

Town of Rangely

RDA Packet August 16, 2018 @ 7:30am



Photo by Margaret Slaugh

1 – Agenda



GUIDELINES FOR PUBLIC INPUT

Public Input is a vital and important portion of every meeting and will be permitted throughout the meeting, but according to the following guidelines:

- a. Public input is allowed during the Agenda identified <u>Public Input</u> and <u>Public</u> <u>Hearing</u> portion of the meeting.
 - If you would like to address the meeting during the appropriate times, please raise your hand and when called upon you will be asked to come to the podium. *Announce your name* so that your statements can be adequately captured in the meeting minutes.
 - ii. *Please keep your comments to 3-5 minutes* as others may want to participate throughout the meeting and to insure that the subject does not drift.
- b. Throughout the meeting agenda calls for public input will be made, generally pertaining to specific action items. Please follow the same format as above.
- c. At the conclusion of the meeting, if the meeting chair believes additional public comment is necessary, the floor will be open.

We hope that this guideline will improve the effectiveness and order of the Town's Public Meetings. It is the intent of your publicly elected officials to stay open to your feelings on a variety of issues.

Thank you, Rangely Mayor

Agenda RANGELY DEVELOPMENT AGENCY (RDA) Town of Rangely Conference Room

*** August 16, 2018 @ 7:30 a.m. ***

Brad Casto, Chairman

Jason Krueger – Vice Chair Karen Reed Andrew Key Treasurer – Lisa Piering Keely Winger Konnie Billgren Vacant Position

Ex-Officio

Rio Blanco County Commissioner – Jeff Rector School District Representative – Joyce Key Library District Board Representative – Sandy Payne RJCD Board Representative – Ron Granger Rio Blanco Water Conservancy Dist. – Vince Wilczek Rangely District Hospital – John Payne

1) Call to Order

- 2) <u>Roll Call</u>
- 3) Minutes of Meeting
 - a) Discussion and Action to approve the minutes of July 19, 2018
- 4) Changes to the Agenda

5) Public Input

- 6) Old Business
 - a) Tabled: Discussion and Action to accept the engagement letter for Paul Benedetti to represent the RDA as we work to update our Urban Renewal Plan
 - b) Discussion regarding the current board configuration as voted on in 2017
 - c) Update on the video script produced by Josh Jackson and Company
 - d) Update from the CO-OP Committee
- 7) <u>New Business</u>
 - a) Discussion and Action to approve the July 2018 Financials
 - b) Discussion regarding the Business Plan and Grant/Loan Proposal for Country Bandit K-9 Services
 - c) Discussion regarding the progress of the contract renewal for Senergy Builders
- 8) Information
- 9) Adjourn

3 – Minutes

222MINUTES RANGELY DEVELOPMENT AGENCY (RDA) Town of Rangely Conference Room

*** July 19, 2018 @ 7:30 a.m. ***

Jason Krueger – Vice Chair Karen Reed Andrew Key Treasurer – Lisa Piering Brad Casto, Chairman

Keely Winger Konnie Billgren Vacant Position

Ex-Officio

Rio Blanco County Commissioner – Jeff Rector School District Representative – Joyce Key Library District Board Representative – Sandy Payne RJCD Board Representative – Ron Granger Rio Blanco Water Conservancy Dist. – Vince Wilczek Rangely District Hospital – John Payne

1) Call to Order

- <u>Roll Call</u> Brad Casto, Jason Krueger, Keely Winger, Karen Reed, Konnie Billgren, Joyce Key, Sandy Payne, Ron Granger, John Payne were present. Andy Key, Jeff Rector and Vince Wilczek were absent.
- 3) Minutes of Meeting
 - a) Discussion and Action to approve the minutes of June 28, 2018 Motion to approve the minutes of June 28, 2018 made by Sandy Payne, seconded by Jason Krueger, motion passed
- 4) Changes to the Agenda
- 5) Public Input
- 6) Old Business
 - a) Discussion and Action to accept the engagement letter for Paul Benedetti to represent the RDA as we work to update our Urban Renewal Plan Tabled
 - b) Discussion and Action to review and/or approve the video script produced by Josh Jackson and Mario Josh stated that this is a summary of the scenes and is not a full screen board. Keely asked if Josh has a comprehensive list of things he would like to include in the video or is he thinking he will have several smaller videos throughout the process. Josh stated that he expects to receive feedback and not just put one script out. Josh also stated that Peter got in touch with someone in marketing and they had provided some tips and recommended keeping it to under 3.5 minutes max. Josh wants to look at the feedback and see how much we want to include in this first video. Ron asked if there is anyway to capture other events in Rangely such as the road rally, without including them in the video, possibly a coming soon list at the end. Keely suggested having them go to Giovanni's first and they could suggest going to the Tank and other areas in Rangely. Josh stated that we have to be careful because if you hold your audiences hand too much, we will sound like the promotional video that we are trying not to be. Josh feels like the best long term solution is to see how well this turns out and then look at doing future videos. Josh stated that we could then set up a YouTube

