



Jake – Outfitting trips – MJ working on legal opinion – definitely will be finished before hunting season. Once legal opinion is complete, up to Board to decide whether to change ordinance

8) Public Comment: Mike McManus wants to know about accountability:  
applicants, recipients, and board members (MJ responded to all questions)  
allocations: how are decisions arrived at by each board member

9) Next meeting September 5<sup>th</sup> .

Open Meeting adjourned at 4:55 pm.

A handwritten signature in cursive script, appearing to read "Becky Laper". The signature is written in black ink and is centered on the page.

**Big Sky Resort Area District  
Minutes from September 5, 2001  
Board of Directors Meeting**

<b>Attending:</b>	Bob Stober, Chair	Mona Jamison
	Heidi Peacock	Evy Schnee
	Carol Collins	Jenny Swick
	Carol McCann	Craig Swick

BS called the meeting to order 3:00 p.m.

- 1) Public Comment – Jenny and Craig Swick, owners of Paparazzi Fur & Leather, brought to the attention of the Board the lack of law enforcement response within the resort area district. On August 28, 2001, Jenny S. called the Bozeman dispatch and reported a theft of a \$4,000.00 jacket taken from Paparazzi Fur & Leather. Jenny S. stated that although she made several calls, over a nine-day period, to both the Bozeman dispatch number and the Big Sky number, she has yet to receive any meaningful response and follow-up on the reported theft. She stated that there was a suspect but that now the suspect has disappeared.
- 2) Mona requested that Jenny submit to Carol M. a complete written report detailing the events surrounding the theft and lack of law enforcement response. Then, Carol M. will send a copy of the report on to Mona, who will then draft a letter to Sheriff Cashell, describing the incident, the terms of the allocation agreement for law enforcement services, and requesting an explanation regarding the lack of response. Attached therein will be Jenny’s report. CC of Mona’s letter to Jenny and Craig S.
- 3) Mona requested whether Sheriff’s allocation agreement has been signed and returned. It has yet to be done. Carol M. will do the follow up so that Mona can proceed with the abovementioned issue.
- 4) A change to the Minutes of the July 11, 2001 meeting. Add that on the paved path in the canyon there needs to be a sign barring motorized vehicles. Carol C. motioned for approval of minutes and Heidi P. seconded the motion. Unanimous vote of approval.
- 5) Financial Reports reviewed.
- 6) New Business:
  - Carol C. motioned that a signature card for Carol M. be set up at Big Sky Western Bank contingent upon Carol M. being bonded and that Evy be taken off the signature card. Bob S. seconded the motion. Unanimous vote of approval.

- The FYE 6/30/01 audit by Holmes & Turner is pending. Carol M. will call Bill Hebron and request that they conduct a second audit once Evy S. has terminated employment.
- The Board denied BSOA-Selected Services' request for payment of signage. Board said outside scope of allocation agreement. Carol M. will write letter stating request denied because it is beyond the scope of the allocation agreement.
- The Board discussed BSOA-Park's request for payment of maintenance. The allocation agreement allows requests for payments for the items referenced on page 3 of the application. This page does not list maintenance as an item; however it list administration. The confusion is that on another page of the application administration is broken out to include maintenance. The Board decided to honor the requests and requested Carol M. to write a letter and send it with the checks. The letter shall make it clear that in the future the line item administration shall not be used as a catchall. Mona to review letter before sent to BSOA. Heidi P. motioned to grant request and include the abovementioned letter. Carol C. seconded. Vote 2Y;Bob S. opposed.
- Board approved the purchases of a new hard drive and flat screen for BSRAD office. Jerry Pape Jr. will provide an estimate of the total cost to be reviewed by Bob S.

7) Old Business:

- Board decided to revisit in December Ordinance #98-01-ORD section 10-z, regarding whether to tax individuals that provide lodging.
- Signs barring motorized vehicles are already going up on the paved path running along side of Highway 191, from the Big Sky Conoco to Ophir School.

