

MINUTES OF BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING
JANUARY 16, 2008

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Les Loble, Secretary/Treasurer
Loren Bough, Director
Renaë Schumacher, Director

Al Malinowski, Chairperson, called the meeting to order at 11:07 a.m.

1) **Public Comment:** None.

2) **Big Sky Chamber of Commerce:** Marne Hayes and Robin Hicks that the Chamber's role as a conduit of the appropriation to the Infrastructure Committee had divided the Chamber board. The board has decided not to request funds for the Infrastructure Committee in April, 2008. The question was whether the Chamber was contractually required to request the funds that had been appropriated in June, 2007. The BSRAD board members responded that no applicant was required to spend its appropriated funds. However, the Chamber was reminded that requests exceeded funds available. When an applicant does not use the funds appropriated that means another applicant receives less than it needed and could use.

3) **Approve Minutes:** Loren moved, Lance seconded that the the minutes of November 14, 2007, be approved as amended. Passed unanimously. Renaë moved, Loren seconded that the minutes of December 12, 2007 be approved as amended. Passed unanimously.

4) **New Business:**

- a. **Hiring Committee:** Lance and Les reported that seven applications from Big Sky had been received. Applicants from Bozeman, Churchill, Belgrade and elsewhere were 15 to 20. The Big Sky applicants would be interviewed first. A special meeting of the Board would probably be required to consider the recommendations of the hiring committee.
- b. **Investment Committee:** Al presented the "Summary of Monthly Investment Returns." By motion made, seconded and unanimously carried Al was instructed to move the funds in the American Bank from the American Way account to a 6 or 12 month CD. Passed unanimously.
- c. **Signature cards:** This matter was tabled because the cards were not available.
- d. **Other:** None

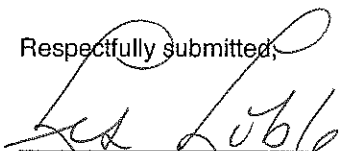
5) **Old Business:**

- a. BSRAD website discussion was deferred.
- b. **Other:** None.

6) **Financial Reports:** Les moved, Lance seconded that the November and December, 2007, Financial reports and Transaction Detail by Account for those months be approved. Passed unanimously.

Chairperson Al Malinowski, adjourned the open meeting at 12:12 p.m.

Respectfully submitted,


Les Loble, Secretary/Treasurer

MINUTES OF BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING
January 28, 2008

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Les Loble, Secretary/Treasurer
Loren Bough, Director
Rena Schumacher, Director

Al Malinowski, Chairperson, called the meeting to order at 10:10 a.m.

1) **Public Comment:** None.

2) **Approve Minutes:** None.

3) **New Business:**

a. **Hiring Committee:** Lance and Les reported that seven applications from Big Sky had been received. Eighteen applications from other areas had been received. One of the Big Sky applicants withdrew. The remaining six were interviewed. All applicants were qualified. Lance and Les discussed the interviews, applicant by applicant. Their recommendation was that the position be offered to Stephanie Hanna. Les then reported his conversations with the references provided by Ms. Hanna. All five references were laudatory. The other applicants were discussed by Lance and Les and ranked in their order of preference. Motion by Les, seconded by Loren to offer the position first to Ms. Hanna and, if she declines, to the runner-up. Passed unanimously. The runner-up had specifically requested that the application be kept confidential. The Board felt the merits of individual privacy out-weighed the merits of public disclosure and will honor the request. Les has written the applicants from other areas and informed each applicant that the position had been offered to another person.

Motion by Lance, seconded by Loren that Les be authorized to offer the position to Ms. Hanna and then to the runner-up if Ms Hanna declines. Passed unanimously.

Les was instructed to work with Board attorney Jamison to draft a contract. The draft contract would be forwarded to all Board members. The holiday schedule would be clearly stated in the contract. The contract will be prorated to a 24 hour schedule. The Board will work with Ms. Hanna regarding her start date.

b. **Bank Accounts:** Motion by Lance, seconded by Les to remove the name of former Board member, Carol Collins, and former Administrative Officer, Leslie Fregien, from the bank accounts and to add new Board member Loren Bough to the bank accounts. Passed unanimously. New signature cards will be circulated and signed.

c. **Other:** Les presented the Board with a draft letter to the editor of the two local newspapers. The draft was intended to clarify that in the event the Town of Big Sky incorporated, the District would continue and would be able to meet its obligations. The draft was discussed at length. Several revisions were made. Loren moved, Rena Schumacher seconded that the draft as revised be sent to Board attorney Jamison and, following her approval, submitted to the two local papers for publication.

Passed unanimously.

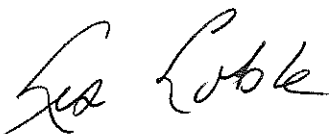
4) Old Business:

a. Other: AI distributed the final audit. Discussion followed. Notice of the audit will be published in the Lone Peak Lookout. AI has reviewed the submission form Morningstar Learning Center which triggers the payment of \$300,000 by the District. Lance will also review the submission as well. AI discussed two requests for funding from Big Sky Search and Rescue. It was the sense of the Board that the cost of pizza for the BSSAR Christmas party was not appropriate. AI will inquire further of BSSAR regarding the request for payment of a storage unit.

The next meeting will be held at 11:00 a.m., Wednesday, February 20, 2008

Chairperson AI Malinowski, adjourned the open meeting at 12:12 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Les Loble". The signature is written in dark ink and is positioned above a horizontal line.

Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

February 20, 2008

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Les Loble, Secretary/Treasurer
Rena Schumacher, Director
Stephanie Hanna, Administrative Officer

Not Present: Loren Bough, Director

Chairperson, Al Malinowski, called the meeting to order at 11:07am

- 1) **Public Comment:** Steve Johnson appeared on behalf of the **Big Sky Chamber Community & Infrastructure Group** to report that they are waiting on the second draft of answers to the concerns raised by the Board regarding incorporation.

Steve Johnson also appeared on behalf of **Big Sky Search & Rescue** to report that they have received four bids and are waiting on the fifth for the new building. They will request a rollover of funds as they won't begin construction until the spring. All bids are higher than their appropriation amount. Reasons for the increase vary so they are working on comparing the bids to have good substantiation for another application this year.

- 2) **January 16, 2008 – Open meeting Minutes** – Motion by Rena Schumacher to approve the minutes. Second by Lance Child. All in favor. Motion carried.

January 28, 2008 – Open meeting Minutes – Motion by Lance Child to approve the minutes, as amended. Second by Les Loble. All in favor. Motion carried.

3) **New Business**

- a) The Board welcomed Stephanie Hanna, the new Administrative Officer.
1. Ms. Hanna proposed a schedule of Tuesday, Wednesday, and Thursday with office hours being 8:00 a.m. to Noon and 2 p.m. to 5 p.m. allowing for an hour lunch and an hour to run errands and meet with business owners and appropriations recipients out of the office. Motion by Les Loble to adopt this schedule. Second by Lance Child. All in favor. Motion carried.
 2. The Board then gave Ms. Hanna a list of priorities including: meet the community, get current on tax collection accounts, improve the website, collect tax on short-term rentals, look into a new office space with a better meeting room, get up to speed for upcoming appropriation process, understand the Ordinance, and improve the system for collections.
- b) After meeting with First Security Bank and Big Sky Western Bank and investigating current returns, rates, and options the Investment Committee reported that FSB will set a floor on the money market account so the rate does not drop below a favorable rate. The Committee also suggested opening a new advantage CD at BSWB which allows for addition of funds over a 12 month period, higher return, and a free one-time float up option. Motion by Les Loble for the Committee to do the analysis needed and after analysis to move the appropriate amount of funds into the BSWB CD. Second by Rena Schumacher. All in favor. Motion carried.
- c) New signature cards for the bank accounts were distributed for Board members to sign.

- d) Edits to the Application for Resort Tax funds were discussed and the appropriation timeline was set as follows:

Applications due April 16, 2008 by 5:00 p.m.

Question & Answer Meeting, Wednesday, May 14, 1:00 p.m.

Appropriations Meeting, Wednesday, June 4, 1:00 p.m.

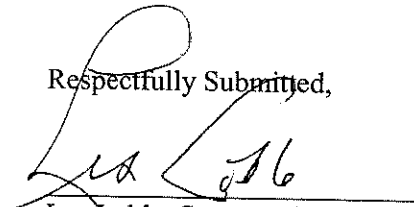
4) **Old Business**

- a) **BSRAD Website** – The Administrative Officer will investigate current website contracts and updates needed and bring a report to the Board at the next meeting.
- b) **Legal Assignments** – The Attorney General Opinion will be finished by the end of the month or very early March. Ms. Jamison also worked on the employment contract for Ms. Hanna and, after the AGO is finished, will resume work on the rewrite of the Ordinance.

- 5) **Financial Reports** – Motion by Les Loble to approve the financial reports. Second by Lance Child. All in favor. Motion carried.

Chairperson, Al Malinowski, adjourned meeting at 12:34 pm.

