



Item: Resolution 10110 – A Resolution to Submit B/E Aerospace’s Application to the Big Sky Economic Development Trust Fund Program

From: Jennifer Reichelt, Deputy City Manager

Presented By: Jennifer Reichelt, Deputy City Manager

Action Requested: Adopt Resolution 10110 to Submit B/E Aerospace’s Application to the Big Sky Economic Development Trust Fund Program administered by the Department of Commerce, and designate the Great Falls Development Authority to manage all aspects of the grant.

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (adopt/deny) Resolution 10110.”

2. Mayor calls for a second, discussion, public comment, and calls the vote.

Staff Recommendation: City Commission adopt Resolution 10110 and submit an application, through the Great Falls Development Authority, to the Big Sky Economic Development Trust Fund (BSTF) Program, administered by the Department of Commerce.

Background: The BSTF program is designed to aid in the development of good paying jobs for residents and promote long-term, stable economic growth in Montana. It has two distinct methods for achieving this goal. The first is through job creation funding (Category I) which receives 75% of the program funding and the second is through planning projects (Category II) which receives 25% of the funding.

B/E Aerospace (B/E) is eligible for Category I funding. Category I includes grants or loans to assist businesses in creating net new eligible jobs that pays an average weekly wage that meets or exceeds the lesser of 170% of Montana's current minimum wage or the current average weekly wage of the county in which the employees are to be principally employed, including the value of employee benefits.

In order to apply for funding through the BSTF, one of the following entities must apply for the grant or loan (as well as administer awarded funds) on behalf of an eligible business:

- Incorporated city or town

- County
- Consolidated government
- Tribal government
- Public districts or local public entities with the authority to spend or receive public funds

In order for a business to be eligible to receive funding they must meet the following requirements:

- Create at least one (1) net new eligible job in Montana
- New job(s) must pay an average weekly wage that meets or exceeds the lesser of 170% of Montana's current minimum wage or the current average weekly wage of the county in which the employees are to be principally employed, including the value of employee benefits. If employee benefits are to be included in the calculation for the BSTF required wage rate, the assisted business will be required to certify that the benefits meet the requirements of the Employee Retirement Income Security Act of 1974.
- Demonstrate that the business expansion is financially feasible

The maximum grant or loan award is \$5,000 for each eligible new job created or \$7,500 for each eligible new job created in a high-poverty county. \$1 for every \$1 awarded (1:1); or \$1 for every \$2 awarded (1:2) match requirement for program awards in a high-poverty county.

Funds received through the Big Sky Trust Fund can be used for the reimbursement of expenses such as:

- Purchase of land, building or equipment for the direct use of the assisted business
- Lease rate reduction for lease of public or privately owned real property for the direct use of the assisted business
- Relocation costs incurred with moving the assisted business's physical assets to Montana
- Employee training

Biannual reports are due for each year the contract is open (2 year grant or loan awards), or with a request for reimbursement of grant or loan funds including certified payroll information documenting eligible job creation.

Applications are accepted throughout the year until all available funds are committed.

Purpose: EMTEQ began operating in Great Fall in June of 2012 and was purchased by B/E in the summer of 2014, at that time EMTEQ employed 84 individuals. Currently B/E has 121 regular full-time employees and 42 contractors.

B/E is the world's leading manufacturer of aircraft cabin interior products for both commercial airliners and business jets. B/E serves virtually all of the world's airlines, aircraft manufacturers and leasing companies through its direct global sales and customer support organizations. B/E manufactures aircraft cabin seating, lighting systems, oxygen systems, food and beverage preparation and storage equipment, galley system and modular lavatory systems.

B/E's major end users are HondaJet, Viking, Quest, Bombardier and Embraer. In less than a year of ownership B/E has invested over \$300,000 of new equipment in Great Falls.

B/E is submitting a BSTF application for \$330,750 with a match amount of \$360,177. The match funds can be separated into two categories. Purchases made to improve the HondaJet work area and the annual lease of their existing property.

The grant award will assist B/E in meeting the demand for the HondaJet program and beyond. It will also create 45 new jobs. The grant funds will be used to purchase a Cirrus CH2 test station and Spectrum Nova 840 wire marking and cutting machine.

This project will have a positive impact to the local, regional and state economy. When companies have the opportunity to expand, purchase new equipment and hire additional employees the local economy benefits and is diversified. Projects like this also can positively impact and benefit support industries and companies.

Fiscal Impact: Funding for the BSTF is provided through (MCA 90-1-2) House Bill 249, which was passed by the 59th Legislature, and on July 1, 2005, \$20 million was transferred from the Coal Severance Tax Permanent Fund to the Big Sky Economic Development Trust Fund. In addition, a portion of the total coal severance taxes is collected annually and deposited into the BSTF. Interest earnings only, not principal, from the BSTF are available for financial assistance to local governments and economic development organizations through application to the Department of Commerce. There is no fiscal impact to the City of Great Falls.

