

2018-2019 APPLICATION FOR RESORT TAX FUNDS

Applicant's Official Name: The Post Office, LLC

Project Name: The Big Sky Post Office

Address: PO Box 160189 Big Sky, MT 59716

Representative: Al Malinowski/Jerry Scott

Telephone: 406-995-2850 **Email:** al_mal@yahoo.com

Project Start Date: 7/1/2018 **Project Completion Date:** 6/30/2019

Total Funds Requested \$ 60,500.00

State your estimated payment request schedule for the coming year; amounts should total funds requested. Please enter dollar amounts.

	July '18	Aug '18	Sep '18	Oct '18	Nov '18	Dec '18
Payment Request \$						
	Jan '19	Feb '19	Mar '19	Apr '19	May '19	July '19
Payment Request \$	<u>30,000</u>					<u>30,500</u>

I certify that the application and its attachments are correct to the best of my knowledge.

Al Malinowski
 Signature
AL MALINOWSKI
 Printed Name

VP - GALLAGHER PARTNERS
 Title (Board Chair or Governing Officer)
MANAGER MEMBER
4/30/18
 Date

- 1) **Provide a description of the entity and the Mission Statement. State the entity's tax status/legal identity and when it was initiated. What is the personnel makeup of your office; specifically how many are employees, how many are contractors and what are their duties? What is the full time equivalent (FTE) of each: ¼, ½, ¾ or full time? Unless previously provided to the resort tax office, please include a copy of the Articles of Incorporation. (200 words max)**

The Post Office, LLC ("POLLC") was established in August 2001 for the sole purpose of operating the Big Sky Post Office. POLLC was created as limited liability company because it's purpose makes it ineligible for not-for-profit status. However, for the past 15 years, POLLC has only requested resort tax funding for reimbursement of operational losses.

Currently, POLLC employs approximately 5.00 FTEs, made up of 3 full-time employees and 7 part-time employees totaling 2.00 FTEs. The total FTE will fluctuate during the year with a reduction during off-seasons and an increase during December (Christmas).

The Articles of Organization have been previously provided.

- 2) **Provide a complete description of the project(s). Include the project(s) purpose, goals and objectives. For each project provide a budget number and measurable objectives, i.e. how you will do something and in what timeframe. The information provided here should be specific regarding what the entity is requesting to be funded by resort tax. If requesting funds for operations, identify the categories and assign a dollar amount (salaries, software, etc.) If permits are required, please specify what permits are required and what projects they apply to. If requesting funds for a study (feasibility, etc.), a minimum of two bids are required. Also provide the RFP submitted for the study. Funding for a study will only be considered if the proposal has measurable outcomes. Please be succinct.**

Since the district electors first approved the resort tax, one of the primary purposes specifically identified in the local ordinance was "the establishment of and maintenance of an adequately sized post office". POLLC makes it's best effort to satisfy this community need. One challenge for POLLC is predicting future mail volumes, which drives our labor costs. While retail sales (outgoing mail and packages) at our facility have remained relatively flat over the past 10 years (primarily due to outside meter and internet-based postage sales), incoming mail and package volume has grown to more than double what is outgoing. Processing the incoming mail is much more labor-intensive that processing the outgoing mail. This trend combined with a need to increase our hourly wages to remain competitive with other Big Sky employment opportunities, is the primary cause for our expense increases over the last decade.

POLLC has a fixed-rate contract with the United States Postal Service ("USPS") to operate the Big Sky Post Office. Once awarded, the contract amount may not be modified for two years. In April of 2016, POLLC requested a contract increase from \$275,000.00 per year to \$305,000.00 per year. Effective July of 2016, the USPS awarded POLLC a contract increase to \$287,500.00 per year. POLLC will have to wait until July 2018 to request another rate increase; however an increase in the contract rate of any amount will reduce the amount of funds that POLLC will request from BSRAD. BSRAD has historically funded the gap between the cost to run the Big Sky Post Office and the contract amount provided by the USPS. Consistent with prior allocations, POLLC will only request funds from the allocation to the

extent of our operating losses

POLLC will continue to request funds in 6-month intervals to allow months that may result in small profits to offset against months with losses. POLLC will provide 6-month interim profit and loss statements to document losses but can provide any additional data upon request.

