts. We attended the LURA meeting and provided information on the upcoming ARPA funding deadline.

SBDC | Rock31

Noteworthy:

- The SBDC Advisory Council met for a bi-annual meeting. Members were encouraged to increase their involvement by using their expertise as a referral, to answer questions, mentor, or facilitate training.
- The team met with the Downtown Business Alliance team to discuss a partnership for the Battle of the Plans business plan competition. The SBDC will provide help with business plan templates, financial projections, and can review the plans.
- Rock31 Co-working Space Roles and Responsibilities meeting was held.
- A team member is working on Early-Stage MT, FounderTrac, Billings Tech Founders

Team Activity:

- Team members attended the Chamber Ag tour and network reception.
- A team member scouted out Co-working spaces in Bozeman.
- Team members attended Better off in Billings filming at Harper & Madison.
- The team attended Demo Day at the New Building
- A team member attended the MEDA Conference in Helena
- The Edge of the Plains meets every Friday to check on progress of the project.
- Rock31 Book club - the team finished the book "The Startup Community Way."
- A team member meets with the Founder on Wed's in the Yellowstone Room
- Team members attended One Million Cups at Last Chance Pub on Wed's.
- The team provided trainings in the Entrepreneurial Academy series.
 - Plan Your Website for Online Success Training – June 8
 - Hire Lab – Boss Like a Boss – June 16
 - Start-up Roadmap, monthly recurring training for all start-ups - June 17
 - Business Model Canvas workshop to help businesses identify their customers, relationships, value proposition, channels, key activities, key resources, key partners, cost structure and revenue streams – June 24
 - QuickBooks Training for Beginners - June 29
 - QuickBooks Training for Intermediate – June 30

PTAC

Since August 1st, MT companies that have been assisted by one of our six PTAC locations have secured **\$129,580,697** in federal, state and local contracts. Of that, contracts valued at **\$48,961,780** were

awarded to PTAC clients/companies in our region. 44 agencies and 3 federal prime contractors have committed to participating in GovMatch 2021 so far. A few more are pending. The CDC, NIH, FEMA, DOJ, DLA Sandia National Laboratories, U.S. Naval Facilities Engineering Command and DPHHS are a few federal agencies that are new to the event this year. Boeing, Lockheed Martin and Pratt and Whitney (division of Raytheon Technologies) have also committed. Montana companies will be able to schedule one on one appointments with agencies to get acquainted and discuss business opportunities The event is VIRTUAL and will be held on Tuesday, July 27th. Go to www.ptacgovmatch.com for more information and to see a complete list of participating agencies.

Recruitment/Outreach

Work still continues in Helena to deploy the dollars from the American Rescue Plan. The Infrastructure Commission that has been established oversees two grant programs for water and sewer infrastructure. Those applications are due July 15th.

Again, on the subject of ARPA, the Economic Transformation Commission will be meeting on July 21st. The Department of Ag had proposed the use of \$50M for a grant program aimed at valued-added processing in our state. Unfortunately, this proposal appears to be at risk since there is belief it may not comply with federal guidelines. This will hopefully be resolved come the meeting on the 21st.

In Recruitment, we are working to address infrastructure needs with two manufacturing companies and have several business expansion projects in the pipeline.

In the past month, we have made ~20 outreach calls to area businesses to gain insight into their industry and operation, as well as to determine where BSED may be able to plug in to address any hurdles. No prizes for guessing that lack of available workforce is the most common issue facing our local businesses.

Organizational/Policy Matters

1. Leadership Team Model Development and Staffing Decisions – I have pulled together (on an ad hoc basis for planning purposes) a 6-position leadership team (LT). That LT is made up of the Director of Recruitment, Director of Community Development, Director of Operations, Controller, Director of Marketing/Communications, and the Director of Business Growth Services. The role of Business Growth Services Director is the new position I intend to add to the organization. However, I will hold filling that position until after I have considered other staffing needs and combinations of responsibilities. In the interim, I have asked Kevin Scharfe (Rock31 Director) to fill this role on our Leadership Team as we define roles and responsibilities and functional practices of that team. Important work for the future of our organization.

We have executed a contract with Melanie to provide services related to the building of our Member Investor Program and the capital campaign work for Rock31, with the Board. Melanie will be very helpful with both projects and will help us transition to new leadership in that role over the next 6 months.

Steve Simonson has joined our Community Development team filling the vacant position.

2. Expanding Medical Education in Montana— RVU received accreditation, as you know, and the construction of the Montana College of Osteopathic Medicine (MCOM) is now underway. Stay tuned for details/dates on a groundbreaking ceremony. MCOM is forming an Advisory Council

made up of healthcare, community, and business leaders from throughout Montana. Relationship building throughout the community continues as well. This is an exciting opportunity for our community!!

3. Big Sky to SkyPoint Project –Demo Day took place June 22nd kicking off the start of the project. Great event and now the project begins. Project management meetings continue throughout the project, with a target completion date of May 1. As noted above, we still have fundraising work to do with the Board’s help.

**Respectfully submitted,
July 7 & 8, 2021**

A handwritten signature in black ink, appearing to read 'SA', with a long horizontal line extending to the right.

**Steve Arveschoug
Executive Director**



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT B

Big Sky EDA/EDC Joint Executive Committee Meeting Minutes
June 2nd, 2021 – 7:30 A.M. to 9:15 A.M.
Yellowstone Conference Room

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

Committee Members Present: **EDA** – Ken Lutton, Riley Bennett, Judi Powers
 EDC – Aaron Ramage, Ann Kosempa, Mac Fogelsong, Kim Jakub

Committee Members Absent: **EDA** – Dana Pulis, Paul Neutgens
 EDC – Mike Seppala

Staff and Others Present: Melanie Schwarz, Deanna Langman, Kevin Scharfe, Steve Arveschoug, Austin Trunkle, Becky Rogers, Marcell Bruski, Shanna Zier, Thom MacLean, Kayla Vokral, Brandon Berger, Dianne Lehm, Eric Simonsen

Call to Order:
Ann Kosempa, EDC Chair, called the meeting to order at 7:30 A.M.