Concurrences: The Commission previously approved the EMTEQ grant application at its meeting on April 1, 2014. In a June 3, 2014, Department of Commerce letter, the Director acknowledged that EMTEQ was sold to B/E Aerospace, Inc. and indicated that the EMTEQ application would not be considered for funding by the Department "but rather the Department encourages the City to submit an application to assist B/E Aerospace, Inc."

Alternatives: The Commission could choose not to adopt Resolution 10110.

Attachments/Exhibits:

Resolution 10110

B/E Aerospace, Inc. BSTF Grant Application

Letter from Department of Commerce – dated June 3, 2014

RESOLUTION NO. 10110

A RESOLUTION BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA, RELATING TO B/E AEROSPACE'S, APPLICATION TO THE BIG SKY ECONOMIC DEVELOPMENT TRUST FUND PROGRAM ADMINISTERED BY THE STATE OF MONTANA DEPARTMENT OF COMMERCE, ON BEHALF OF THE GREAT FALLS DEVELOPMENT AUTHORITY

WHEREAS, the Great Falls Development Authority is committed to facilitating economic diversification in the City and the region; and

WHEREAS, the City Commission is committed to facilitating job creation and expansion, thus positively impacting the economy of the entire region; and

WHEREAS, B/E Aerospace desires to expand its business, purchase new equipment and create additional jobs in Great Falls; and

WHEREAS, the City Commission has determined that B/E Aerospace has growth potential and supports economic diversity; and

WHEREAS, the Montana Department of Commerce administers the Big Sky Economic Development Trust Fund Category I job creation program, which is a state-funded program to create good paying jobs for Montana residents, promote long-term, stable economic growth in Montana, create partnerships, expand existing businesses and provide a better life for future generations through greater economic growth and prosperity in Montana; and

WHEREAS, the City Commission hereby authorizes and appoints the Great Falls Development Authority to administer, on behalf of the City of Great Falls in all aspects of the Economic Development Grant, and provide administrative support and other responsibility for the management and appropriate reporting to the Montana Department of Commerce.

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Great Falls, Montana, that the City submit an application, on behalf of the Great Falls Development Authority, to the Big Sky Economic Development Trust Fund Program to assist B/E Aerospace in its expansion project and that Great Falls Development Authority manage all aspects of the grant.

PASSED AND ADOPTED by the City Commission of the City of Great Falls, Montana, May 5, 2015.

Michael J. Winters, Mayor

ATTEST:

Lisa Kunz, City Clerk

(CITY SEAL)

APPROVED FOR LEGAL CONTENT:

Sara R. Sexe, City Attorney

APPENDIX A: APPLICATION FORM – ECONOMIC DEVELOPMENT PROJECTS

MONTANA DEPARTMENT OF COMMERCE BIG SKY ECONOMIC DEVELOPMENT TRUST FUND (BSTF) CATEGORY I: ECONOMIC DEVELOPMENT JOB CREATION PROJECT

Please reference the Application Guidelines for a complete explanation of required application information.

I. APPLICANT INFORMATION – LOCAL/TRIBAL GOVERNMENT	
Name of Local/Tribal Government Entity	City of Great Falls
Chief Elected Official (Full Name & Title)	Michael Winters, Mayor
Contact Person (Full Name & Title)	Jennifer Reichelt, Deputy City Manager
Address (Street, City and 9-Digit Zip Code)	P.O. Box 5021 Great Falls, MT 59403
Phone Number	406-455-8417
Email Address	jreichelt@greatfallsmt.net
Fax Number	406-727-0005

II. ASSISTED BUSINESS INFORMATION	
Legal Name of Business to Receive Assistance	B/E Aerospace
Physical Address of Project Location	4101 North Star Blvd Great Falls, MT 59405
Contact Person (Full Name & Title)	Lisa Diseth
Address (Street, City and 9-Digit Zip Code)	4101 North Star Blvd Great Falls, MT 59405
Phone Number	360-348-3525
Email Address	Lisa_diseth@beaerospace.com
County project is located in	Cascade
Business North American Industrial Classification System (NAICS)	336411
Business Project Status (Startup, Expansion, Relocation, etc.)	Expansion
Please describe in detail how the proposed Assisted Business will meet the eligibility criteria (See Page 8 for definition of Eligible Assisted Business)	B/E Aerospace is a primary sector business with more than 50% of their business's sales from outside of Montana.

III. PROJECT SUMMARY INFORMATION	
Total Project Cost (Must match the Sources and Uses form)	\$330,750
Type of Assistance Requesting (Grant or Loan)	Grant
Amount of BSTF Funds Requested The maximum total BSTF funding may not exceed up to \$5,000 per new eligible job for counties <u>not</u> defined as a High-Poverty County or up to \$7,500 per new eligible job for counties that meet the High-Poverty County definition. Current poverty map and Award Calculator Map can be found on the program's website at www.bstf.mt.gov	\$330,750