Respectfully Submitted,



Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

March 19, 2008

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Les Loble, Secretary/Treasurer
Rena Schumacher, Director
Stephanie Hanna, Administrative Officer
Mona Jamison, Attorney

Chairperson, Al Malinowski, called the meeting to order at 11:06 a.m.

- A. Public Comment:** None.
- B. Arts Council of Big Sky** – Doug Gale of ACBS asked the Board three questions. First, can ACBS use funds raised through corporate sponsors for the Thursday night events to recover staffing costs for those events? The Board responded, yes. Second, can ACBS use funds raised through corporate sponsors for the Headliner event to recover staffing costs for the event? The Board responded that the \$100,000 in capital appropriated for the Headliner will always need to remain in that fund. Therefore, money raised up to that amount must be returned, but money raised above that amount may be kept by ACBS. Third, if ACBS has an associated fundraising event with the Headliner, can those funds be treated as unrestricted? The Board responded, yes.
- C. Attorney General Opinion** – Ms. Jamison summarized her proposed Attorney General Opinion. Ms. Jamison reported that the BSRAD does not have the authority to present the opinion to the Attorney General and it would, therefore, need to be submitted by the Gallatin County Attorney or Gallatin County Commissioner. The time frame of receiving a response from the AG once it is given to the entity for submission is four to six months.

The Board asked for questions and/or comments from the public. A lengthy discussion followed with Steve Johnson, Kay Reeves, Brian Gallik, and Mindy Nowakowski. At the conclusion of the discussion, the Board agreed that it would receive comments on Ms. Jamison's draft until 5:00 p.m. on April 9, 2008.

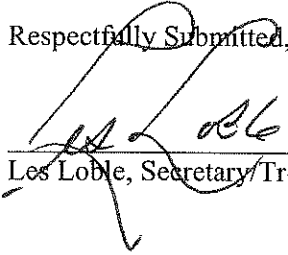
The subject of using interlocal agreements to address existing bond commitments and prior contracts was also discussed.

- D. March 19, 2008 – Open meeting Minutes** – Motion by Mr. Loble to approve the minutes, as amended. Second by Mr. Bough. All in favor. Motion carried.
- E. New Business** – None.
- F. Old Business**
- a) **BSRAD Website** – Ms. Hanna reported when she is satisfied with the many edits she has requested in order to update the website, she will begin research on bringing the editing of the site in house.
 - b) **Investment Committee** – The committee reported that nearly the full balance of the Big Sky Western Bank money market was transferred to the new CD and a safety deposit box was opened to hold the CD.
 - c) **Bonds** – Ms. Jamison raised the issue of the water and sewer bonds and their relation to the opinion. The Board asked Ms. Jamison to gather further information on the validity of the bonds should the incorporation be approved.

G. Financial Reports – Motion by Mr. Loble to approve the financial reports. Second by Ms. Schumacher. All in favor. Motion carried.

Chairperson, Al Malinowski, adjourned meeting at 1:09 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Les Loble", is written over a horizontal line.

Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING
April 17, 2008

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Les Loble, Secretary/Treasurer
Rena Schumacher, Director
Loren Bough, Director via telephone
Stephanie Hanna, Administrative Officer
Mona Jamison, Attorney

Chairperson, Al Malinowski, called the meeting to order at 11:03 a.m.

- A. Public Comment:** None.
- B. Northern Rocky Mountain RC&D** – Josh Keller and Jody Fagan gave the Board a handout on their successes and described their programs.
- C. Expanded Attorney General Opinion and Responses** – Ms. Jamison summarized the additions she made to her proposed Attorney General Opinion which now includes the subject of existing bonds and the use of interlocal agreements.

The Board asked for questions and/or comments from the public. A lengthy discussion followed with Steve Johnson, Kay Reeves, Becky Pape, Brian Gallik, and Mindy Nowakowski. Mr. Malinowski stated the Board has framed its proposed opinion, has received comment from the public, and has no obligation to add questions to its proposed opinion.

Motion by Mr. Child to proceed with submitting the expanded opinion, as amended, to the Attorney General via the County Commissioners. Second by Ms. Schumacher. All in favor. Motion carried.

- D. March 19, 2008 – Open meeting Minutes** – Mr. Loble noted the minutes are too detailed and recommended their approval be tabled until he and Ms. Hanna have an opportunity to edit them together.
- E. New Business**
- a) **First Security Bank** – Jamie Kabisch of FSB reported on the performance of the accounts. Motion by Mr. Child to close the petty cash checking account. Second by Mr. Loble. All in favor. Motion carried.
 - b) **D&O Insurance** – Ms. Hanna asked that questions regarding the D&O Insurance be sent to her via email. She will ask Ty Moline to attend the next business meeting.
 - c) **Big Sky Law Enforcement Agreement** – The Board signed the current agreement.
 - d) **Resort Tax Funds Applicants** – The Board reviewed the applicant list and instructed Ms. Hanna to publish the list. The order of the Q&A will follow this list.
- F. Financial Reports** – Motion by Mr. Child to approve the financial reports. Second by Mr. Loble. All in favor. Motion carried.

Chairperson, Al Malinowski, adjourned meeting at 12:35 p.m.

Respectfully Submitted,



Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

May 14, 2008

QUESTION & ANSWER FORUM

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Les Loble, Secretary/Treasurer
Rena Schumacher, Director
Loren Bough, Director
Stephanie Hanna, Administrative Officer
Mona Jamison, Attorney

Chairperson, Al Malinowski, called the meeting to order at 1:05 p.m.

Mr. Malinowski gave a brief explanation of how the meeting would run.

1) Open Meeting – Public Comment

Lisa Knorr supported the Northern Rocky Mountain RC&D Noxious Weed and Hazardous Fuels projects.

2) Question & Answer Forum – Allocation Applications – Mandatory meeting for representatives of organizations requesting Resort Tax Funding.

1) Gallatin Valley Snowmobile Association	Devon White
Buck Ridge Snowmobile Trail Grooming	\$17,850.00

Mr. White noted the study provided in the application was the first update to the statistics since 1998. No questions.

2) Gallatin County Planning Department	Tim Skop
Gallatin County Planning Department Big Sky Office	\$40,101.04

Mr. Loble asked why there is an increase in operations from 20% to 50%. Mr. Skop responded the increase is for an updated capital improvements policy which would address larger picture concerns. Mr. Loble questioned whether this increase would also warrant an increase in office hours. Mr. Skop responded it would not. Mr. Child asked if this updated capital improvements policy would be the County's responsibility if the BSRAD did not exist. Mr. Skop responded yes. Mr. Child asked whether the capital needs policy improvements would take place if the funding were denied. Mr. Skop replied it would fall down on their priority list. Mr. Bough asked if a completed policy would be available after this year. Mr. Skop said it would not be complete, but would be close to it. Mr. Bough asked how this year compares to last year for number of permits processed. Mr. Skop replied average; the percentage hasn't changed since 2005. Mr. Malinowski pointed out a math error in the ads and rent line items of the budget submitted and noted last year no salary was funded.

3) Big Sky Transportation District
Capital Rollover

Lisa Knorr & David Kack
\$97,852.85

Ms. Knorr stated they are modifying their rollover request to \$15,000.00 for bus leases for the next year. Ms. Jamison stated it is under Board's discretion to move capital funding to operations. Mr. Child asked what months the lease would run. Mr. Kack replied November through April. Mr. Child asked if the lease amount is strictly for the use of the bus and not labor. Mr. Kack replied yes. Mr. Child asked what routes the leased buses would serve. Mr. Kack replied all local services.

Skyline \$304,993.00

Ms. Schumacher asked how it looks this year for receiving federal funds. Mr. Kack replied it doesn't look good; they haven't received a clear answer. Mr. Child asked if excess funds are put back into operations. Mr. Kack responded yes. Mr. Child asked if the long term plan is to lease. Mr. Kack responded yes; the State will not fund vehicles that are not used year round. Mr. Child asked how long the District will partner with Karst Stage. Mr. Kack replied they are currently in a 5 year contract with Karst. Mr. Malinowski asked if the request includes both local and intercity costs. Mr. Kack said yes, it includes \$8,809 for intercity service. Mr. Bough asked if the buses for lease allow for capacity increase. Mr. Kack replied no. Mr. Bough asked if the system has picked up all riders. Mr. Kack responded they estimate they were unable to take 600 passengers last year, mostly on the Link. Ms. Schumacher asked if Big Sky Resort has considered giving more funds to the system. Ms. Knorr responded no. Mr. Child asked for clarification on what amount of the funding is for local service. Mr. Kack responded \$296,184. Ms. Knorr informed the Board that a survey found 70% of riders on the Link riding for recreation purposes. Ms. Schumacher asked if the Yellowstone Club buses are completely separate. Mr. Kack replied yes.