account for the RDA so that we are constantly adding to it. Sandy recommended that instead of the channel being RDA, that we use the town or chambers YouTube channels for it. Konnie suggested using the towns because we have the man power to keep the videos current. Sandy says she has no problem with using the Wild Bunch in the video instead of Giovanni's. She does not want any favoritism shown. Brad agreed, he doesn't want to be worried about hurting someone's feelings by them not being in the video and that we need to get past that and look at what it will bring back to our community. Peter stated that when you go out of town, it is amazing how many people know about The Tank. Konnie suggested doing a Linkedin promotion and talking about Rangely. Linkedin is a professional networking site that does not cost anything. Konnie agrees the videos are good, but do need to be kept short. Josh suggested possibly having a sign in Dinosaur that would state that there is a car museum in Rangely and that may bring people this way. Josh wants to do a casting call and then a casting day that he could get 4 leads to do this with. Karen suggested leaving a cliff hanger at the end of the video that would make people want to watch a second video. Josh feels like that is a hard thing to do because sometimes people think you are using "click bate" Brad feels that down the road we should look at doing a video for younger audiences because kids spend a lot of time on YouTube and will tell their parents about things they see and want to do. Motion to approve the video script produced by Josh Jackson and Mario made by Konnie Billgren, seconded by Joyce Key, motion passed.

c) Discussion and Action to approve the committee nominations for the Food CO-OP Start-up – Nominees were Alisa Granger, Karen Reed, Keely Winger, Konnie Billgren, Tina Carstens. Brad asked how often they will meet. Konnie stated that it depends and asked if the purpose was for them to pull together a survey to see if they will move forward. Brad stated that he thought we had enough surveys completed previously. Konnie agreed and stated that they will start meeting next week. Keely asked what they are asking of the food co-op committee. Sandy stated that as an individual, if they came to her and stated that they want to do a food co-op, she would have no idea what that means. Sandy feels it needs to be educational and tell the people that this is an option you have to shop and would you support it. Brad feels that we need to have some community meetings to educate people on what a co-op is. Konnie suggested a meeting every 2-3 weeks for two months. Brad feels that is too much and suggested one meeting per month. Sandy stated that after the first meeting we could get the word out and have more people attend. Brad would like to use some of the email addresses from the co-working session to get the word out about the co-op meeting. Sandy stated that would work as long as people have the option to opt out of receiving the emails. Brad would also like to hand out flyers door to door. Joyce stated that she feels the word 'Food Coop" may make people think it is a food bank. If the word grocery is used, she feels they will understand it is for a grocery store. Konnie and Keely stated that we could change the name from food to grocery. Konnie will get with the committee and put together information for an agenda and meeting and then send it out. Ron stated that if a meeting space is needed, to let him know as there is plenty of room at CNCC. Brad offered to sponsor the food for a meeting if needed. Brad asked if Konnie would appoint more members to the committee. Konnie stated that they could add two more committee members. Motion to appoint Alisa Granger, Karen Reed, Keely Winger, Konnie Billgren, Tina Carstens to the committee for the Food CO-CP Start-up made by Joyce Key seconded by Jason Krueger, motion passed

On another note, Brad stated that we are negotiating our contract with Synergy Builders for the West Main Townhomes. Brad states that there are a couple of options on the table and he would like the board's opinion on owning the Townhome rental property. Konnie asked if the town would still manage them and make a fee. Brad stated that yes, the RDA would make a fee. Peter stated that there are 6 units and we have \$120,000 invested in the development. Currently the Ranch style units appraise for \$128,000. If we were to own a unit, we would look at changing the loan terms and the title to show that we are transferring one of those