3) Is the project within the resort tax district? (50 words max)

Please note: Not every project will fulfill questions 34 through 38. Applicants will not be rated on the ability to fulfill multiple questions.

Does the entity endorse project...

4) Benefit the community at large including residents, visitors and tax collector's business community? (50 words max)

Yes. While the value of the Big Sky Post Office may often get overlooked because it has been in operation for so long, it is an integral part of the infrastructure for Big Sky residents and visitors.

5) Promote tourism development, help make Big Sky a world class resort community and increase the visitor experience and/or increase resort tax revenues? (50 words max)

Yes. Without the existence of a Post Office in Big Sky, our ability to grow as a resort community would suffer.

6) Support, improve or maintain critical infrastructure, public health, safety and/or welfare in the world class community? (50 words max)

Yes. The Post Office is a primary component of our critical infrastructure.

7) Foster collaboration among entities in the community to meet common goals? (50 words max)

Yes. The Post Office is not just a location to engage in community goals, but is also used by many organizations for providing information to the public.

8) Fill a community need not currently or adequately being satisfied? (50 words max)

No, because the POLLC HAS satisfied this community need for the past 15+ years.

9) What is your entity most proud of accomplishing? (100 words max)

We are very proud to have provided stability for our community and employees. While it is sometimes frustrating that we do not have the authority to establish our own set of operation (those are determined by the USPS), we have implemented some procedures to provide better levels of service to our customers. We are also proud to have had so many loyal employees over the years dedicated to serving their community. I really, we are proud to continue to challenge the USPS to allow us to implement creative new ideas that improve the level of service to our customers. A recent example of this is the 24 additional parcel lockers that were installed outside the building prior to last Christmas. These lockers doubled our ability to deliver packages to customers after hours, improving the level of service we provide to those Big Sky residents whose work schedules make it difficult to visit the Post Office between 10am and 5pm.

3) **Is the project within the resort tax district? (25 words max)**

Yes

Please note: Not every project will fulfill questions #4 through #8. Applications will not be rated on the ability to fulfill multiple questions.

Does the entity and/or project...

4) **Benefit the community at large including residents, visitors and tax collectors/the business community? (50 words max)**

Yes. While the value of the Big Sky Post Office may often get overlooked because it has been in operation for so long, it is an integral part of the infrastructure for Big Sky residents and visitors.

5) **Promote tourism development, help make Big Sky a world class resort community and increase the visitor experience and/or increase resort tax revenue? (50 words max)**

Yes. Without the existence of a Post Office in Big Sky, our ability to grow as a resort community would suffer.

6) **Support, improve or maintain critical infrastructure, public health, safety and/or welfare in the world class community? (50 words max)**

Yes. The Post Office is a primary component of our critical infrastructure.

7) **Involve collaboration among entities in the community to meet common goals? (100 words max)**

Yes. The Post Office is not just a location to engage in community gossip, but is also used by many organizations for providing information to the public.

8) **Fill a community need not currently or adequately being satisfied? (50 words max)**

No, because the POLLC HAS satisfied this community need for the past 16+ years.

9) **What is your entity most proud of accomplishing? (100 words max)**

We are very proud to have provided stability for our community and employees. While it is sometimes frustrating that we do not have the authority to establish our own rules of operation (those are determined by the USPS), we have implemented some procedures to provide better levels of service to our customers. We are also proud to have had so many loyal employees over the years dedicated to serving their community. Lastly, we are proud to continue to challenge the USPS to allow us to implement creative new ideas that improve the level of service to our customers. A recent example of this is the 24 additional parcel lockers that were installed outside the building prior to last Christmas. These lockers doubled our ability to deliver packages to customers after hours, improving the level of service we provide to those Big Sky residents whose work schedules make it difficult to visit the Post Office between 10am and 5pm.

Provide the following financial documents:

10) Copy of the entity's complete operating budget for the period 07/01/18 through 06/30/19.