4) Gallatin County Sheriff's Office
Big Sky/Canyon Division Patrol Services

Jim Cashell
\$104,582.00

Mr. Child asked how many of the five officers live in Big Sky. Mr. Cashell explained all five should live in Big Sky; however, they are down one officer at this time. Mr. Malinowski asked what happened with the multi-use facility discussion. Mr. Cashell responded the Head Ranger left and he needs to discuss this with the new Ranger; he's certain the Commissioners would be interested in it. Mr. Child asked if the statistics they receive include West Yellowstone. Mr. Cashell responded they do; however, they do receive a weekly report on Big Sky and they are seeing 50-150 events in Big Sky weekly. Mr. Bough asked if this is steady. Mr. Cashell responded no, events are rising each year in Big Sky. Mr. Loble asked if it's possible to receive year end numbers for Big Sky. Mr. Cashell responded yes. Mr. Loble asked if he agrees that the Link has reduced the number of accidents in the canyon. Mr. Cashell responded the buses have decreased the amount of traffic but he couldn't say whether this also relates to accidents. Mr. Child asked how West Yellowstone is funded. Mr. Cashell responded he is working on applying for tax funding for West Yellowstone. Ms. Schumacher asked about the monthly reports they asked for last year. Mr. Cashell replied he will send those reports to the Board.

5) Friends of the Big Sky Community Library
Big Sky Community Library

Kay Reeves
\$54,320.00

Mr. Loble asked whether Gallatin County could build a library in Big Sky. Ms. Reeves responded no; the Big Sky Library is structured differently as a nonpublic library. Mr. Child commended the Library on increasing their share of the budget and asked if there is a policy for how much they aim to have in reserves. Ms. Reeves replied there is no formal policy but they estimate \$20,000. Mr. Bough asked if the sign they are installing was paid for out of reserves and Ms. Reeves answered yes.

6) Big Sky Community & Infrastructure Solution Group
Community & Infrastructure Solution Group

Dick Fast
\$17,000.00

Mr. Loble asked of the \$20,000 they received last year, how much is being returned to the District. Mr. Fast responded \$13,800. Mr. Child pointed out the application includes funding for an Attorney General Opinion which the BSRAD is also pursuing. Mr. Fast responded the two opinions are from different perspectives. The Board had a short discussion on this point. Mr. Malinowski asked if in this new arrangement of the group, is it now an advocacy group for incorporation. Mr. Fast responded they are trying to maintain neutrality in order to reach a point where the community can hold an election and make a decision. Ms. Schumacher asked when the election would be held and Mr. Fast replied within the year is the goal.

7) Big Sky Search and Rescue, Inc.	Tom Reeves & Steve Johnson
Emergency Operations Building Rollover	\$213,934.00
Emergency Operations Building	\$170,000.00

Mr. Child asked what happened to the prior year's construction timeline. Mr. Johnson replied there were two issues: site planning problems in relation to a NorthWestern Energy building on the same site and permitting issues. Mr. Malinowski asked if other options can be explored given the scale of this project and delays. Mr. Reeves responded they can explore other options as their main goal is to have a facility; however, this location is perfect. Mr. Bough asked if the building would be completed by next year and Mr. Reeves replied there is no straight answer as they need to get through permitting. Mr. Bough asked how many rescues they have had and Mr. Reeves replied 63 missions in 2005 to 2007. Mr. Child asked if their request is reduced by a significant amount, could the building still work. Mr. Reeves responded they would scale accordingly; they can use other locations for training; however, this request is for a fully self contained building with the extras they need for operations. Mr. Child asked if they are prepared for changing the building specs if funding is less. Mr. Reeves responded they would most likely build the shell to house the equipment and add extras later. Mr. Loble asked if they have interim storage options and Mr. Reeves replied no as local storage facilities are not large enough.

Operations	\$21,950.00
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Mr. Malinowski asked if the equipment sold recently was originally funded by the BSRAD. Mr. Reeves answered yes; the funds will roll back into working capital in their budget. Mr. Child asked for an inventory of equipment and Mr. Reeves replied that could be provided. Mr. Child asked Ms. Jamison if follow up on items funded could be added to the appropriation agreements and she responded yes. Mr. Reeves also noted the County has agreed to pay expenses such as insurance, power, etc.

8) The Post Office, LLC	Al Malinowski
Big Sky Post Office	\$43,000.00

Chairperson, Mr. Malinowski, turned the meeting over to Vice-Chair, Mr. Child. Mr. Loble asked if the funding appropriated by the BSRAD is not needed, does the Post Office return that funding. Mr. Malinowski replied yes. Mr. Child asked if the request for an increase in funding from the USPS would be made this year and Mr. Malinowski replied yes, in October. Ms. Schumacher asked if there are plans for USPS to take over. Mr. Malinowski replied no, as they are not adding any new locations in Montana. Mr. Child asked if incorporation would change their position and Mr. Malinowski replied no. Mr. Bough asked if The Post Office, LLC stopped operations, would USPS respond. Mr. Malinowski said he is unsure. Mr. Loble asked if he has spoken to any members of the national congressional delegation and Mr. Malinowski responded no. Mr. Child returned the meeting to Mr. Malinowski.

9) Big Sky Ski Education Foundation	James Bildahl
Equipment	\$15,000.00

Mr. Bough asked if new equipment is an annual need. Mr. Bildahl responded yes, ongoing replacements are always needed. Mr. Bough asked how many participants they have. Mr. Bildahl responded 49 participants in the ski program plus 1600 racers. Ms. Schumacher asked if specific items could be spelled

out within the equipment line items and Mr. Bildahl responded he could provide this. Mr. Malinowski asked if the equipment could be used by the public. Mr. Bildahl responded yes.

10) Blue Water Task Force	Kristin Gardner
Watershed Group Funding Rollover	\$18,839.00
Watershed Group Funding	\$107,730.00

Mr. Child asked what happened with the TDML project as it was supposed to be finished. Ms. Gardner responded the reports revealed problems with the water quality which caused the DEQ to request more studies. Mr. Malinowski asked what is the goal of the testing. Ms. Gardner responded it is primarily used as a guideline for improvements; additionally, it can be used to leverage grant funding, but will not serve as regulation. Mr. Child asked what would happen if 100% of the request cannot be funded. Ms. Gardner responded there would be a loss in local input and control in the project. Mr. Child asked what happened last year when 100% was not funded. Ms. Gardner responded they found other sources.

11) Big Sky Community Corporation	Mindy Nowakowski & Bill Olsen
Spur Road Trail Construction Rollover	\$139,785.90
Spur Road Trail Add-On Rollover	\$47,710.00
Spur Road Trail Complete to Town Center Rollover	\$258,000.00

Mr. Child asked if the Spur Road Trail is going to be finished this year. Mr. Olsen responded yes, staging is currently underway, July 7th construction will begin, August 15th the trail will be finished. Mr. Malinowski asked if they have all necessary permits and Mr. Olsen replied yes pending a walk through with Montana Department of Transportation scheduled for mid-June. Mr. Loble asked when they will be spending the money. Mr. Olsen replied they are currently spending it; they are asking to rollover what is left after June 30, 2008. Mr. Loble asked if these three requests can be consolidated into one. Ms. Jamison responded it is within the Board's discretion to do so.

Public Services, Parks and Trails	\$87,495.00
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Mr. Loble asked if these services fall within all of Big Sky, not just BSOA jurisdiction. Ms. Nowakowski replied yes. Mr. Loble asked what will happen to the FM portion of the TV transmitter in February 2009. Ms. Nowakowski explained the transmitter can be maintained by any interested party, but will no longer be maintained by BSCC. Ms. Nowakowski explained the increases in the request are due to needed tree removal and conditioning, and increased weed spraying. Ms. Schumacher asked for clarification on the taxes and insurance line item. Ms. Nowakowski explained they are working on changing the classification of the park as the taxes are high due to an inaccurate classification; they will ultimately seek to be exempt. Mr. Malinowski asked for what percentage of this project they are requesting funds. Ms. Nowakowski responded 100%.

Community Park Engineering Design & Construction Mgmt	\$120,000.00
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Mr. Malinowski asked how much of this request is construction vs planning. Ms. Nowakowski answered none is construction except some earth work; physical structures on the site will be funded by other sources. Mr. Child asked for a timeline for the park and Ms. Nowakowski responded it would be finished in 2010. She explained this engineering design will be a useful tool as they move forward in demonstrating what is needed for the park. Ms. Schumacher asked why the highest bid was chosen. Ms. Nowakowski responded they did not want to limit themselves. Mr. Malinowski asked if this request is for 100% of this project, Ms. Nowakowski replied yes. Mr. Child asked if they have a total cost for the park. Ms. Nowakowski explained this engineering step is needed in order to arrive at that total. Mr. Malinowski asked if other funding sources have been identified for the other portions of the project. Ms. Nowakowski replied no, as they are waiting until full costs are known.