units of our choice, directly to the town so that our \$120,000 is secure. All of the units are rented and Utah Gas Corps and Chevron occupy 4 of the units. If we own them outright and rent them out, the RDA would have almost \$10,000 a year in income. We would also raise the management fee on the other 5 units to 10% of rents instead of the 6% we now charge. Our intent would be to either obtain the unit, or to put it up for sale as we manage it. That would be up to the RDA weather or not they want to cash out or continue to generate rental income for the RDA. Since the loan is now in default, we have the option of charging 12%. We can keep the units rented, the owner is just needing more time to develop a sale for the units. We could continue to manage the units for another 3 years and collect the penalty payment each year. Konnie asked if the RDA wants to purchase it, we would pay \$120,000. Brad stated no, the RDA has already invested that amount and it would just become the RDA's. Konnie feels that we should go ahead and take it over and have some income coming in to the RDA. Peter stated that we are in second position on these. Karen asked if we could just take outright ownership if we are in the second position. Peter stated that the only way we would do this is if we re-write the loan and the title and then we would take direct possession of one of the properties. The other 5 units we would continue to manage. Joyce asked what the liability would be if the RDA owns this property and if there will be an insurance cost. Peter stated that we won't have property tax since we are a governmental entity, but there will be insurance costs. Ron stated it would be the same thing as carrying a home owner policy. Brad stated that he feels a little differently than Peter does on owning property in Rangely. Brad feels that this property was done to bring in new homes and that is why we participated was to set the rental income where it was at the current time. It brought in a lot of tax revenue to our community and is continuing to do so. Brad does not feel that a governmental entity should own any rental property in a community. Brad agrees it is nice to have the steady income coming back in and that the property has been a benefit with the taxes it has generated, but personally does not feel that the RDA should own rental property. Ron asked how much was invested, the group stated \$120,000. Peter stated that we own 15% of the project. Konnie asked what happens if the owner defaults. Brad stated that is what we are negotiating and it came up about us owning the property. Brad stated he would feel better if there was a consensus from the board how they felt about it. Konnie stated to Brad that he is right, government shouldn't own rentals. Joyce stated that it is a liability to the RDA members if someone got a good attorney. Brad stated that we can't live our life around liability or we would never do anything. Konnie stated that she will have to reconsider her decision and asked what the town will lose if the owner defaults. Brad stated that eventually, even if the owner does default, we would end up with the unit or our money. Peter stated that he would want to have our attorney talk to us about that. Brad stated that the owner felt that down the road there may be more opportunity from him to build here. Peter stated that if we own the unit outright, the risk is less as it pertains to the \$120,000 that we have loaned, but the other risk is that Synergy would default and then we have to persue him and hope that there are some assets there to recover. Peter and Brad don't feel that the owner will default. Peter stated that every URA in the state generally has some form of income. John stated that we could put them up for sale and hold them until we have a buyer and that would be a winwin situation, but right now he feels there isn't a market for it. If it is a positive cash flow, we could have a stipulation that it be put on the market. Karen asked if it is one home or an entire side for \$120,000. Peter stated that it is one side. Joyce asked John if he is ok with us doing that as long as the stipulation says it will be put on the market. John sated yes, if we had the stipulation to sell then we would not be competing with other people in the community. Sandy feels that it will be longer down the road before we would be able to sell it. Brad stated that is part of the renegotiation with the owner is that we will renegotiate the whole loan. Joyce asked if the owner has had to pay any interest. Brad stated no. Joyce stated that he is in default and we need to move forward one way or the other. Konnie asked Peter what the owner seems to be leaning more towards. Brad stated that he wanted us to buy the

unit. Brad stated that in the negotiating we were going to charge some sort of interest for the remainder of the term of the loan and then he would pay us up to the end of three years. Brad stated that he would like the boards input on buying a unit or not. Karen stated that she would like more info on the risks if we don't buy. Brad stated that it would be the same as we have been doing with managing it. Brad asked again for direction. Sandy stated that she would be more of a no than a ves. Josh Jackson stated that as a private citizen who has a rental property, he listed his house for \$1,200 and is willing to go down to \$1,000. Josh states that if there is a 2-3 bedroom that under cuts that price, that makes it hard, but since the oil companies are already there, it doesn't feel like a direct competition. Josh thinks it doesn't sound bad hearing the board discuss owning the units. Joyce leans towards not owning the property, unless we take it over with the intent to sell. Joyce states that even if we make \$10,000 selling it, it puts money in to the RDA and benefits everyone. Joyce feels that we should not extend an interest free loan to the owner anymore. Peter stated that theoretically we could walk away from our responsibilities to the property, but we have always taken the position that we want to protect that investment. We could walk away charging the 12% and have nothing more to do with it. That is where we are legally at today. But, then there would be a remote owner and the property could fall in to disrepair. Brad stated that the owner could hire someone locally to manage the property and then we would not have to do that anymore. John thinks that we should make it equitable for both parties as much as we can without making it a liability to the town. John asked, if he does default does it hurt us. Karen stated that it does because we are in second position. The bank get their money first and then us. Peter stated that right now we own \$40,000 of 3 unit/duplex in second position. Lisa stated that if they don't do a good job of managing, we could also possibly lose the renters as well. Ron asked if all the units are rented right now. Peter stated yes, we have kept them full. Brad feels if we actually look at the numbers other than the tax income, the town has probably had a zero benefit as far as money coming in from the management fees. Brads suggestion was to move away from management fees and just do an interest rate loan, then it wouldn't matter if they were all rented or not. Brad stated that the overall consensus is a no on purchasing the units.

