

**Big Sky Resort Area District
Minutes from January 10, 2001
Board of Directors Meeting**

Attending: Bob Stober, Chair
Becky Pape, Vice Chair
Walter Ainsworth
Dick Wambsgans
Carol Collins
Evy Schnee

BS called the meeting to order 3:00 pm.

- 1) Public Comment – Jenna Toman and Dawn Myrvick, owner of Wild Horse Trading present
- 2) **Approval of Minutes of December 6, 2000 meeting** – CC asked that one item be moved to closed minutes. BP motioned minutes approved with one change. DW second – all in favor
- 3) CC motion to pay Gallatin Valley Land Trust request for allocated funds– BP 2nd – all in favor
- 4) **Financial Reports** – WA asked that Evy work on renaming the accounts
- 5) **Election** of officers
Nominations:

Chairman by DW	Stober	2 nd by WA	Vote 4/1	Elected:
Vice Chair by BP	Ainsworth	2 nd by RS	Vote 4/1	Ainsworth
Sect/Treas by DW	Collins	declined by Collins		
Sect/Treas by WA	Pape	2 nd by DW	Vote 4/1	Pape
- 6) Legislative Session – BS would like copy of Senate Bill 155 to review. ES to study text of each and notify chair if any pertinent info
- 7) BP asked ES to contact Kurt Alt to obtain copy of thesis done as result of funding for Habitat Study 98,99,00. (994-6935)
- 8) BP asked for status of sign – ES has left message – the return call went to CC. She will keep ES informed of progress.

- 9) Bill Hebron arrived 3:45 to present audit report and discuss. Would like to see budget tied to accounting program, as more efficient than spreadsheets. Also change procedures to enter all remittances consistently – as receivables. Suggests asking for tax returns for use in audits – random selection for collectors, adjusting accrual to cash when appropriate.
- 10) Next meeting February 7th, CC asked to put meetings for allocations on agenda

Adjournment of Open meeting

Stalter S. Quinsell

**Big Sky Resort Area District
Minutes from February 7, 2001
Board of Directors Meeting**

Attending: Bob Stober, Chair
Walter Ainsworth, Vice Chair
Becky Pape
Dick Wambsgans
Carol Collins
Evy Schnee

BS called the meeting to order 3:10 pm.

- 1) Public Comment – Sandy Gimpl, Cheryl Bowles, Mike Schultz (representing the chamber) present – provided update regarding bed tax issue in Helena. Only 2 areas qualify St. Regis and Big Sky. Six testifying in Helena on the 8th – marketing plan must be approved by the Tourism Advisory Counsel – then \$75,000.00 will go to chamber. (22.5% of collections go to region – would keep ½ of that) Interesting aside: 70% of Bozeman air traffic is leisure, and 70% of leisure air traffic is Big Sky. 1% extra on accommodations would go to Virginia City and Lewis & Clark.
- 2) **Approval of Minutes of January 10, 2001 meeting** – WA motioned minutes approved. BP second – all in favor
- 3) Schedule for next few months regarding allocations:

Feb 15	public announcement of schedule published
March 1	2 nd public announcement of schedule published
March 1	applications available
April 20	application submitted deadline (original and 6 copies)
May 2	meeting with presentation of few minutes
May 16	Question & Answer session
June 6	decisions on allocations awarded
- ES to send letter of reminder on final progress report to FYE 6/2001 recipients of funds with status of remaining allocation and bold reference to contract regarding use and extended time period
- 4) **Financial Reports** – not necessary to continue with spreadsheet on Budget comparison of expenses – the Quick Books comparison is sufficient
- 5) New Business: ES to respond to Devon White re: the district area boundaries. Refer to Montana Code Annotated – must petition county commissioners and be voted on by voters in district

6) Old Business: CC update on signage for trail – will keep board posted as progress is made

7) Next meeting March 7th

Adjournment of Open meeting at 4:20pm

A handwritten signature in cursive script, reading "Statter S. Quinwood". The signature is written in dark ink on a white background.

**Big Sky Resort Area District
Minutes from March 7, 2001
Board of Directors Meeting**

Attending: Bob Stober, Chair
Walter Ainsworth, Vice Chair
Dick Wambsgans
Evy Schnee

BS called the meeting to order 3:00 pm.

- 1) Public Comment – No one present
- 2) **Approval of Minutes of February 7, 2001 meeting** – CC changes noted - WA motioned minutes approved with those changes. DW second – all in favor
- 3) Petition for Nomination – two board member vacancies. Es to put in paper
- 4) **Financial Reports** – Appropriations Budget, WA asked to have 8800.00 to water & sewer researched.
- 5) New Business: WA comment on necessity of American Bank having same type of collateral guarantees offered by BSWestern: 3 Rivers Telephone annual meeting – probable that Russ DeRemer is attending, ES to contact Russ and have him vote for BSRAD
- 6) Old Business: CC update on signage for trail – Mt. Transportation Commission meets 3/29 and staff recommends approval of signage – should be passed by commission. – Appropriations spreadsheet – WA would like ES to put in papers. CC asked for same spreadsheet of monies actually paid to each entity awarded allocations.
- 7) Next meeting April 4th.

Adjournment of Open meeting at 3:25 p.m.

Walter S Ainsworth

**Big Sky Resort Area District
Minutes from April 4, 2001
Board of Directors Meeting**

Attending: Bob Stober, Chair
Walter Ainsworth, Vice Chair
Becky Pape
Dick Wambsgans
Carol Collins
Evy Schnee

BS called the meeting to order 3:00 pm.

- 1) Public Comment – Jake Grimm present to discuss change of ordinance as it relates to hunting – “game related” outfitting was one suggestion of how to exempt. Jake insists the original ordinance excluded more than 1 day trips from resort tax – all outfitters (C Collins volunteered to research 92/93 ordinances) Board will get back to Jake after research and discussion
- 2) Approval of Minutes of March 7, 2001 meeting – WA motioned minutes approved as read. DW second – all in favor
- 3) Financial Reports – discussion to cap the reserve fund at \$500,000.00 principal, interest to be used for operation expenses. ES to research resolution on emergency fund
- 4) New Business:
Westfork HOA letter Response sent 4/10
- 5) Old Business: Snow Express – ES to contact Meg and see if Karst was contacted to restrict buses at both ends of season and what was the outcome
Administrative budget – ES to meet with WA in May
Capital Improvement Fund – could be put aside for future projects?
ES to call on Wild life study
- 6) Next meeting May 2nd.