Total Matching Funds (see Section I – definition of Match) The matching funds must be investment by the local or tribal government and/or the assisted business at the Montana site no earlier than six months before the BSTF award and must be equal to or greater than \$1 of local funds for every \$1 of BSTF (100%) funding received for counties not defined as a High-Poverty County or \$1 of local funds for every \$2 of BSTF funds (50%) for counties that meet the High-Poverty County definition.	\$239,945 Honda CER \$27352 shelves, bins, layup tubes, 5S boards, hooks, crimper articulating arms \$9600 Air line CER \$83,280 building and trailer lease for the year
Proposed Use of BSTF Funds: Eligible Activities Listed in Section II C. of the Application Guidelines	Grant
Total Number of New Jobs to be created	45
Total Number of New BSTF Eligible Jobs to be created.	45
Hourly wage range for BSTF Eligible Jobs to be created. Include the lowest hourly wage rate and the highest wage rate. If benefits are to be included in the calculation to meet the BSTF required wage rate (page 6) –Appendix B—BSTF Benefit Certification is mandatory.	\$18.30

IV. PARTNER ORGANIZATION (IF APPLICABLE)

Economic development organizations may be involved in implementing and administering a project if the eligible applicant agrees to such an arrangement. If a partner organization will be involved in the project, please provide the information in this section.

Contact Person (Full Name & Title)	Lillian Sunwall
Organization	Great Falls Development Authority
Address (Street, City and 9-Digit Zip Code)	300 Central Avenue Suite 406 Great Falls, MT 59403-0949
Phone Number	406-771-9024
Email Address	lsunwall@gfdevelopment.org
What are the partner organizations responsibilities relative to completing the proposed project?	

V. PROJECT INFORMATION

Please describe, in detail, the proposed project:

New Cirrus CH2 test station and Spectrum Nova 840 wire marking and cutting machine

Please describe the Assisted Business:

B/E Aerospace, Inc. is the world's leading manufacturer of aircraft cabin interior products for both commercial airliners and business jets. B/E Aerospace has leading global market shares in all of its major product lines and serves virtually all of the world's airlines, aircraft manufacturers and leasing companies through its direct global sales and customer support organizations. B/E Aerospace manufactures aircraft cabin seating, lighting systems, oxygen systems, food and beverage preparation and storage equipment, galley systems, and modular lavatory systems.

<i>Please explain what the BSTF financial assistance would be used (ex: equipment purchase, lease rate reduction, etc.):</i>	
Purchase of new equipment.	
<i>Please identify the entities involved in completing the proposed project, including management of the project/staff plan.</i>	
Keith Hagerich, Lisa Diseth, and Jeremy Neff	
<i>Please provide an implementation plan/timeline for project activities from start-up through closeout:</i>	
Lead times for cirrus are 4-8 wks and for the laser it is 6-12 wks	
<i>Please provide any relevant historical information on this project or the region it would support:</i>	
EMTEQ began in Great Falls in June of 2012 and has been in continuous operations. It started with 20 people and is expected to grow to 186 by the end of 2015. EMTEQ was purchased by B/E Aerospace in June of 2014.	
Business's Current Full-Time Employment Level in Montana	121 regular full time and 42 temps
Business's Current Full-Time Employment Level at the Project Site	121 regular full time and 42 temps
Employee Benefits: See Appendix B (if ERISA eligible benefits are included in the calculation to meet the wage requirement)	

VI. PROJECT ECONOMIC IMPACT STATEMENT

<i>Please provide a summary of the impacts (both positive and negative) the project would have on the state, regional and community economy as well as any services or functions that the business provides to the community, region or state. Also identify if the business associated with the project is competing with any local or regional existing businesses.</i>
This project will have significant positive impact to the local, regional, and state economy. The project diversifies our local economy, brings new high wage jobs to our area and potentially can result in more economic development through support industries and companies.

VII. PROJECT SOURCES & USES OF FUNDS					
	SOURCE: BSTF	SOURCE: Match	SOURCE:	SOURCE:	TOTAL REQUESTED
Administration (up to 5%, max \$30,000)	16537.50				16537.50
ACTIVITY BUDGET					
Machinery/Equipment Purchase	314212.50	82095.00			396307.50
Land Purchase					
Lease rate Reduction					
Employee Training					
Other: Building Lease		83,280			83,280
TOTAL PROJECT	\$330750	\$165375	\$	\$	\$496125

- Provide a total project cost breakdown.

\$330,750 of the BSTF award will be utilized to purchase a new cirrus CH2 test station and Spectrum Nova 840 wire marking and cutting machine.

- Provide a narrative, including the source, use and status (on hand, awarded, committed, applied for), of all funds to be utilized in satisfying the program matching funds requirements.

See attached appendix narrative

- Provide a description and documentation detailing how all project costs were verified, specifying how and by whom they were determined (such as who prepared the cost estimates, equipment lists) and describe the reasonableness and completeness of the cost estimates.

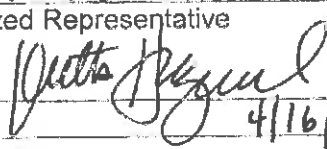
All cost estimated have been determined by B/E Aerospace and their staff.

- Provide written commitments to make the investments (match) as described. The commitment should be from the local or tribal government and/or the assisted business.