7) <u>New Business</u>

a) Discussion and Action to approve the June 2018 Financials – Motion to approve the June 2018 Financials made by Konnie Billgren, seconded by Joyce Key, motion passed

8) <u>Information</u>

- a) Colorado Fresh Food Finance Fund Application
- 9) Adjourn Adjourned

6 – Old Business

Colorado Revised Statutes Title 31 Government Municipal § 31-25-104 Urban renewal authority

(2)(a)(I) Except as provided in subsection (2.5) of this section, an authority consists of thirteen commissioners, not fewer than ten of whom must be appointed by the mayor, who shall designate the chairperson for the first year. In order to represent the collective interests of the county and all taxing bodies levying a mill levy in one or more urban renewal areas managed by the authority, referred to in this part 1 as an "urban renewal authority area", other than the municipality, one such commissioner on the authority must be appointed by the board of county commissioners of the county in which the territorial boundaries of the urban renewal authority area are located, one such commissioner must also be a board member of a special district selected by agreement of the special districts levying a mill levy within the boundaries of the urban renewal authority area, and one commissioner must also be an elected member of a board of education of a school district levying a mill levy within the boundaries of more than one county, the appointment is made by agreement of all of the counties in which the boundaries of the urban renewal authority area is located within the boundaries of the urban renewal authority area is located within the boundaries of the urban renewal authority area is located within the boundaries of the urban renewal authority area is located within the boundaries of the urban renewal authority area is located within the boundaries of the urban renewal authority area is located within the boundaries of the urban renewal authority area are located.

(II) If no county, special district, or school district appoints a commissioner to the authority, then the county, special district, or school district appointment remains vacant until such time as the applicable appointing authority makes the appointment pursuant to this paragraph (a).

(III) If the appointing county is a city and county, the requirements of this paragraph (a) pertaining to county representation on the authority board need not be satisfied.

(IV) All mayoral appointments and chair designations are subject to approval by the governing body of the municipality within which the authority has been established. Not more than one of the commissioners appointed by the mayor may be an official of the municipality.

(V) In the event that an official of the municipality is appointed as commissioner of an authority, acceptance or retention of such appointment is not deemed a forfeiture of his or her office, or incompatible therewith, and does not affect his or her tenure or compensation in any way. The term of office of a commissioner of an authority who is a municipal official is not affected or curtailed by the expiration of the term of his or her municipal office.

MINUTES RANGELY DEVELOPMENT AGENCY (RDA) Town of Rangely Conference Room

*** August 10, 2017 @ 7:30 a.m. ***

Brad Casto, Chairma	an
Tim Webber – Vice Chair	Vacant - Treasurer
Karen Reed	Sarah Nielsen
Board Open Seat – Konnie Billgren	Andrew Key
Ex-Officio	
Rio Blanco County Commission	er – Jeff Rector
School District Representative –	5 5
Library District Board Represen	tative – Sandy Payne
RJCD Board Representative – R	on Granger
Rio Blanco Water Conservancy	Dist. – Tim Winkler
Rangely District Hospital – John	n Payne

- 1. Call to Order
- 2. <u>Roll Call</u> Brad Casto, Joyce Key, Andy Key, Sandy Payne, Konnie Billgren, John Payne, Karen Reed

Also in attendance Jen Hill,

- **3.** <u>Approval of Minutes of July 13, 2017</u> Motion to approve the minutes of July 13, 2017 as amended made by John Payne, seconded by Joyce Key, motion passed
- 4. Changes to the Agenda
- 5. <u>Public Input</u>
- 6. <u>Old Business</u>
- 7. <u>New Business</u>
 - Discussion and Action to approve June 2017 Financials Motion to approve the June 2017 Financials made by Andy Key, seconded by Konnie Billgren, motion passed
 - b. Discussion on establishing a joint vision for the RDA and Town Council (Based on our last meeting we may want to establish Vision/Mission meeting discussions sometime after the Community Facilitation Event around the middle of September which should also benefit the renewal of our Urban Renewal Plan.) - Peter talked with Kim Bullen who will become the new DOLA director in our district. She is a great facilitator if the RDA is comfortable with Kim and she has agreed to facilitate our meeting. She was formerly the Rio Blanco County Manager. Brad

believes that would be a good decision. Consensus is to ask her to facilitate a meeting in October.