Agenda Changes for Today's Meeting:
None

Public Comment/Introductions
None

Executive Director's Report – Steve

Review Final Draft Strategic Priorities and Board Project Recommendations

Steve began by reviewing the handout provided to the Committee which is the final draft of BSED's strategic priorities. Steve asked the Committee to consider the five areas that are outlined which include investment in quality of place, investment in essential infrastructure, building upon leadership status as a regional healthcare hub, growing and attracting innovative partners, and retaining, developing, and attracting the next generation of workforce.

Steve then went on to propose a few measurable projects that the Board would be able to engage in to move the mission of BSED forward. Riley asked how many Member Investors we currently have. That number as of today is 131. Judi went on to say that she thinks this is a thoughtful approach to achieve a focused direction. It also allows for our Board Members to engage in an area of interest. Discussion continued on Board engagement and the structure of our meetings.

Aaron asked how the Board would go about raising dollars for the new BSED building project. Conversation continued about project funding and where we stand today with that effort.

Riley proposed condensing the 4th and 5th priorities with the rationale that growing our local companies will help to achieve the objectives laid out in the 5th priority of attracting and retaining talent. The Committee offered their thoughts about how these two priorities dovetail with one another. Kim offered some thoughts about how trainings related to building a welcoming and diverse community may help achieve the objectives listed in the document.

Motion: Riley Bennett to forward to the Board, the draft Strategic Priorities, as presented to the Executive Committee.
Second: Judi Powers
Discussion: Above
Motion: Carried

RVU Update

Steve noted that the RVU team visited Billings a couple of weeks ago and engaged with local leaders both in the public and private sector to discuss the Center for Translational Medicine and Montana's Bio Science Alliance. Steve also said there is no date set for a groundbreaking ceremony but is hopeful it will occur sometime in the next month or so.

Melanie elaborated on the aspirations to buildout lab space and a strong bio science sector in our community. Individuals met with the RVU leadership at Zoot Enterprises to further this discussion.

Staffing Plan Update

Steve reviewed the changes to our staffing plan which includes elevating Marcell to the role of Marketing Director and the hiring of our intern, Karli, who is our new marketing specialist. Steve also noted that our work with Butte Local development continues as we work to build capacity in the statewide PTAC program. Additionally, Steve explained more about his vision for the Senior Director position we will be looking to hire for in the coming months. Shanna will offer some more of these updates as she reviews the budget including how we could fund an additional loan underwriter position.

Approval of Meeting Minutes and Financials

Approval of the May 5th, 2021 EDA/EDC Executive Committee Minutes

Motion: Ken Lutton to approve the May 5th, Executive Committee Minutes, as presented to the Executive Committee.
Second: Riley Bennett
Discussion: None
Motion: Carried

Approval of April EDA/EDC Financials – Shanna

On the EDA balance sheet, Shanna noted that current assets decreased slightly at the end April and accounts receivable had increased slightly. Total fixed assets increased at the end of April. The increase in fixed assets from March to April is attributed to reclassifying professional fees related to the Big Sky to Sky Point project to Construction in Progress.

On the statement of revenue and expenses, revenue remains a bit over budget due to an increase in mill levy revenue and how we are recognizing grant dollars. Most expenses remain under budget through April. Salary and wages expense is under budget due to vacancy savings.

On the EDC balance sheet, current assets increased slightly from March to April. Accounts receivable consists of payments for the healthcare appreciation sponsorships and Member Investor pledges.

The RLF portfolio totaled \$377,000, the SSBCI portfolio totaled \$621,000, and the Stabilization Loan portfolio totaled \$103,000 at the end of April. As a reminder, we began amortizing the loans in the Stabilization Loan Portfolio in March.

On the statement of revenue and expenses, loan servicing revenue is slightly above budget and origination revenue is below budget due to pay-offs in the portfolio. Member investor revenue remains a bit below budget

due to timing. We completed the fourth quarter Member Investor invoicing in May. We also received coronavirus relief funds which were unbudgeted revenue. Most expenses remain close to or below budget. Professional fees consist of payments to our auditors, legal fees for the 504 program, and recruitment expenses. Sponsorship expense totaled \$12,000 and remains below budget through March. Travel/training expense remains under budget by about \$10,000 for the year.

Motion: Judi Powers to approve and forward to the Board, the April 2021 EDA/EDC Financials, as presented to the Executive Committee.
Second: Ken Lutton
Discussion: None
Motion: Carried

FY 22 Final Preliminary Budget Review – Shanna

Shanna reviewed the charts that were provided in the packet that show our revenue sources each year. Shanna broke each into the percentage of our overall revenue. Shanna then shared a few changes she has made to the expense assumptions in the first edition of the preliminary budget. Ken asked if the expenses for the Business Growth Services can be broken down further. Shanna elaborated on the carve-out that has been made for an additional underwriter for the Big Sky Finance program and the PTAC program.

Motion: Ken Lutton to approve and forward to the Board, the FY 2022 Preliminary Budget, as presented to the Executive Committee.
Second: Riley Bennett
Discussion: None
Motion: Carried

Program Directors/Leaders' Updates

BSTF Application – Lorene

Lorene presented three Big Sky Trust Fund Applications for this cycle. The first is Primitive Meat Processing, who are applying for \$25,000 for a planning grant. The second applicant is Zest in downtown Billings. Zest is looking to build a commercial kitchen to teach classes, provide test kitchen space, and to create a rentable incubator space where meal kits can be prepared. The planning grant is for \$10,000. The third applicant is the Montana Bio Science Alliance looking to study the seven largest communities in Montana to accelerate the growth of Bio-tech and STEM sectors in our communities. The planning grant is for \$25,000. Discussion continued about the planning grant for the Montana Bio Science Alliance.

