

Approved Sept. 14 2005 x A ~~SSC~~

**MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING**  
**AUGUST 10, 2005**

**Present:** Carol Collins, Chairperson  
Lance Child, Director  
Al Malinowski, Director  
Bill Dutton, President of Big Sky Western Bank  
Renae Schumacher-Sec.-Treasurer  
Sarah Ouellette, Administrator

Meeting called to order at 12:15 pm

1. Public Comment: Bill Dutton thanked the board for their continued business and reminded us that we have a CD maturing in October, which is at a rate of 3.5%. He said he will try to renew it at that same rate. He said their current promotional rate is at 2.75%.
2. Minutes of the May 18, 2005 Regular Open Board Meeting: Renae made a motion to approve, Al 2<sup>nd</sup>. All in favor.
3. Minutes of the June 1, 2005 Allocations/Open Board Meeting: Lance made a motion to approve with changes requested. Al 2<sup>nd</sup>. All in favor
4. Gallatin and Madison County Commissioners Board Meeting set for August 24, 2005: The BSRAD is on their agenda. Board wants Sarah to confirm that the local papers will be covering this. The board wants to inquire on the reasons the counties are not funding the appropriate number of deputies required for the Big Sky area. Carol said the board will basically be there to get informed by the commissioners. She also wants to inform the commissioners that the board feels the counties should be providing more funding for the fifth deputy, which the Resort Tax currently funds. Al said it's important to convey to their boards that the Resort Tax Board struggles with whether or not this funding for the fifth deputy should come out of the resort tax funds. Carol said that historically "Big Sky" wanted more deputies, which BSOA used to pay for (this extra deputy) and consequently went to the Resort Tax Board for the funding. Lance said he wants to find out if the County Commissioners view this funding as a "given," and wants to get an idea of their budgeting process. Al said he would like to learn if the Counties are giving Big Sky consideration, as far as its growth and the tax base growth.
5. Other Business: Carol said she was contacted by MSU's local government center, Jane Jelinski, regarding a September 28<sup>th</sup>, 2005 meeting in Helena to discuss resort tax districts. The meeting is basically an open discussion meeting. Carol said she was going to attend.
6. June allocations follow-up: Lance said the Lone Peak Lookout printed an article relating to the Chamber's funding of the Arts Assn.; however, the article never mentioned that the Resort Tax is funding the Chamber and their operations, etc. Board is considering inviting the Arts Assn.'s Officers and Director to a board meeting for follow-up discussions. Concerning future allocation meetings, Al suggested the applicants stand at the podium during discussions and be given time to speak on behalf of their application prior to the allocations, or at least have the applicant stand at the podium to allow the board to ask further questions if necessary.

7. Financials: Al made a motion to approve the financial reports to include the "Transaction by Detail" report, which includes checks ranging from #3760 to #3836 and #112 to #117." Renae 2<sup>nd</sup>, all in favor.

Meeting Adjourned.

APPROVED - DECEMBER 14, 2005



**MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING**  
**SEPTEMBER 14, 2005**

**Present:** Carol Collins, Chairperson  
Al Malinowski, Director  
Jim Muscat, Vice-Chairperson  
Tom Stuber, Mont. Dept. of Trans.  
Rena Schumacher-Sec.-Treasurer  
Sarah Ouellette, Administrator  
Yancey Arterburn, B.S.T.D.  
Courtney Jones, B.S.T.D.

Public Comment: Courtney Jones and Yancey Arterburn with the Big Sky Transportation District (BSTD) were in attendance, as well as Tom Stuber from the Montana Dept. of Transportation. They provided the board with minutes from their previous meeting summarizing their position with the State and deadlines for applying for State matching funds. They informed the board that the State's "matching funds" ratios have changed; and decreased overall. State funds issued can be used for bus garages, offices, etc. The State provides training for all aspects of the Transit Dept; such as, training for drivers, managers and others. The State requires alcohol and drug testing on its drivers. The B.S.T.D. is requesting \$218,000 from the BSRAD. Tom Stuber said they would require a board decision on the amount (if any) by Feb. 2006, which would enable the Big Sky. Trans. Dist. to apply for matching funds through the State of Mt. Trans. Dist. for the year 2006. Board was not sure if they were able to make this decision before that deadline; but would like this issue placed on an upcoming agenda.

