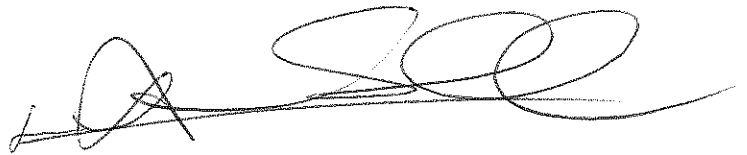


Approved 2/16/05




MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING
JANUARY 12, 2005

Present: Carol Collins, Chairperson
Jim Muscat, Vice Chair
Sarah Ouellette, Administrative Officer
Al Malinowski-Director
(Al arrived @11:30-agenda #2)
Renae Schumacher-Sec.-Treas.

Meeting called to order at 11:25 AM

1. Minutes of December 8, 2004 Open Board Meeting: Correct Sen. Tash's name to Bill. Add the information that Sarah was to discuss lobbying fees with Mona. With corrections, Jim made a motion to approve, Renae 2nd. All in favor.
2. Resort Tax Application: Note one addition, Al made a motion to approve and make available to public. Renae 2nd. All in favor.
3. Annual Financial Audit by Homes and Turner: Al made a motion to approve, Jim 2nd. All in Favor.
4. Lobbying: The board is considering hiring Jamison Law Firm to lobby on their behalf in the upcoming legislation session on any resort tax or related issues. Mona Jamison's fee is \$12,500. Hand out was provided by Mona which outlined specific bills that were of concern that would be presented this legislation session. Carol has spoken with Sen. Hargrove and he said he could represent us for \$10,000.00. There was concern that Mona had compromised her reputation from comments she had made at the previous legislation session, and that it could affect this current legislation. Al said he would like to hire someone else to represent the BSRAD, although, he said he is not qualified to decide who that should be. Some of the board members thought that by hiring the same person to lobby each session might be less effective. Renae suggested that perhaps the board should hire two lobbyists; Senator Hargrove and Mona Jamison. Carol suggested that we contact them to see if they would agree to this arrangement. If they do, the board wants to meet with both of them to discuss the lobbying concerns. Carol said she spoke with Jerry Johnson who is on the city council in West Yellowstone and he was going to discuss any concerns regarding resort tax with Fred Rice, the City Manager and if they had concerns with any of the bills being introduced then they would get in touch with her. If they do, she will ask them if they are willing to share the cost of the lobbyists. Jim's concern was with the affect a sales tax would have on Big Sky.
5. Financials-Renae made a motion to accept the financial reports to include the "Checks by Detail" report, Jim 2nd. All in Favor.
6. Ophir School: Through BSOA, The Big Sky Park received resort tax funding in 2001 which included approximately \$7000 for wrestling mats. Currently the school has possession of the mats and they would like to know what they can or cannot do with them because they do not need them. Board decided that they need to contact BSOA to work this out. Board would like this type of issue to be placed on a future agenda. Sarah is supposed to call Heather at Ophir school to follow up on.
7. Meeting adjourned at 12:55.

Approved 4/21/05 

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

Present: Carol Collins, Chairperson
Lance Child, Director
Sarah Ouellette, Administrative Officer


Al Malinowski-Director
Jason Revisky, Fire Chief

Public Comment: Jason Revisky, Fire Chief was present. Jason explained that the BSRAD had previously allocated approximately \$5000.00 for a sprinkler system for the Fire Dept. building, but now their bid has come in higher than expected because their water service pipe is too small for the system and it's now necessary to install a whole new system according to Williams Plumbing. Jason is requesting permission from the board to use funds from one of their other line items in their budget that BSRAD funded to cover the cost of the sprinkler system. He said that they may be able to use the money that was requested for radios because they are now receiving federal grant money for the radios. The board is taking under advisement. Jason said he will try to bring the actual bid in to the next board meeting for their review.