Open Meeting adjourned 4:25 pm

**Big Sky Resort Area District
Minutes from May 2, 2001
Board of Directors Meeting**

Attending: Bob Stober, Chair
Walter Ainsworth, Vice Chair
Becky Pape
Dick Wambsgans
Carol Collins
Roy Andes
Evy Schnee

BS called the meeting to order 3:00 p.m. with comment that projected funds to allocate approximately \$1,500,000.00.

1) Public Comment – Dave O'Connor spoke in support of two applications: a) Chamber of Commerce, saying there has been tremendous increase in membership, bed tax bill accomplished, and that chamber supports entire business district; b) Transportation saying the geographic spread of big sky makes the transportation very important to guests all over the district

2) Presentation of applications:

Rick Graetz	Big Sky Ski Team
Cheryl Bowles	Big Sky Chamber
Heidi Peacock	Big Sky Association for the Arts
Ron Edwards	Big Sky County Water & Sewer District
Barb Gillespie	BSOA/Crail Ranch
Brian Wheeler	BSOA/Big Sky Park
Russ DeRemer	BSOA/Post Office, Selected Services, Signage
Dee Rothschiller	BSOA/TV Translators
Bill Olsen	BSOA/Spur Trail
Pat Dillon	Big Sky Search & Rescue
Meg O'Leary	Big Sky Transportation/Snow Express
Ed Hake	Buck Ridge Trail Snowmobile Grooming
Marlene Fontana	Friends of the Community Library
Jason Revisky	Gallatin Canyon Rural Fire District
Frank Calvin	Gallatin County Sheriff
Suzanne Shriner	Westfork Homeowners' Association

3) Approval of Minutes of April 4, 2001 meeting – BP motioned minutes approved as read. DW second – all in favor

4) Financial Reports

Collection totals up to last minute from now until allocation process complete

- 5) New Business: Resolution No. 2001-01 R adopted as read and original signed by all board members
- 6) Old Business: ES to research whether county made outfitting trip change to ordinances (Mona?) ES to contact Jake and let him know the board is continuing to research
- 7) Next meeting May 16th for question and answer session

Open Meeting adjourned 4:35 p.m.

fresh take ok

**Big Sky Resort Area District
Minutes from May 15, 2001
Special Board of Directors Meeting**

Attending:	Bob Stober, Chair	Public: Rene Schumacher
	Walter Ainsworth, Vice Chair	Jim Muscat
	Becky Pape	Marcus Hibdon
	Carol Collins	
	Evy Schnee	

BS called the meeting to order 11:05 a.m. with the announcement that the only agenda item was to discuss the procedure for filling the vacancy of resigned member Dick Wambsgans.

- 1) Public Comment – Rene Schumacher expressed her interest in the board member position. Jim Muscat brought a letter of interest to the board, but could not stay for the meeting. BS informed the board that Dan Secrease had stopped at the fire station to also express interest in filling the vacancy. Marcus here from Lookout.

CC suggested the schedule could be adjusted if needed for Q&A or the new board member could ask questions prior to the allocation process on the 6th of June. BP suggested all interested persons attend the Q&A to hear the discussion and be better prepared to participate in the allocation meeting. BS would like to have a new member in place before the allocation meeting June 6th so as to avoid tie problems. CC asked if anyone had spoken to Dick to see if he would reconsider...BS volunteered to do so. CC asked to have the board look at the last time the public voted and invite the close runner-ups to consider this vacancy (Meg O'Leary and Packy Cronin). BS commented that the board could not ask everyone possibly interested without stepping on toes, prefers to have the board consider those who are expressing interest by coming forward at this time. BP feels on the part of the board that soliciting is not good and/or the authority of the board. WA comment has no immediate idea of anyone else, but we have three interested people we know. WA feels the sooner someone is in place the better. BP suggests have ES contact interested people to request they attend the Q&A meeting and bring a brief statement of similar content to Jim Muscat's letter. CC goes along with BP suggestion. CC made motion to schedule meeting May 19th at 9 a.m. to appoint director for remainder of vacant term. BP second motion. All in favor. WA asked if this would be a written vote – ES to check with Mona.

- 2) Next meeting May 19th at 9 a.m. for appointment of director to fill the vacant position.

BS motion to adjourn special meeting, BP second motion, all in favor.

Becky Pape OK

**Big Sky Resort Area District
Minutes from May 16, 2001
Board of Directors Special Meeting to provide Question & Answer Session**

Attending: Bob Stober, Chair
Walter Ainsworth, Vice Chair
Becky Pape
Carol Collins
Mona Jamison, Attorney
Evy Schnee

BS called the meeting to order 3:00 p.m. with the announcement that their would be a special meeting of the Board of Directors on Saturday, May 19th at 9 a.m. to appoint a director to fill the vacancy created by resignation of Dick Wambsgans.

1) Public Comment – Dee Rothschiller, BSOA requested BOD support for Sewer and Water District request for funds, especially water meters. Also requested support for Westfork road paving, adding BSOA would assist Westfork in forming an RID for maintenance of the rest of their roads. Sandra Stober, BSAA asked for support of park area request, great plan for refining area - not just for the looks, but as a safety issue. Devon White, Corral, asked for support of Buck Ridge Grooming and the transportation request, not just for the customers it brings to canyon businesses but the 6 to 8 employees that live on mountain can ride Karst to and from work. Cheryl Bowles asked for support of the chamber request and the Westfork paving. Sally Mosglow asked for support of the library request – improves the quality of life for community.