B/E is making an estimated \$300,000+ investment into the project. Match for the Big Sky Trust Funds Grant will come from this investment.

The Company match can be separated into two categories. The \$276,867 is actual purchases made in 2015 to improve the HondaJet work area. This includes pneumatic wire strippers, pneumatic wire crimpers, a soldier sleeve oven, new shelves, air lines, etc. The balance of the money, \$83,280, is the annual lease of our existing property.

The Department will withhold ten percent (10%) of the total authorized award amount for administration, until all tasks outlined in the contract have been completed and approved by the Department.

VIII. CERTIFICATION BY LOCAL GOVERNMENT AND BUSINESS	
<p>As the responsible authorized agents of Local or Tribal Government Applicant: _____, and Applicant Business: _____, we hereby submit this Big Sky Economic Development Trust Fund Application.</p> <p>The information presented in this application is, to the best of our knowledge, true, complete and accurately represents the proposed project. We understand that additional information and documentation may be required. In addition, we understand that the local or tribal government applicant and the assisted business receiving BSTF financial assistance are liable for the full amount of the award that is advanced by the Department if the assisted business: fails to create or maintain the number of net new eligible jobs as specified in the executed contract and assistance agreement, fails to inject the required amount of match into the project as specified in the executed contract and assistance agreement, or ceases operations at the Project Site.</p> <p><input type="checkbox"/> The Applicant designates _____ (Name and Phone number) as the authorized contact for any additional Department requests for the release of additional information regarding this application for BSTF funds.</p> <p>Local or Tribal Government Applicant: _____ will accept responsibility for management of the project and compliance with Big Sky Economic Development Trust Fund regulations.</p> <p>Applicant Business: _____ will accept responsibility for compliance with applicable Big Sky Economic Development Trust Fund regulations as specified in this application.</p>	
<p>Name (typed): _____</p> <p>Title (typed): _____</p> <p>Signature: _____</p> <p>Date: _____</p>	<p>Local or Tribal Government</p> <p>Chief Elected Official</p>
<p>Name (typed): <u>E Keith Hagerich</u></p> <p>Title (typed): <u>VP and GM</u></p> <p>Signature: <u>X</u> </p> <p>Date: <u>4/16/15</u></p>	<p>Assisted Business</p> <p>Authorized Representative</p>

APPENDIX B: BSTF Benefit Certification

Assisted

Business: B/E Aerospace

For the purpose of the BSTF Program "employee benefits" means health, welfare, and pension contributions that meet the requirements of the Employee Retirement Income Security Act of 1974, 29 U.S.C. 1001, et seq.

BENEFIT	DESCRIBE BENEFIT	Estimated Value (per hour)
Holiday	Employees receive 12 paid holidays per year.	\$0.44
Medical	We pay 76% of the premium cost for the employee, employee's spouse & children. (Average cost of \$372.77 per pay period)	\$4.66
Dental	We pay 70% of the premium cost for the employee, employee's spouse & children (Average cost of \$24.13 per pay period)	\$0.30
PTO	We provide 3 weeks of Paid Time Off per year	\$0.55
Life Insurance	We provide 1x basic life insurance to the employee	\$1.26
Short Term Disability	We provide Short Term Disability to the employee at no cost	\$0.02
Long Term Disability	We provide Long Term Disability to the employee at no cost	\$1.33
FMLA	FMLA costs per employee	\$0.01
AD&D	We provide Accidental Death and Dismemberment to employee at no cost	\$0.23

I hereby certify that the above benefits will be made available to our employees and meet the requirements of the Employee Retirement Income Security Act of 1974, 29 U.S.C. 1001, et seq.

Signature of Authorized Signor:  Date: 4/16/15
 Printed Name and Title of Authorized Signor: Lisa Diseth HR Manager

Below is an example on how to make the conversion

Example:

Benefit: Holiday (3 days)

1. Need to determine the yearly benefit (3 days x 8 hours = 24 hours)
2. Need to figure the individual employee's yearly benefit
 Take the yearly benefit times the employees hourly rate of pay
 24 hours x Employee A rate of pay of \$10/hour = \$240 yearly benefit
3. Need to convert the yearly benefit to an hourly rate.
 Take the yearly benefit and divide by 2,080 which is the number of hours that a full time person would work in a year (40 hours/week x 52 weeks) (\$240/2080 = \$0.11)
 Therefore, the hourly rate for the holiday benefit for employee A would be \$0.11/hour

REMINDER: In order for a benefit to be included in the BSTF wage calculation the employer must certify that the benefit meets the requirements of the Employee Retirement Income Security Act of 1974, 29 U.S.C. 1001,



B/E Aerospace does not do projections because we are a publicly traded company and only release annual reports. We have included the annual report in this application.