Meeting called to order at 11:35 AM

1. Minutes of January 12, 2005 open Board Meeting: Correct Sen. Tash's name to "Bill." Add Renae Schumacher's name to the members present. With corrections Lance made motion to approve. Al 2nd, all in favor.
2. New Business: Lance suggested that we amend future Contract Agreements to address the budget and its line items, and to include language that the district acknowledges that many of the appropriation requests are based on "estimates" and thereby give the applicant the ability to move funds from one approved project to another approved project upon personal request and board approval. Carol said that the board did not have to approve this at this time, but rather have Mona Jamison begin drafting language for the board's review prior to appropriations.
3. Lobbying: There was some general discussion regarding bill #245 and HB 625. Al made a motion to contract Mona Jamison at \$11,000.00 and Don Hargrove at \$8,000.00 to lobby on behalf of the District this legislative session.
4. Financial Reports: Carol noted that there were three missing checks from the "Transaction Detail by Account" report; checks: #3688, #3692 and #1106. Sarah explained that #3688 had been written the previous month, #3692 had been voided and that #1106 has not been written yet. Al said the check that was voided, should be listed as such. Sarah said she'd change to reflect that. Lance was concerned with "undeposited funds/current asset" account balance of \$-79.81. Sarah will look into. Lance asked about -\$60.90 in "general accounts payable." Sarah explained that it was a *check* to the Missoula Independent that had been voided, but the *bill* itself had not been voided in QB. Although, Sarah said it had been taken care of subsequent to this report. Al made a motion to approve the financial reports for January 2005 to include the "Transaction Detail by Account" report. Lance 2nd. All in favor.

Meeting adjourned 12:15

Approved 4/21/05 

MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING
MARCH 9, 2005

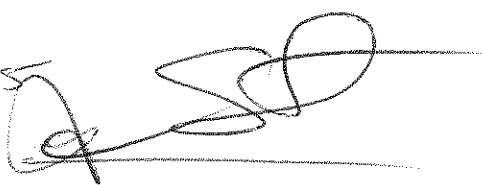
Present: Carol Collins, Chairperson
Lance Child, Director
Jason Revisky, Fire Chief

Renae Schumacher-Sec.-Treasurer
Sarah Ouellette, Administrator

Meeting called to order at 11:15 AM

1. Minutes of February 16, 2005 open board meeting: Lance asked that February's minutes reflect and elaborate on verbiage he'd previously expressed for inclusion in this year's Contract Agreements. This information concerns budgeted line items and giving the applicant the ability to move monies from one line item to another within their application. Sarah will listen to taped minutes and include specifics in those minutes. Minutes were tabled until next meeting.
2. Public Comment: Fire Chief, Jason Revisky was present to discuss his previous request to move monies from other line items in their budget (as presented in application) to cover the installation of the sprinkler system, which is going to cost more than anticipated. He said they've spent \$9000 less on their ambulance and \$1000 less on their pump purchase and will probably not use the \$28,000.00 itemized for radios either because they are getting a grant for this. Although he was not absolutely sure on this detail. He is requesting to use the excess funds from these items to go toward the installation of the sprinkler system. He did not have the current contractor's bid to present for exact numbers on the installation of the sprinklers system, but will submit when he receives. Lance made a motion to allow the Fire Dept. to utilize the excess funds from the appropriated line items to cover the sprinkler system. Renae 2nd. All in favor.
3. Preliminary Budget: Board reviewed and suggested we increase collections to \$1.8 million and increase office expenses, decrease interest on payments to \$2000.00. Sarah is to revise and bring to next meeting for review.
4. Lobbying: Bill 184 - Based on Mona Jamison and Senator Hargrove's recommendations, Carol requested the board members call the House Taxation Committee to oppose this bill due to the implications on the resort tax and to safeguard the resort tax district.
5. Financials: Lance made a motion to approve reports to include the "Transaction by Detail Report." Renae 2nd, all in favor.

Meeting Adjourned.

