

Town Hall Meeting I Question and Answers

January 14, 2013

Q: The seven guidelines are well thought out. How do you intend to address priority?

A: Not every project will fulfill all seven “will consider” guidelines. Applications will not be rated on the ability to fulfill multiple guidelines.

Q: The survey done a few years ago resulted in a ranking of needs by residents, in terms of importance. How have these results translated to allocation decisions? How has the survey of a few years ago shaped your appropriation decisions since?

A: The survey continues to be an integral part of board consideration when preparing for appropriations. For the most recent resort tax appropriation, the board reviewed and discussed the survey results at the March 2012 board meeting.

Q: Ongoing maintenance is implied in Section 19. What guidelines do you have in place to prevent maintenance from consuming your budget?

A: The board intends to fund operational and/or capital needs. No specific guidelines are in place to prevent maintenance consuming the appropriation funds; however, the board encourages the search for matching funds, grants, etc.

Q: What defines the community at large? I.e. Number of people or something else?

A: “Community at large” is defined by the boundaries of the resort tax district (online [here](#)).

Q: How do you define a “community at large” to qualify an application?

A: When the applicant serves the individuals in the “community at large” (defined by the boundaries of the resort tax district [online [here](#)]), it qualifies the application for resort tax funding.

Q: Has resort tax approached the legislature for any changes in legislature?

A: Yes, the resort tax board is asking the legislature to grant similar bonding authority to Resort Tax Districts (such as Big Sky) that Resort Tax Communities (such as West Yellowstone) have. Issuing bonds would mean that future tax receipts would be pledged to pay the bonds. In the current concept, the authority would be limited to pledging 25% or less of the future tax receipts.

Q: What is the status of the cash flow management situation/decision? It wasn't clear whether you are deciding between sinking fund and bonding, or planning on using both, or still considering options.

A: Both sinking funds and bonding will be considered as solutions to the problem of funding a large project with a single year's appropriation.

- Sinking fund: Setting money aside each year in a sinking fund to accumulate cash for anticipated capital expenditures.
- Bonding: Pending legislature approval, Resort Tax Districts (such as Big Sky) will be granted similar bonding authority that Resort Tax Communities (such as West Yellowstone) have. Issuing bonds would mean that future tax receipts would be pledged to pay the bonds.

Q: Sinking fund – Is this a percentage that you have in mind? On an annual basis?

A: At this time, the board does not have a specific percentage in mind. A sinking fund would be a specified amount taken out of future appropriations on an annual basis.

Q: 3/2 board split. Elaborate. Three votes for what proposal?

A: At the time of Town Hall Meeting I, the board was considering whether projects requiring a bond would require a majority of the board (3 votes out of 5) super-majority of the board (4 votes out of 5) or a vote of the district's registered voters. As of January 20, 2013, the board has amended the bonding authority legislation by requiring a super-majority of the board (4 votes out of 5, or 80% in the case of a 5 member board).

Q: If approved by the legislature, when would bonding happen?

A: Bonding may be available by the resort tax upcoming 2014 fiscal year.

Q: What is the likelihood of MT legislature agreeing to grant our bonding authority as an unincorporated community? Do we anticipate their cooperation?

A: We anticipate the legislature granting bonding authority to resort tax districts.

Q: Why not partner with applicant entities that already have bonding authority, rather than seeking independent bonding authority as Big Sky Resort Area District.

A: The Big Sky Resort Area District was created to aid the Big Sky Water and Sewer District (an example of an applicant entity with bonding authority) in funding an inter-local agreement (bond) that provided debt service of \$500,000 per year since its inception. This agreement has concluded as of the resort tax 2013 fiscal year. The resort tax board is seeking the ability to provide a similar service to fund a large project.

Q: Can the life of the resort tax district be reset?

A: In 1992 the qualified electors approved the imposition of a 3% resort tax in the Big Sky Resort Area for a period of 20 years. In 2006, by a majority vote of the electors, the duration of the Big Sky Resort Area District was extended to 2032.

Q: What would be a reason to increase the percentage of the resort tax?

A: The Big Sky Resort Area District resort tax is currently at the maximum rate allowed by law, 3%. The rate of the tax can only be decreased and would require a vote of the electors at the end of the set term in 2032.

Q: Can the tax expand the scope of what can be taxed? Example would be to add a ¼% tax to real estate sales.

A: No. Resort tax is defined in law as luxuries. Resort tax districts are limited by the governing ordinance set by the legislature.