Motion: Aaron Ramage to approve and forward to the Board, the Primitive Meats planning grant, as presented to the Executive Committee.
Second: Judi Powers
Discussion: There was discussion about what constitutes a boutique slaughter facility
Motion: Carried

Motion: Ken Lutton to approve and forward to the Board, the Zest planning grant, as presented to the Executive Committee.
Second: Aaron Ramage
Discussion: Steve asked Lorene if the SBDC is able to engage with Zest on this project. Lorene replied yes.
Motion: Carried

Motion: Riley Bennett to approve and forward to the Board, the Montana Bio Science Alliance planning grant, as presented to the Executive Committee.
Second: Judi Powers

Discussion: Aaron asked about the match component of this grant.

Motion: Carried

Operations: Big Sky to Sky Point Project – Becky

Becky noted that we finally have a signed contract. Becky will be meeting with the teams later today and will have more information after those meetings. Work still continues about closing the funding gap and the project management team will reconvene to begin working on construction. At next week's meeting, Becky will have more information for the group.

Nominating Committee – Ann Kosempa

The nominating committee is looking to fill a series of vacancies as some Board Members will be terming out. Sector focuses include, agriculture, our Native community, and rural partners such as Laurel.

Legislative Priorities Update – Austin

Austin reviewed BSED's legislative priorities and how the session ended with respect to the organization's goals. Austin also noted that work continues with deploying the ARPA dollars in Helena and that he, Allison, and Steve are already beginning outreach efforts to Legislators in anticipation of the 2023 session.

Executive Session: Will be held later this week to conduct Steve's performance review.

Public Comment:

Melanie noted that there will be continued vaccination clinics throughout town including at the upcoming Strawberry Festival.

Ken Lutton asked if there has been any conversations with our landlords regarding our current lease. Becky replied that we will be addressing that as a part of our next steps in the coming weeks.

Adjourn:

Ann Kosempa adjourned the meeting at 9:18am.

Next Meeting – July 7th, 2021



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT C

Big Sky EDA/EDC Special Executive Committee Meeting Minutes
June 4th, 2021 – 10:00AM - 11:00AM
Yellowstone Conference Room

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

Committee Members Present: **EDA** – Paul Neutgens, Judi Powers
 EDC – Ann Kosempa, Mike Seppala

Committee Members Absent: **EDA** – Dana Pulis, Ken Lutton, Riley Bennett,
 EDC – Mac Fogelsong, Kim Jakub, Aaron Ramage

Staff and Others Present: Steve Arveschoug, Becky Rogers, Austin Trunkle

Call to Order:
Ann Kosempa, EDC Chair, called the discussion to order at 10:04 A.M.

Agenda Changes for Today's Meeting:
None

Public Comment/Introductions
None

Committee Dialogue: A quorum not being present, the Executive Committee members decided to hold an informal discussion. The board chairs will submit a memo to the full Board summarizing Steve's performance evaluation and recommending he receive the standard salary adjustment of 2.5%, which exists in the budget.

Public Comment:
None



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ATTACHMENT D

Big Sky Economic Development Authority
Financial Report for the Executive Committee and Board of Directors
June 30, 2021

Included with this report is balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDA as of May 31, 2021. Also included is the statement of revenue and expenses through eleven months of FY21 as compared to budget.

Balance Sheet

Current assets increased slightly to about \$5,182,000 at the end of May from \$4,902,000 at the end of April. This increase is attributable to the increase in the Yellowstone County Cash Account with the collection of May property taxes. Accounts receivable increased from \$215,000 to \$275,000. The receivable consists of U.S. EDA (\$54,000), VBOC (\$43,000), PTAC (\$117,000), and SBDC (\$61,000).

Due To/Due From EDC totaled approximately \$53,000 at the end of May and consists of the May amount due from EDC. The tax levy receivable decreased to \$63,000 from \$502,000 with the collection of May property taxes. Protested tax receivable increased slightly and total \$6,500. An allowance totaling approximately \$6,500, or 100% of protested tax levy receivable is reflected to allow for potentially uncollectible protested tax levy. Total fixed assets totaled \$1,825,000 at the end of May.

Accounts payable totaled \$53,000 at the end of May. Accrued expenses total approximately \$98,000 and consist largely of salary/benefits accruals (\$73,000) and Space2Place Grant accruals (\$20,000). Deferred revenue totals \$53,000 and consists of \$50,000 conditional grant award amount from Beartooth RC&D and \$3,000 from MSU/City of Bozeman for PTAC support.

Statement of Revenue and Expenses

Revenue is about \$61,000 over budget through eleven months of the fiscal year. There are a few factors for this variance in revenue. Mill Levy Revenue increased to \$1,280,000 in May and is currently about \$60,000 over budget. As a reminder, when we budgeted for FY21, we took a conservative approach and budgeted for 3% in property tax protest. In addition, based on revenue recognition guidance, \$150,000 of the \$200,000 from the Beartooth RC&D CARES Act Grant was recognized immediately. The remaining \$50,000 will be recognized at the end of the next year following all conditions being satisfied (this amount is in deferred revenue).

Department of Defense (PTAC), VBOC, and EPA-Brownfields revenue amounts remain under budget due to actual expenses. SBA/MT Dept of Commerce (SBDC) revenue increased in April and May with the payment of some larger professional fee expenses related to the SBDC CARES Act funding. SBA/MT Dept of Commerce (SBDC) revenue is about \$30,000 over budget due to additional CARES Act funds received in FY21.

Most expenses remain under budget through May. Salary/wage expense totaled \$1,382,000 through May. This amount is about \$157,000 under budget due to vacancy savings. Professional fees total \$184,000 and are over budget based on expenses related to the SBDC CARES Act funding and costs associated with the virtual GovMatch event for PTAC. Travel/training expenses remain under budget and totaled approximately \$23,000. Travel/training expenses are about \$65,000 under budget through May.