Approved 5/18/05 

MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING
APRIL 21, 2005

Present: Carol Collins, Chairperson
Lance Child, Director
Jim Muscat, Vice Chair

Renae Schumacher-Sec.-Treasurer
Sarah Ouellette, Administrator
Al Malinowski, Director

Meeting called to order at 12:15 pm

1. Minutes of February 16, 2005 and March 9, 2005 open board meeting: Lance made a motion to approve the minutes, Renae 2nd, all in favor.
2. Tax Items: Sarah informed the board that furniture is currently not taxed based on current procedure, unless it's luxury-type of furniture; however, it's not listed in the exemption list either in Ord. 98-01. Sarah said she thought it should be taxed across the board, meaning all types of furniture; not just what was considered "luxury" furniture because it was too difficult to define and left too much grey area. After much discussion, the board felt they still did not want to tax furniture, other than what is already considered taxable. No formal action was taken. Web Sites: Sarah asked the board if the sales from a web site should be taxed because currently the ordinance exempts catalog sales, but doesn't address web sites at all. Board does not want to make any changes to ordinance to address this. Keep ordinance the same. Although the board discussed possibly removing catalog sales from the exempt list. Sarah to ask Mona why catalog sales were included in exemption list.
3. Preliminary Budget: Sarah stated that she had decreased the "accounting" line item because it appeared audits would be performed in house now. The budgeted amount of \$6000 now reflects the MDA report, general accounting assistance and the annual audit. Board reviewed and asked Sarah to put on next month's agenda again for approval.
4. Lobbying: It was stated that all local option tax bills had failed in legislation. Also, SB 245 passed allowing Districts to renew without having to be recreated and defined. Carol suggested the board begin thinking about putting the renewal of the district out to vote.
5. Chamber and Fire Dept. allocation requests: Both entities had submitted invoices that were considered late according to the terms of the contracts. The question was put before the board whether or not Sarah should reimburse. Sarah recommended that these entities be reimbursed. Al made a motion to approve these reimbursements, Renae 2nd. All in favor.
6. Applications: Carol asked what the policy was, as far as applicants submitting incomplete applications. And, that the board should discuss this issue at a future meeting.
7. Financials: Lance made a motion to approve the financial reports to include the "Transaction by Detail." Report." Jim 2nd, all in favor.

Meeting Adjourned.



Approved 8/10/05 ~~FASSO~~

**BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING FOR
MAY 18, 2005**

Present: Carol Collins, Chairperson
Renae Schumacher, Secretary-Treasurer
Al Malinowski, Director
Mona Jamison, Attorney
Lance Child, Director
Sarah Ouellette, Admin. Officer
Jim Muscat, Vice Chair

- 1) Minutes of April 21, 2005: Renae made a motion to approve these minutes. Al 2nd. All in favor.
- 2) Allocation Amount available for 2005-2006: Board decided not to subtract the approved operating budget for the 2005-2006 tax year from the amount available. (Handout provided & attached referencing funds available.) Al made a motion to approve \$1.8 million dollars in available funds for the 2005-2006 allocations based on the 2004-2005 collections. Lance 2nd, All in favor. Motion passed.
- 3) Budget: Al made a motion to approve the budget for 2005-2006 as presented, Renae 2nd, All in favor.
- 4) Financials: Lance a made a motion to approve the financials including the "Transactions by Detail" report., Renae 2nd. All in Favor.

MINUTES FROM THE QUESTION AND ANSWER FORUM ATTACHED

Meeting adjourned at 2:40 PM

Approved 8/10/05 ~~KAS~~

BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING FOR JUNE 1, 2005
ALLOCATIONS

Present: Carol Collins, Chairperson
Jim Muscat, Vice Chairperson
Al Malinowski, Director
Lance Child, Director

Renae Schumacher, Secretary-Treasurer
Mona Jamison, Board Attorney
Sarah Ouellette, Administrator

Public Comment: Mitch Furr with Big Sky Community Corp. requested to have their application withdrawn for \$135,000.00 for purchase of the park land. They are going to seek grants from the Open Space Board. Carol Collins, Chairperson, informed the public that there would be two board seats available this fall. Carol also summarized the procedure of the allocations meeting; stating that a motion must be made and then a 2nd in order to discuss a specific application. Carol informed the public that \$1.8 million was available to allocate if the board should decide.