c. Discussion and Action to approve changes to the By-Laws in response to our July 13, 2017 meeting and advisement for Town Attorney Dan Wilson. (Red-Line's from Wilson Law are included for the RDA By-Laws.) - Peter reviewed some of the changes that were made in the by-laws, there is a red line copy showing the changes and then a cleaned-up copy of the formatting. Peter asked if we actually said that we would have another three members, Konnie and Karen said that they believed that was a discussion but not necessarily a decision, Brad agreed. Peter said that statutorily we should have three ex-officio members one from the County, School District and one at large representing the Special Districts. Peter said that this is a problem that many URA's in the state are now dealing with post HB-1328. John felt the discussion was open ended we really didn't come to a decision just a consensus about when our ex-officio member attendance. Joyce thought that we talked about going back to each of our districts. Sandy said she spoke with Amorette, she wondered if the library district even asked if they should have a seat at the table. Joyce believes that each representative go back to each of their perspective boards and ask how they feel about serving on the RDA board. Sandy said that she wonders if some of the mistrust comes from not knowing what the RDA mission is and does each representative have an agenda related to their district, is there transparency, she believes that the RDA should sets goal and have a mission statement. Joyce K. said that John P. said that the Hospital wants to have a place at the table. Konnie B. asked where the special districts are, why they are not in attendance, if they are not showing up then possibly they are not interested. Tim said that we are having the same discussions that we were having over a year ago, the project to tear down the Moose Head lodge we didn't do but now know it is a productive business. Tim wants to get a project going. Tim said that we have to deal with a budget. Tim said that he feels he is being forced to serve another five years, his board does not trust the Town. Tim believes that Kim Bolen is a great resource. Tim does not want to be here if we are going to discuss the same information over and over. Andy asked what do you want to do as far as the special districts. Tim believes the smaller board the better, but doesn't believe we are going to get everyone to agree. Joyce said every district can send representation. John said lets find one person to go to each of the boards and discuss the board representation. Karen asked if a board chooses to opt out at the beginning then they would not be part of TIF. Motion to approve changes to the By-Laws as per our July 13, 2017 meeting made by, seconded by, motion passed Konnie motions to bring the number of board members to eleven with each special district will have one representative, John seconded the motion, motion passed.

Peter let everyone know there is a film crew filming a video for Rangely with clips for promotion of Rangely. Andy said the raw footage would be available. Senator Bennet brought forward an initiative to help coal communities.

7- New Business

TOWN OF RANGELY REVENUES WITH COMPARISON TO BUDGET FOR THE 7 MONTHS ENDING JULY 31, 2018

ECONOMIC DEVELOPMENT FUND/RDA

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	REVENUES					
73-30-100	HOUSING REVENUE	5,575.00	34,080.00	143,000	108,920.00	23.83
73-30-200	INTEREST EARNINGS CD	.00	55.87	120	64.13	46.56
73-30-500	MISCELLANEOUS INCOME	.05	5,368.42	85,000	79,631.58	6.32
	TOTAL REVENUES	5,575.05	39,504.29	228,120	188,615.71	17.32
	TOTAL FUND REVENUE	5,575.05	39,504.29	228,120	188,615.71	17.32

TOWN OF RANGELY EXPENDITURES WITH COMPARISON TO BUDGET FOR THE 7 MONTHS ENDING JULY 31, 2018

ECONOMIC DEVELOPMENT FUND/RDA

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	EXPENDITURES					
73-40-220	PROF/TECH SERVICES	657.66	5,196.17	5,000	(196.17)	103.92
73-40-250	HOUSING MANAGEMENT EXPENSE	4,654.50	30,009.44	21,000	(9,009.44)	142.90
73-40-260	HOUSING MAINT/REPAIRS	.00	1,219.21	1,000	(219.21)	121.92
73-40-270	UTILITIES	20.64	144.48	100	(44.48)	144.48
73-40-300	MARKETING	.00	.00	700	700.00	.00
73-40-301	GRANT EXPENSES	500.00	2,500.00	40,000	37,500.00	6.25
	TOTAL OPERATING EXPENSES	5,832.80	39,069.30	67,800	28,730.70	57.62
	TOTAL EXPENDITURES	5,832.80	39,069.30	67,800	28,730.70	57.62
	TOTAL FUND EXPENDITURES	5,832.80	39,069.30	67,800	28,730.70	57.62
	NET REVENUE OVER EXPENDITURES	(257.75)	434.99	160,320	159,885.01	.27

Country Bandit K-9 Services BUSINESS PLAN

August 2018

Katelyn Carlson

Owner / Operator Country Bandit K-9 Services 155 South White Avenue Rangely, Colorado 81648 970-629-8404

countrybanditk-9@outlook.com Country Bandit K-9 Services on Facebook

I. Executive Summary

Business Overview

Offering K-9 services to help dogs put their best paw forward.