Through eleven months of FY21 Big Sky EDA recognized revenue in-excess of expense totaling about \$630,000, which was approximately \$724,000 more than the budgeted amount. When excluding the non-operating income/expenses (interest income, U.S. EDA reimbursement, professional fees related to the Big Sky to Sky Point project, and depreciation expense), Big Sky EDA recognized revenue in-excess of expense of about \$544,000, which is about \$477,000 more than budgeted.

Big Sky EDA
Comparative Balance Sheet
As of May 31, 2021 and 2020

| | 5/31/2021 | 5/31/2020 | +/- | 6/30/2020 | +/- |
|--|------------------|------------------|--------------------|------------------|------------------|
| Assets | | | | | |
| First Interstate Bank | \$206,833 | \$146,348 | \$60,484 | \$164,986 | \$41,847 |
| FIB-Recovered Property Taxes | 177,795 | 148,202 | 29,593 | 148,202 | 29,593 |
| FIB-Operating Reserve | 301,041 | | 301,041 | | |
| Opportunity Fund-FIB | 319,788 | 16,226 | 303,562 | 16,169 | 303,619 |
| Opportunity Fund-Stockman | 64,994 | 3,619 | 61,375 | 44,519 | 20,475 |
| Opportunity Fund-Opportunity Bank | 624,698 | 620,930 | 3,768 | 621,300 | 3,399 |
| Stockman GE Maintenance | 15,128 | 15,128 | - | 15,128 | - |
| Rocky Mountain Bank Money Market | 493,246 | 492,803 | 443 | 492,843 | 402 |
| Opportunity Fund - CDs (current) | 2,404,870 | 276,727 | 2,128,144 | 2,404,278 | 593 |
| Altana Savings | 25 | - | 25 | | |
| Yellowstone County Funds | 573,254 | 558,251 | 15,003 | 535,969 | 37,285 |
| Total Current Assets | 5,181,672 | 2,278,234 | 2,903,438 | 4,443,392 | 738,279 |
| Other Assets | | | | | |
| Accounts Receivable | 275,151 | 398,283 | (123,132) | 680,373 | (405,222) |
| Grants Receivable | 100,000 | - | 100,000 | - | 100,000 |
| American Revenue Guarantee | 6,887 | 6,887 | - | 6,887 | - |
| Due To/Due From EDC | 53,416 | 103,555 | (50,139) | 57,548 | (4,132) |
| Tax Levy Receivable | 63,355 | 57,343 | 6,012 | 26,597 | 36,758 |
| Tax Levy Receivable - Protested | 6,585 | 21,479 | (14,895) | 21,479 | (14,895) |
| Allowance for Doubtful Accounts | (6,585) | (21,479) | 14,895 | (21,479) | 14,895 |
| Prepaid Expenses | 20,207 | 11,284 | 8,923 | 18,556 | 1,651 |
| Deposit | - | 1,390 | (1,390) | 1,390 | (1,390) |
| Undeposited Funds | - | - | - | - | - |
| Interest Receivable | - | 2,421 | (2,421) | 8,509 | (8,509) |
| Miscellaneous Receivable | - | - | - | - | - |
| Total Other Assets | 519,017 | 581,163 | (62,146) | 799,860 | (280,843) |
| Non-Current Assets | | | | | |
| Opportunity Fund - CDs (non-current) | 1,652,908 | 3,364,162 | (1,711,254) | 1,250,358 | 402,550 |
| Loans Receivable | - | 400,000 | (400,000) | 400,000 | (400,000) |
| TEDD Receivable | 13,650 | 34,100 | (20,450) | 34,100 | (20,450) |
| Cabela's Conduit | 4,984 | 318 | 4,666 | 9,649 | (4,665) |
| Deferred Outflow of Resources | 146,350 | 247,689 | (101,340) | 147,067 | (717) |
| Total Non-Current Assets | 1,817,892 | 4,046,270 | (2,228,378) | 1,841,173 | (23,282) |
| Fixed Assets | | | | | |
| Construction in Progress | 267,458 | - | - | | |
| Bank Building - Land | 272,000 | 272,000 | - | 272,000 | - |
| Bank Building - Building | 1,328,000 | 1,328,000 | - | 1,328,000 | - |
| Accumulated Depreciation | (42,564) | (8,513) | - | (11,350) | - |
| Total Fixed Assets | 1,824,893 | 1,591,487 | - | 1,588,650 | - |
| Total Assets | 9,343,473 | 8,497,154 | 846,320 | 8,673,075 | 670,398 |
| Liabilities & Equity | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | 52,917 | 263,665 | (210,747) | 51,901 | 1,017 |
| Accrued Expenses | 98,431 | 83,841 | 14,590 | 109,334 | (10,903) |
| Deferred Revenue | 53,333 | 7,915 | 14,000 | 1,598 | - |
| Payroll Liabilities | (443) | 783 | (1,226) | 355 | (798) |
| Compensated Absences | 149,403 | 147,540 | 1,863 | 170,250 | (20,847) |
| Total Current Liabilities | 353,642 | 503,744 | (150,102) | 333,438 | 20,204 |
| Long Term Liabilities | | | | | |
| Deferred inflow or Resources | 68,045 | 13,741 | 54,304 | 68,045 | - |
| Pension Liability | 825,316 | 884,804 | (59,488) | 825,316 | - |
| Total Long Term Liabilities | 893,361 | 898,545 | (5,184) | 893,361 | - |
| Current Year Excess of Revenue over Expenses | 650,911 | 1,321,713 | (670,802) | 1,673,125 | (1,022,214) |
| Balance at Beginning of Year | 7,445,559 | 5,773,151 | 1,672,408 | 5,773,151 | 1,672,408 |
| Net Assets | 8,096,470 | 7,094,865 | 1,001,606 | 7,446,276 | 650,194 |
| Total Liabilities & Equity | 9,343,473 | 8,497,154 | 846,321 | 8,673,075 | 670,398 |