Parks and Recreation Program

\$29,000.00

Ms. Schumacher asked if the night lighting issue has been resolved. Ms. Nowakowski replied no, they are exploring options in relation to zoning. Mr. Child asked if the teepee could be used by other organizations and Ms. Nowakowski replied yes. Mr. Child asked how field time is allocated at the park. Ms. Nowakowski replied for now difficulties in allocation are minimal and coordinated through the BSCC office on a first come, first serve basis; they will address increased need in the future. Mr. Child asked who is responsible for the tennis equipment. Ms. Nowakowski replied the equipment is an asset of the BSCC; they are trying to be the fiscal and maintenance umbrella responsible for all assets of the park. Mr. Malinowski asked for clarification on how access to the tennis courts has been impeded. Ms. Nowakowski responded that a long walk around Ophir School is now required and more importantly, there is no parking available. Mr. Loble asked if the courts by the Health & Fitness center would be served by the request. Ms. Nowakowski replied yes. Mr. Bough asked if the teepee is at risk for vandalism. Ms. Nowakowski replied yes, much like other assets of the parks. Ms. Schumacher asked if the teepee request can be combined with the tent request by the Arts Council. Ms. Nowakowski replied unless the Arts Council tents are walled, they would not serve the same purpose. Mr. Child asked for clarification on the summer tennis program. Ms. Nowakowski explained it is a program they've had for the last couple years which allows for any community members to receive tennis lessons. Mr. Malinowski asked how much of the \$7,000 requested is for the instructor's pay and Ms. Nowakowski responded \$2,000. Mr. Loble asked who owns the stage at the park. Ms. Nowakowski replied the BSCC owns the land and the Arts Council owns the stage.

Little Coyote Guard Rail Replacement

\$37,000.00

Mr. Child asked if the drivers who struck the guard rail could be fined. Ms. Nowakowski responded that is possible, but difficult as the accidents are usually hit and run. Mr. Malinowski asked if this should fall under the BSOA's jurisdiction. Ms. Nowakowski replied possibly, but maintenance of roads has been moved to the County. Mr. Malinowski asked why the cost is so large. Ms. Nowakowski replied it is due to precautions that must be taken because of the potential for the roadside to cave in when the current guard rail is removed.

7th Inning Stretch

\$15,000.00

Mr. Child asked if they have talked to the Arts Council about this concert. Ms. Nowakowski replied the Arts Council's schedule is set and this concert is a different music genre than the Arts Council's usual concerts. Ms. Schumacher encouraged coordination with the Arts Council in order to spread out the concerts over the summer. Mr. Malinowski asked if an artist has been chosen. Ms. Nowakowski replied no, although they are trying to plan earlier this year.

12) Arts Council of Big Sky
Supporting the Arts in Big Sky

Doug Gale & Brian Hurlbut
\$116,043.00

Mr. Malinowski asked for clarification on the adjustments and enhancements for the Headliner event. Mr. Gale explained the adjustment is for hiring an intern to assist with PR and set up; the enhancement is for attracting a higher level of talent. Mr. Malinowski asked for further clarification on the cycle for which the money is used. Mr. Gale explained the funding received goes towards concerts the following summer. Mr. Malinowski asked what price the tickets will be for the Headliner. Mr. Gale responded \$35. Mr. Bough asked why the Headliner is important to the community. Mr. Gale responded while it is not a money-maker, it benefits the community by raising excitement and bringing people to Big Sky. Mr. Child asked if any additional money for the Headliner is given, does it directly benefit the Arts Council. Mr. Gale answered no, while it attracts better acts, it does not financially benefit the Arts Council. Mr. Child asked why the Thursday evening concerts will be free when the Arts Council is losing money. Mr. Gale responded they are hoping an increase in sponsorships will help them financially.

13) Northern Rocky Mountain RC&D
Big Sky Hazardous Fuels Reduction Program

Josh Keller & Crystal Hagerman
\$15,600.00

Mr. Loble asked how they coordinate with the Fire District. Ms. Hagerman responded the Fire District gives education and general information to the community while the RC&D helps individuals implement the plan, find cost sharing options, and locate contractors. Mr. Keller explained the RC&D is needed for this effort as the Fire District's primary focus is public safety and they are busiest during the summer when the Fuels Reduction Program is most active. Mr. Loble asked where other grants come from for this project. Mr. Keller said BLM and the Forest Service. Mr. Loble asked how people find out about this program. Mr. Keller responded via the website, flyers, promotional materials, homeowner associations, through local events, and via contractor referrals. Mr. Loble explained the Fire District is identifying homes most in need; he asked if they then receive referrals on those homes. Mr. Keller responded yes. Ms. Schumacher asked if the salary requested is for travel to the home locations. Mr. Keller responded yes, as well as outreach, but it is solely used for salary in the Big Sky area.

Don McAndrew & Jody Fagan
Gallatin/Big Sky Noxious Weed Project

Don McAndrew & Jody Fagan
\$19,000.00

Ms. Schumacher asked if this weed project is separate from the BSCC park weed spraying. Ms. Fagan responded yes; RC&D works to connect applicators with local homeowners and provide education. Mr. Child asked if they are making any progress. Mr. McAndrew responded there is a remarkable difference that has been made, but there is still a ways to go. Mr. Loble asked how someone finds them for help. Mr. McAndrew responded via referrals, outreach at fairs, articles in the paper, and homeowner associations.

14) Big Sky Chamber of Commerce
Postage & Computer Upgrades

Marne Hayes
\$15,000.00

Mr. Bough asked how postage is a good match for Resort Tax funds. Ms. Hayes responded the postage is used for mailing the Chamber promotional materials; this is their most used form of communication to people interested in Big Sky; their postage costs can reach \$10,000 in a year.

Air Service Marketing Campaign

\$65,095.00

Mr. Child asked if the effectiveness of the campaign is measurable. Ms. Hayes responded no, however if the flights are filling up they assume they're working. Mr. Child asked where the media is placed. Ms. Hayes responded online in connection with major newspapers; internet ads are cheaper, easier to target, and allow for more control. Mr. Child asked if the ads provided in the application are just like what someone would see online. Ms. Hayes responded yes. Mr. Malinowski asked what flights are guaranteed. Ms. Hayes responded San Francisco, Atlanta, and Los Angeles. Mr. Child asked about pay outs and Ms. Hayes responded the only pay out for this year will be San Francisco due to fuel costs; this is paid by Big Sky Resort, Moonlight Basin, Spanish Peaks, and Yellowstone Club. Ms. Hayes explained more flights are being added which is a positive sign and the costs are shared by businesses in the community. Ms. Schumacher asked if the flight is full, is a pay out made. Ms. Hayes answered no. Mr. Child asked if the ads are resort specific. Ms. Hayes replied no. Mr. Malinowski asked for clarification on the Frontier incentive. Ms. Hayes replied this is a new set of flights for which the funding will be used for marketing.

New Creative Design & Printing of Publications

\$61,893.25

Mr. Child asked why this request is ranked number one. Ms. Hayes responded it is the signature item of the Chamber that serves the businesses; without it there would be nothing to mail to interested parties. Mr. Child asked how much of the request is for the redesign of the piece. Ms. Hayes responded a majority; it will now include the map and vacation planner and be used for all promotional activities. Mr.

Loble asked when it will be finished. Ms. Hayes responded by next winter. Mr. Loble asked what the shelf life is for the piece. Ms. Hayes responded six to seven years; they use 19,000 a year.

Website Re-design	\$17,550.00
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Mr. Child asked for clarification on the Convention & Visitors Bureau. Ms. Hayes explained the relationship between the CVB and the Chamber; they are attempting to make the CVB's focus travel only; they wish to bring the creative design of both websites together.

Regional Consumer Advertising Campaign	\$25,315.00
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Ms. Schumacher asked how this campaign differs from the past. Ms. Hayes responded this campaign is for encouraging regional travelers to Big Sky. While it is for travel, CVB money cannot be used in-state. Mr. Child asked if this would be print and Ms. Hayes responded yes. Ms. Schumacher asked if the CVB advertises to the region outside of Montana and Ms. Hayes responded yes.

Fireworks	\$5,750.00
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No questions.

15) Gallatin Canyon Consolidated Rural Fire District	Carol Collins & Seth Barker
Fire Station	\$433,723.88

Mr. Child asked when the last ambulance was purchased. Ms. Collins responded three years ago. Mr. Child asked about the useful life of an ambulance. Mr. Barker responded five years, but this area is hard on ambulances due to the commute to Bozeman. Mr. Malinowski asked what the interest rate is on the addition and the fire engine. Ms. Collins responded 5% for the station, but she does not know on the engine; she can send that. Mr. Malinowski asked if interest could be avoided by paying for more up front. Ms. Collins responded yes, however they are trying to be conscious of other Resort Tax funds requests.