2) Question and Answer Session:

BSOA/Community Park (Brian Wheeler) hand out was clarified – basically exploration of other avenues of funding and comment that the notification process used by Gallatin Co. Planning (Park and rec programs) was the High Country News. Also brought budget for summer clinic program. BP? What Randy said – some confusion. WA ? wants to see overall layout of the park as envisioned, ?any prioritization of items requested BW: members of park board individually rate the line items differently, does not want to speak for the board WA? want to see what is meant by entertainment pavilion (what type of building) 24,000 item BW: this 24,000 is for site development, grading studies, soil tests and primarily design. Envision a permanent, semi-open sided structure with good acoustics. WA? would replace the tent/shell? BW: yes WA? Time table? WA? ice rink, bathrooms – wants to be sure built to specs for winter use BW: yes, rink will be liner and soil compaction over parking area for summer use by Arts Assoc. WA? Again needs items prioritized and anticipated lay out. BW: if there is a common dream area would be the bathrooms...couple of items are necessities, bear proof dumpsters and electrical enclosure. WA comment: maintenance, upkeep, administration and operation is responsibility of entity WA comment: last year when we gave you the 68,000 you said

Becky Pape OK

we wouldn't see you for a couple of years. BW: knew you'd go there. Wouldn't be here if it didn't have such an overwhelming popularity. BP? History, park has been given 134,000 , 293,0261 if fully funded this request. Lot of equipment – folf game was just outlawed elsewhere. BW: part of strange requests is equipment for clinic – will be major source of on going funding. BP? Some of the equipment? doesn't anyone want to adopt portion of park needs – enthusiastic users, like parents with children. BP? How does park committee intend to carry forward with maintenance BW: goal is user fee structure to support

BS Assoc. for Arts (Sandra Stober) corrected % of the total budget from previously stated figure of 13 to actually 10%. BS? What are the fundraisers done? SS: Madrigal dinner and Vigilante theater (have turned into break even events – will continue to offer as community events) actual 2 fundraisers annually are Wine tasting and Chili cook off CC? Wants to see copy of the actual budget

Gallatin County Sheriff (Rob Christie, Brian Goodkin) BP? County attitude is Sheriffs are expected to do more with less? RC: yes, according to commissioners, budget is down. Cutting 10% across the board, just because we're 10% short, but crime is up, etc. BS? Explain about the vehicle video system BG: officer is hurt, arriving officers can watch and see what happened. Also helps with DUI defense, improper passing in the canyon, basically videos all stops CC? Operating figures? An extension was granted, but we at least need to have on hand before the 6th funding decisions are made RC? Thinks that is a possible time frame – will pass on to Sheriff Cashell – budget was due yesterday to county commissioners, will get a preliminary budget back to sheriff in short order.

Big Sky Chamber (Cheryl Bowles, Curly Shea) BP? Want breakdown for each category item on applications (web site)(consumer advertising and education) ?how many dollars to apply to this years budget from bed tax CB: 72,000 in November from bed tax dollars, with Travel Montana can roll advertising. BP? Doesn't lodging group contribute to staffing assistant person. What percentage of her time is spend on lodging group? CB: approximately 20% of assistant time spent on lodging group (marketing and administrative) BP suggests increasing fees to lodging group accordingly CB: are trying to get more entities into the group and that will increase total amount from lodging group

Big Sky Co. Water & Sewer (Ron Edwards) WA? About metering – commercial units installed already and never been read...will that coincide with 278 residential meters you intend to install? RE: meters are in place, possibly be hooked up to new system for reading. WA? Do the math: 3 year meter charge will be 204 per year added to 314 dollar water average charge for each sfe RE: if the resort tax board picks up expense of meters, water district will donate labor – would be no charge to residents for meter installation WA? How soon until you have enough data to make rate structure adjustment? RE: probably looking at one year – tend to have a high base rate, without historical data. WA? What is time frame for build out – RE: within 2 years all but condos – they are problematic – access WA? new homes? RE: New construction will install meters as part of permit fees BP? Mountain has meters in place? RE: some, mountain mall maybe not – still quite a few unmetered BP? Have to wait until rate base is in place – then will read

for usage. What is complication in condos? Plumbing in all condos is different. May have to put one meter per building, so some HOA will have to bill their individual condos. BP? Storage tank – if we pay 200,000, water & sewer pays 300,000, one of large meadow developer to pay 200,000. What if land is passed from developer to new land owner? with legal entanglements could avoid his share and have free ride? RE: correct, but doesn't look at it that way. BP? Also thought developer was required to increase storage. BS? Don't all structures already have meters? RE: Lone Mtn. Springs installed some (about 100 we think), don't know where they are or how many CC? Meadow system you would install 22 hydrants RE: yes, every 400' CC? how important is new storage tank for fire fighting? RE: won't be in for a year, has a big impact. More storage (more reserve capacity) CC? Have you been working with the developer of Town Center are they willing to contribute RE: yes quite a bit and they are interested in contributing WA? as we look to the future, Yellowstone Club project bond issue, coming to RID? RE: water board has not decided BP? Take down this storage tank? Doesn't work anymore? RE: fine right now, eventually will start leaking – elevation does not do a lot for water pressure in meadow. We could leave it hear, 140,000 gallons

GCWC/Crail Ranch (Barbara Gillespie) just asking for a bit more time – want to spend money wisely and prudently. BS? Do you think you'll spend by next year? BG: yes and clean up is June 19th – community project, welcome all to come and help

BSOA/Post Office (Russ DeRemer) no questions

BSOA/Selected Public Services (Russ DeRemer) no questions

BSOA/Signage (Russ DeRemer) WA? all signs in BSOA RD: consultant has inventoried BSOA signs WA? how are you going to work with HOA to change signs RD: will be asked to comply with specs – cannot be forced BS? Will signs be reflective Difficult to read at night Hard on law enforcement, fire and medical RD: as I understand it there are standards for those things and we will meet those standards BP? Entry way signs? RD: no Just street, directional and public right of way