2) Minutes of the August 10, 2005 Open Board Meeting: Remove Jim's name from the attendance and correct spelling for Jane Jelinsky's name. Al made a motion to approve minutes with these changes, Jim 2<sup>nd</sup>. All in favor.

3) Post Office, LLC- Al Malinowski inquired with the board as to why they were so focused and concerned with the P.O. "for-profit" status, considering the P.O. request fit within the Ordinance requirements. He said he felt the board's message to the Post Office was that if they did not change their operating status, then maybe they would not receive the funds requested. Carol Collins, chair stated that "it wasn't a personal attack on the P.O. LLC" or a matter of questioning their integrity, but it was based on public perception. Rena followed up with the similar statement explaining that the concern was due to public perception and comments received. Al mentioned that the B.S.O.A. is a non-for-profit business for other reasons other than having operated the Post Office. Carol said the public is trying to justify the reason the money is being used for a for-profit business. Al said it's likely the Post Office may not be eligible for a "non-profit" status. Rena said it was her understanding, according to the information the Post Office submitted in their application, they *may* be eligible, but because there was no benefit to them, they chose not to apply for a non-profit status. Rena said another factor was the rental income from the Post Office and that is essentially went right back to "themselves" (PO LLC). Al stated that cost of rent pays for operations regardless of who owns it. Jim said it was valid for the board to question the PO status, but the board should not react to perception. He said nobody wanted the PO three years ago, and the board should support their decision to fund it; as the Post Office is necessary. Al said that Schwarzkopf prepares all the financial information the Post Office provides the BSRAD. Al said from an organizational standpoint, it's most likely not going to work to change their status, and it may not be possible to do so.

The board members discussed giving the resort tax applicants an opportunity to clarify or confirm statements or facts concerning their entity as they are brought up during the allocation meetings.

4) Administration Position: Board will interview two out of the five applicants. Board discussed the starting wage to be between \$14.00 and \$16.00 per hour based on experience. Al and Renae agreed to be the hiring committee and will return to the board with their recommendation.

5) Joint County Commissioners Meeting: Board wants another joint meeting with commissioners; or possibly with just the Gall. County Commissioners. Jim inquired on the boards' goal concerning future funding of the Gallatin County Sheriffs Office. He feels the board should look further into Madison County's budget. Al questioned where the directive for the funding of this 5<sup>th</sup> deputy came from. Al said the question now is what level of service does Big Sky want or need. Carol said she would contact commissioners regarding meeting.

6) Financials: Al made a motion to approve the attached financial reports to include the "transaction by detail" report. Renae 2<sup>nd</sup>, all in motion.

Meeting Adjourned

**MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING**  
**NOVEMBER 16, 2005**

**Present:** Carol Collins, Chairperson  
Al Malinowski, Director  
Les Loble, Board Member  
Rena Schumacher, Sec/Treasurer  
Lance Child, Director  
Teri Kirschner, Administrator

Sarah Ouellette, Previous Administrator  
Bill Olson - BSCC Spur Road Trail  
Mitch Furr - BSCC Spur Road Trail  
Meg O'Leary - Big Sky Transportation District  
Tom Stuber - Montana Dept. of Transportation  
David Kack - Western Transportation Institute - Big Sky Transportation  
Lisa Knorr - Big Sky Transportation District

**1) Public Comment:** Bill Olson with the Big Sky Spur Trail has been already been granted allocation for previous years. Would like affirmation as to whether or not to proceed. Needs to finish Geo tech work and the engineering cost will be more that projected. Carol moved to address later on agenda.

**2) Minutes of the September 14, 2005 Open Board Meeting:** Al suggested to changing #3 paragraph to read, (Al stated that cost for rent does pay for PO operations regardless of who owns it.) Rena Schumacher made a motion to approve minutes with changes. Al 2<sup>nd</sup>. All in favor.

**3) Minutes of September 26, 2005 Special Meeting:** Addressed administrative position benefits - keep consistent with past benefits. Lance made a motion to approve minutes with clarification of admin. position benefits. Rena Schumacher 2<sup>nd</sup>. All in favor.