16) Morningstar Learning Center	Laura Sacchi
Morningstar Learning Center Rollover	\$182,578.93
Morningstar Learning Center	\$500,000.00

Mr. Loble asked if the 501(c)3 corporation will construct the building but then contract with providers for the day care service. Ms. Sacchi responded no, they are now going to be a nonprofit service provider themselves. Mr. Loble asked if the net cost would be the same for customers under this new plan. Ms. Sacchi responded it would be 20-50% less. Mr. Loble asked if an Executive Director will be hired once the building is finished. Ms. Sacchi responded she will serve in the short term, but over time the position will be filled by another. Mr. Bough asked if the rollover request will go down before June 30, 2008. Ms. Sacchi replied yes, weather permitting they will begin excavation by the end of June. Mr. Child asked if financing has been secured. Ms. Sacchi replied no. Mr. Malinowski asked if they knew a year ago the property donated did not have SFE's. Ms. Sacchi responded yes, however it wasn't a concern. Mr. Child asked why the building cost is larger now. Ms. Sacchi responded they are clarifying sources and uses; there were unknowns they are currently working out. Mr. Malinowski asked how much of the building cost will they ultimately be asking for from the BSRAD. Ms. Sacchi responded their operations and debt payments will be funded from tuition and fundraising. Ms. Schumacher asked if they are setting their sights too high with \$350,000 a year in fundraising. Ms. Sacchi responded they were able to raise more than that last year and this amount does include BSRAD funding. Mr. Bough asked if their operating projections include only tuition to cover administration and debt service. Ms. Sacchi responded yes. Mr. Child asked why they requested ¼ of the project cost last year in order to get the other ¾ in financing and now they are asking for more. Ms. Sacchi replied why not ask for more in order to incur less debt. Ms. Schumacher expressed concern that this project is a small scope of benefits for a great amount of money. Ms. Jamison clarified this building must be available to the public. Ms. Sacchi responded 1/3 of the building is available to the public. Mr. Malinowski again asked how much total

money will be requested for this project. Ms. Sacchi responded she is here to ask for money for only this year. Mr. Malinowski asked if additional money could be raised if the BSRAD funds less and Ms. Sacchi replied yes. Mr. Child asked when the financing must be in place. Ms. Sacchi replied August.

Morningstar Learning Center Summer Camp Program \$15,000.00

Mr. Malinowski asked if this request is for subsidizing summer daycare. Ms. Sacchi responded no, it is a way for kids to be in a safe place during the summer. Mr. Malinowski asked how this camp services the entire community. Ms. Sacchi responded everyone with kids, including tourists, can enroll their children in the camp. Ms. Jamison clarified she cannot identify how this request fits legally into the BSRAD purpose as tuition is charged and it does not meet the community need at large requirement.

17) Friends of Big Sky Education **Hatton Littman**
Lone Peak High, The Interim High School Program \$11,887.00

Ms. Jamison explained there is a constitutional prohibition against tax dollars funding private education. Ms. Littman responded this school operates differently, there is no tuition and no entrance requirements; it is not a private school but instead an open learning program or center for home schoolers. Ms. Jamison responded it is still unconstitutional under the prohibition.

18) MSU's Big Sky Institute and Extended University **Twila Moon & John Varley**
MSU & Big Sky Community Education Partnership-Year One \$69,000.00

Mr. Malinowski asked why this is not a 50/50 split with MSU. Ms. Moon responded this has never been done before so the University is looking for clear community support. Mr. Loble asked where this would be located. Ms. Moon responded the video conferencing will be held in their interim location next to the Chamber of Commerce, but the equipment is portable so could be used anywhere. Mr. Malinowski asked if it will be free to the public and Ms. Moon responded yes, except when it is a credit-based class. Ms. Schumacher asked where they are with the Institute building. Ms. Moon responded they are still working on fundraising but it will hopefully be finished soon.

18) Women In Action **Ania Bulis**
Community Action Projects \$10,000.00

Mr. Malinowski asked what specifically the \$10,000 would go toward. Ms. Bulis answered the Board can choose which of their programs they would like to fund. Ms. Jamison replied the Camp Scholarships and Education are not legal; she also questions the legality of the General Health program. Ms. Bulis and the counselor they contract with for the Free Mental Health program explained the program, noting it is free to anyone in the community of any age. Women in Action will request the \$10,000 go solely toward the Free Mental Health program. Mr. Child asked how this program is accessed by the community. Ms. Bulis responded primarily through the school as well as articles, website, and outreach through events.

18) Big Sky County Water & Sewer District No. 363 **Ron Edwards**
Existing Water & Sewer Project Debt Service Cost Sharing Rollover \$30,495.00

Mr. Malinowski asked when this will be finished as this is the third rollover request. Mr. Edwards responded this year, this is the last rollover request. Mr. Child asked how many other sewer sections are needed. Mr. Edwards responded they are investigating this.

Existing Water & Sewer Project Debt Service Cost Sharing \$200,000.00

No questions.

New Water Facilities Project Debt Service Cost Sharing \$100,000.00

Mr. Edwards explained this is for a system that connects the mountain to the meadow. Mr. Child asked if they will drill this year and Mr. Edwards responded they have drilled, they just need to connect them.

Update GIS Aerial Photographs of the Big Sky Area

\$50,000.00

Mr. Malinowski asked if the entire community will have access to these images. Mr. Edwards responded yes, the last time these were taken was in 2002 and they received a great response; they are trying to update them every three to five years. Mr. Loble asked if \$50,000 is the full cost of the project. Mr. Edwards responded yes, if they decide to increase the area photographed, they would contribute sewer money. Mr. Loble asked if this would benefit the Fire District. Mr. Edwards replied yes. Mr. Loble asked what would happen if it was not funded. Mr. Edwards responded they wouldn't undertake the mapping; if only a portion was funded they would do the photo shots and do the digitizing at a later date.

3) Public Comment for Question & Answer Forum

Ron Edwards spoke in support of the Big Sky Search & Rescue and explained the building delays due to problems with NorthWestern Energy.

Lisa Knorr gave some history on the Post Office the last time they threatened to shut down operations; USPS said they would do cluster boxes and not have a post office location. She also spoke in favor of the Noxious Weeds project.

Mindy Nowakowski spoke in favor of the Noxious Weeds project and the Big Sky Library.

Seth Barker spoke in favor of Big Sky Search and Rescue as they are called every time 911 is called and they respond every time there is an event not on a city road; he noted they are at par with Jackson Hole and it is only their response time that needs improvement due to equipment problems. He said the Fire District has plenty of space for them.

Jacque Persons spoke in favor of the tennis project, Search and Rescue, and the BSCC Public Services request.

Kay Reeves spoke in favor of Morningstar noting she is seeing young families leave Big Sky and it is important to look toward the future. She also spoke in favor of the Link noting if 70% of riders are using it for recreation, it sounds similar to the Chamber's request for Air Marketing.

Ania Bulis spoke in favor of Morningstar; saying it is not just children who benefit as it helps the growth of the entire community.

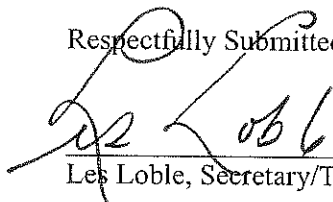
Mike Schwarzkopf spoke in favor of Morningstar. He said he does not have kids, but his employees have expressed their concerns of the lack of childcare.

Betsy Time spoke in favor of the tennis project and the Free Mental Health program.

Liz McKray spoke in favor of Morningstar as she has many friends with young children who are struggling to stay here who need a place for childcare and a place to come together.

Chairperson, Al Malinowski adjourned the meeting at 6:30 p.m.

Respectfully Submitted,



Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

APPROPRIATIONS MEETING

June 4, 2008

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Les Loble, Secretary/Treasurer
Rena Schumacher, Director
Loren Bough, Director
Stephanie Holstein, Administrative Officer
Mona Jamison, Attorney

Chairperson, Al Malinowski, called the meeting to order at 1:01 p.m.

I) Open Meeting

Mr. Malinowski began the meeting by reviewing the agenda.

A) Public Comment

Meg O'Leary spoke in favor of the Transportation District, the Big Sky Institute, and Chamber of Commerce.

Becky Pape voiced she is against the Community & Infrastructure Solution Group application on grounds that it is a biased political group. She also voiced her support for Morningstar Learning Center.

Aletha Karchinski voiced her support of Morningstar Learning Center.

Marlene Fontana spoke in favor of the Library.

Cat Patterson spoke in favor of the Morningstar Learning Center.

Diane Lundsten voiced her support of the Transportation District.

Walter Ainsworth spoke in favor of Morningstar Learning Center.

B) Approval of Amount to be Appropriated

Mr. Malinowski reported on the amount of funds available for 2008-2009 appropriations, noting this figure does not include the annual, mandatory appropriation of \$500,000.00 for the Water & Sewer District bond.

Motion by Mr. Loble to approve \$3,116, 909.35 to be appropriated. Second by Mr. Child.

Discussion: None

All in favor. Motion passed.

C) 2008-2009 Resort Tax Funds Appropriations

1) Motion by Mr. Child to approve all rollover requests in the amount of \$873,090.89. Second by Ms. Schumacher.

Discussion: Mr. Malinowski expressed concern about the Morningstar Learning Center and Big Sky Search and Rescue, Inc. rollover requests which generated lengthy discussion at the Q&A Forum.

Amended motion by Mr. Child to approve all rollover requests excluding Morningstar Learning Center and Big Sky Search and Rescue, Inc. Second by Ms. Schumacher.

Discussion: None

All in favor. Motion passed.

2) Motion by Mr. Loble to approve the Gallatin County Sheriff's Office request in the amount of \$104,582.00. Second by Mr. Bough.

Discussion: None

All in favor. Motion passed.

3) Motion by Mr. Loble to approve the Big Sky Search and Rescue, Inc. Operations request in the amount of \$21,950.00. Second by Mr. Child.