BSOA/Spur Road Trail (Bill Olsen) WA? engineering drawings of proposed trail? BO: have a lay out of route, trail construction standards we are going by. Has talked with engineer about board walk and highway department as to railing WA? don't have specs? BO: no would be glue lam beams sitting on concrete pilings WA? anticipating maintenance taken care of by BSOA and community corporation BO: we're trying to develop endowment fund (Montana liberal and beneficial laws that pertain to the endowment fund) Also forming BS Trail Committee WA? why haven't you considered going after federal funding? BO: closing date is a problem – 4 year to 10 years away several projects ahead of us WA? why the rush to put in this particular section of trail? Aren't you running into difficulty with town center going in? BO: we're trying to put one in every summer – probably one of the most highly desired and most dangerous segments. Believe once they do there work they will replace the section of trail they've torn up. WA? looked at the trail and you've got a lot of tough area. What do you anticipate the cost of those areas to be? BO: we've got one more bridge to put in, possibly

two. More board walks, perhaps. I'm looking to cross the west fork from conoco station up to Dot Brandts. WA? with difficulty and maintenance, why bother with wood? Why not steel? BO: to put it in steel talking 2.5 to 3 times more initial cost. In talking to engineer, thinks will have a 20 to 30 year life span on wood- and more economical to install. BP? Time frame with town center stretch BO: they have not been able to give me a time frame – developer thinks 2 to 5 years. BP? asked water & sewer – expect to be filling in this summer where trail goes across BO: will check on that, he was told 2 to 5 years. BP? Discussion of potentially widening the road to make a turn lane into town center BO: trail through that area is quite a ways from the road, it's going close to the jack rail fence BP? You asked for benches? Do you think people will sit on benches and watch traffic go by on the spur road? BO: benches would be on the curve where little coyote comes in, looking down on south fork BP? Trail projects, federal government money. BO: there are four major trail projects ahead of this one. And they have limited funds. CC? Less expensive to go on north side of road – BO: golf course right along fairway – goal is to safely go from Westfork to school without crossing the highway CC? Wants to see a map of trail, or would walk it BS? What is closest part of trail to highway? Concern as to vehicle accidents and crash ends up on trail BO: several places within 5 or 10 feet of the shoulder (inside highway right of way) – why guard rails in spots. BP? Did you consider cross over at prospective light location. More direct and economical BO: still right on golf fairway

BSOA/TV Translators (Dee Rothschiller) no questions

Big Sky Search & Rescue (Pat Dillon, Greg Izler) CC? Utility truck – BSRAD cannot make commitments for future payments? PD: can we rewrite for 30,000? BP: option is to gamble – be funded one year at a time, as pertains to fire equipment PD: can we huddle for a second? BP? Money from county for operational expenses – each year you have asked for x number of dollars – (covered 96/97 through current) what you receive is always some lesser amount. PD: average about 40% of request BP? mill levy is administered from county sheriff? PD: actually a county search & rescue board – 12 entities that receive funds from that mill levy? BP? Is this par for the course, or do bozeman entities get closer to their requested amounts. PD: not sure – we have a board member representative who could answer factually, PD assumes the county board looks at “go get your money from the resort board” some truth to BP having same assumption PD: thinks county also looks at our geographic size – ours is small BP? Money set aside to help with van? PD: yes, a 5,000 reserve BP? Any overhanging moneys from last years funding? PD: not sure – usually spend as close to the nickel as we can get CC? Could we get a breakdown on the equipment PD: don't have with me – wheel frame is 1200.00, been researching for a long time GI: explains use of wheel frame litter PD: will get cost breakdown of equipment to Carol. CC? Do you charge for searches? Is there a reason? PD: no I believe has to do with mill levy, county sheriff (may be an issue nationwide) CC? Are you a 501c entity? PD: not for profit – has to do with the levy and discouragement of soliciting on county level PD: we do receive donations, just cannot fund raise BS? Do you have any other money available PD: checking account about 5,000-no idea what payables are outstanding WA? where would you house the vehicle?

PD: have had problems in the past, but usually find a place. may have to park the vehicle outside

Big Sky Ski Team (Stewart Peacock) father of ski racer. CC? Everything is just for the ski team – why should bsrad fund the ski team? SP: Not sure if I can answer correctly, we sponsored quite a few races this year, family's come and spend their dollars in housing and restaurants, used for inter murals as well, disabled skier events as well.

Big Sky Transportation (Curly Shea) BP? Given length of remaining contract, does this board of volunteers need professional assistance to work your way through the contract? CS: that could be BP? I've seen no flexibility in ends of season, even though we've asked a couple of years now BP? Feel like you're over a barrel, especially with this gas issue CS: maybe you could negotiate for us? WA? noticed the ridership has fallen dramatically 32% down – are we hitting the right places at the right times? CS: one factor, shuttle went into day skier parking lot, but agrees we need an expert to revamp our schedule. As is - very difficult to read.

Buck Ridge Trail Grooming (Devon White) WA? when Ed spoke he mentioned a bridge DW: either a bridge or a culvert (refer to pictures) WA? where are you with approval with county authorities DW: highway told us no problem? BP? Bridge or culvert? DW: either one – very minimal structure. would be upstream from road highway right of way is 8 foot from center WA? cost would be similar DW: not certain

Friends of BS Community Library (Marlene Fontana) BP? \$3,000 Rent and maintenance is computed how? MF: 2% of school – according to square footage (K.House) BP? Computer database? Is it pro-rated MF: Ophir has more books, are you saying it should be split other than half? BP: yes, by number of books on system BP? What are mills permitted? MF: state library is currently working on perimeters – will know in July – never been set before BP: grant? MF: Montana Community Foundation applied for salary for computer courses – received 500 of 5000 requested