Q: Discuss how Opinion 49 (online [here](#)) and the guidelines relate to the original Section #19 (online [here](#)). Does it reinforce the original intent or modify its scope?

A: Opinion 49 and Section 19 (of the resort tax governing ordinance) provide direction for the appropriation of resort tax funds. Opinion 49 states projects are to serve a public purpose, benefit the community at large and the recipient must be legally capable, etc. Section 19 states the public services to be funded by resort tax are to include, but are not limited to, a post office; ambulance and other emergency medical services; public transportation systems; snow plowing; tourism, etc.

Q: If we want Big Sky to be a world class community, shouldn't we take advantage of local government laws and funding sources by incorporating, and working toward a world class local government?

A: The resort tax board was elected by the district's voters to administer the resort tax law-collecting and distributing the tax. The board's participation in incorporation may be to fund an incorporation effort. The board does not have the power to incorporate Big Sky.

Q: What procedures and/or policies and enforcement authority does the board have/use to ensure all businesses in the community are collecting and submitting resort tax?

A: The administrative ordinance specifies the penalties for failure to report and remit resort taxes due and for violations of the ordinance. The law also specifies that criminal penalties may be sought for such violations in addition to civil penalties not exceeding 50% of the resort taxes found due plus costs and attorney fees incurred in bringing the action. Ordinances No. 98-01 and 2008-1 implement the Law and fully describe the procedures for the enforcement and collection of the resort tax (online [here](#)). All of the remedies mentioned above (except criminal) have been taken by the board. In addition, the board audits 10 businesses per year for compliance.

Q: A hospital has been mentioned several times tonight. Since we are in the strategic planning discussion of tonight, has the conversation been started with Bozeman Deaconess about this and how would a "Big Sky ER" affect the job creators of the two existing clinics?

A: The board has been made aware of a group researching the medical activities and services in Big Sky and their outreach has included Bozeman Deaconess. The board is not aware of how an ER, Critical Access Hospital or similar service would affect the existing clinics in Big Sky;

however, presentations made to the board insist a Critical Access Hospital would integrate well with the existing clinics in Big Sky.

Q: Is this going to be an annual conversation and application process? What happens if something new arises in 2013/2014, etc.?

A: The May Questions and Answer Session will continue to be annual conversation with the community and applicants. Future town hall meetings will depend on community feedback and the vision of future boards.

Suggestions Submitted in Writing at the January 14, 2013 Town Hall Meeting

- Community funded WIFI
- Swimming pool
- Off season recreational activities for families like a swimming pool/recreation center
- Critical access healthcare
- Affordable daycare
- Bear proof dumpsters and trashcans at the residential level
- Activities year-round for middle school and up
- Swimming pool
- Connecting the mountain and meadow via a trail
- Year-round evening activities to enliven and enrich (arts and culture)
- Develop Jack Creek Road to permit egress and ingress of large emergency vehicle and evacuate mass population in case of earthquake, fire, etc.
- Let's look at adult and senior tech education. Not just one class, but a continuum. Retired people are struggling to keep up.
- Critical care hospital
- Critical access hospital is a game changer for the community and the fire department. Resort tax should be active is the process.
- Support the critical access hospital.
- I feel the growth of the community will need more help in guaranteed airline programs.
- Bonding should be a majority by a public vote.
- Like to see projects requiring a bond to be voted on by a majority vote of the BSRAD board rather than the district's voters.
- Public vote on bond.
- I do not support supermajority board voting authority. I am more supportive of bonding authority via public vote.
- I think a supermajority vote is necessary!
- I support the bonding and feel strongly it should be on the authority of the board not the electorate. The electorates' tax rate is not affected.
- A third option perhaps: no large-scale projects come from resort tax funds. Not sure what the alternatives are, but I'm sure they exist- e.g. USDA for hospital.
- Definitely receive community vote on any bonded project- it's that important.
- Bonding should go to the entire community for approval.
- I am very skeptical about funding operational needs. Any organization must be able to function year-to-year without having to rely on resort tax funding and being faced with the necessity of scaling back if that funding becomes unavailable. Build infrastructure and require organizations to be able to fund increased operational cost associated with the new infrastructure. One exception- funding sheriff's deputies.
- Our resort tax requests are dependent on granting from other organizations. I hope the board understands our projections may be off significantly because of the unknown of future funding from other organizations.