Discussion: None

All in favor. Motion passed.

4) Motion by Mr. Child to approve the Friends of the Big Sky Community Library request in the amount of \$54,320.00. Second by Ms. Schumacher.

Discussion: None

All in favor. Motion passed.

5) Motion by Ms. Schumacher to approve the Post Office, LLC request in the amount of \$43,000.00. Second by Mr. Loble.

Discussion: None

Mr. Malinowski abstained from the vote. All in favor. Motion passed.

6) Motion by Ms. Schumacher to approve the Gallatin Valley Snowmobile Association request in the amount of \$17,850.00. Second by Mr. Child.

Discussion: None

All in favor. Motion passed.

7) Motion by Mr. Loble to approve the Women in Action request in the amount of \$10,000.00. Second by Ms. Schumacher.

Discussion: Mr. Malinowski clarified this request is specifically for the Free Mental Health program which is open to all members of the community.

All in favor. Motion passed.

8) Motion by Ms. Schumacher to approve the MSU's Big Sky Institute and Extended University request in the amount of \$69,000.00. Second by Mr. Bough.

Discussion: Mr. Loble expressed concern about this request which is larger than last year. A discussion followed.

Motion withdrawn by Ms. Schumacher. Motion by Mr. Bough to approve the request in the amount of \$64,000.00. Second by Ms. Schumacher.

Discussion: Mr. Loble expressed his continued concern with that large of a request. Mr. Malinowski suggested BSRAD funds half the request.

Motion withdrawn by Mr. Bough. Motion by Mr. Malinowski to approve the request in the amount of \$57,000.00. Second by Mr. Child.

Discussion: None
In favor: Al Malinowski, Lance Child, Renae Schumacher, Loren Bough
Opposed: Les Loble
Motion passed.

9) Motion by Mr. Loble to postpone the approval of the Big Sky Community & Infrastructure Solution Group request of \$17,000.00 under the condition that the group responds to the attorney letters received speaking against the application. The response will be at the next Board meeting at which point the Board will decide if the application meets legal muster for the appropriation of resort tax funds. Second by Mr. Bough.

Discussion: Ms. Shumacher asked for legal counsel's opinion. Ms. Jamison responded the application and attorney letters raise areas of concern; this approach to the appropriation allows for further investigation. Mr. Loble noted this appropriation cannot be for advocacy; further clarification is needed and must be openly presented to the community. Mr. Malinowski clarified the ultimate decision of the appropriation is postponed until the next Board meeting; if the Board is not satisfied with the legality of the application, the request will be denied.

All in favor. Motion passed.

Mr. Child asked Kristin Gardner of Blue Water Task Force if their federal funding is only TMDL funding. Ms. Gardner responded yes. Mr. Child asked if the Board appropriated \$71,000 for the match to that funding, how will the organization raise the remaining \$36,000. Ms. Gardner responded through a fundraising campaign. Ms. Gardner noted cutting the TMDL funding presents less difficulty than cutting the operating funding as she has a full year to raise the TMDL funding while the operating needs are immediate.

10) Motion by Mr. Loble to approve the Gallatin Canyon Consolidated Rural Fire District request in the amount of \$433,723.88. Second by Ms. Schumacher.

Discussion: Mr. Malinowski asked Carol Collins if the stretchers were not funded this year would it be a great loss. Ms. Collins responded the new stretchers are for improved safety of staff.

Amended motion by Mr. Loble to approve the request in the amount of \$397,723.88 which does not include the cost of the stretchers. Second by Ms. Schumacher.

Discussion: None

All in favor. Motion passed.

11) Motion by Ms. Schumacher to approve the Big Sky Community Corporation Public Services, Parks and Trails request in the amount of \$87,495.00. Second by Mr. Loble.

Discussion: Mr. Child suggested reducing the appropriation by \$12,500, the amount requested for taxes, which should be resolved by the group seeking tax exemption.

Amended motion by Ms. Schumacher to approve the request in the amount of \$74,995.00. Second by Mr. Loble.

Discussion: None

All in favor. Motion passed.

12) Motion by Mr. Bough to approve the Big Sky Community Corporation Community Park Engineering Design and Construction Management request in the amount of \$80,000.00. Second by Ms. Schumacher.

Discussion: Mr. Bough noted the bid for the project leaves room for negotiation as the group had chosen the highest bid for the application.

All in favor. Motion passed.

13) Motion by Mr. Bough to approve the Big Sky Community Corporation Parks and Recreation Programs request in the amount of \$27,000.00. Second by Mr. Loble.

Discussion: Mr. Bough noted this amount is reduced by the cost of the teepee.

All in favor. Motion passed.

Mr. Bough asked Mary Jane McGarity of the Big Sky Community Corporation if the Little Coyote Guard Rail Replacement is not the top priority for the BSCC. Ms. McGarity responded correct.

14) Motion by Mr. Bough to approve the Big Sky Community Corporation 7th Inning Stretch request in the amount of \$15,000.00 under the condition that after the event, the group return any funds raised up to the amount of \$15,000.00 and retain any funds beyond that amount. Second by Mr. Child.

Discussion: Mr. Bough explained this makes the funds available as seed money for the event, but if the event is successful, the funds would be returned for other uses in the community. Mr. Malinowski asked Ms. McGarity if she believes the proceeds will be in excess of \$15,000.00 and she responded yes. Ms. Jamison clarified anything raised by the group must be returned up to \$15,000.00; this is only an advance. Mr. Bough asked if the group will raise its own seed money in the future. Ms. McGarity responded absolutely.

All in favor. Motion passed.

15) Motion by Mr. Child to approve the Arts Council of Big Sky request in the amount of \$79,403.00. Second by Ms. Schumacher.

Discussion: Mr. Child explained this reduces the request by the costs of the Band & Fireworks for the Symphony and the Headliner Enhancement. Mr. Bough asked Doug Gale of the Arts Council if the enhancement request upgrades the performer. Mr. Gale responded yes, it provides for a \$100,000 performer and an additional amount for various items including trash collection, etc. Mr. Bough asked if they would draw a similar performer next year as they have this year without the enhancement. Mr. Gale responded yes.

All in favor. Motion passed.

16) Motion by Mr. Bough to approve the Northern Rocky Mountain RC&D Big Sky Hazardous Fuels Reduction Program request in the amount of \$15,600.00 and Gallatin/Big Sky Noxious Weed Project request in the amount of \$19,000.00. Second by Mr. Child.

Discussion: None

Ms. Schumacher abstained from the vote. In favor: Al Malinowski, Lance Child, Loren Bough

Opposed: Les Loble

Motion passed.

17) Motion by Mr. Child to approve the Big Sky Chamber of Commerce New Creative Design and Printing of Chamber Publications request in the amount of \$61,893.25. Second by Mr. Loble.

Discussion: None

All in favor. Motion passed.

18) Motion by Mr. Loble to approve the Big Sky Chamber of Commerce Air Service Marketing Campaign request in the amount of \$65,095.00. Second by Ms. Schumacher.

Discussion: The Board engaged in a discussion with Marne Hayes of the Big Sky Chamber about risks given recent airline problems across the country as well as how to measure the success of the campaign.

All in favor. Motion passed.

19) Motion by Mr. Child to approve the Big Sky Transportation District Skyline request in the amount of \$304,993.00. Second by Ms. Schumacher.

Discussion: None

All in favor. Motion passed.

20) Motion by Mr. Child to approve the Big Sky Search and Rescue, Inc. Rollover request in the amount of \$213,934.00. Second by Ms. Schumacher.

Discussion: None

All in favor. Motion passed.

21) Motion by Ms. Schumacher to approve the Big Sky Search and Rescue, Inc. Emergency Operations Building request in the amount of \$100,000.00. Second by Mr. Bough.

Discussion: The Board engaged in a lengthy discussion with Todd Thesing of Big Sky Search and Rescue about what size of building is truly needed to house the equipment and the difficulties the Search and Rescue has encountered since the request last year.

In favor: Loren Bough, Renae Schumacher

Opposed: Lance Child, Les Loble, Al Malinowski

Motion failed.

22) Motion by Mr. Bough to approve the Big Sky Chamber of Commerce Postage & Computer Upgrades request in the amount of \$15,000.00.

Discussion: None

All in favor. Motion passed.

23) Motion by Mr. Bough to approve the Big Sky Chamber of Commerce Fireworks request in the amount of \$5,750.00. Second by Mr. Child.

Discussion: None

All in favor. Motion passed.

24) Motion by Mr. Child to approve the Blue Water Task Force Watershed Group Funding request in the amount of \$76,730.00. Second by Ms. Schumacher.

Discussion: Mr. Child explained this amount covers operating and \$40,000 of the TMDL match. Mr. Bough asked Ms. Gardner if the TMDL is to come to an end after this year. Ms. Gardner replied yes, there will be no additional contracts for this work even if more problems are found with the water quality. Mr. Malinowski noted the group will have to raise the additional \$31,000 for the TMDL match and Ms. Gardner responded she is confident they can.

All in favor. Motion passed.