- 1) Renae made a motion to approve the Beehive Basin Trail Ext. Rollover request by BSOA for \$15,200.00, Al 2nd, Everyone in favor. Motion passed.
- 2) Jim made a motion to approve the Publicity Campaign Rollover request by the Big Sky Chamber for \$5032.00, Lance 2nd, Everyone in favor. Motion passed.
- 3) Lance made a motion to fund the Northern Rocky Mtn. RC&D request for \$29,640.00 for the Noxious Weed Program. Renae 2nd. Everyone in favor. Motion passed.
- 4) Renae made a motion to fund the Friends of the Big Sky Comm. Library request for \$52,378.00 for operations, Jim 2nd. Everyone in favor. Motion passed.
- 5) Al made a motion to fund the Big Sky Chamber of Commerce request for \$5000.00 for Fourth of July fireworks, Jim 2nd. Everyone in favor. Motion passed.
- 6) Jim made a motion to fund the Big Sky Search and Rescue request for \$18,540.00 for equipment and operations, Al 2nd. Everyone in favor. Motion passed.
- 7) Lance made a motion to fund the BSOA Spur Rd. Trail for \$300,000.00. Renae 2nd. Lance said this should "rough in" the trail and the critical construction phases; including the bridges, but not including the paving. Mitch said that \$250,000.00 would make the trail useable and safe. Bill Olson said the "roughing in" would basically include the bulldozing of the trail. He said they would have about \$20,000.00 payable to engineers too, and that this amount was not included in the bids they supplied us with. This was basically for bridge footings, geotechnical work and possibly some modifications. Al asked Mitch Furr if she thought this project could be completed this year, and both Mitch and Bill Olson said it could if they were fully funded. Bill said the project could be done in phases and this would not degrade the whole project. Carol, Renae, Jim and Lance were in favor, Al opposed. Motion passed.
- 8) Renae made a motion to fund the Big Sky Water and Sewer request for \$300,000.00 to cover debt service and for pond covers. Jim 2nd, Both Lance and Al said they favored \$250,000.00, but not the last \$50,000.00 for "future pond covers." Carol said there were

- “other funds available for this and does not really support it.” Renae made a substitute motion to fund \$250,000.00, Jim 2nd. Everyone in favor. Motion passed. Motion includes funding for \$200,000.00 for debt service and \$50,000.00 for pond covers.
- 9) Al made a motion to fund the Big Sky Community Corporation request for \$42,000.00 for the Master Park Plan. There was no 2nd, Motion died. Renae made a motion to fund \$30,000.00 of the request, Jim 2nd. Carol said she did not receive a breakdown of the funds as requested and felt it could be done with \$30,000.00. Jim asked if only \$30,000.00 was funded, would that be crippling the project. Mitch Furr said it is difficult to get a breakdown, but at \$30,000.00 they could have some topography maps done and a clear concept of the plan. Mitch said they have \$7500.00 in contributions available to spend on this project. Mitch said if they go with the Trust for Public Lands (TPL) they would have the \$7500.00 available, and the amount the TPL brings in, as well as the resort tax funding, should the board approve funding. Everyone in favor. Motion passed.
 - 10) Jim made a motion to approve BSOA’s Public Service Request for \$17,750.00, Al 2nd. Carol commented that there was a \$7000.00 increase from last year’s budget on the public bathroom line item. Carol Pranka stated that the portable toilet at the park was the added expense. Jim, Renae, Lance and Al in favor. Carol Collins opposed. Motion passed
 - 11) Lance made a motion to fund the Chamber of Commerce’s operations request for \$42,000.00. Renae 2nd. Jim asked for a breakdown of the tourist funding of the Chamber. Marne Hayes, Director, said the total operating budget was \$303,000.00 and \$94,000.00 of that comes from the member dues. All in favor. Motion passed.
 - 12) Al made a motion to fund the GVSA/Buckridge Trail Grooming & Sign request for \$17,000.00, Jim 2nd. All in favor. Motion passed.
 - 13) Renae made a motion to fund the Chamber of Commerce Marketing Campaign request for \$35,000.00. Jim 2nd. All in favor. Motion passed.
 - 14) Renae made a motion to fund the Gallatin County Sheriff’s deputy request for \$91,109.00. Lance 2nd. Al said he’s received feedback from the public concerning the counties paying for this deputy, rather than resort tax. Mona Jamison, Attorney for the BSRAD, clarified that the Board would place a contingency on both the Madison and Gallatin Counties to each fund/provide two additional deputies in addition to this deputy if the Board decides to fund. Al said we need to consider whether or not we are getting back what we put in, in terms of tax dollars. Jim said he supports Al’s concerns and asked whether we were solving a problem or perpetuating it. Al supports the Sheriffs, but feels the commissioners need to address this issue. Carol mentioned that BSOA was the entity that had begun requesting funding for this. Mona recommended that the Resort Tax Board meet with commissioners from both counties prior to next years applications. Al said the people he spoke with agreed the services were needed, but rather disagree with the resort tax paying for it. Lance recommended to make it a condition that both county commissioners must meet with the BSRAD Board (in Big Sky) prior to next years allocation requests, should the board approve this year’s request. All in favor. Motion passed.
 - 15) Jim made a motion to fund BSOA’s park/softball request for \$13,600.00, Renae 2nd. All in favor. Motion Passed
 - 16) Jim made a motion to fund the Post Office LLC request of \$27,000.00. Lance 2nd, Lance expressed concern that the entity was still not a Non Profit and said he would like to see