Big Sky EDA
Statements of Operations
For the Periods Ending May 31, 2021

| | Month | | | YTD | | | Fiscal Year Projection | | |
|---|------------------|------------------|---------------|------------------|------------------|------------------|------------------------|------------------|------------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Year-end Projection | Budget | Variance |
| Operating Revenue | | | | | | | | | |
| County Taxes (Mill Levy Revenue) | \$18,455 | \$0 | \$18,455 | \$1,280,051 | \$1,220,100 | \$59,951 | \$1,280,051 | \$1,220,100 | \$59,951 |
| Entitlement | - | - | - | 179,497 | \$176,250 | 3,247 | 235,000 | \$235,000 | \$0 |
| Health Insurance Mill Levy | 7,950 | 9,922 | (1,972) | 90,630 | 107,314 | (16,684) | 98,580 | 117,236 | (18,656) |
| Recovery of Protested Taxes | - | - | - | 9 | - | 9 | 9 | - | 9 |
| Department of Defense | 38,000 | 45,868 | (7,868) | 433,313 | 504,553 | (71,240) | 473,313 | 550,421 | (77,108) |
| EDC Reimbursement | 48,169 | 48,251 | (82) | 507,425 | 530,761 | (23,336) | 554,623 | 579,012 | (24,389) |
| EPA-Brownfields | - | 10,833 | (10,833) | 41,867 | 121,667 | (79,799) | 59,288 | 132,500 | (73,212) |
| SBA/MT Dept of Commerce | 41,608 | 21,779 | 19,829 | 269,851 | 239,503 | 30,348 | 302,675 | 261,282 | 41,393 |
| SBDC Program Income | - | - | - | - | - | - | - | - | - |
| VBOC | 16,360 | 23,938 | (7,578) | 223,364 | 274,238 | (50,874) | 241,484 | 300,000 | (58,516) |
| Rents/Leases | - | - | - | 5,736 | 1,912 | 3,824 | 5,736 | 1,912 | 3,824 |
| Grant Administration | (7,030) | 292 | (7,322) | 27,673 | 3,208 | 24,464 | 27,673 | 3,500 | 24,173 |
| Beartooth RC&D CARES Act | - | - | - | 150,000 | - | 150,000 | 150,000 | - | 150,000 |
| Other Intergovernmental Revenue | 1,667 | - | 1,667 | 18,265 | - | 18,265 | 19,932 | - | 19,932 |
| Contribution Revenue | 5,000 | - | 5,000 | 5,000 | - | 5,000 | 5,000 | - | 5,000 |
| Miscellaneous Revenue | - | - | - | 10,000 | 1,950 | 8,050 | 10,000 | 1,950 | 8,050 |
| Total Revenue | 170,179 | 160,883 | 9,295 | 3,242,681 | 3,181,456 | 61,225 | 3,463,364 | 3,402,913 | 60,451 |
| Operating Expenses | | | | | | | | | |
| Salaries/Wages | 123,638 | 140,026 | (16,388) | 1,382,335 | 1,539,388 | (157,053) | 1,600,005 | 1,679,819 | (79,814) |
| Employer Contributions | 38,780 | 46,853 | (8,073) | 453,217 | 512,170 | (58,953) | 523,997 | 559,084 | (35,087) |
| BID Assessment | 1,890 | - | 1,890 | 3,780 | - | 3,780 | 3,780 | - | 3,780 |
| Contingency | - | 4,208 | (4,208) | - | 46,292 | (46,292) | 10,000 | 50,497 | (40,497) |
| Community Development Projects | 5,509 | 2,500 | 3,009 | 25,255 | 27,500 | (2,245) | 30,000 | 30,000 | - |
| Dues and Subscriptions | 2,352 | 3,337 | (985) | 64,538 | 61,980 | 2,558 | 72,642 | 64,643 | 7,999 |
| Event Expense | - | - | - | - | - | - | - | - | - |
| Insurance | 1,438 | 752 | 686 | 14,654 | 23,232 | (8,578) | 16,774 | 23,984 | (7,210) |
| Marketing - Departmental | 403 | 2,036 | (1,633) | 7,543 | 22,396 | (14,853) | 11,791 | 24,432 | (12,641) |
| Marketing - Organizational | 1,080 | 2,667 | (1,587) | 27,490 | 29,333 | (1,844) | 32,900 | 32,000 | 900 |
| Office Equipment | - | - | - | 1,125 | 6,500 | (5,375) | 6,665 | 6,500 | 165 |
| Office Expense | 308 | 1,597 | (1,289) | 20,186 | 21,692 | (1,506) | 24,211 | 23,289 | 922 |
| Professional Fees | 58,285 | 11,833 | 46,451 | 183,785 | 152,877 | 30,908 | 211,090 | 167,958 | 43,132 |
| Property Tax Protests | 784 | - | 784 | 14,687 | 37,350 | (22,663) | 14,687 | 37,350 | (22,663) |
| PTAC Satellite | 9,986 | 12,481 | (2,495) | 114,311 | 137,292 | (22,982) | 125,297 | 149,773 | (24,476) |
| PTAC Subcenter | 11,276 | 14,764 | (3,489) | 136,542 | 162,407 | (25,865) | 147,818 | 177,171 | (29,353) |
| Rent | 11,709 | 11,724 | (16) | 129,955 | 130,168 | (214) | 141,810 | 142,295 | (485) |
| Repairs | - | - | - | 933 | - | 933 | 933 | - | 933 |
| Sponsorships | 2,500 | - | 2,500 | 2,500 | - | 2,500 | 2,500 | 2,500 | - |
| Strategic Priorities | - | 1,250 | (1,250) | 10,000 | 13,750 | (3,750) | 10,000 | 15,000 | (5,000) |
| TEDD | - | - | - | 60 | 1,500 | (1,440) | 60 | 2,000 | (1,940) |
| Telecommunications | 4,786 | 5,161 | (375) | 51,914 | 56,773 | (4,859) | 56,813 | 61,933 | (5,120) |
| Travel/Training | 4,119 | 7,677 | (3,559) | 23,416 | 88,187 | (64,772) | 29,187 | 100,258 | (71,071) |
| Utilities | 1,049 | 2,000 | (951) | 15,218 | 22,000 | (6,782) | 16,602 | 24,000 | (7,398) |
| Miscellaneous | 1,076 | 1,748 | (673) | 14,835 | 21,574 | (6,739) | 16,184 | 23,200 | (7,016) |
| Total Operating Expenses | 280,967 | 272,617 | 8,350 | 2,698,276 | 3,114,362 | (416,086) | 3,105,743 | 3,397,686 | (291,943) |
| Net Operating Revenue | (110,789) | (111,734) | 945 | 544,405 | 67,094 | 477,311 | 357,621 | 5,227 | 352,394 |
| Non-Operating Income/Expense | | | | | | | | | |
| Interest Income | 317 | 1,687 | (1,370) | 10,009 | 18,560 | (8,551) | 20,000 | 20,247 | (247) |
| US EDA Reimbursement | 11,288 | 8,749 | 2,539 | 114,923 | 140,097 | (25,174) | 114,923 | 148,822 | (33,899) |
| Grant Revenue (GASB 68) | - | - | - | - | - | - | - | - | - |
| Architectural/Professional Fees | - | 17,498 | (17,498) | 8,038 | 288,242 | (280,204) | 8,038 | 302,492 | (294,455) |
| Pension Expense | - | - | - | - | - | - | - | - | - |
| Depreciation Expense | 2,838 | 2,838 | - | 31,214 | 31,214 | - | 34,052 | 34,051 | 1 |
| Total Non-operating Income/Expense | 8,768 | (9,900) | 18,668 | 85,681 | (160,799) | 246,479 | 92,834 | (167,474) | 260,308 |
| Net Revenue Over (Under) Expense | (102,020) | (121,633) | 19,613 | 630,086 | (93,705) | 723,790 | 450,455 | (162,247) | 612,702 |