8) Other Business:

- Mona advised that the decision whether or not to tax outfitters for trips that occur outside the boundaries of the Big Sky resort area district is solely within the discretion of the Board. Bob S. motioned that Mona rewrite the ordinance provision to clarify that outfitter trips outside the district shall not be taxed even though the outfitter business makes reservations from a location within the boundaries of the district. Heidi P. seconded. Vote unanimous.
- Mona recommended that the discussion of the letter to the editor that Walter A. requested Mona to write be postponed so that Walter A. and Becky P. have a chance to review it at the next meeting and determine whether or not it should be expanded.
- Carol M. to look into a Flexible Fund as an alternative to the conventional medical insurance then have Mona review it and submit it to the board for approval. The Board requested Mona to look into certain health insurance related issues.

9) Next meeting October 3<sup>rd</sup> in new office.





- 7) This exemption should not be restricted to outfitters but should include all recreational activities. Mona recommends that once the changes to the ordinance are adopted have Carol M prepare a memo reflecting these changes for those recreational businesses located in the District.
- 8) Mona advised that as of now, everything should be posted to notify the public that there are proposed changes to the ordinances. If people want to pick up the changes make sure that copies are available for them to pick them up at the District office. After adoptions, letters should go out.
- 9) Becky motioned that the first reading of ordinance # 98-01-ORD, as amended on May 3, 2000 be approved as written. Carol C. seconded the motion. Unanimous vote of approval.
- 10) Mona requested that Bob date the first reading and then have Carol M. keep that copy.
- 11) The next reading is on Ordinance No. 99-01-ORD, which is our ordinance outlining the procedure for annual appropriation of resort tax funds, and our application form. The changes made to the application form are not for adoption but for the Board's review.
- 12) As to the Ordinance, Mona said, she changed the word "person" to "organization" because organizations are applying not people. If you go to page 2, section 1(G), you will see that persons can still apply. The use of the word organization is compatible with the application form and the language that the Board uses.
- 13) Mona then turned to Section 1(B) where language was added to clarify the completeness requirements of the Board, so that applicants do not come back two weeks after the deadline and want to add something. Carol C. suggested that Carol M. have the applicant wait as she goes over the submitted application to ensure that the completeness requirement has been satisfied.
- 14) Rollover requests. Although the Board wanted a separate application for rollover request, Mona felt that having it consolidated onto one application would make it easier for the Board to track. It's all on one page. Carol C. thought it was a good idea since some applicants are not aware of the rollover option. Bob agreed. On page 1 of Ordinance 99-01, Mona added a new section that addresses the rollover request. This section requires rollover applicants to submit a brief narrative explaining why applicant is requesting the rollover. The revised application reflects this requirement. Bob said that it is the Board's position that rollover request for monies already committed are fine. But if the applicants says that they just didn't get around to spending the allocated funds, the reason for the rollover request is not a substantial reason to grant a rollover request.