**B/E Aerospace - Great Falls
Facility Headcount Projections 2015**

	April	May	June	July	Aug	Sept	Oct	Nov	Dec
OPS	103	103	103	103	103	103	103	103	103
Engr	5	5	5	5	5	5	5	5	5
Prog Mgt	5	5	5	5	5	5	5	5	5
SGA	8	8	8	8	8	8	8	8	8
Temporary EE/New Hire	42	58	62	67	72	72	74	74	74
Total Forecasted Headcount	163	179	183	188	193	193	195	195	195
Viking						-13	-13	-11	-9
Total						180	182	184	186

APPENDIX C: HIRING PLAN SPREADSHEET

Highlight the jobs that you have determined to be BSTF eligible.

Number of Employees for each job title	Job Title	Job Description	Full Time (BSTF, 35+ hours per week)	Expected Hire Date	Projected Hourly Wage (without benefits)	Dollar Value of ERISA benefits*	Projected Total Hourly Wage
85	Assembly	Building wire harnesses		5/1-10/15	9.50	8.80	18.30

*If benefits are to be included in the calculation to meet the BSTF required wage rate.



April 16, 2015

Big Sky Trust Fund
301 N. Park Avenue
Helena, MT 59620

Subject: BSTF grant consideration and B/E Aerospace's growth commitment

To Whom It May Concern:

I am writing to express B/E's commitment to Great Falls, MT.

B/E purchased the former EMTEQ Inc. in July 2014. At that time, EMTEQ employed 84 people. At the present time, B/E employs 121 full time and 42 contractors. With the forecasted growth, B/E expects to be at 186 employees by year-end.

All of the work used for this forecast is currently under contract. The major end users of our products are HondaJet, Viking, Quest, Bombardier and Embraer. Due to this list of aircraft OEM's, B/E feels very comfortable committing to the above manpower forecast and long term investment in the Great Falls facility.

Along with the projects outlined in this grant application, B/E has already invested over \$300,000 of new equipment in Great Falls, in less than a year of ownership. This number does not include the associated training, new hire training, process improvements and system changes. By year-end, we will also upgrade our entire Information Technology infrastructure and install a state-of-art phone system.

I believe in the short time B/E Aerospace has been in the great State of Montana, we have shown our commitment to invest in this location. With our current customers, contracts and employees, I see no reason this would change in the foreseeable future.

Should you have any questions, please do not hesitate to contact me. I can be reached via phone at (406) 952-4022 or email keith_hagerich@beaerospace.com. Thank you for your consideration and we look forward to continuing our partnership.

Sincerely,

E. Keith Hagerich
Vice President and General Manager

Cc: Lisa Diseth
Lillian Sunwall - GFDA

B/E AEROSPACE, INC. • Lighting and Integrated Systems • 4101 North Star Blvd • Great Falls, MT 59405
TEL: 1.406.452.1600 • FAX: 1.406.452.1511



Position Title: Assembler (Entry, Intermediate and Advanced)

Position Summary

The Assembler performs assembly work to manufacture Electrical or Mechanical airplane products, including harnesses, circuit boards and lighting, in a cost effective and timely manner while fulfilling quality standards and customer expectations. In-Process inspections may be completed by certain employees; these employees will require an Inspection Stamp.

Electrical Assembly includes:

- Cut and measure wire or cable to ensure all wires will operate properly.
- Prepare wire or cable for next process in production.
- Solder as required; clean solder areas with alcohol to remove debris and excess solder.
- Crimp pin/sockets onto the wires or cables; assemble into connector.
- Apply heat shrinks, sleeving, labels and spot tie as required.
- Mechanical Assembly includes:
 - Use small hand tools and may use semi-automated equipment.
 - Solder and assemble components, using precision measuring.
 - Test assembly after assembling.

Entry Assembler

Essential Functions/Key Responsibilities

- Learn to perform all Electrical and Mechanical functions described above.
- Validate materials prior to beginning assembly.
- Review drawings, blueprints and schematics prior to performing assembly and use them throughout the assembly of product.
- Build products for customers per specification and within tolerances.
- Complete all clean-up and housekeeping procedures.
- Comply with all quality, safety, and work rules and regulations.
- Perform other miscellaneous duties as assigned by Leaders.

Experience and Educational Requirements

- Ability to read and understand the English Language and the English Measurement System.
- Able to distinguish color codes.
- General knowledge of either Electrical Assembly or Mechanical Assembly.
- General solder ability (jumper wires, wires to connector), depending upon the area assigned.
- A minimum of six months experience preferred.

Intermediate Assembler

Essential Functions/Key Responsibilities

- Able to perform Electrical and Mechanical assembly with a higher level of autonomy.
- May document production work orders, work-in-process and complete in-process inspections.
Enhanced knowledge of product requirements and B/E Aerospace requirements.
- Able to independently utilize judgment to plan and perform work, depending upon assigned area may make decisions regarding the sequence of set-up, operation and/or process.

Experience and Educational Requirements

- Exceeds expectations in all Entry Assembler responsibilities noted above.
- Proficient knowledge of Electrical and Mechanical assembly.

- A minimum of 1 year of experience preferred.
- Proficient at soldering (solder components (SMT, Lead)).

