



RESORT TAX
— BUILDING BIG SKY SINCE 1992 —

**FINAL MINUTES OF THE BIG SKY RESORT AREA DISTRICT
OPEN BOARD MEETING**

December 12, 2018

Present: Kevin Germain, Chair
Steve Johnson, Vice Chair
Sarah Blechta, Treasurer
Mike Scholz, Director

Buz Davis, Secretary
Whitney Brunner, Operations Officer
Kristin Drain, Administrative Officer

Chair Kevin Germain called the open meeting to order at 8:02 a.m.

The meeting was broadcast on Facebook Live by Explore Big Sky.

I. Open Meeting

A. **Public comment:** None.

B. **Consent Agenda:** *Motion by Mr. Scholz to approve the consent agenda with the treasurer's report, financials, and correspondence removed. Second by Mr. Johnson. All in favor. Motion passed.*

The financials and treasurer's report were not available for review at the meeting.

Correspondence: The Board discussed that business licensing/short term rentals should be an agenda item for the January 9 meeting and research should be compiled in the meantime. The Fire Chief and representatives from both Gallatin and Madison counties should be invited.

The Board also discussed Ms. Blechta will be involved with joint county discussions about the interlocal agreement for emergency and non-emergency public safety services.

The Board discussed staff should reach out to eWranglers LLC about recommendations for identity theft insurance.

Acknowledgement was received that correspondence is approved as part of the consent agenda.

C. Regular Agenda

- a. **Office Audit Report: Holmes and Turner:** Matthew Cope of Holmes and Turner summarized the Annual Financial Report for the District and reported a clean opinion and there were no findings. Mr. Cope also stated the segregation of duties finding from fiscal year 2017 has been corrected after the hiring of Ms. Drain as the Administrative Officer. Mr. Cope found the District's funds to be further secured by the ICS account at First Security Bank that pledges full FDIC coverage by separating the total into different funds.
- b. **Draft Meeting Minutes Policy:** *Motion by Mr. Scholz to approve the final Draft Meeting Minutes Policy. Second by Mr. Johnson. All in favor. Motion passed.*

- c. **Annual Fee Resolution:** *Motion by Mr. Davis to approve the Annual Fee Resolution 2018-02R effective January 1, 2019. Second by Ms. Blechta.*
 Discussion: Mr. Scholz asked if online payments help to prevent errors in tax calculation, the staff confirmed yes. The Board discussed the effective date should be February 1, 2019 to give time for the staff to publicize the paper processing fee.
Mr. Davis amended his motion to approve the Annual Fee Resolution effective February 1, 2019. Second by Ms. Blechta. All in favor. Motion passed.
- d. **Recommendation Regarding Multi-year Appropriations:** Mr. Germain proposed tabling the Multi-year Appropriation discussion for a later meeting as he has yet to reach out to the county attorneys to schedule a meeting.
- e. **Big Sky Strategic Plan:** Mr. Johnson stated the contract with Logan Simpson has been reviewed and discussed by himself, Mr. Davis, and Ms. Brunner and it is ready to be signed. The next step will be to establish Ms. Brunner as project manager and start meeting on a weekly basis to figure out logistics. He stated there will be a project website.
- f. **Staffing Update:** Ms. Brunner stated advertising will begin soon for the District Manager and Administrative Assistant. Ms. Brunner stated the hiring subcommittee will be determining initial interview candidates the week of January 14, with hopes the Administrative Assistant will begin in February and the District Manager in March. Ms. Brunner asked that the Board give the subcommittee authority to hire the Administrator and Bookkeeping firm at the next meeting.
- g. **Big Sky Water & Sewer:** Senior Project Manager Scott Buecker and General Manager Ron Edwards presented about the proposed water resource recovery facility (WRRF). The full report and executive summary are available on the Big Sky Water Sewer website. Mr. Germain suggested a joint subcommittee be formed between the Water Sewer and Resort Tax Boards to discuss the WRRF.

D. New Business

- a. **Resort Tax Legislation:** Mr. Scholz stated West Yellowstone has budgeted \$30,000 for the effort and Gardiner is willing to contribute as well. Mr. Johnson remains opposed to dictating how the funds from an increase would be spent in the legislation. Mr. Davis stated he agrees that an increase should allow for flexible funding. Mr. Scholz stated the Board has been criticized in the past by legislators for appropriating funds for public welfare, which this Board has interpreted to include services like ice skating, etc. He stated specifying a purpose for the funds, such as infrastructure, may help the bill pass the legislature more easily. Mr. Germain stated no legislation has been drafted yet and the agenda item is discussion only and no action will be taken today. He stated the budget for the last legislative session was \$36,000, and he proposed \$50,000 for this legislative session, to be prorated per jurisdiction, with \$25,000 being the Big Sky share. Ms. Blechta asked about contract flexibility, depending on how the legislation evolves and whether the Board approves. Mr. Germain stated the Board could draft a contract specifying payment portions so there isn't a 100% commitment up front.

Public comment:

Alan Shaw, Big Sky Resident. Mr. Shaw stated he agreed with Mr. Scholz's comments and he is also working with Dan Sabolsky from West Yellowstone on the bill. He stated to be successful, the bill should be fairly narrowly written and infrastructure should be defined. He would like to see everyone work together, not like the last session. He stated last time was very time consuming and there was lots of money spent. Mr. Shaw stated the Board should see the draft before allocating any money or moving forward. He stated there will be others with objections for legislation that's not narrowly defined and

suggested property tax relief would be another benefit that's included in the law and not applied in Big Sky.

Taylor Middleton, General Manager, Big Sky Resort: Mr. Middleton thanked the Board for focusing on collecting taxes that aren't already being collected, but there is more work to be done. He stated tax collections have been growing 15% a year per year, so the existing tax is growing already. He's stated he's open minded about this discussion but hopes the Board will consider these facts. Mr. Middleton stated there isn't necessarily a need to raise taxes, but it's a good discussion.

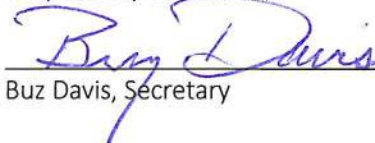
Candace Carr Strauss, Executive Director, Big Sky Chamber of Commerce and Visit Big Sky: Ms. Strauss stated it's not just resort tax communities in Montana having this discussion, but other areas are looking at local option sales taxes too. She encourages a continued conversation and considering it as a tool in the toolbox. She stated it would be good to have the option, but it should be put it to a vote. Ms. Strauss also asked the Board keep in mind the governor's plan to increase the lodging tax by 3%.

Mr. Scholz stated a special meeting is likely needed before the regular January Board Meeting. Mr. Germain agreed and stated the lobbying subcommittee, Mr. Scholz and Mr. Johnson, could work on a proposal for supporting a bill but not fully endorsing immediately. The Board discussed the special meeting will be held on Friday, December 21 at 10:00 a.m. Along with action on legislation, the agenda will include approval of an RFP for district legal representation and providing authority for the hiring subcommittee to hire the Administrative Assistant and Outsourced Bookkeeper.

Motion by Mr. Davis to adjourn the open meeting. Second by Ms. Blechta. All in favor. Motion passed.

Chair Kevin Germain closed the open meeting at 10:50 a.m.

Respectfully Submitted,



Buz Davis, Secretary