- 15) On page 2, (6) of the Ordinance, language was added that requires a copy of the applicant organization's current annual budget. Becky brought up the scenario where persons applied rather than an organization and they would not have an annual budget because they are not an organization and it's a one-time project. Carol C. suggested that the word "annual" be deleted so that if persons apply they could meet this requirement by submitting a current budget for the project in question. Carol C. motioned that the word "annual" be taken out. Becky seconded the motion. Unanimous vote of approval.
- 16) Take out (8) on page two.
- 17) Becky moved to approve the first reading of ordinance 99-01-ORD. Carol C. seconded the motion. Unanimous vote of approval.
- 18) Bob signed and gave the Ordinance to Carol M. to hold and bring to next meeting.
- 19) The Board decided to wait until the next meeting to discuss the letter to the editor that Mona wrote upon the request of Walter A.
- 20) Carol M. to mail a copy of Mona's letter to the Sheriff Cashell to all Board members. The letter addresses the lack of law enforcement response to a recent theft at Paparazzi. Bob received a call from Sheriff Cashell's secretary discussing this letter. She said that the Sheriff would like to discuss this with the Board. Bob told her when the next Board meeting would be -October 9, 2001- and they didn't come. Becky commented that this is important and we know that we do not have 24/7 coverage. Mona said that the allocation agreement says that it is for 24/7 coverage. Mona suggested that since they did not show up for the meeting that Bob, other members of the Board and Mona make an appointment and meet with them in Bozeman. Bob will call Sheriff Cashell to set up a meeting. Becky said to take a copy of the allocation agreement to the meeting.
- 21) Other Business: Sewer contract has been straightened out. Carol M. will send a copy of this contract to Mona.
- 22) Brief discussion of Mona's memo on the loss control program. The mention of a loss control program showed up on the renewal policy sent by Central Insurance. The policy does not make it clear whether it is a recommendation or a requirement that the Board develop a lost control program in order to meet coverage. Mona called 3 times and has not heard back. Mona proposed that she draft a letter to Central Insurance that says that we tried to call but received no response and that we are not viewing the development of a loss control program as making it binding. Here's our check and we believe we have binding insurance. Have Bob sign it. When Carol M. issues check make it clear that it's payment in full for that policy regardless of whether or not the Board develops a loss control program.

- 23) Carol M. will check with Election Administration, Shelly Vance regarding public notice of the election and who pays for the election.
- 24) Carol C. asked if the Board could discuss the Bankruptcy filing we received or does it have to be discussed in the closed meeting. Mona said that once somebody files a lawsuit it makes all those delinquencies public. Thus, she said that she believes that the filing for Bankruptcy makes it public. It should be on the docket, thus, it is public. According to the bankruptcy code, BSRAD is in position number 8 to collect on its debt. It is classified as a taxing entity, thus, the debt qualifies for non-destructible status and survives bankruptcy. However, the point is there is no money to collect. When we are allowed to file a notice of claims, Mona said that she would file it so that we preserve that right to collect in the future. Becky requested that Mona send a copy of the Bankruptcy Code, pertinent part, that list according to priority who qualifies for non-dischargeable debt status.
- 25) Marcus requested a copy of last year's collections by county. Becky said it is public information and we provided a copy.
- 26) Meeting adjourned at 4:24 p.m. Next meeting is set for November 14, 2001.



**Big Sky Resort Area District  
Minutes from November 14, 2001  
Board of Directors Meeting**

Attending:	Walter Ainsworth, Vice Chairman	Sheriff Jim Cashell
	Carol Collins, Director	Sharon Schumacher, Sheriff's Office
	Jim Muscat, Director	Sargent Brian Gootkin
	Heidi Peacock, Director	Jergen Wheil, Harris & Wheil Financial
	Rena Schumacher, Director	Joe Warren, Lone Peak Lookout
	Mona Jamison, Attorney	Marcus Hibdon, Lone Peak Lookout
	Carol McCann, Administrator	

1. Walter opened the meeting.
2. Public Comment. Marcus requested an agenda for this meeting.
3. Carol C. motion for approval of the October 9, 2001 BOD meeting minutes. Heidi seconded. Unanimous approval.
4. Seating of new board members. New board members have signed oaths of office. Carol C. delivered canvas report to Carol M.
5. Election of Officers. Nominations for Chairperson. Rena Schumacher nominated Carol C. Walter motioned to nominate Carol C. Heidi seconded the motion. Unanimous vote of approval. Nominations for Vice Chairperson. Heidi nominated Walter. Walter respectfully declined. Carol C. nominated Jim M. Heidi seconded it. Unanimous vote of approval. Nominations for Secretary/Treasurer. Rena Schumacher nominated Heidi. Jim seconded it. Unanimous vote of approval.
6. Walter passed the responsibility of directing the meeting to the new Chairwoman, Carol C.
7. Retirement Plan. The original plan incorrectly designed. Jergen Wheil the administrator of the plan proposed to set up a new plan rather than do a restatement in order to correct the errors. The date of eligibility needs to be changed to the date of hire to accurately reflect the terms the Board agreed upon within the terms of Carol M.'s employment contract. Other aspects of the retirement plan were discussed.
8. Walter made the motion to change the eligibility date to the date of hire, to exempt part-time, seasonal employees from participation in the retirement plan and to direct any remaining funds 1) to defray administration cost and 2) to go toward future contributions. Heidi seconded the motion. Unanimous vote of approval. Chairperson will be the Trustee for the Retirement Plan.