If your fiscal year does not coincide with this time period, please provide complete budgets for the entity's fiscal year that covers the aforementioned time period. For example, if the entity's fiscal year corresponds with a calendar year, provide two budgets 1) 01/01/2018 through 12/31/2018 and 2) 01/01/2019 through 12/31/2019.

11) Organization's Profit and Loss Report, Budget vs. Actual Report and Balance Sheet from your previous completed fiscal year.

12) Organization's Profit and Loss Report, Budget vs. Actual Report and Balance Sheet from your current fiscal year to date.

13) For applicants with mill levy authority please provide the following:

- a. A map of your district's boundaries
- b. The current taxable value of your district
- c. If applicable, the current mill levy rate
- d. Using the information above, provide a detailed budgetary breakdown of the potential tax burden per \$100,000 value, for property owners within your district if mill levy authority would be used to fund this project rather than resort tax funds.

Category	Amount	Description
Personnel	247,355	9 of FTE Contract Personnel 2.0 of FTE Paid Personnel
Operations	100,045	Do not include volunteer time (In the amount column include the total expense including salary, benefits and payroll taxes)
Programming	0	
Expense Other**	0	
Total Expense	347,400	
Capital Expenditures	0	
Net Income	0	

*Revenue Other: USFS Contract amount

**Expense Other: N/A

Classifications you'd like to provide regarding the information on this page. A successful response will result in a reduction in the amount FOLC charges from BSRAD.

TOTAL ORGANIZATIONAL BUDGET FOR THE YEAR \$ 348,000

(Include all organization projects and programs, not only those requesting Resort Tax funding. This number should match the organization's Revenue from Profit and Loss Report)

PRINCIPLE	ITEM	AMOUNT	PERCENTAGE
Revenue	Request from Resort Tax	60,500	17.4%
	Other Public Grants		%
	Private Donor Contributions (not including In-kind)		%
	Fundraising Events		%
	Revenue Other*	287,500	82.6%
	Sub Total Revenue		%
	Private Donor Contributions In-kind		%
	Total Revenue	348,000	100% (the revenue line items above should total)
Expenses	Personnel: <u>5.0</u> # of FTE Paid Personnel _____ # of FTE Contract Personnel Do not include volunteer time (in the amount column include the total expense including salary, benefits and payroll taxes)	241,355	69.4%
	Operations	106,645	30.6%
	Programming		%
	Expenses Other**		%
	Total Expenses	348,000	100% (the expenses line items above should total)
Capital Expenditures	Total Capital Expenditures	0	%
Income	Net Income	0	%

*Revenue Other: USPS Contract amount

**Expenses Other: N/A

Clarifications you'd like to provide regarding the information on this page: A successful rate increase request will result in a reduction in the amount POLLC requests from BSRAD

RESERVES: Capital, Programming and/or Operating	On Hand Restricted**	N/A
	On Hand Unrestricted**	N/A
	Goal (if currently no reserves)	N/A

****Purpose of Restricted and Unrestricted Capital Reserves:** _____

Other				
Capital Expenditures				
Programming				
Operations				
Total	1,007,870	354,670	355,400	545,000
Resort Tax Request	234,570	92,170	77,500	60,500

TOTAL CASH FLOW 3-YEAR REQUIREMENT

(Include all organization projects and programs, not only those requesting Resort Tax funding)

ITEM	This Current Application's Request from Resort Tax	2020	2021	Total Cash Flow 3-Yr Requirement
Personnel: Paid and/or Contract (include salary, benefits and payroll taxes; do not include volunteer time)	241,355	253,423	266,094	760,872
Total # of FTE Personnel	5.0	5.25	5.50	NA
Operations	106,645	111,977	117,576	336,198
Programming				
Capital Expenditures				
Other*				
Total	348,000	365,400	383,670	1,097,070
RESORT TAX REQUEST	60,500	77,900	96,170	234,570

Describe financial increases and decreases and the projects for which resort tax funds may be requested.

2020 In July of 2018, POLLC will be eligible to request a contract rate increase from the USPS which, if successful, should reduce the financial reliance on BSRAD. POLLC may request a rate increase every two years.

2021 In July of 2018, POLLC will be eligible to request a contract rate increase from the USPS which, if successful, should reduce the financial reliance on BSRAD. POLLC may request a rate increase every two years.