**4) Carol welcomed newly elected board members, Rena Schumacher and Les Loble and new administrator, Teri Kirschner. Rena Schumacher and Les Loble filled out New Oath of Office forms. Carol presented official tally of votes. Change signers on bank accounts - Remove Jim Muscat and Sarah Ouellette. Add Les Loble and Teri Kirschner as signers. Motion made by Al to approve new signers. Lance 2<sup>nd</sup>. All in favor.**

**5) Big Sky Transportation District.** Carol explained that BSTD is looking for federal funds for bus transportation. Allocations for federal funds must be submitted on Feb. 6<sup>th</sup>, 2006. They need to have board approve allocations now instead of the typical annual allocation meeting in order to qualify for matching funds. Request allocation has 3 options. 1. Do nothing 2. Move allocation date. 3. Emergency allocation. Looking at making the request an emergency allocation. What constitutes an emergency? Refer to memorandum dated Oct. 14, 2005 from Mona Jamison, Attorney. Tom Stuber w/Montana Dept. of Transportation stated that State and Federal government has changed process and are trying to get more people to come on board. It is estimated that they will have up to a six million dollar budget and it is increasing. They are looking for funding needs and would like to help Big Sky Transportation. Carol: If we do funding what does that get us. David: He will send us a four year plan. He will provide us with a time line of the budget. We are recommending that the Snow Express become a year round service. Bringing employment people down from the mountain into Big Sky. Budget would include new buses, longer hours, longer season. Al: not comfortable that request would be made every year in Feb. making it an emergency request every year. Carol: It will only be an emergency request this year. They would be part of the regular allocation in the future. Lisa Knorr: When we ask for the following year, do we have to ask for a rollover as well? Al: Yes, approved

money could rollover. Carol: Although we cannot commit to what a future board might do. Focus here and now. Emergency or not? Absorb information and make decision. Tom stressed again on the savings that the BSRAD will be making. Les commented on emergency: Serious doesn't necessarily mean bad. Saving money is serious. Al: Summarize fundamentals: we made a commitment of 1/2 million to this project, we committed all the way and forward spending next year's money. Decision is not whether it is a good cause or not. We only have so much money to allocate. Lance agreed, table and have a chance to read. Carol ask board to commit to being here at the December board meeting to make a decision all agreed. Also request that Big Sky transportation needs to have any further information submitted to tax office one week before board meeting so it can be reviewed.

6) Carol: Cost increased on Big Sky Spur Trail. Bill Olsen presented that the cost increase is due to the engineering and completing the Geo Tech. Larry Watson recommended to change engineers to Stayley. They worked on Bear Tooth Highway. Bill just wondered if he should continue project since more funds are needed. Presented spread sheet of difference in cost. Lance commented that engineering is considered to be part of construction. Big Sky Spur Trail can request rollover and ask for more at next allocation. Carol: We are not committing to funds, we have a lot of applications and we need to set priorities. Al: Bill, glad you came to educate us. Your homework gave us the opportunity to see the raise in cost. Bill will come to the Board for future funding and do what he can. Lance: I agree with Al thanks for letting us know where we stand. Carol recommended to Bill to let us know ahead of time if he wants to be on Jan. agenda. Al made a motion to include engineering as part of construction process. Lance 2<sup>nd</sup>. All in favor.

7) Board members signed Allocation Resolution from June 1, 2005. Teri will track down Jim and have him sign it as well, since he was on the Board at time of resolution. Teri will also get the legal book from Jim for Les.

8) Carol: Funding for Sheriff's office. Recommend to have Mona review and wait to sign at board meeting in December.

9) Audio Video store. Board discussed as to whether or not his services should have a luxury tax. Has a store in West Yellowstone and they tax all of it. Their tax laws are different from ours, they tax everything. Most of it looks like services rendered, but unclear of what he does exactly. Teri will get further clarification as to what his services are.

10) Holmes and Turner Audit. Al: Felt like the numbers looked off. Sarah: One year we were not budgeting actual allocations. Carol: Do allocations in June go into July budget? Al: We need to change the way we are booking it so it shows change. Al will call and talk to Rosi about a better way to show report. Lance: These funds went unspent on page 21. Al will address with Rosi.

11) Financials: Al: Check # 3384 missing and Sept. 2005 gap in checks. Missing 1118. Sarah checked on missing #3384. Check had been voided. Also check #1118 was written and used back in August 2005, so check has already cleared. Lance brought up that we have an emergency fund of 100,000 that is set aside. Would they be used for BS Transportation? Carol: No there request is for an emergency allocation. Questions on revenue recheck on numbers. Al motion to approve Sept. and Oct. 2005 Financials. Les 2<sup>nd</sup>. All in favor.

Meeting Adjourned 1.40 p.m.