Big Sky Economic Development Corporation
Financial Report for the Executive Committee and Board of Directors
June 30, 2021

Included with this report is the balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDC as of May 31, 2021. Also included is the statement of revenue and expenses through eleven months of FY21 as compared to budget.

Balance Sheet

Current assets totaled approximately \$2,000,000 at the end of May, a slight increase from \$1,949,000 at the end of April. Accounts receivable increased with the 4th quarter member investor invoicing and total \$104,250. Accounts receivable consist of Member Investor pledges for FY21 (\$96,250), and Member Investor pledges for FY20 (\$8,000). Accounts receivable have decreased to \$52,250 in June.

The RLF portfolio totaled \$372,000, the SSBCI portfolio totaled \$620,000, and the Stabilization Loan portfolio totaled \$99,000 at the end of May. As a reminder, we began amortizing the loans in the Stabilization Loan Portfolio in March.

Accounts payable totaled \$6,000 at the end of May. Deferred 504 revenue increased slightly from \$33,000 and totals \$34,000. Deferred 504 revenue will be recognized as loans fund. Due to/Due from EDA totaled approximately \$53,000 and represents the amount owed to EDA from EDC for May reimbursement.

Statement of Revenue and Expenses

The 504 loan servicing revenue is close to budget and totaled \$459,000 through May. The 504 loan origination revenue totaled \$63,000 through May, which is approximately \$67,000 below budget. The variance in 504 loan origination revenue is partially attributed to timing of budgeted revenue; however, we will end the fiscal year under budget in this revenue line item based on staffing for the Big Sky Finance team and the timing of future closings. Member investor revenue totaled approximately \$262,000 and is about \$73,000 over budget due to timing of the 4th quarter invoicing. We completed the fourth quarter member investor invoicing in May. This increased member investor revenue by approximately \$90,000.

We have recognized \$107,000 in grant revenue from the State of Montana Coronavirus Relief funds during the fiscal year. This was un-budgeted revenue, used to cover additional expenses associated with the different Coronavirus Relief grants. The restricted donations for the Coulson Park project are being tracked in a separate Coulson Park revenue account in the non-operating income section of the statement. Coulson Park donations total \$51,500 through May.

Most expenses remain close to or below budget. Dues and subscriptions total \$26,000 and are slightly over budget. EDA reimbursement remains below budget due to vacancy savings in Big Sky Finance. As discussed previously, a separate account was added to track expenses related to the Healthcare Appreciation event. Expenses related to this event totaled \$75,000. This unbudgeted event was funded by a combination of donations (Healthcare Appreciation Income) and funds from the Coronavirus Relief Funds. Marketing expenses are also slightly over budget due to expenses associated with the Coronavirus Relief Funds. Professional fees are slightly over budget and total \$59,000 through May. This consists of \$14,500 in expenses for Anderson ZurMuehlen's financial statement audit and 990 preparation, \$18,000 in legal fees related to the 504 loan program, \$17,000 in recruitment professional fees, \$5,500 for the loan review, and \$4,000 in consulting fees.

Through eleven months of FY21 Big Sky EDC recognized revenue in excess of expenses totaling about \$177,000, which was approximately \$209,000 more than the budgeted amount. When excluding the non-operating income/expenses (bad debt expense and Coulson Park donations), Big Sky EDC recognized revenue in-excess of expenses of about \$143,000, which is about \$164,000 more than budget for the year.