Gallatin Canyon Rural Fire District (Kirk Dige) CC? Want copy of budget KD: last years is available now CC? Also want to see long term plan for fire prevention, protection, and medical emergency. KD: will get for her CC? Why is ladder truck on the mountain, KD: where the majority of the tall buildings are and building was built for it CC? Remind we cannot commit to future payments on ladder trucks, what happens if the 180,000 is not funded – does ladder truck go back? KD: would have to make other financial arrangements – we realize you can't commit, but when we applied, we said, here's our plan, so we hoped you would look favorably on future payments. BS: longest ladder we had was 28 foot extension ladder – could not get to roof of fire station. Now we can get into very tight places, bucket is really safe for our volunteers. KD: fire district is in good financial shape, we have substantial reserves. CC: we can put money aside for capital reserves – future equipment. KD: we have a lot of other projects for the future reserve WA? 58000 for breathing units – how many available KD: 15 out of service (1 or 2 is out of service), but these are 12 years old and technology changes rapidly, 5 came

with new ladder truck, would like to have a total of 20 new ones WA? and how many volunteers are trained in use of breathing units? KD: 33 presently

Westfork Meadows Owners' Association (Laura Larocco, Suzanne Shriner) presented petition with over 300 signatures (including 3 Gallatin county commissioners) BP – that's too funny for words – the other signatures I'll be glad to read, not those three. CC? Is an RID being set up? BSOA is willing to help WFHOA set it up. What would impact to owners be? Special assessment 173 homeowners – possibility of bank loan? WA? You've requested about half the cost – how do expect to come up with the other half? Currently have 34, 35,000 (LL: took over 20 years to collect)LL: raise assessments, fund raisers, get home owners to do projects to save dollars on budget WA? if you raise assessments, you have to get homeowners approval? SS: no – we have authority for board action WA? Considered bank loans? LL: spoke with Tom Kuka who was on the WFHOA board and felt a loan was feasible – SS: now have to go with American Bank in Livingston where Tom is. WA? Bid is two years old – how long for completion, five years? LL: and that's just two roads WA? Businesses impact these roads much more heavily than residents, have they volunteered to anything over and above the special assessment that they would share in? SS: at this point they have not come forward, but all of the businesses pay resort tax and there is over 30 businesses in this small little community. That's a lot – not to mention the chamber of commerce, which represents over 200 businesses. WA? If the board were to get into road repair, there would be people coming at us from all directions for roads – LL: Parkwest bridge was funded, WA: that was a capital improvement. LL: RID#80 was funded 93-95 BP: that was the county commissioners, before the BSRAD was in place. LL right, but you ratified all of the decisions made by the county commissioners MJ: let me clarify: the ratification of the board was for commitments that were made like bonding, constitutional protections, such as the sewer district, those kinds of ongoing obligations. CC? I don't believe that was funded. LL I have a memo from county commissioners that says it was. BP? Why is it fair for us to subsidize the roads in this area, where other meadow area owners all have paid into an RID SS: Because under the resort tax guidelines we have everything required. BP? Concerned with things you haven't done...you haven't researched the law, you have a two year old quote, you've never been to a bank to discuss a loan, WFHOA has never come back to developers or commercial entities for impact fees, you're saying you'll put a special assessment of 200,000 with 173 owners here. LL: that's because they were on the board.

3) Next meeting June 6th at 3:00 p.m. for awarding of funds.

BS motion to adjourn meeting, WA second motion, all in favor.

**Big Sky Resort Area District
Minutes from May 19, 2001
Special Board of Directors Meeting**

Attending: Bob Stober, Chair
Walter Ainsworth, Vice Chair
Becky Pape
Carol Collins
Evy Schnee

BS called the meeting to order 9:00 a.m. with the announcement that the only agenda item was to fill the vacancy created by resignation of member Dick Wambsgans. BS explained the procedure that would be followed for nominations and voting.

WA motion to have secret ballots and follow the procedure Mona explained to WA, BS and ES following Q&A session, BP second – vote 3 yea, CC nay. (CC wanted to have open ballot and that it was up to the board, per Mona.)

- 1) Open nominations, WA nominated Dan Secrease, BS second
BP “ Heidi Peacock, WA second
BS “ Jim Muscat, BP second

If vote is not 3/1 nominations are to start over. Nominations are closed – CC asked for discussion – BP feels noble for anyone to step forward at this time willing to jump in. BS respects Renee for her honesty in withdrawing her name. CC said Dan Secrease told her same thing Thursday. BP surprised noone came to meeting. ES will deliver paperwork. CC really need to think about someone to jump into this, someone with background on boards and procedures. WA comment, good point. WA motion to close nominations, CC second

Vote: H Peacock 1
D Secrease 1
J Muscat 2

Open nominations 2nd time:

BP nominated Heidi Peacock, WA second
BS “ Jim Muscat, CC second

BP motion to close nominations, second BS

Vote: J Muscat 1
H Peacock 3

Director appointed Heidi Peacock, ES to check with Shelley Vance as to qualified voter status and will have Heidi come in to do Oath of Office, ES to deliver packet – call her right now and let her know how pleased the board is to appoint her.

WA can we speak about the budget, BS coming down to a time crunch, BP we could discuss, not make any decisions. Budget is pretty much the same as last year, difference

is 1. Money set aside for legal – put in 29,000 for this year, plus 1,000 for expenses. Litigation and 3,000 for legislative. WA suggests to put in 25,000 2. Personnel expenses, wages budgeted last year 10,000, now 26,000 (included in that 4% increase for budget purposes) benefits never broken down – payroll taxes, medical and retirement benefits. CC wants to see normal procedure of review at anniversary and discuss change of salary at that time, BP wants item on agenda for July and if necessary would make increase retroactive. WA Accounting went down a great deal, ties into ES is doing audits. WA Utilities down considerably – phone especially.

WA How much money are we going to have to allocate. 1,563,000.00 as of mid May, in June pick up 25,000.00 (Close to 1,600,000.00) We are now at 345,000 in emergency funds. Recommend we take interest income and stick it in emergency fund. BP suggest put in 55,000 of interest income, to take emergency fund to 400,000 and leave the rest as cushion for operating expenses. CC issue of moving money is that you are moving into an account you can't take it out of. WA would like CC to explain what the emergency fund is for at the allocation meeting. CC Resolution should be read, or Bob could summarize it prior to the meeting. WA wants to see report card prior to starting the allocations. On dollar basis how many entities collect resort tax and delinquency \$ - number of audits, both recipient of funds and collectors of tax. WA does anyone have any objection to that? CC has been working with ES on sheet with actual money paid to each entity over the years. ES to have spreadsheet ready for June 6th meeting (allocations and dollars spent for 1998 to present. WA it is clearer to state just what was allocated. CC should just do on computer. WA would just as soon go on allocations, BP agrees, straightforward. CC – she can pop out the dollars spent in minutes.