it become that, even if there is no “upside” to becoming a Non Profit business. Carol said that federal money should be funding this and doesn’t feel the BSRAD should subsidize the Post Office in order to get better service. Renae said she also has a concern with funding a For Profit business. Vote: Renae, Jim and Lance in favor, Carol opposed and Al abstained from voting because he was the applicant on behalf of PO LLC. Motion passed.

- 17) Renae made a motion to fund the Sheriff’s request for \$6500.00 for DUI processing equipment for Big Sky. Al and Jim were concerned with the BSRAD funding this, rather than the county funding. Under Sheriff, Jim Oberhauser said currently there are two breathalyzers in Bozeman and in order to process a DUI person from the Big Sky area, the deputies have to take them to Bozeman. He said this equipment will save on time. All in Favor. Motion passed.
- 18) Renae made a motion to fund the Fire Dept. request in full for \$360,000.00 Carol 2nd. Renae said her motion includes the condition that precludes the Fire Dept. (GCCRFD) from requesting any more funding for the volunteer’s health ins. package. Board expressed concern with funding the health ins. this year and then not being able to possibly fund in the future and what the implications would be to the volunteers. Lance said he thinks the impact fees should pay for the air cascading system that they’re requesting funds for. He said he doesn’t support the building addition either because their bids are not secured. Les Loebel, Fire Dept. board member said that the Yellowstone Club (YC) is currently obligated to pay the department \$90,000.00 per year to service the Club, and if they don’t pay then the Fire Dept. budget would reflect that. Al thought there were funds available in the Fire Dept’s current budget presented, to pay for some of these items. Carol and Renae voted in favor, Jim , Al and Lance were opposed, Motion failed.
- 19) Jim made a motion to fund the Fire Dept. request for \$280,000.00, which would exclude any monies for the health ins. for the volunteer fire dept., Renae 2nd. Al said he feels the impact fees should be used for some of the requested items. Greg Iszler, Asst. Fire Chief said that impact fees can only be used for “fire related items and related growth.” The Board sited that the fire dept. appears to have reserves in their budget they could be using for some of their requests. Renae, Jim and Carol were in favor. Al and Lance opposed. Motion passed.
- 20) Jim made a motion to approve the Chamber of Commerce request for \$375,00.00 for the Infrastructure Study. Al 2nd. Kate Wilson formally reduced her request to \$10,000.00 which would go toward legal fees and financial mapping and census data and tax information. Jim questioned whether or not their goals could be met with the \$10,000.00, and substituted his motion to fund them at \$10,000.00, Lance 2nd. Carol advised the group to ask Marty Lambert, County Atty., for legal advice concerning incorporating (Big Sky). She said the service was free. Al, Lance, Renae and Jim were in favor. Carol opposed. Motion passed.
- 21) Al made a motion to fund the Big Sky Arts Assn. request at \$15,000.00, total request was \$30,000.00, Renae 2nd. Al commented that \$30,000.00 seemed like an arbitrary amount to request, and according to their application there wasn’t a lot of fund raising effort; however, he felt they deserved some funding. It was mentioned that last year’s allocation was \$30,000.00 for this year’s events of which no “big name” concert was going to be held, as the Arts Assn. had planned. Al said there appeared to be a “healthy” amount of

funds in reserves. Mindi Nowakowski, Vice President of Arts Assn. said some of the reserves were for capital improvements and concert deposits as well, and for some paving work. She said that some of their reserves simply weren't liquid and that the "Peggy Schwer" funds were restricted. Mindi said the Art's Assn. is having trouble competing with other production companies in terms of bidding on concerts. Mindi said they do not qualify for grants. Vote. All in favor. Motion passed.