Big Sky EDC
Comparative Balance Sheet
As of May 31, 2021 and 2020

| | 5/31/2021 | 5/31/2020 | +/- | 6/30/2020 | +/- |
|--|------------------|------------------|-----------------|------------------|-----------------|
| Assets | | | | | |
| First Interstate Bank | \$342,002 | \$241,238 | \$100,764 | \$245,165 | \$96,837 |
| FIB/Stockman SSBCI Principal | 1,113,638 | 1,000,612 | 113,026 | 1,005,566 | 108,072 |
| FIB-Long Term Reserve | 250,000 | 250,000 | - | 250,000 | - |
| FIB-Opportunity Fund | 22,200 | 22,200 | - | 22,200 | - |
| FIB-RLF | 104,494 | 150,846 | (46,352) | 179,960 | (75,466) |
| FIB-OBSD Restricted | - | - | - | - | - |
| Accounts Receivable | 104,250 | 119,041 | (14,791) | 61,184 | 43,066 |
| Contributions Receivable | - | - | - | - | - |
| Miscellaneous Receivable | - | - | - | - | - |
| Prepaid Expenses | 7,471 | 5,776 | 1,695 | 8,276 | (805) |
| Undeposited Funds | - | - | - | - | - |
| Stabilization Portfolio - Current | 25,988 | 137,000 | (111,012) | 31,849 | (5,861) |
| RLF Portfolio-Current | 10,981 | 107,044 | (96,063) | 32,036 | (21,055) |
| SSBCI Portfolio-Current | 18,752 | 4,930 | 13,822 | 47,744 | (28,992) |
| Total Current Assets | 1,999,776 | 2,038,687 | (38,911) | 1,883,980 | 115,796 |
| Other Assets | | | | | |
| RLF Portfolio-Non Current | 360,741 | 231,049 | 129,692 | 278,314 | 82,427 |
| SSCBI Portfolio-Non Current | 601,210 | 647,513 | (46,303) | 601,615 | -404.91 |
| Stabilization Portfolio-Non Current | 73,258 | - | - | 105,151 | - |
| Allowance for Loan Losses | (21,934) | - | (21,934) | (21,934) | - |
| Total Other Assets | 1,013,275 | 878,562 | 134,713 | 963,146 | 82,022 |
| Fixed Assets | | | | | |
| Bank Building - Building | - | - | - | - | - |
| Bank Building - Land | - | - | - | - | - |
| Total Fixed Assets | - | - | - | - | - |
| Total Assets | 3,013,051 | 2,917,248 | 95,803 | 2,847,126 | 197,818 |
| Liabilities & Equity | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | 6,064 | 8,944 | (2,880) | 14,200 | (8,136) |
| Property Tax Payable | - | - | - | - | - |
| Accrued Expenses | 2,500 | 22,500 | (20,000) | - | 2,500 |
| Deferred 504 Revenue | 34,112 | 60,650 | (26,538) | 35,811 | (1,699) |
| Deferred Revenue | - | - | - | - | - |
| Due to/Due from EDA | 53,416 | 97,121 | (43,705) | 57,548 | (4,132) |
| Total Liabilities | 96,092 | 189,215 | (93,122) | 107,559 | (11,467) |
| Current Year Excess of Revenue over Expenses | 177,391 | (491,850) | 669,241 | (480,316) | 657,707 |
| Balance at Beginning of Year | 2,739,567 | 3,219,883 | (480,316) | 3,219,883 | (480,316) |
| Net Assets | 2,916,959 | 2,728,034 | 188,925 | 2,739,567 | 177,391 |
| Total Liabilities & Equity | 3,013,051 | 2,917,248 | 95,803 | 2,847,126 | 165,925 |