*Heidi Peacock*  
Secretary

9. Sheriff Cashell discussed the shortage of law enforcement officers in Big Sky and throughout the Gallatin County. Currently three law enforcement officers are assigned to Big Sky. Two live in Big Sky. Gallatin County, Madison County and the District each pay one third of the cost for the three law officers at Big Sky. Each pays for one law enforcement officer. The actual cost this year for each officer is \$89,815.00. The problem is that there is the same number of law enforcement officers today as there was in the early 1980's. It takes one post to provide 24 hours/ 7 days per week law enforcement coverage. It takes six law enforcement officers to make up one post.
10. Cashell developed a Volunteer Mitigation Plan to address the shortage of law enforcement in Gallatin County. He is asking developers to assist in the cost of providing additional police coverage. With this additional money, Cashell is looking to put another deputy in Big Sky.
11. Cashell offered to write a weekly Police Report to be published in the local paper.
12. Jim M. asked what were the expectations outlined in the allocation contract. The allocation agreement indicates 24/7 law enforcement protection. Sheriff Cashell said that was for emergency coverage. Heidi said that the District is not being covered for what it is paying, that is the 24/7 coverage. Sheriff Cashell said that the District is paying to have one deputy sheriff live in Big Sky. And that requirement has been met. Mona said that Sheriff Cashell interprets the contract different from what the Board does.
13. Jim suggested that the District consider putting its time and money into lobbying County Commissioners for money to be spent on more law enforcement coverage in Big Sky. Walter said that it is not in the District's province to lobby the County.
14. Mona said County is responsible for law enforcement protection in Big Sky. The District is not. Mona said that if the District denies allocation of that third law enforcement official, the County would be responsible. Cashell said that without the District funding, there would be one less law enforcement official living in Big Sky.
15. Cashell asked for a letter of support from the District when he takes his proposal to Madison County. And He also asked for a letter of support this coming Spring when he will be seeking an increase in Public Safety Mill Levy. (Money for law enforcement comes from the Public Safety Mill Levy). Carol C. said that it is within the authority of the District to write a letter of support. No final action was decided however.
16. Second Reading of the proposed changes to Ordinance 98-01-ORD, as amended May 3, 2000. The purpose of the changes to this ordinance is to provide equity to the outfitters who operate businesses within the boundaries of the District but transact their business outside the District and compete with outfitters who do not

- collect resort tax because they operate their business outside the District. Mona said that the only language or content that the Board can change in the second reading are those things that were proposed.
17. Jim Muscat brought up the point that outfitters who transact outside the District benefit from doing business within the District. The Board debated whether or not to make the proposed change to exempt outfitters' transactions that occur outside the District. Mona said that the Board could revert back to the original language of the ordinance and not go forward on the proposed changes. Walter motioned to restore the original language. Jim seconded. Unanimous vote of approval. Heidi motion to add the word "occurred" to section 9(e). Walter seconded the motion. Unanimous vote of approval.
  18. Jim motion to adopt 2<sup>nd</sup> reading of ordinance 98-01-ORD with the changes made today. Heidi seconded the motion. Unanimous vote of approval.
  19. Mona will mail the adopted ordinance 98-01-ORD with proposed changes to Carol M. to have Carol C. sign and date.
  20. Second Reading of Ordinance 99-01-ORD. Rollover request read by Mona. Jim asked if the Board could require applicants to explain whether or not applicant can stand alone without future funding by the District. Heidi motioned to request applicant to answer how they will fund project without future funding by the District. Jim seconded the motion. Unanimous vote of approval.
  21. Walter motion to adopt 2<sup>nd</sup> Reading of Ordinance 99-01-ORD, as amended. Heidi seconded the motion. Unanimous vote of approval.
  22. Walter motion to remove Bob Stober and Becki Pape from the bank signature authorization cards and add Jim and Renae. Heidi seconded the motion. Unanimous vote of approval.
  23. Old Business. The Board reviewed the letter drafted to the newspaper to explain to the public what information the District Board is allowed to request. In summary, the Board can request audits from tax collectors and recipients of allocated funds; however, the Board must limit its audit of recipients' records to their use of allocated funds. Mona said the Board has the authority to request a budget from the applicant but cannot audit applicant. Walter motion to accept letter as written and publish it in both papers. Heidi seconded the motion. Unanimous vote of approval. Mona is going to have the article published.
  24. Questions on taxability. The services of interior designers are exempt; however, the art and nick-nacks that they sell are taxable. The Board decided to table the questions for the next meeting.