Advanced Assembler

Essential Functions/Key Responsibilities

- Independently able to assemble all projects, regardless of level of complexity.
- Regularly document production work orders, work-in-process and complete in-process inspections.
- Advanced knowledge of product requirements and B/E Aerospace requirements.
- Use of judgment, initiative and ingenuity to work independently toward ultimate objectives on very involved and complex projects.
- Instruct and provide guidance to Entry and Intermediate level Assemblers on building techniques and technical issues.
- Understanding all tools and equipment to operate effectively.

Experience and Educational Requirements

- Exceeds expectations in all Intermediate Assembly responsibilities noted above.
- Advanced knowledge of Electrical and Mechanical assembly.
- A minimum of 3 years experience preferred.
- Expert at soldering.

Working Conditions

- Light physical effort. Requires handling of average-weight objects up to 10 pounds. May be required to lift up to 30 pounds occasionally. Requires walking and standing up to 50% and some climbing during the day.
- Work environment involves some exposure to hazards or physical risks, which require following basic safety precautions.

Appendix Narrative

The proposed action is to purchase the equipment below and install them at the B/E Aerospace facility Great Falls MT. Total investment is \$330,750. These projects includes the purchase and installation of all materials needed to make a new test station fully functional and an additional laser marking/cutting machine for the HondaJet program.

The test station would include:

Part Number	Description	QTY	Unit Cost	Total Price
CCH2-BU	CH2 BASE UNIT	1	\$8,595	\$8,595
CCH2-SC	CH2 SCANNER CHASSIS	2	\$1,195	\$2,390
CCH2-HA	CH2 160pt SCANNER MODULE	15	\$3,195	\$47,925
ACCH-CH	CH2 MATE CONNECTOR	75	\$35	\$2,625
TOTAL:			\$61,535	

To make the system fully functional, we will also need the following:

Laptop Computer	Qty: 1	= ~\$500
DL2-96P (zif lock end)	Qty: 50	= \$1,431
204-0016-000 (zif handle)	Qty: 50	= \$360
22 gauge wire	Qty: 20,000 ft	= \$1,200
Total Test Station Project		\$65,026

The second project is to purchase the equipment below and install them as a new wire marking/cutting machine for the Great Falls facility. This project includes the purchase and installation of all materials needed to make the wire marking/cutting machine fully functional at the Great Falls MT facility.

Spectrum NOVA 840	\$217,512
BAR CODE MASK	\$ 10,000
Spectrum shipping	\$ 15,000
Air Compressor	\$ 6,300
Compressor shipping	\$ 700

Grand Total \$249,512

Both of these projects are needed to meet the HondaJet demand for 4Q15 and beyond.

All major expenditures were quoted and negotiated with the original equipment manufacturers. Copies of quotes are available upon request.

E. KEITH HAGERICH

1705 38th Street S
Great Falls, MT 59405
Office (406) 952-4022

A successful senior leader, with diverse management and product skills. Known for accomplishing difficult objectives in diverse, union and non-union, environments through process improvement. Thorough understanding of all functional departments and financials within a business.

PROFESSIONAL EXPERIENCE

B/E Aerospace

Vice President and General Manager – Great Falls, MT July 2014 to present

Responsible for incorporating an acquisition (Emteq) into the B/E family of businesses. Challenge will be to transform it from a remote manufacturing facility to a stand alone business unit while growing sales, income and customer satisfaction.

VP of Operations – Fenwick, WV July 2006 to June 2014

Manage the day-to-day operations, budgeting and strategic planning of an aerospace specialty products business. Developed and implemented a Lean Culture to sustain financial growth of the business. In first two years, improved plant efficiencies by 23% and inventory turns by 25%, while never missing a sales goal. Improved cost of quality by 40% during same time period. Improved one product line's efficiency by 60% in six months. Chief negotiator for successful negotiations of collective bargaining agreements with USW. Member of executive team for all Fenwick acquisition related work. Moved first supply chain off-shore in history of facility (40+ years). Inherited, managed and closed facilities in England and Czech Republic in 2010 and 2011.

L-3 Communications

Director of Operations – Site Executive, Avionics Systems, Fort Lauderdale, Florida. 2003 to July 2006. L-3 purchased Fort Lauderdale facility from Goodrich in March 2003. Was Fort Lauderdale interface for divestiture team and transition team while maintaining overall responsibility for the aircraft instruments and avionics repair stations. Site Executive with overall leadership, strategic and profit/loss responsibility. Closed Louisville facility and consolidated assets into Fort Lauderdale in 2004. Began implementing lean manufacturing principles in 2004. Conducted initial Six-Sigma training in 2005. Merged both techniques into process improvement strategy during 2006. Won 2005 Outstanding Leadership Award for division.

Goodrich Corporation

Director of Operations, Aviation Services Division – Components, Fort Lauderdale, Florida. 2000 – 2003. Overall responsibility for the aircraft instruments and avionics repair stations with locations in Fort Lauderdale FL, Austin TX and Louisville, KY. This not only includes the profit and loss responsibility, but also the operational, sales, marketing, customer service and accounting. Consolidated Austin, TX business into Fort Lauderdale in 2002 on schedule and below budget. Successfully divested product line as part of the Austin transition plan.