Big Sky EDC
Statements of Operations
For the Periods Ending May 31, 2021

| | Month | | | YTD | | | Fiscal Year Projection | | |
|---|----------------|-----------------|----------------|------------------|-----------------|----------------|------------------------|-----------------|----------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Year-end Projection | Budget | Variance |
| Operating Revenue | | | | | | | | | |
| 504 Loan Origination | 10,282 | \$5,455 | \$4,828 | 62,821 | \$129,546 | (\$66,724) | 62,821 | \$135,000 | (\$72,179) |
| 504 Loan Servicing | 36,299 | 40,500 | (4,201) | 458,874 | 459,000 | (126) | 495,070 | 499,500 | (4,430) |
| Float Income | 14,362 | - | 14,362 | 21,837 | - | 21,837 | 21,837 | - | 21,837 |
| CTE Director Donations (Restricted) | - | - | 0 | - | - | 0 | - | - | - |
| Member Investment | 90,500 | - | 90,500 | 262,375 | 189,750 | 72,625 | 262,375 | 253,000 | 9,375 |
| RLF Business Loan Interest | 2,000 | 1,417 | 584 | 18,121 | 15,583 | 2,538 | 20,146 | 17,000 | 3,146 |
| RLF Origination Fees | - | - | 0 | - | - | 0 | - | 5,000 | (5,000) |
| Stabilization Loan Interest | 171 | 417 | (245) | 2,254 | 4,583 | (2,330) | 2,419 | - | 2,419 |
| SSBCI Revenue | 1,734 | 1,500 | 234 | 17,571 | 16,500 | 1,071 | 19,169 | 18,000 | 1,169 |
| Recovery of Bad Debt | - | - | 0 | - | - | 0 | - | - | - |
| Coronavirus Relief Funds | - | - | 0 | 107,489 | - | 107,489 | 107,489 | - | 107,489 |
| Healthcare Appreciation Income | - | - | 0 | 33,273 | - | 33,273 | 33,273 | - | 33,273 |
| Interest Income | 1 | - | 1 | 8 | - | 8 | 8 | - | 8 |
| Donation Income | 11,040 | - | 11,040 | 11,040 | - | 11,040 | 11,040 | - | 11,040 |
| Miscellaneous Revenue | 4,785 | - | 4,785 | 17,421 | - | 17,421 | 17,421 | - | 17,421 |
| Total Revenue | 171,174 | 49,288 | 121,886 | 1,013,084 | 814,962 | 198,121 | 1,053,068 | 927,500 | 125,568 |
| Operating Expenses | | | | | | | | | |
| Business Incubation | - | 125 | (125) | 1,211 | 1,375 | (164) | 1,211 | 1,500 | (289) |
| Business Recruitment | 91 | 208 | (117) | 3,620 | 2,292 | 1,329 | 6,779 | 2,500 | 4,279 |
| Contingency | - | 1,667 | (1,667) | 4,000 | 18,333 | (14,333) | 4,000 | 20,000 | (16,000) |
| Contribution Expense | 5,000 | - | 5,000 | 5,000 | - | 5,000 | 5,000 | - | 5,000 |
| Dues and Subscriptions | 805 | 771 | 33 | 26,372 | 20,740 | 5,632 | 28,372 | 21,561 | 6,811 |
| EDA Reimbursement | 48,169 | 48,251 | (82) | 507,425 | 530,761 | (23,336) | 555,798 | 579,012 | (23,214) |
| Event Expense | 841 | 10,000 | (9,159) | 18,335 | 42,500 | (24,165) | 30,000 | 33,500 | (3,500) |
| Healthcare Appreciation | - | - | - | 74,590 | - | 74,590 | 74,590 | - | 74,590 |
| Insurance | 881 | 865 | 16 | 9,501 | 9,515 | (14) | 10,382 | 10,380 | 2 |
| Investment in Economic Activity | - | - | - | - | - | - | - | 5,000 | (5,000) |
| Marketing - Departmental | 1,057 | 1,958 | (901) | 26,405 | 21,942 | 4,464 | 27,941 | 23,900 | 4,041 |
| Marketing - Organizational | 413 | 1,292 | (878) | 41,992 | 14,208 | 27,783 | 44,297 | 15,500 | 28,797 |
| Membership Development | 353 | 700 | (347) | 1,384 | 7,700 | (6,316) | 1,884 | 8,400 | (6,516) |
| Office Supplies | 136 | 300 | (164) | 9,662 | 3,500 | 6,162 | 11,662 | 3,800 | 7,862 |
| Professional Fees | 2,500 | 2,583 | (83) | 58,907 | 44,917 | 13,990 | 61,882 | 67,500 | (5,618) |
| Postage and Printing | - | 75 | (75) | 675 | 825 | (150) | 725 | 900 | - |
| R31 Outreach | 56 | 117 | (62) | 641 | 2,185 | (1,544) | 697 | 2,300 | (1,603) |
| Rent | 2,465 | 2,661 | (196) | 28,017 | 28,968 | (950) | 30,235 | 31,629 | (1,394) |
| Sponsorships | - | 2,000 | (2,000) | 12,000 | 19,700 | (7,700) | 12,000 | 19,700 | (7,700) |
| Suspense | 50,028 | - | 50,028 | - | - | - | - | - | - |
| Telecommunications | 245 | 555 | (310) | 4,275 | 6,102 | (1,827) | 5,845 | 6,656 | (811) |
| Travel/Training | 974 | 1,113 | (139) | 14,686 | 24,748 | (10,062) | 15,739 | 27,505 | (11,766) |
| Miscellaneous | 1,909 | 2,032 | (123) | 21,494 | 35,352 | (13,857) | 21,695 | 39,884 | (18,189) |
| Total Operating Expenses | 115,923 | 77,273 | 38,650 | 870,192 | 835,661 | 34,531 | 950,734 | 921,127 | 29,782 |
| Net Revenue Over (Under) Expense | 55,251 | (27,985) | 83,236 | 142,891 | (20,699) | 163,590 | 102,334 | 6,373 | 95,786 |
| Non-Operating Income/Expense | | | | | | | | | |
| Non-Operating Income/Expense | | | | | | | | | |
| Coulson Park | - | - | - | 51,500 | - | 51,500 | 51,500 | - | 51,500 |
| BSTSP | - | - | - | - | - | - | 3,000 | - | 3,000 |
| Bad Debt Expense | - | 1,042 | (1,042) | 17,000 | 11,458 | 5,542 | 56,500 | 12,500 | 44,000 |
| Total Non-operating Income/Expense | - | (1,042) | 1,042 | 34,500 | (11,458) | 45,958 | (5,000) | (12,500) | 7,500 |
| Net Revenue Over (Under) Expense | 55,251 | (29,027) | 84,278 | 177,391 | (32,157) | 209,548 | 97,334 | (6,127) | 103,286 |



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT E

Opportunity Fund Request Summary

Job Creation: adding at least 50 jobs associated with the new manufacturing operations and expanded distribution; maintaining the existing 60 full-time jobs.

Company Project Investment: Approximately \$40 million

Total project gap cost: \$2,124,500

Project Summary:

Coca-Cola Bottling Company - High Country intends to build a new warehousing facility in Billings that has highway frontage and is nearer to their distribution network. They plan to bring production to Billings – currently all their product is trucked in from Bellevue, Bismarck, and Denver. In May, they received approval from Coca-Cola Headquarters to manufacture in Billings.

The company purchased land on Harnish Boulevard because it was the only parcel they could find in Billings that was large enough, provided critical highway frontage, ease of access, visibility, and was near utilities. The manufacturing operation needs both City water and sewer service. After several meetings with the City and agreeing on a possible route for the new infrastructure, it has been determined that the cost of the infrastructure extensions total just over two million dollars.

Their plan is to break ground in the first quarter of 2022 and begin manufacturing and distribution in January of 2024.

The below is our proposal to addresses these infrastructure challenges:

1. BSED will provide an up-front incentive of \$250,000 from the opportunity fund toward the infrastructure enhancements based on job creation (50 high paying jobs created)
2. The City Council will be reviewing a plan to provide \$250,000 toward the extensions and will pay the approximately \$198,205 in pipe upsizing related to the project.
3. We will be supporting a city/county a 10-year property tax abatement on the completed project.
4. Coca-Cola High Country and potentially other land-owners who will benefit in the area will pay for the remaining portion of the infrastructure investment.
5. BSED is pursuing options for a reimbursement agreement which would proportionately reimburse those who contributed upfront when additional hook-ups occur.

This project has been confidential but High Country is in front of the Billings City Council on July 6th, which will be the first time the project will be publicly discussed.