*Other Description _____

Post Office, LLC
Profit & Loss - Tax Basis
 January through December 2017

Income		
USPS St. Louis Deposit	\$ 287,500	
BSRAD Reimbursements	22,954	
Miscellaneous Income	2	
Total Income		\$ 310,456
Expense		
Accounting	\$ 3,901	
Advertising	163	
Annual Report Fee	20	
Drinking Water	85	
Dues	16,410	
Equipment Rental	4,000	
Insurance	17,851	
Licenses/Permits	250	
Meals & Entertainment	1,038	
Office Supplies	3,698	
Payroll Expenses-Wages	177,126	
Payroll Taxes	14,631	
Property Taxes	6,912	
Rent	52,712	
Repairs and Maintenance	5,262	
SIMPLE Employer Expense	3,086	
Telephone	1,279	
Utilities	2,032	
Total Expense		310,456
Net Income		\$0

No assurance is provided on these financial statements.

Substantially all disclosures ordinarily included in financial statements prepared on the tax-basis of accounting are not included.

Post Office, LLC
Balance Sheet - Tax Basis
As of December 31, 2017

ASSETS

Current Assets	
Checking/Savings	\$ 868
BSRAD Receivable	16,352
Prepaid Insurance	159
Receivable from USPS	<u>23,958</u>
Total Current Assets	\$ 41,337
Fixed Assets	
Accumulated Depreciation	(17,977)
Post Office Equipment	<u>17,977</u>
Total Fixed Assets	0
Other Assets	
Accumulated Amortization	(565)
Organization Costs	<u>565</u>
Total Other Assets	0
TOTAL ASSETS	<u><u>\$ 41,337</u></u>

LIABILITIES & EQUITY

Liabilities	
Current Liabilities	
Accounts Payable	\$ 1,281
Credit Cards	1,406
Note Payable to Scott Hall, LLC	13,500
Payroll Liabilities	<u>6,873</u>
Total Liabilities	\$ 23,060
Equity	<u>18,277</u>
TOTAL LIABILITIES & EQUITY	<u><u>\$ 41,337</u></u>

No assurance is provided on these financial statements.

Substantially all disclosures ordinarily included in financial statements prepared on the tax-basis of accounting are not included.

Post Office, LLC
Profit & Loss - Tax Basis
 January through March 2018

Income	
USPS St. Louis Deposit	\$ 71,875
BSRAD Reimbursements	0
Total Income	\$ 71,875
Expense	
Accounting	\$ 1,816
Drinking Water	15
Dues	4,010
Equipment Rental	1,000
Insurance	4,231
Licenses/Permits	250
Meals & Entertainment	39
Office Supplies	89
Payroll Expenses-Wages	44,619
Payroll Taxes	3,983
Rent	13,777
Repairs and Maintenance	825
SIMPLE Employer Expense	765
Telephone	266
Utilities	488
Total Expense	76,173
Net Income	<u>\$ (4,298)</u>

No assurance is provided on these financial statements.

Substantially all disclosures ordinarily included in financial statements prepared on the tax-basis of accounting are not included.

Post Office, LLC
Balance Sheet - Tax Basis
As of March 31, 2018

ASSETS

Current Assets			
Checking/Savings	\$	93	
Prepaid Insurance		714	
Receivable from USPS		23,958	
Total Current Assets		<u>24,765</u>	\$ 24,765
Fixed Assets			
Accumulated Depreciation		(17,977)	
Post Office Equipment		17,977	
Total Fixed Assets		<u>0</u>	0
Other Assets			
Accumulated Amortization		(565)	
Organization Costs		565	
Total Other Assets		<u>0</u>	0
TOTAL ASSETS			<u><u>\$ 24,765</u></u>

LIABILITIES & EQUITY

Liabilities			
Current Liabilities			
Accounts Payable	\$	835	
Credit Cards		(95)	
Note Payable to Scott Hall, LLC		8,000	
Payroll Liabilities		2,046	
Total Liabilities		<u>10,786</u>	\$ 10,786
Equity			
			13,979
TOTAL LIABILITIES & EQUITY			<u><u>\$ 24,765</u></u>

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