25) Motion by Mr. Loble to approve the Big Sky County Water & Sewer District No. 363 Existing Water & Sewer Project Debt Service Cost Sharing request in the amount of \$200,000.00. Second by Ms. Schumacher.

Discussion: Ms. Schumacher asked Ron Edwards of Water & Sewer if this request is their most important. Mr. Edwards responded yes.

All in favor. Motion passed.

26) Motion by Mr. Child to approve the Big Sky Ski Education Foundation request in the amount of \$15,000.00. Second by Mr. Loble.

Discussion: None

All in favor. Motion passed.

27) Motion by Mr. Loble to approve the Gallatin County Planning Department request in the amount of \$7,500.00 which covers the hard costs of the office and excludes salary. Second by Ms. Schumacher.

Discussion: Mr. Child clarified he found the costs of the office to come to \$8,880.00.

Amended motion by Mr. Loble to approve the request in the amount of \$8,880.00 for the costs of the office excluding salary. Second by Ms. Schumacher.

Discussion: None

All in favor. Motion passed.

28) Motion by Mr. Child to approve the Big Sky Search & Rescue, Inc. Emergency Operations Building request in the amount of \$75,000.00. Second by Ms. Schumacher.

Discussion: Mr. Child noted this amount allows for a 3,000 square foot building to house the equipment and other spaces can be leveraged for other needs.

All in favor. Motion passed.

29) Motion by Mr. Bough to approve the Morningstar Learning Center Rollover request in the amount of \$158,828.80. Second by Mr. Child.

Discussion: None

All in favor. Motion passed.

30) Motion by Mr. Bough to approve the Morningstar Learning Center Building request in the amount of \$150,000.00 with the condition that the organization complete financing in order to receive the funds. Second by Mr. Loble.

Discussion: A very lengthy discussion ensued with Laura Sacchi of Morningstar regarding the shifts in the overall budget for the building, the cost per square foot, how much total funding would be requested of the BSRAD for this project, and whether the BSRAD, as the largest funder thus far for the project, is viewed as supportive of the project. Mr. Bough clarified that by setting the condition that funds will not be received without financing in place, the Board is allowing other experts in the financing field to review the business plan; this guarantees a building or no BSRAD funding. The Board engaged in a discussion on whether the condition should include fundraising and/or financing.

Amended motion by Mr. Bough to approve the request in the amount of \$150,000.00 to be paid only when the recipient completes construction financing in the amount of \$1,500,000.00. Second by Mr. Loble.

Discussion: Ms. Jamison clarified if the recipient receives donations in the amount of \$1,500,000.00, the group may come before the Board for approval to use these funds in place of the financing requirement. All in favor. Motion carried.

Mr. Loble asked Ms. Hayes of the Chamber which request is most important between the Website Re-design and the Regional Consumer Advertising Campaign. Ms. Hayes responded the website.

31) Motion by Mr. Loble to approve the Big Sky Chamber of Commerce Website Re-design request in the amount of \$17,550.00. Second by Ms. Schumacher.

Discussion: Mr. Bough expressed concern about the website being a good match for resort tax dollars. Mr. Loble expressed concern that the cost is too high. Ms. Hayes responded they are able to build a good site for \$7,500.00

Amended motion by Mr. Loble to approve the request in the amount of \$8,000.00. Second by Ms. Schumacher.

Discussion: None

All in favor. Motion passed.

32) Motion by Ms. Schumacher to approve the Big Sky County Water & Sewer District No. 363 Update GIS Aerial Photographs of the Big Sky Area request in the amount of \$50,000.00. Second by Mr. Loble.

Discussion: Mr. Bough asked Mr. Edwards if the images are available to the entire public. Mr. Edwards responded yes. Mr. Child asked which of his remaining requests is most important. Mr. Edwards responded the GIS. Mr. Malinowski asked what would happen if it wasn't funded. Mr. Edwards responded the project would not happen.

All in favor. Motion passed.

33) Motion by Mr. Loble to approve the Big Sky Community Corporation Little Coyote Guard Rail Replacement request in the amount of \$37,000.00. Second by Ms. Schumacher.

Discussion: Mr. Loble noted this may be too high a request but he is concerned about the children's playground nearby. Mr. Malinowski expressed concern that this is not the BSRAD responsibility; denying it would demonstrate need to the Rural Improvement District fund which is ultimately responsible.

None in favor. Motion failed.

34) Motion by Mr. Loble to approve the Big Sky County Water & Sewer District No. 363 New Water Facilities Project Debt Service Cost Sharing request in the amount of \$100,000.00. Second by Mr. Bough.

Discussion: None

All in favor. Motion passed.

35) Motion by Mr. Child to add \$50,000.00 to the Morningstar Learning Center appropriation under the same conditions set forth under the original motion. Second by Mr. Bough.

Discussion: Mr. Bough expressed concern that this application is the greatest risk and questioned whether the funds should be reserved for other organizations.

In favor: Loren Bough, Lance Child

Opposed: Al Malinowski, Les Loble, Renae Schumacher

Motion failed.

36) Motion by Mr. Loble to add \$25,000.00 to both the Morningstar Learning Center and Big Sky Search and Rescue appropriations under the same conditions set forth under the original motions. Second by Ms. Schumacher.

Discussion: None

All in favor. Motion passed.

37) Motion by Mr. Bough to add \$5,000.00 for the cost of fireworks to the Arts Council appropriation. Second by Mr. Loble.

Discussion: None

All in favor. Motion passed.

38) Motion by Ms. Schumacher to approve the Big Sky Chamber of Commerce Regional Ad Campaign request in the amount of \$18,053.33. Second by Mr. Loble.

Discussion: Mr. Child commented he would like to see the funding go elsewhere.

None in favor. Motion failed.

39) Motion by Mr. Child to add \$18,053.33 to the Blue Water Task Force appropriation. Second by Mr. Bough.

Discussion: None

All in favor. Motion passed.

Motion by Ms. Schumacher to approve all appropriations as motioned and approved. Second by Mr. Loble.

Discussion: None

All in favor. Motion passed.

D) Public Comment

None

E) Business


- 1) The next business meeting of the Board was set for Thursday, June 26 at 9:00 a.m. in the BSRAD office.
- 2) Northern Rocky Mountain RC&D Hazardous Fuels Reduction Program requested the approval to transfer \$1,200.00 from their 2007-2008 appropriation travel line item to their salary line item to cover increased staff hours for working with homeowners.

Motion by Mr. Loble to approve the transfer. Second by Mr. Child. All in favor. Motion passed.

- 3) Ms. Holstein asked for guidance: For an interior design show room what items are taxed and also are high end custom-designed furniture pieces taxed? The Board informed Ms. Holstein that only art and accessories are taxed in the show room and *custom-designed* furniture is also taxed.

Al Malinowski adjourned the meeting at 4:30 p.m.

Respectfully Submitted,



Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

June 26, 2008

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Les Loble, Secretary/Treasurer
Rena Schumacher, Director
Stephanie Holstein, Administrative Officer
Mona Jamison, Attorney via telephone

Chairperson, Al Malinowski, called the meeting to order at 9:02 a.m.

A. Public Comment: None.

B. Big Sky Community & Infrastructure Solution Group – Kay Reeves read a letter written by the applicant. The Community & Infrastructure Solution Group withdrew their application for 2008-2009 Resort Tax Funds.

Mr. Loble asked if the funds set aside for this application can be allocated to another applicant. Ms. Jamison responded the Board can determine the total unused funds available for allocation and with public notice to all previous applicants can allocate funds at the next meeting in August if desired.

C. Minutes

March 19, 2008 - Open Meeting Minutes – Motion by Mr. Loble to approve the minutes, as amended. Second by Mr. Child. All in favor. Motion carried.

April 17, 2008 - Open Meeting Minutes – Motion by Mr. Child to approve the minutes, as amended. Second by Mr. Loble. All in favor. Motion carried.

May 14, 2008 - Open Q&A Meeting Minutes – Motion by Mr. Loble to approve the minutes, as amended. Second by Mr. Child. All in favor. Motion carried.

June 4, 2008 - Open Appropriations Meeting Minutes – Motion by Mr. Child to approve the minutes, as amended. Second by Mr. Loble. All in favor. Motion carried.

D. Old Business

- a) **Attorney General Opinion** – Ms. Jamison informed the Board of a letter submitted by Mr. Gallik to Mr. Lambert regarding the BSRAD opinion. The Board agreed a response is needed. The Board instructed Ms. Jamison to respond via letter to Mr. Lambert noting their desire for the opinion to remain as originally submitted.
- b) **Gallatin County Planning Department** – Greg Sullivan and Tim Skop of the Planning Department requested that the 2008-2009 Gallatin County Planning Department appropriation originally earmarked for office space expenses be reassigned to travel reimbursements. Mr. Sullivan noted they are not requesting more funding; they are instead requesting a more efficient use as the local office will be closed. He believes funds and staff time are better spent on staff travel for resolving larger picture growth concerns. The Board discussed whether this change in the allocation would meet the historical intent of the funding.