Products / Services Offered

Profession dog grooming and training at affordable prices.

Grooming Services include full service groom, full service bath, spa package. Additional services such as sanitary trim, flea relief, and nail pawlish are also available.

Canine Training Services include sit, stay, down, walking with a leash along with behavior problems such as lunging on a leash and aggression.

Pet Supplies including basic canine and feline supplies and expanding to include exotic pet supplies.

Success Factors

Country Bandit K-9 Services is uniquely qualified to succeed due to the following reasons:

- Products and/or Services: Our Products and/or Services are superior to our competitors because: This business offers the only complete grooming and training services within a 50 mile radius.
- Location: Our location allows us to better serve customers because: Customers have less time involved in transporting their pets long distances. Pets are more relaxed and will be back home in just a few hours versus a whole day.

1

II. Company Overview

Below is a snapshot of Country Bandit K-9 Services since its inception:

- Date of formation: 02-01-2018
- Is your business already in operation? Yes
- Legal Structure: Limited Liability Company
- Office Locations: My client base has already increased significantly and a larger work area is needed to accommodate future growth. I would also like to expand my business to include pet care items and natural pet foods. I am currently working on obtaining a larger more centralized location.
- Products and services were launched (include product/service names and dates launched): Complete grooming and training services since February 1, 2018.
- Other key company milestones or events: Our rural area offers a limited supply popular pet food brands. My clients have shown an interest in more healthy / natural brands and I am looking to offer these in the near future.

III. Industry Analysis

Industry Overview

Country Bandit K-9 Services operates in the Pet grooming and training market.

- Total monetary sales in this industry last year: \$5.73 billion
- Operators were in this industry last year: 296,400
- Industry's key product and service segments: Grooming and pet supplies
- Key market trends: Natural pet care products and food.
- Key market statistics: The job market in this industry is expected to grow 11% between 2014 and 2024 according to the Bureau of Labor Statistics.

Relevant Market Size

Our relevant market size is the annual revenue that our company could attain if we owned 100% market share.

Our relevant market size is calculated as follows:

- Number of customers who might be interested in purchasing our products and/or services each year? 75
- Amount these customers might be willing to spend, on an annual basis, on our products and/or services? \$300
- Our relevant market size: \$22,500

As the analysis shows, our relevant market is large enough for our company to enjoy considerable success.

IV. Customer Analysis

Below is a description of who our target customers are, and their core needs.

Target Customers

Below is a profile of our target customers:

- Age: We target individuals aged 25-60. Within 50 miles of our location, there are 2,500 people in this age range.
- Location: We target individuals within a 50 mile radius that live in the surrounding rural and city area.

Customer Needs

Below is a profile of the needs that our target customers have:

- Quality: Professional grooming and training services.
- Location: Located locally eliminates hours of travel and reduces potential stress on the pets.
- Price: Competivie pricing compared to corprate businesses.
- Convenience: Hours of operation accommodates communinty members busy schedules.

V. Marketing Plan

Our marketing plan, included below, details our products and/or services, pricing, promotions plans and distribution strategy.

Products, Services & Pricing

- Product/Service #1 Name: Full Service Groom
 - Product/Service benefits: bath, hair cut, nail clipping, ear cleaning, and expressing anal glands.
 - Product/Service Price: \$42.00 to \$72.00 (prises vary depending on size and breed)

• Product/Service #2 Name: Shedless

- Product/Service benefits: special shampoo and conditioner that helps break down the shedding process
- $\circ~$ Product/Service Price: \$15.00 to \$30.00 added to full service bath or groom

• Product/Service #3 Name: Full Service Bath

- Product/Service benefits: bath, brush out, nail clipping, ear cleaning, and expressing anal glands
- Product/Service Price: \$20.00 to \$60.00 (prises vary depending on size and breed)
- Product/Service #4 Name: 4 Star Spa Package
 - Product/Service benefits: upgrade shampoo and conditioner plus 2 more teeth brushing, nail buffing, nails painted, paw balm, or a blueberry facial
 - Product/Service Price: \$18.00 added to a full bath or full groom
- Product/Service #5 Name: Canine Training Services
 - Product/Service benefits: Training to sit, stay, down, walking with a leash along with behavior problems such as lunging on a leash and aggression.
 - Product/Service Price: \$20.00 an hour

Promotions Plan

Country Bandit K-9 Services will use the following tactics to attract new customers:

- Flyers: Flyers with company information are displayed at local business.
- Online Marketing: Country Bandit K-9 Services on Facebook
- Word of Mouth / Viral Marketing: Friends telling friends

Distribution Plan

Customers can buy from us via the following methods :

- Retail location: A central loacation allows for signs / banners to draw attention to the business.
- Other: Social media allows customers from multiple areas to know about the services and products available.