- 22) Al made a motion to fund the Blue Water Task Force (B.W.T.F.) request for \$39,400.00. Renae 2nd. Lance and Al both stated that they feel the D.E.Q. is shunning their responsibility by having the B.W.T.F. Jim voiced concern with the fact that no actual samples had been taken so far and questioned what Big Sky was getting from these tests, and why they are involved. Jim also asked what the B.W.T.F. was going to do with the results that the D.E.Q. isn't already doing. Carol said we would get "better results" if we funded this and that the B.W.T.F. would be a contact or partnership to the D.E.Q. to address problems. Katie Alvin, B.W.T.F. Director, said the community would be directly involved verses having an outside entity contract with the D.E.Q. Katie clarified that the group did perform water samples the first year they received funding. Mindi Nowakowski, Secretary-Treas. of B.W.T.F. commented that outside groups would end up influencing Big Sky if B.W.T.F. is not the partnership with the DEQ. Al asked if the B.W.T.F. would continue without the funding from the resort tax board. Katie and Mindi both said yes, the resort tax would supplement their project. Al, Renae and Jim voted in favor, Carol and Lance were opposed. Motion Passed
- 23) Lance made a motion to reconsider the previous motion to fund the Fire Dept. at \$280,000.00 and substitute the motion to fund them at \$285,000.00 and remove the portable air cascade system request, but include the request for \$80,000.00 for the volunteer health insurance benefit. He feels the air cascade system could be funded with impact fees. Jim and Al both said they disagree with this substitute motion. Renae, Lance and Carol were in favor, Jim and Al opposed. Motion Passed.
- 24) Renae made a motion to add \$150,000.00 in funding to the BSOA Spur Road trail request; bringing the total funding to \$450,000.00. Lance 2nd, Bill Olson said this would allow them to gravel most of the trail. Renae made a substitute motion to fund an additional \$140,000.00 instead of the \$150,00.00. Lance 2nd. Jim, Renae, Lance and Al in favor, Carol was opposed. Motion passed.

The Big Sky Resort Area District approved a total of \$1,818,699.50, which includes the funding of the rollovers. Jim made a motion to approve the above funding requests, Al 2nd. All in favor.

Public Comment: Jason Revisky, Fire Chief thanked the board for approving emergency services. Jason said they would look into the board's recommendations. Bill Olson, BSOA thanked the board on behalf of all the trail support. Marlene Fontana said the library wouldn't exist without the resort tax. John Holtzman also thanked the board.

Meeting Adjourned.

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

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

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

Meeting called to order at 12:15 pm

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

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

Meeting Adjourned.

APPROVED - DECEMBER 14, 2005



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

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

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

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

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

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

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

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

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

Meeting Adjourned

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Meeting Adjourned 1.40 p.m.

Respectfully Submitted,
Janine Arnold

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

Present: Carol Collins, Chairperson
Al Malinowski, Director
Les Loble, Board Member
Renae Schumacher, Sec/Treasurer
Teri Kirschner, Administrator
Lance Child, Director – (via conference call)

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

1) **Public Comment:** None

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

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

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

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

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

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

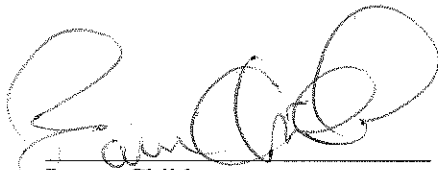
8) Mona Jamison brought up the voting of extending the length of the Big Sky Resort Area District, which expires in 2012. Al Malinowski asked for clarification that you can extend the district for 20 years ahead. Mona Jamison responded yes. Item will be on next meeting agenda to discuss.

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

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

Meeting Adjourned 1:05 p.m.

Respectfully Submitted



Lance Child, secretary