BS Asked ES to notify Jim Muscat and Dan Secrease, and tell Heidi to call any board members with questions.

BP asked ES to keep money update as current as possible through allocation process.

BS motion to adjourn special meeting, BP second motion, all in favor.

Becky Page OK

**Big Sky Resort Area District
Minutes from June 6, 2001
Board of Directors Meeting**

Attending:	Bob Stober, Chair	Mona Jamison
	Walter Ainsworth, Vice Chair	Ron Edwards
	Becky Pape	Evy Schnee
	Carol Collins	
	Heidi Peacock	

BS called the meeting to order 3:00 p.m. and introduced Heidi Peacock as new board member to serve the remainder of Dick Wambsgans' term.

- 1) Public Comment – Dee Rothschilder spoke of the history of work done to get resort tax approved in Helena and asked the board to remember the original intent of the tax: to fund infrastructure items first. Brent Mach, Chris Schwalbe, Mike Cyr, Ian Whorral asked the board to specifically fund the skate board section of the park application.
- 2) BS advised the audience we would skip around on agenda and asked WA to cover allocation dollars available. WA explained fund analysis as per spreadsheet – funds to allocate, with approval of emergency fund allocation (current board goal for emergency fund is \$400,000.00) and approval of operating budget (total \$82,594.00) will be \$1,600,000.00. BP reviewed the funds available at \$50,000.00 deducted from collections and compared to over \$100,000.00 that were deducted from collections last year.
- 3) RS read the emergency fund appropriation ordinance, section 4 to define emergency and discussed the proposed cap of \$500,000.00, also explained that interest earned on emergency funds stays in that account, so it will continue to grow with interest after the \$500,000.00 goal is reached.
- 4) BP asked Westfork HOA applicants – you stated in Q&A session that your board has the authority to do special assessments, yet your covenants state you must have 87 homeowners vote approval. Laura Larocco stated they were in error at Q&A, and did in fact require vote of homeowners.
- 5) Allocation Awards:
BP motion to fund Sheriff request 73,903.00 and Sheriff request for 15,684.99 for a total of 89,587.99. HP 2nd – CC, do we have discussion first. Would like to leave separate, as there are two separate applications. BP, all right, I withdraw motion. HP withdraws 2nd. BP Motion to fund Sheriff 73,903.00, HP 2nd Vote 5 y. BP fund sheriff's request for 15,684.99. BS 2nd, any discussion? CC a great idea, but I don't support with amount of money we have. Vote 4 y, CC n.

BS motion to fund BS Ski Team for \$1,340.00, BP 2nd, any questions? Vote 4y, CC n.

BP motion to fund fire department, listing as per application, for a total of 452,732.00. BS statement of changed legal opinion on voting for all but salaries of fire district request, that is why there are two phases to application. BP withdraws motion, BP moves we fund personnel compensation in the amount of 120,873.00, WA 2nd. CC is on fireboard, discloses that. Would like to see that next year the personnel compensation be part of the fire department budget, and not part of the resort tax request. BS – that is up to the fireboard. CC – just letting the fire district know. Vote 4 y BS abstains. BP moves to fund the phase two requests for a total of 331,859.00. BP comment on 10 minute breathing apparatus as volunteers are fighting fire. HP 2nd. CC afraid we're putting a lot of money into equipment we might not have the water storage for. I think we need SCBAs, but I'm having a real problem funding the ladder truck for \$180,000.00. BS adds the longest ladder we have is a 28-foot extension ladder. The ladder truck has been talked about for 8 years. As far as water storage, we do have water available to utilize that ladder pipe, pumps 2,000 gallons a minute, power to knock down fires in upper stories. BP they are not constructing short buildings on the mountain, I watched the Stillwater fire for hours, if they could have attacked the fire from roof down, they would have had less damage. HP with economy based on tourism, and real estate worth so much money, I think we owe them their lives. WA we have a certain amount already in the ladder truck, I don't know how we'd recover that. CC fire district would have to find the funds for it. We should not be held hostage because it was paid for in the past. BP with the philosophical discussion, as Dee said, we put health and safety of entire community first. Vote 4 y, CC n.

WA motion to fund park for 85,000.00 and asked the board not micro manage how they prioritize the use of funds; also there is no incentive to reduce costs. Let them determine which items, within the contract. Prefer to allow maximum flexibility to park committee as to where it goes (within scope of the 8 items). MJ would list the allowable items from application to be internally allocated by the applicant how they see fit, but only on the items as part of the original application – no items could be added. BP 2nd, but believes we have a responsibility to community to specify items used by majority of people; I would like to fund and specify. CC agrees with WA, let the committee decide where to use funds. BS we've always held people accountable for funds allocated. WA they still have to provide invoices and within parameters of application. 4 Y, BP n

CC motion to fund Water & Sewer \$200,000.00 for water storage and fire hydrants for village area. BP separate those two? CC, I'll separate it. Motion to fund \$50,000.00 for hydrants, BP 2nd WA feels same as do for the park. They have access to other sources; our knowledge is limited as to importance of items. Would like to let water district decide where best to spend dollars allocated. HP should request items as priorities on application, if they're not a priority, should not request resort tax dollars. CC hydrants are first item of priority, don't support metering, and we need more storage. I don't understand why Water and sewer pays for hydrants instead of fire department. Vote 5 y

BS mentions the 500,000.00 in sewer request is out as already committed. MJ constitutionally you can't vote one year to not fund the bond issue. WA motion to fund \$5,000.00 for water testing, BP 2nd Vote 5 Y

CC motion to fund 75,000.00 to the Westfork HOA request with stipulation that they form an RID prior to getting any of this funding – access to emergency services, as well as being a school bus and shuttle bus route – different situation accesses a lot of important areas. BS – is there a 2nd – no 2nd, motion dies

BP rollover request for Water & Sewer, at \$4,285.00, or whatever balance is at fye. WA 2nd, Vote 5 Y – MJ needs to know exact amount as soon as available.