Respectfully Submitted,  
Janet Arnold

**MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING**  
**DECEMBER 14, 2005**

**Present:** Carol Collins, Chairperson  
Al Malinowski, Director  
Les Loble, Board Member

Renae Schumacher, Sec/Treasurer  
Teri Kirschner, Administrator  
Lance Child, Director – (via conference call)

Mona Jamison, attorney for district  
Meg O’Leary – Big Sky Transportation District  
Tom Stuber – Montana Dept. of Transportation  
David Kack – Western Transportation Institute - Big Sky Transportation  
Lisa Knorr – Big Sky Transportation District  
Courtney Jones – Big Sky Transportation

1) **Public Comment:** None

2) Minutes of the November 16, 2005 Open Board Meeting: **Motion by Les Loble to approve minutes with corrections. Second by Renae Schumacher. Motion carried - All in favor.**

3) Election of Officers. **Motion by Les Loble to elect Al Malinowski as Chairperson. Second by Renae Schumacher. Motion carried - All in favor. Motion by Renae Schumacher to elect Carol Collins as Vice-Chair. Second by Les Loble. Motion carried - All in favor. Motion by Renae Schumacher to elect Lance Child as Secretary-Treasurer. Second Al Malinowski. Motion carried.**  
**All in favor.**

4) Mona Jamison had been asked from the previous meeting to give her opinion concerning the agreement for the Big Sky Law Enforcement. Two sheriffs are funded by Gallatin County, two are funded by Madison County, one is being asked to be funded by the Big Sky Resort Area District. Everything in agreement looked good. Mona Jamison commented that in section nine the agreement clearly states that they must make an allocation request every year. Mona Jamison asked what brought this agreement on right now. Carol Collins stated that the old agreement has expired. Mona Jamison agreed it looks fine and there is an out provided for us in section nine. **Motion by Les Loble to agree to sign Big Sky Law Enforcement agreement. Second by Renae Schumacher. Motion carried – All in favor.**

5) Representatives from the Big Sky Transportation District (BSTD) were acknowledged. The BSTD discussed the Montana Department of Transportation funding grant. David Kack reminded the board that the BSTD will need to have a commitment before the February 2006 deadline for the state funding cycle for matching funds. Al Malinowski commented that it would be an emergency request and the BSTD board would then have to ask for a rollover for subsequent years. Tom Stuber from the Montana Department of Transportation stated that transit system funding has changed in Montana. The state has more money but there are guidelines and rules that need to be followed. It may be possible to make an exception. Tom Stuber will explain the circumstances presented by the BSRAD Board and see if he can get an exception for BSTD. Les Loble commented if the state will not change the requirement, the board has until Feb. 6, 2006 to act. Al Malinowski asks if Transportation District is deciding to pull their request at this time. **Motion by Les Loble to defer decision until January 2006 meeting. Second by Renae Schumacher. Motion carried - All in favor.**

**6) Board reviewed the annual audit. Motion by Renae Schumacher to approve amended Audit. Second by Carol Collins. Motion carried - All in favor.**

7) Mona Jamison, attorney went over legal opinions. What constitutes a meeting? She wanted to alert the Board that you cannot use telephone or email between board members to discuss issues and then pass them along for a decision. Al Malinowski asked if we need to be careful at gatherings. Mona stated you can socialize but don't discuss Resort Tax issues. Mona Jamison also stated that any challenges of a meeting must be done within 30 days of the meeting.

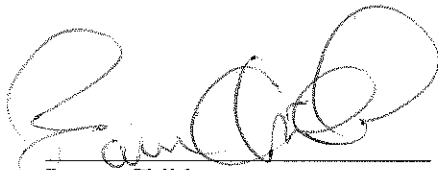
8) Mona Jamison brought up the voting of extending the length of the Big Sky Resort Area District, which expires in 2012. Al Malinowski asked for clarification that you can extend the district for 20 years ahead. Mona Jamison responded yes. Item will be on next meeting agenda to discuss.

9) The board discussed Home Theatre business being a taxable or non-taxable item. Teri Kirschner spoke with Stu Pollarg, the owner of home theater business and he explained that he does mostly installation. No decision was made.

10) Financials: Motion by Al Malinowski to approve financials. Second by Renae Schumacher. Motion carried – All in favor

Meeting Adjourned 1:05 p.m.

Respectfully Submitted



Lance Child, secretary