Director of Sales, Marketing and Customer Service, Landing Gear Services Division, Opa-Locka, Florida. 1999 – 2000. Overall leadership responsibility for marketing, sales and

E. KEITH HAGERICH

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customer service. Also responsible for various special projects that included incorporating foreign operations into the landing gear division. Analyzing and modeling foreign start-up locations. Responsible for the marketing strategic plan and sales forecast of the division.

Director of Operations – Site Executive, Landing Gear Services Division, Opa-Locka, Florida. 1997- 1999. Overall leadership, strategic planning and P&L responsibility for the world's largest third party landing gear facility. Relocated business from an antiquated location in Miami to a custom-built, world-class facility while maintaining primary business operations. Successfully integrated new business systems while improving profitability through lean manufacturing techniques. Certified new facility to ISO 9001 standard with new business system and lean techniques in place.

Director of Quality, Airframe Services Division, Everett, Washington. 1996 - 1997. Responsible for the oversight and strategic direction of all quality programs at the largest airframe repair station in the United States. This included quality control, quality assurance, calibration, NDT and FAA liaison/interface. Acted as an industry role model by completing the first successful ACSEP audit following the Valu-Jet crash.

Director of Maintenance, Airframe Services Division, Everett, Washington. 1994 – 1996. Oversaw the day-to-day operations and long-term operational strategy at the largest U.S. airframe repair station. This involved successful leadership of 1,400+ people to meet tight deadlines and customer commitments at 24-hour, 7-day workweek facilities.

Operations Manager, Evacuation Systems Division, Phoenix, Arizona. 1991- 1994. Responsible for the overall facility and manufacturing operations. Worked with a unique group of employees in a non-union location. Facilitated the transformation from a traditional flow operation to a cellular manufacturing facility. Results included enormous efficiency and morale improvements and the location becoming the first Boeing D19000 approved vendor facility.

Various Leadership Positions, Evacuation Systems Division, Grantsville and Spencer, West Virginia. 1981- 1985 and 1987 - 1991. Held numerous positions from Industrial Engineer to Plant Manager. Highlights include: acted as chief negotiator through three successful labor agreements; started the Spencer facility on a project basis and then assumed ongoing leadership of day-to-day operations; managed both facilities - thirty miles apart, with one leadership team and developed a working knowledge of all functional departments resulting in world-class operations.

Defense Logistics Agency

Industrial Engineer, Manassas, Virginia. 1985 – 1987.

Conducted technical evaluation, costing analysis, pricing rationale, negotiations and follow-up auditing for major defense projects for the defense contract management organization.

E. KEITH HAGERICH

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EDUCATION

B.S.I.E., Geneva College, Beaver Falls, Pennsylvania, 1981.

M.A.O.M., University of Phoenix, Arizona, 1996.

Six Sigma Green Belt certificate, Villanova University, March 2014.

Completed University of Washington Executive Program, December 1997. Trained in a wide variety of team development and leadership programs.

Executive Classes, University of Michigan

Lisa Diseth, PHR

1225 Alpine Dr ♦ Great Falls, MT 59404 ♦ (425) 422-3780 ♦ lisadiseth@gmail.com

SENIOR HUMAN RESOURCES GENERALIST

- ♦ **Certified Professional in Human Resources (PHR)**
- ♦ **Extensive HR Generalist Experience**, including experience in employee recruitment and retention, staff development, conflict resolution, benefits and compensation, HR records management, HR policies development and legal compliance.

HR SKILLS

- ♦ Employment Law
- ♦ FMLA/ADA/EEO/WC
- ♦ HR Policies & Procedures
- ♦ Staff Recruitment & Retention
- ♦ Employee Relations
- ♦ Benefits Administration
- ♦ Orientation & On-Boarding
- ♦ Training & Development
- ♦ Performance Management

PROFESSIONAL EXPERIENCE

B/E AEROSPACE — Marysville, WA

HR Manager, 2015 to Present

HR Generalist, 2012 to 2014

Work with management regarding HR policies and procedures; recruit temporary and entry level employees; administer training. Manage personnel records; administer benefits enrollment; and handle HR generalist workplace issues.

- ♦ Administer HR related procedures from new employee orientation, benefits, worker's compensation, FMLA, leaves of absence, short term disability, and long term disability, counseling and corrective actions, and exit interviews.
- ♦ Developed Supervisor training modules for Supervisors and high potential Leads.
- ♦ Super User for Employee Central and Learning Management System.
- ♦ Core team member for HR Shared Services Implementation. Working on policies and procedures and developing training for both Shared Services Employees and HR Generalists.

TECT AEROSPACE — Everett, WA

Senior HR Generalist, 2005 to Present

Senior Technical Recruiter

Worked with senior management to create HR policies and procedures; recruit employees; and develop orientation and on-boarding process, training and incentive programs. Manage leave-of-absence programs and personnel records; administer benefits enrollment; processed hourly and salary payroll, workshare administration, outplacement, and handle HR generalist workplace issues.