WA motion to approve \$204,700.00 to BS Transportation, BP 2nd. CC understands they are going to look for another contract. Meg O'Leary this contract will be done April 2003. Vote 5 Y

WA motion to approve with discretion Chamber of Commerce, \$80,000.00 to be used as new executive director sees fit within parameters of application. BP second. CC looking at 60,000.00 for chamber, so I probably wouldn't support the 80,000.00 Vote 4Y CC n

BP motion to give 34,460.00 to Friends of Library, BS 2nd – CC felt couple of things could wait until next year, would only support 30,000.00, Vote 2 Y, WA, CC, HP n
BP motion to give 30,000.00 to Friends of Library, CC 2nd – Vote 5 Y

WA motion to support Arts for 20,000.00, BP 2nd – CC cannot support that either. There are other items requested that are a little more important at this time. Maybe I'd revisit it later. WA asked Ron Edwards how much had been approved and how much remaining. \$1,563,000.00 approved, remaining funds 86,640.00, if you approve this at 20,000.00. BP we've addressed health & safety and infrastructure. Supporting the arts is long tradition and very much supported by the community and entertains quite a lot of people in community of all ages. Admirable that they ask for fewer dollars each year, certainly the exception. BS went to Helena to discuss legislature, and remembers Mike Richards listed four things, fire, police, medical, and arts in original talk that was given. Vote 4 Y, CC n

BS motion Buck Ridge Trail Grooming for 13,500.00, BP 2nd – 5 Y

WA – we forgot one safety item I'd like to consider, BS Search & Rescue, re: first request I motion 8,000.00 for equipment and operating budget, BS 2nd – 4Y, CC n
WA motion 10,000.00 for truck, BP 2nd – BP – if we lose people, we really ought to try to find them. CC doesn't support – other areas funding should go to prior to purchasing a vehicle, they can continue to use their own trucks. Vote: 3 Y, BS, CC no

CC motion to reimburse BSOA TV Translators, 18,858.78 BP 2nd - asked where we are in funds available to allocate, Ron – will have 36,281.00 left if translators are funded. Vote 5 Y

BP motion to fund Crail Ranch restoration, although monies remaining at fye of 8,000.00 are a roll over, WA 2nd - BS feels if not used this year, should be reabsorbed into collection. Vote 5 Y MJ needs to know exact amount ASAP.

BP motion to fund BSOA selected services for 7600.00, WA 2nd Vote 4 Y, CC n

BP motion to fund BSOA post office request for 7,500.00 for the last time, as the lady says on the weakest link, Bye Bye. – WA 2nd Vote 5 Y

BS to Ron Edwards, what do we have left? \$21,181.00

WA motion to fund \$3,000.00 for trail – am in favor of that trail, but not enough information to support full funding, use for engineering and come back next year HP 2nd
BP – voted for trail with matching funds, still feel matching funds best way – although there may be a wait, there are other funds available, board walks no more successful than road bridges, also feel you have better engineering if you ask for state and federal funds, would like to see the road issues resolved, transportation study, what happens with left turn lanes and stop lights, area between Two Moons and Little Coyote. HP would like to see definite guarantees (in writing) from Simkins Properties, so that you know before you put more into it. CC feels shame to not support trail in an area that it's very needed right now – would have liked to see 75,000.00 allocated to get it going and get people off the road. Question to applicant, is giving 3,000.00 to this request worth it? Is it going to help any? What would cost of engineer be for whole trail proposal? Bill Olsen- 7 or 8,000.
HP clarify, am in favor of trail, just want to see that it's not put in and then ripped up by whatever goes on over there, and I think right now we're not sure of anything. We've waited 28 years – it should be done with state and federal monies and their engineers – don't have faith in boardwalks. CC, Walter, would you up your amount to 8,000.00? HP withdraws 2nd, WA withdraws motion. CC motion to give 8,000.00 for engineering study for complete trail per board's request for maps and topography. WA 2nd – BP put in seed money and do the trail properly and with state and federal money. CC people weren't in favor of having it black topped. WA asked Bill would the engineering studies be reimbursed? Yes. Vote 2 Y, BS, BP, HP n

BP motion to fund Community Park additional 21,181.00 - BS 2nd WA question, feel comfortable with what we've given the park. Would like to consider giving 21,000 toward signage for BSOA. BP would like to finish park program and vote for brand new signage program next time around. HP agrees with BP – like to see what we start finish and then introduce new programs. WA to Russ, what amount of work has been done, work and dollars – really ready to go. Vote 4 Y, WA n

BP motion to adopt final allocation as recorded today and prepare resolution, BS 2nd, vote 5 Y

6) Approval of Minutes of May 2,15,16, and 19, 2001 meeting – WA motioned minutes approved with two changes from CC. BP second – all in favor

7) WA point of order: MJ, please clarify the voting for board member to replace Dick Wambsgans. Without a motion and second, and a majority vote to have open ballot, the procedure is to have confidential ballot.

8) Financial Reports

WA – re: liabilities: any indication at this time that funds from this fiscal year will not be used? ES - not at this time

ES - Audit Summary – Six audits complete, six in hand – random selection

MJ also clarified: when we audit recipients of resort tax funds, can only audit expenditure of allocated funds (per contract)

ES – Hebron is preparing a letter of engagement, ES to send copy to MJ

WA – re: budget – our landlord, Dennis Rowe, our lease is up 6/30/01, it is possible we could split the space. Allan Timour is interested. WA to keep talking to Rowe. ES to keep WA advised of aspects as they develop. BP would like to see Timour buy the portion and us continue to rent the window side with kitchen.

WA – motion to pass operating budget total of 82,594.00, BP 2nd. Vote 5 Y

WA – nothing significant I can see in rest of financial reports – lot of tax collectors that are falling behind. ES clarified – 8 total collectors one or two months behind. BP – seasonal effect (happened last year also).

