



RESORTTAX
— BUILDING BIG SKY SINCE 1992 —

Town Hall Meeting I

January 14th, 2013

Introduction

The elected Resort Tax Board determines appropriations and our decisions for the betterment and success of Big Sky rely solely on the imagination, energy and skills of the members of our community. We applaud the volunteerism, dedication and passion that each organization brings to the table and find their achievements remarkable for our small community. The degree of citizen involvement we have in Big Sky says much about our citizens and a system that encourages participation.

Our Goal: It is in everybody's interest that Resort Tax dollars are spent in the best ways for the benefit of the community both now and into the future. Ten and twenty years from now, hopefully the community will look back and feel the decisions made with the information at hand were collectively the right ones.

Purpose of Today's Meeting

- Explain and discuss decisions made at last summer's Resort Tax Board Strategic Planning Session
- Seek input from community regarding their perspectives/insights on the Board's guidelines and strategic issues
- Review and answer questions regarding the organizational survey

Resort Tax Board Themes

- Long Term Vision For The Community
- More Intentional About Funding
- Operational Guidelines to Meet Above Goals
- Other

Strategic Planning Session

- On Wednesday, August 8th and Thursday, August 9th, the Resort Tax Board held a planning session. The session was lead by Buz Davis of Davis & Associates.
- The first day was spent on operational guidelines and the second day on strategic issues.

Operational Guidelines

All appropriation applications must demonstrate that they :

- Benefit the community at large
- Are a project or organization within the resort tax district
- Are a legitimate entity
- Meet the requirements in Section 19 of the Resort Tax Ordinance

Section 19 of the Resort Tax Ordinance

“Appropriation, Expenditure, and Purpose of Resort Tax: The revenue derived from the imposition of the resort tax will be appropriated by the District Board and expended for infrastructure facilities in the Big Sky Resort Area District; public services that provide for the public services, including but not limited to the establishment and maintenance of an adequately-sized post office; ambulance and other emergency medical services; public transportation systems; snow plowing; tourism development for the Big Sky Resort Area District; other services that provide for the public health, safety, and welfare within the Big Sky Resort Area District; and reimbursement or payment to the resort area district of the costs associated with the collection, administration, and litigation of the resort tax.”

When reviewing the appropriation applications the board will consider the following guidelines:

1. Quality of Organization and Proposal

Does the organization meet the following?

- Stability and quality
- Does the organization have the ability to execute the proposal
- Clarity of the proposal submitted

2. Tourism Development

- Does the proposal promote tourism and development as measured by an increase in resort tax revenue?

When reviewing the appropriation applications the board will consider the following guidelines:

3. Game Changer to the Community

- Is the project, if completed, a game changer to the community?
 - A game changer is defined as a significant benefit to the community stakeholders (residents, visitors, tax collectors/business community)

4. Big Sky World Class Resort and Community

- Does the proposed project help make Big Sky a world class resort and community?

When reviewing the appropriation applications the board will consider the following guidelines:

5. Critical Infrastructure

- Does the proposed project support or improve critical infrastructure, public health, safety and/or welfare in the community?

6. Collaboration

- Does the proposal involve collaboration among organizations/other stakeholders in the community to meet common goals, enhancing the outcome of the project and community benefits?

When reviewing the appropriation applications the board will consider the following guidelines:

7. Fill Need

- Does the proposal fill a community need not currently or adequately being satisfied?

Strategic Issues

Cash Flow Management and Applicant Planning

- Cash flow planning as a board to fund large projects/ expenditures or multi-year projects
- Cash flow tools: Two 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.

Cash Flow Management and Applicant Planning Continued

Bonding: 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. Also, being considered is whether projects requiring a bond would require a super-majority of the board or a vote of the district's registered voters.

Cash Flow Management and Applicant Planning Continued

- The board would like entities to be more fiscally transparent to aid the resort tax board in anticipating the long term funding needs of the community. The revised appropriation application will require: three year strategic plan; one to three year funding requirements, projected annual needs for the next three years broken out by year.

Education

- The appropriation application has been revised to provide greater consistency among proposals.
- A contract example will be reviewed during appropriations. If an entity violates a contract they will not be able to request resort tax funds in the following year's appropriation cycle. The board may waive this requirement.
- The board encourages open dialog throughout the year and welcomes entities considering resort tax funding attend a monthly resort tax board meeting to share their vision and concern/s.

Education Continued

- The board would like entities to be successful running their organizations and would encourage and assist in the use of a third party facilitator to help entities with planning and accounting (a work in progress).
- The board would also encourage and assist in the search for matching funds, grant writing workshops, etc. (a work in progress).

Funding Operations/Maintenance, Reserves and Capital

- The board intends to fund operational and/or capital needs
- The board does not intend to fund reserves. However, the board encourages building reserves.

Optimizing Public/Private Partnership

- When possible, the resort tax board will promote synergies for financial and operational efficiency when an entity provides service to the general public.

Active vs. Passive Role

- The board will take an active role in facilitating community conversation by hosting town hall meetings to address the following:
 - What are the community's challenges and opportunities?
 - What is the Big Sky community future vision?
 - What are the long-term funding needs resort tax can provide to help reach the vision?

Organizational Survey

- The survey requests information on each Resort Tax applicant organizational goals, needs, and challenges, which includes funding and cash flow requirements for at least the next three years along with the most current fiscal year's financial summary.
- Projecting future community collective demands on the tax funds in a written piece will be informative to all and helpful to our discussions at the second town hall meeting February 11th.
- The survey is to be returned to the Tax District office by Friday, February 1st.

BIG SKY COMMUNITY ORGANIZATION SURVEY

Organization Name: _____

Qualified for Resort Tax Funding:

Yes No Don't know

Mission Statement: _____

Most Recent Completed Fiscal Year Budget:

2011 OR 2012

PRINCIPLE	ITEM	AMOUNT
Revenue	Private Donor Contributions Total	
	Private Donor Contributions In-kind (not including volunteer time)	
	Public Grants	
	Fundraising Events	
	Other	
	Total Revenue	
Expenses	Personnel	
	Operations	
	Programming	
	Other	
	Total Expenses	
Income	Net Income	

PRINCIPLE	ITEM	AMOUNT
Capital Reserves	On Hand Restricted	
	On Hand Unrestricted	
	Goal	

Other Description: _____

Cash Flow 3-Yr Requirement	ITEM	2013	2014	2015
	Personnel			
	Operations			
	Programming			
	Capital Expenditures			
	Other			
	RESORT TAX			
	Total Cash Flow for 3-Years			

Describe financial increases and decreases and the projects for which resort tax funds may be requested.

2013 _____

2014 _____

2015 _____

Example Presentation

- Big Sky Critical Access Hospital
Jack Ekman

Next Meeting: Monday, February 11th

6:00 to 9:00 p.m. in the Montana Room at Buck's T-4's

1. Present a compilation of the organizational survey
2. Listen to a less than five minute presentation from each organization on their purpose, place and necessity in our community will give further assurance of understanding beyond the survey.
3. Close with an Open Forum: Conversation on what we have heard presented during these town hall meetings regarding the perspective/insights with the goal to achieve a world-class community for Big Sky.