VI. Operations Plan

Our Operations Plan details:

- 1. The key day-to-day processes that our business performs to serve our customers
- 2. The key business milestones that our company expects to accomplish as we grow

Key Operational Processes

The key day-to-day processes that our business performs to serve our customers are as follows:

- Sales: Providing profession K-9 services and quality products.
- Customer Service: Friendly and dependable services at competitive prices.

Milestones

The key business milestones that our company expects to accomplish as we grow include the following:

- 1. To Be Completed By : 2018-02-01
 - Accomplishment #1: Grand Opening of Country Bandit K-9 Services
- 2. To Be Completed By : 2018-03-20
 - Accomplishment #1: Secured 20 repeat clients.
- 3. To Be Completed By : 2018-09-15
 - Accomplishment #1: Offer canine training services.
- 4. To Be Completed By : 2018-10-01
 - Accomplishment #1: Relocate to larger facility.
 - $\circ\,$ Accomplishment #2: Expand sales by offering healthy / natural dog food.

VII. Management Team

Our management team has the experience and expertise to successfully execute on our business plan.

Management Team Members

- Name : Katelyn Carlson
 - Title: Owner / Operator
 - Background: Certified in Canine Training and Behavior at the Animal Behavior Institute, Inc 2015. Certified Dog Groomer at Petco, Inc 2015.

Management Team Gaps

- Title/Role: Bather
- Key Functional Areas Covered: Part time position to bathe dogs prior to grooming.
- Qualities of the individual who will be sought to fill this role: Must be patient and work well with multiple dog breeds and types of behavior.

VIII. Financial Plan

Revenue Model

Country Bandit K-9 Services generates revenues via the following:

• Sales of products/services: 100% of business is generated from grooming / training services and sales of pet products.

Summary

Below is an overview of our expected financial performance over the next five years:

	FY 1	FY 2	FY 3	FY 4	FY 5
Revenues	\$23,091	\$25,623	\$28,445	\$31,589	\$35,092
Direct Expenses	\$3,816	\$4,262	\$4,764	\$5,328	\$5,964
Gross Profit	\$19,275	\$21,361	\$23,681	\$26,260	\$29,128
Gross Profit (%)	83.5%	83.4%	83.3%	83.1%	83%
Other Expenses	\$23,464	\$23,637	\$23,811	\$23,986	\$24,163
EBITDA	\$-4,189	\$-2,275	\$-130	\$2,273	\$4,964
Depreciation	\$0	\$0	\$0	\$0	\$0
Amortization	\$600	\$600	\$600	\$600	\$600
Interest Expense	\$0	\$0	\$0	\$0	\$0
Income Tax Expense	\$0	\$0	\$0	\$0	\$0
Net Income	\$-4,789	\$-2,875	\$-730	\$1,673	\$4,364

Funding Requirements/Use of Funds

To successfully execute on our business plan, we require \$11,000 in outside funding.

The primary uses of this funding include:

- Product Development: \$0
- Marketing: \$0
- Product Manufacturing: \$0
- Staffing: \$0
- Rent: \$6,000.00
- Other: \$5,000.00
- Other is defined as: Old School Maintenance has estimated it will cost \$4,500.00 to level one section of the building, adjust the plumbing for the bathing area, paint and caulk the exterior, and add a handicap ramp to the entrance. The additional \$500.00 would be used for required permits and any unforeseen expenses related to the improvements. The estimate is attached.