25. Carol C. asked that the date of the public forum meeting be addressed at the next meeting.

26. Walter motioned to accept financial reports. Jim seconded the motion.  
Unanimous vote of approval.

27. Calculation of interest rate and late fees. Discussion was limited to the review of the tax remittance form. The Board suggested that Carol M. go ahead and redesign the tax form to correct the form so that it is clear and accurately reflects current interest charges and late fees.

28. Walter motion to adjourn the open meeting. Jim seconded it. Unanimous vote of approval. Open meeting adjourned at 3:30 p.m. Next meeting is set for December 5<sup>th</sup>, 2001 at 11:00am.

**Big Sky Resort Area District  
Minutes from December 5, 2001  
Board of Directors Meeting**

Attending: Carol Collins, Chair  
Jim Muscat, Vice Chair  
Rena Schumacher, Director  
Mona Jamison, Attorney  
Carol McCann, Administrator

Walter Ainsworth, Director

1. Carol C. called the meeting to order at 11:00am.
2. No Public Comment.
3. Review and Approval of the Minutes of the November 14, 2001 BOD Meeting. Carol C. requested that Carol M. call Sheriff Cashell and ask when he wants BSRAD to write the two letters of support that he mentioned at the November meeting. Then, schedule the letter writing for a future agenda item. Carol C. also requested that Carol M. to place Next Meeting Date on the agenda on a regular basis. Walter motioned for approval of the November 14, 2001 BOD meeting minutes with two corrections made. Jim seconded. Unanimous approval.
4. Board discussed and set the date for the Public Forum. The Forum is set for Thursday evening at 7pm on March 28, 2002. Mona will give a brief presentation of the history of BSRAD. Mona suggested that Carol C. as Chair can facilitate the forum. Format of the forum and where it will take place was tabled for future discussion. Add to the agenda for January or February's BOD meeting.
5. Investments: Carol C. commented that the money market account has over one million dollars in it and that some of the money needs to be transferred where it can earn more interest. Carol M. is to review the allocation schedule to determine when and how much money will be requested in the following year, to research quotes from the local banks and the STIP Fund and report back to the Chair so that the money can be reinvested ASAP. Walter noted that FDIC must cover the funds invested. Mona said that she wrote a legal opinion #12 which addresses the legal requirements of investing public funds. Under the Constitution, public entities can not invest public money into the equity's market. Carol C. said it is the District's policy to invest locally when considering CD's. Carol M will submit a final report to the Board for the next meeting.
6. Governance Committee Meeting: Carol C. announced that the Governance Committee meeting is scheduled for Monday, December 17, 2001 at 7pm.