9) New Business: ES to take vacation Aug. 9 – 23, 2001.

Signature cards at Big Sky Western Bank – as currently stand CC, BP and BS on money market 503460 (2 required) and operating checking 105341 (1 required). As stands on main checking 105260 (2 required) CC, BP BS, WA, HP, ES. Checking 105260 is correct as stands. BS motion to add Walter Ainsworth and Heidi Peacock to money market 503460, and to add Walter Ainsworth, Heidi Peacock and Evy Schnee to checking 105341. BP 2nd. Vote 5 Y

Piper Jaffrey – WA we should have money released to us – ES to take papers to BS to have signed to forward to Piper Jaffrey.

Outfitting trips – working on legal opinion – we'll finally clear it up – so many questions. ES to give Jake time frame – 4 to 6 weeks hopefully, definitely before hunting season. Public meeting adjourned – Pat Dillon has no comment.

10) Next meeting July 10th.

Open Meeting adjourned.

A handwritten signature in cursive script that reads "Becky Lape". The signature is written in black ink on a white background.

**Big Sky Resort Area District
Minutes from July 11, 2001
Board of Directors Meeting**

Attending:	Bob Stober, Chair	Mona Jamison
	Walter Ainsworth, Vice Chair	Evy Schnee
	Becky Pape, Secretary/Treasurer	Mike McManus
	Carol Collins	

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

- 1) Public Comment – MM hear to listen and observe.
- 2) WA motioned approval of minutes and BP seconded the motion. Unanimous vote of approval.
- 3) Changes to Allocation Resolution No. 2001-02R were explained by MJ. Resolution signed by Board.
- 4) Board reviewed and discussed potential changes to the allocation application. MJ shall revise and update application for future presentation to the Board. Also decided to combine the Question & Answer session with Presentation session for the allocation process, reducing the number of meetings required to two.
- 5) WA: Discussion of T-More Electric space – 520 sq. feet – for 57,200.00 – no cost to seller (\$110.00 per square foot) would be a considerable cost savings. WA: Our rental expense is being increased by 60.00/month to Dennis Rowe. BP: much less than P Cronin's space we looked at a year ago. Board did walk through of T-More space to assess whether it is adequate for our needs.
Discussion of finances and where funds could come from without affecting reserve funds. BP suggested we use Mona to draw up papers so as to avoid any conflict of interest. WA motion then withdrawn over purchase. BP motion to purchase 520 sq. ft. for \$57,200.00 to be financed out of resort tax revenues. WA second. Vote 4Y
BP to get documents to ES for MJ. Discussion of possible closing dates, and work to be done. BP requests ES do cash flow analysis to be certain one payment works.
WA requests ES to speak with Timour and see what work they would split.
- 6) Financial Reports
WA: by end of fiscal year we are where we expected to be, expenses are well under control, and we understand any variance.
- 7) New Business: WA would like to shop around for emergency fund CD of \$50,000.00
Old Business: BP on paved path in canyon – suggest ES draft a letter to County Commissioners stressing risk to life and accidents and the need for signage disallowing motorized vehicle. CC suggests copy to Larry Watson , Grant Administrator.

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 5th .

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 on a white background.

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

Attending:	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.

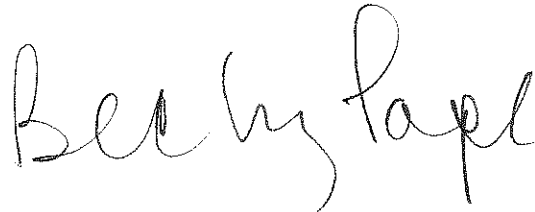
7) Old Business:

- 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 3rd in new office.



**Big Sky Resort Area District
Minutes from October 9, 2001
Board of Directors Meeting**

Attending: Bob Stober, Chair
Becky Pape, Secretary
Carol Collins, Director
Carol McCann, Administrator
Mona Jamison, Attorney
Marne Hayes, Chamber of Commerce
Marcus Hibdon, Lookout
Neils Procord, Secretary

- 1) Bob called the meeting to order 3:00 p.m.
- 2) Open for public comment. Marne Hayes at the Chamber of Commerce came to find out how to reapply for a line item in the Chamber of Commerce allocation agreement. She said that when it was allocated, some latitude was given on the line items and amounts. At the time of the allocation \$50,000.00 was the total allotted for web site and \$30,000.00 for consumer advertising. Now the Chamber of Commerce would like to reapply \$45,000.00 for a fill in piece instead of consumer advertising. The Chamber of Commerce is not asking for more money, rather it is requesting that it be allowed to switch funds among line items that have already been granted funds. Becky P. made a motion to allow the Chamber of Commerce to shift the funding into different categories. Carol C. seconded the motion. Unanimous vote of approval.
- 3) Bob S. motions for the approval of September 5, 2001 BOD meeting minutes. Carol C. seconded the motion. Unanimous vote of approval.
- 4) Review of Financial Reports: Becky asked about the CD that matured 9/30/01. CD is not a rollover. Needs to be renewed. Carol. Mc. needs to call the banks to see what rates they are offering and run it by Walter or Bob. And reinvest the money ASAP.
- 5) Carol Mc asked if the Board would like to have copies of a letter she received from Big Sky Search & Rescue. Becky P. said that letters that recap what the recipients are doing with the money is of interest to the Board and needs to be handed out to each Board members, however, if it is a standard request for allocated funds, the Board does not need a copy. Reports are expected from recipients.
- 6) Other Matters relating to the Administration of the District: Mona gave a first reading of proposed changes made to Ordinance 98-01-ORD, as amended on May 3, 2000. Mona clarified that the goal in this amendment is to change how the District taxes outfitters, such that, outfitters would no longer be penalized for having their business located in the District when they were competing with outfitters located outside the District. Mona said that when the primary purpose is to engage in services and activities outside the District, the outfitters located in the District do not have to pay resort tax for those transactions.

- 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 2nd 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 2nd 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 5th, 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 14th 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 14th, 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