- ♦ Administer HR related procedures from new employee orientation, payroll, benefits, worker's compensation, FMLA, leaves of absence, short term disability, and long term disability, counseling and corrective actions, and exit interviews.
- ♦ Develop monthly Safety training for monthly employee meetings.
- ♦ Developed and delivered training workshops for Sexual Harassment, FMLA, Shared Work, and OFCCP across three facilities, with multiple shifts.
- ♦ Work with levels of management to provide HR support and guidance.
- ♦ Maintain employee files.
- ♦ Developed, implemented, and trained management on recruiting process.
- ♦ Source candidates for open positions.

- ◆ Contact candidates, screen, interview, conduct reference checks, and present qualified candidates to Managers.
- ◆ Negotiated salary and hourly offers including relocation packages.
- ◆ Built relationships with local Technical Colleges and Community Colleges.
- ◆ Attended local job fairs and career expos.
- ◆ Developed and wrote job descriptions.

ADECCO — Everett, WA

Onsite Manager, 1998 to 2005

Staffing Specialist

- ◆ Responsible for managing temporary labor at Philips Medical Systems.
- ◆ Manage HR related procedures from new employee orientation, payroll, benefit administration, counseling and corrective action, and exit interviews.
- ◆ Work with levels of management to establish relationships and provide information about Adecco Services.
- ◆ Provide monthly headcount reports and quarterly business review to Philips Medical Systems HR department.
- ◆ Processing requisitions and timecards via E-commerce.
- ◆ Organized Employee of the Month program for temporary labor.
- ◆ Implemented web based time approval system for Adecco employees.
- ◆ Source candidates using a variety of methods.
- ◆ Contact, screen, interview, conduct reference checks, and present qualified candidates to hiring managers.
- ◆ Provided exceptional customer service to the following clients: Tektronix, Nike, Stream International, Tenzing, Washington Mutual, Bank of America, and Wells Fargo Bank.
- ◆ Maintain both client and employee records in Adecco's Custom Match Software program.

TARGET — Eugene, OR

Executive Team Lead of Team Relations (HR Representative), 1996 to 1998

- ◆ Recruited and hired hourly employees including seasonal temporary help.
- ◆ Managed HR related procedures.
- ◆ Implementation of Computerized scheduling system.
- ◆ Maintained employee files for 130 hourly employees before centralization.
- ◆ Reduced 90 day hourly employee turnover rate by 20%.
- ◆ Implemented plan and procedure to insure that new employees were trained on Target Edutrack software within 30 days of initial employment date.

LADY FOOT LOCKER — Tigard, OR

Manager in Waiting, 1993 to 1996

- ◆ Acting Manager 10/1/95 to 1/1/96.
- ◆ Customer service, Inventory Control, Training, Hiring, Recruiting, Scheduling, Merchandising, Visual Merchandising, and Shipping.
- ◆ Wage Control. Ran #1 volume store in District (1.2 million-dollar volume) while manager filled in for district manager on maternity leave.

EDUCATION & CERTIFICATIONS

EASTERN WASHINGTON UNIVERSITY — Cheney, WA

Bachelor of Arts (BA) in Business Administration with emphasis in Human Resources and Marketing

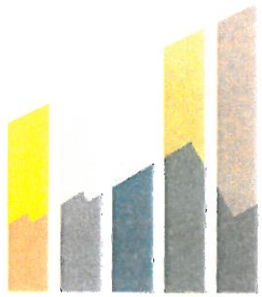
HR Designations:

- ◆ PHR (Professional in Human Resources), 2009

COMPUTER SKILLS

- ◆ HRIS applications (PeopleClick and ADP)
- ◆ MS Office (Word, Excel, PowerPoint, Outlook)

WF 060914



MONTANA
DEPARTMENT OF COMMERCE

June 3, 2014

DIRECTOR'S OFFICE

RECEIVED

JUN 05 2014

CITY CLERK

Michael Winters, Mayor
City of Great Falls
PO Box 5021
Great Falls, MT 59403-5021

RE: Big Sky Economic Development Trust Fund (BSTF) Program---City of Great Falls on behalf of EMTEQ, Inc.

Dear Mayor Winters:

The Department of Commerce has recently been made aware that EMTEQ, Inc. has been sold to BE Aerospace, Inc. Given the sale of the assisted business, the Department of Commerce is withdrawing the BSTF award made to the City of Great Falls in August, 2013 for \$598,400 to assist EMTEQ, Inc. with the creation of 80 net new jobs. There is no action required of the City as a contract between the Department and the City was not executed.

On June 2, 2014, the City submitted an additional BSTF application to assist EMTEQ, Inc. with the creation 80 net new jobs. This application will not be considered for funding by the Department but rather the Department encourages the City to submit an application to assist BE Aerospace, Inc.

Sincerely,

Doug Mitchell
Deputy Director

C: Jeremiah Johnson, GFDA
Jerry Jendusa, EMTEQ, Inc.

CC: JERRK 6-5-14

MEG O'LEARY, DIRECTOR

STEVE BULLOCK, GOVERNOR