7. New Office Hours: Carol M. notified the Board that she intends to change the office hours to three day per week rather than five. The office hours will be Monday, Thursday, Friday, 9am – 5pm. Walter moved for approval of the new office hours, Renae seconded the motion. Unanimous vote of approval. Carol M. will publish new office hours in advance of change.
8. Update on the Legal Status of the Ordinances: Mona referred to legal opinion #6 and stated that after the approval of the second reading, which occurred at the November 14<sup>th</sup> BOD meeting, the ordinances are adopted and automatically become effective 30 days from the date of approval. Thus, December 14, 2001 is the date the Ordinances as adopted become effective. After December 14<sup>th</sup>, Board members must sign. After everyone signs the ordinances. Everyone will receive a copy of each ordinance. Walter motioned to set the signed date for December 17, 2001. Jim seconded it. Unanimous vote of approval.
9. Typos to 98-01-ORD were noted. Mona will send Carol M. new copies.
10. Mona handed out an updated table of contents for the legal opinion notebook and a notebook of the Ordinances and Resolutions. This notebook also includes the Resort Tax statute. Mona discussed the statute and recommended that everyone re-read it. Mona pointed out section 7-6-1505 (3) & (4), where the statute gives the District Board the authority to adopt ordinances and resolutions. Mona also mentioned section 7-6-1503 where the statute defines goods and services subject to tax. She emphasized that the resort tax is a tax on the retail goods and services sold by certain establishment and tax on luxuries. This means that exempt items become non-exempt items when they are sold by certain resort establishments. She gave the example of aspirin. Aspirin is an exempt item, however, when it is sold at the hotel as opposed to the pharmacy in the meadow, it is taxed.
11. Questions on Taxability: a) Rainbow Ranch has been filing resort taxes for Full Moon Outfitters and pooling the taxes together and filing both under Rainbow Ranch. The Board agreed that separate business should be filed separately even if they are prepared by one business. b) Are antiques subject to resort tax? That is, are they a luxury? Mona said that she is preparing a memo on this issue for Saint Regis and she said that she would provide us with copies. She will bring this memo to the next BOD meeting. c) Mona brought up the controversy around whether manicure and pedicures should be taxed. Currently, they are not since they are performed by state licensed cosmetologists. Non-recreational, state licensed professionals are exempt. The intent of the exemption was to exempt engineers, doctors, lawyers, etc. Mona will prepare a presentation for the next BOD meeting.
12. Final Proof of Tax Remittance Form: Change Ordinance to read amended on December 17, 2001. Walter motioned to accept final proof of tax remittance form. Renae seconded it. Unanimous vote of approval.

13. Tax Credits: Carol M. reported to the Board that \$1,833.05 in tax credits needs to be issued due to the recent clarification on how the Board wants the late fees to be assessed. Refunds will be issued for those businesses that are closed. Walter requested a list of the tax collectors who are scheduled to receive the tax credit.
14. Audit Proposals: Two proposals were submitted to perform audits on behalf of BSRAD. The firm that is chosen will perform audits on delinquent tax collectors to determine the tax that they owe. BSRAD needs to determine the amount of tax that is owed in order to pursue that amount through court action. Mona said that for purposes of going to court to collect taxes, BSRAD is in a much stronger position if the audits are performed by an independent CPA rather than the District's administrator. The District compromises its objectivity when the witness on behalf of the District is also the witness who performed the audit on the delinquent tax collector. Walter said that before the Board hires a firm to perform these audits, we need to check the current contract we have with Holmes & Turner. That contract may require the District to hire Holmes & Turner. Carol M. will look into it and send copies to Renae and Mona and Carol C.
15. Financial Reports: Walter motions to accept financial reports. Renae seconded it. Unanimous vote of approval.
16. Meeting time of the BOD meeting was discussed. Some Board members prefer the meeting at 3 p.m. rather than 11 a.m. Carol C. will poll Jim and Heidi to see what time would be best for them. Walter said he was flexible. Renae prefers mornings but is flexible. Carol M. said that Heidi prefers 3pm. Mona prefers 11 am but is flexible.
17. Adjournment of the Open Meeting 1:12 pm. Next Meeting scheduled for January 2, 2001.

*Heidi Pasoch* 2/6/02