Financial Projections



Projected Sales, Gross Profit & Net Income

5 Year Annual Income Statement

		FY 1	FY 2	FY 3	FY 4	FY 5
Revenues						
	Revenues	\$23,091	\$25,623	\$28,445	\$31,589	\$35,092
Total Revenues		\$23,091	\$25,623	\$28,445	\$31,589	\$35,092
Direct Costs						
	Direct Costs	\$3,816	\$4,262	\$4,764	\$5,328	\$5,964
Total Direct Costs		\$3,816	\$4,262	\$4,764	\$5,328	\$5,964
GROSS PROFIT		\$19,275	\$21,361	\$23,681	\$26,260	\$29,128
GROSS PROFIT %		83.5%	83.4%	83.3%	83.1%	83%
Other Expenses						
	Salaries	\$11,541	\$11,599	\$11,657	\$11,715	\$11,774
	Marketing Expenses	\$240	\$240	\$240	\$240	\$240
	Rent/Utility Expenses	\$7,829	\$7,907	\$7,987	\$8,067	\$8,148
	Other Expenses	\$3,853	\$3,889	\$3,926	\$3,963	\$4,000
Total Other Expenses		\$23,464	\$23,637	\$23,811	\$23,986	\$24,163
EBITDA		(\$4,189)	(\$2,275)	(\$130)	\$2,273	\$4,964
	Depreciation	\$0	\$0	\$0	\$0	\$0
	Amortization	\$600	\$600	\$600	\$600	\$600
EBIT		(\$4,789)	(\$2,875)	(\$730)	\$1,673	\$4,364
	Interest Expense	\$0	\$0	\$0	\$0	\$0
PRETAX INCOME		(\$4,789)	(\$2,875)	(\$730)	\$1,673	\$4,364
	Net Operating Loss	(\$4,789)	(\$7,665)	(\$8,395)	(\$8,395)	(\$6,721)
	Use of Net Operating Loss	\$0	\$0	\$0	\$1,673	\$4,364
	Taxable Income	\$0	\$0	\$0	\$0	\$0
	Income Tax Expense	\$0	\$0	\$0	\$0	\$0
NET INCOME		(\$4,789)	(\$2,875)	(\$730)	\$1,673	\$4,364
	Net Profit Margin (%)	(20.7)%	(11.2)%	(2.6)%	5.3%	12.4%

5 Year Annual Balance Sheet

		FY 1	FY 2	FY 3	FY 4	FY 5
ASSETS						
	Cash	\$5,102	\$2,660	\$2,344	\$4,489	\$9,229
	Other Current Assets	\$1,999	\$2,219	\$2,464	\$2,632	\$2,924
	Total Current Assets	\$7,102	\$4,880	\$4,808	\$7,121	\$12,153
	Intangible Assets	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
	Acc Amortization	\$600	\$1,200	\$1,800	\$2,400	\$3,000
	Net Intangibles	\$5,400	\$4,800	\$4,200	\$3,600	\$3,000
	Fixed Assets	\$0	\$0	\$0	\$0	\$0
	Accum Depreciation	\$0	\$0	\$0	\$0	\$0
	Net fixed assets	\$0	\$0	\$0	\$0	\$0
	Preliminary Exp	\$0	\$0	\$0	\$0	\$0
TOTAL ASSETS		\$12,502	\$9,680	\$9,008	\$10,721	\$15,153
LIABILITIES & EQUITY						
	Current Liabilities	\$2,292	\$2,345	\$2,403	\$2,442	\$2,510
	Debt outstanding	\$0	\$0	\$0	\$0	\$0
	Total Liabilities	\$2,292	\$2,345	\$2,403	\$2,442	\$2,510
	Share Capital	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000
	Retained earnings	(\$789)	(\$3,665)	(\$4,395)	(\$2,721)	\$1,642
	Total Equity	\$10,210	\$7,334	\$6,604	\$8,278	\$12,642
TOTAL LIABILITIES & EQUITY		\$12,502	\$9,680	\$9,008	\$10,721	\$15,153

5 Year Annual Cash Flow Statement

		FY 1	FY 2	FY 3	FY 4	FY 5
CASH FLOW FROM OPERATIONS						
	Net Income (Loss)	(\$4,789)	(\$2,875)	(\$730)	\$1,673	\$4,364
	Change in Working Capital	\$292	(\$166)	(\$186)	(\$128)	(\$224)
	Plus Depreciation	\$0	\$0	\$0	\$0	\$0
	Plus Amortization	\$600	\$600	\$600	\$600	\$600
	Net Cash Flow from Operations	(\$3,897)	(\$2,442)	(\$316)	\$2,144	\$4,739
CASH FLOW FROM INVESTMENTS						
	Fixed Assets	\$0	\$0	\$0	\$0	\$0
	Intangible Assets	(\$3,000)	\$0	\$0	\$0	\$0
	Net Cash Flow from Investments	(\$3,000)	\$0	\$0	\$0	\$0
CASH FLOW FROM FINANCING						
	Cash from Equity	\$11,000	\$0	\$0	\$0	\$0
	Cash from Debt financing	\$0	\$0	\$0	\$0	\$0
	Net Cash Flow from Financing	\$11,000	\$0	\$0	\$0	\$0
	Net Cash Flow	\$4,102	(\$2,442)	(\$316)	\$2,144	\$4,739
	Cash at Beginning of Period	\$1,000	\$5,102	\$2,660	\$2,344	\$4,489
		\$5,102	\$2,660	\$2,344	\$4,489	\$9,229

8 – Information