Motion by Mr. Loble to reassign the appropriation to travel reimbursements under the condition that the recipient discloses in each payment request all activities for which the travel was needed, thus allowing the Board to judge the impact of the funding at the end of the year. Second by Mr. Child. All in favor. Motion carried.

- c) **D&O Insurance** – Ty Moline of Central Insurance Agency briefly described the current policy and its purpose. The Board asked Mr. Moline to answer the following questions and submit the answers to Ms. Holstein: Are defense costs covered separately under the policy and if so, is there a cap on total costs allowed? If defense costs exceed the cap, does the policy then begin to use a portion of the \$2 million in coverage? What is the premium for a \$1 million policy?
- d) **Appropriation of Resort Tax Funds Resolution No. 2008-01R** – Motion by Mr. Child to approve the Resolution with the deletion of item 7. Big Sky Community & Infrastructure Solution Group. Second by Mr. Loble. All in favor. Motion carried.
- e) **BSRAD Website** – Ms. Holstein reported the website is current and she has arranged for editing to be done in-house. She recommended staying with the current host. The Board is satisfied with the website and Ms. Holstein’s recommendation.

E. New Business

- a) **Public Employees’ Retirement System** – Ms. Holstein reported her research revealed an uphill battle in order to enroll with PERS. The Board instructed her to forgo any further action with PERS so long as she is satisfied with a private firm retirement plan.
- b) **Appropriations Paperwork**
Motion by Mr. Loble to approve the Allocation Agreement, as amended, adding “attorney fees incurred at trial and appellate levels” to Section 9 if needed. Second by Mr. Child. All in favor. Motion carried.

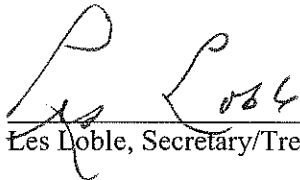
Motion by Mr. Loble to approve the Allocation Payment Forms. Second by Mr. Child. All in favor. Motion carried.

- c) **Purchase Requests** – Motion by Mr. Loble to approve the purchase of a suitable office chair, Wordperfect, and Edit Plus. Second by Mr. Child. All in favor. Motion carried.
- d) **Other** – Ms. Holstein reported she will begin a schedule of cutting checks every two weeks to coincide with payroll and she will seek out specific Board members in order to evenly distribute signature duties. Ms. Holstein also reported she has scheduled a day of Quickbooks training with the BSRAD accountant for July 23rd.

F. Financial Reports – Motion by Mr. Child to approve the financial reports for April and May. Second by Ms. Schumacher. All in favor. Motion carried.

Chairperson, Al Malinowski, adjourned meeting at 10:52 a.m.

Respectfully Submitted,



Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

August 13, 2008

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Les Loble, Secretary/Treasurer
Rena Schumacher, Director
Stephanie Holstein, Administrative Officer

Chairperson, Al Malinowski, called the meeting to order at 11:04 a.m.

A. Public Comment: None.

B. Minutes - June 26, 2008 - Open Meeting Minutes – Motion by Mr. Child to approve the minutes, as amended. Second by Mr. Loble. All in favor. Motion carried.

C. New Business

a) Funds Transfer Requests

Mary Jane McGarity of Big Sky Community Corporation requested a transfer of \$5,303.21 from the Plumbing and Level Outfield line items to the Purchase Equipment and Landscaping line items in the 2007-2008 Play Ball appropriation.

Motion by Mr. Loble to approve the transfer. Second by Mr. Child. All in favor. Motion passed. The Arts Council of Big Sky requested a transfer of \$7,491.21 from the Headliner Project line item to the Stage Repair line item in the 2007-2008 Music in the Mountains appropriation.

Motion by Mr. Loble to approve the transfer. Second by Ms. Schumacher. All in favor. Motion passed.

b) Arts Council of Big Sky grant application

Motion by Ms. Schumacher to ratify the decision made by the Board on July 29, 2008 to sponsor the Arts Council of Big Sky's grant application to the Montana Cultural Trust. Second by Mr. Loble. All in favor. Motion passed.

c) Request for amount of tax collections revenue – Kay Reeves requested from the Board the total amount of last fiscal year's resort tax revenue collected from the businesses located within the proposed municipality boundary.

Motion by Mr. Loble for Ms. Holstein to work with Ms. Reeves to determine the total revenue collected within the proposed municipality boundary without compromising the individual privacy of the businesses. Second by Mr. Child. All in favor. Motion passed.

d) Personnel

- Ms. Holstein's six month probationary period ends August 19, 2008. The Board is satisfied with Ms. Holstein's performance.
Motion by Mr. Loble to increase Ms. Holstein's wage to \$22/hour and increase her health benefit to 100% of the plan premium effective immediately. Second by Mr. Child. All in favor. Motion passed.
- Ms. Holstein requested a 12 week maternity leave from October 13, 2008 to January 2, 2009. She and the Board discussed a strategy for hiring a temporary replacement for the maternity leave.
Motion by Mr. Loble to approve the requested maternity leave. Second by Mr. Child. All in favor. Motion passed.

Motion by Mr. Loble to grant Ms. Holstein the authority to hire a temporary replacement for 16 to 24 hours per week at a wage of \$20 to \$22 per hour with no benefits. Second by Ms. Schumacher. All in favor. Motion passed.

- e) **FY09 Budget** – The Board reviewed the draft budget for Fiscal Year 2009. Ms. Holstein is to make the adjustments noted. The budget will be presented for approval at the next Board meeting.
- f) **FY08 Audit** – The on-site audit for Fiscal Year 2008 is scheduled for August 28, 2008. The Board requested that the auditor make a detailed presentation of the draft audit when it is available.
- g) **Law Enforcement Agreement** – The Board reviewed and signed the new three year law enforcement agreement between Madison and Gallatin Counties and the Resort Area District.
- h) **Future Meeting Times** – Future Board meetings will be held on the second Wednesday of the month from 10:30 a.m. to 12:30 p.m.
- i) **Thank You Letters** – Ms. Holstein presented the proposed thank you letter to be mailed to all businesses that collect the resort tax.
- j) **Office Space** – The Board discussed the possibility of securing a new office space for the District. Mr. Malinowski and Mr. Loble will form a committee and acquire the needed details for finding a more adequate space.

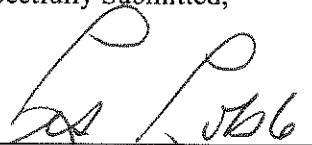
D. Old Business

- a) **Attorney General Opinion** – With no current updates from Mona Jamison on the status of the submitted Attorney General Opinion, Mr. Malinowski and Mr. Loble will schedule a meeting with Gallatin County Attorney, Marty Lambert.
- b) **Enforcement Ordinance** – Ms. Holstein presented the first draft of the revised Enforcement Ordinance for the District. Mr. Loble noted edits needed to clarify the optional nature of the reminder correspondence and the accrual date for interest and late fees. Mr. Loble will make suggested changes and share the document with the Board and Ms. Jamison prior to its 1st Reading at the next Board meeting.

E. Financial Reports – Motion by Mr. Child to approve the financial reports for June and July. Second by Ms. Schumacher. All in favor. Motion carried.

Chairperson, Al Malinowski, adjourned meeting at 12:40 p.m.

Respectfully Submitted,



Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

September 10, 2008

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Les Loble, Secretary/Treasurer
Rena Schumacher, Director
Loren Bough, Director
Stephanie Holstein, Administrative Officer
Mona Jamison, Attorney via telephone

Chairperson, Al Malinowski, called the meeting to order at 10:32 a.m.

A. Public Comment: None.

B. August 13, 2008 Open Minutes

Motion by Ms. Schumacher to approve the minutes. Second by Mr. Child. All in favor. Motion passed.

C. New Business

- a) **Short Term Rentals** - Ms. Holstein informed the Board of the increased priority she will be giving to the short term rental tax collectors in order to improve remittance regularity, gather information on current properties, and identify properties that should be collecting tax.
- b) **Funds Transfer to CD**
Motion by Mr. Child to transfer \$1,000,000.00 from the First Security Bank money market to the Big Sky Western Bank CD. Second by Mr. Bough. All in favor. Motion passed.
- c) **BSRAD 401(k) Plan** - Ms. Holstein reported her findings on the District's current 401(k) retirement plan. The Board asked Ms. Holstein to request a presentation by the current plan administrators at an upcoming Board meeting.
- d) **Business Property Insurance** - The Board reviewed the Business Property Insurance policy renewal.

D. Old Business

- a) **Attorney General Opinion** – Ms. Jamison reported on her conversation with Gallatin County Attorney, Marty Lambert. She was informed he has not reviewed the Opinion, but his intention is to do so and forward it to the Attorney General by September 19th.
- b) **Enforcement Ordinance** – The Board discussed at length the proposed changes to the enforcement procedures currently used by the District for establishments delinquent in remitting taxes.
Motion by Mr. Loble to approve the draft Enforcement Ordinance, as amended, for 1st Reading at the October Board meeting. Second by Ms. Schumacher. All in favor. Motion passed.
- c) **Temporary Replacement** – Ms. Holstein reported she hired Sarah Ouellette for her temporary replacement during her maternity leave.
- d) **FY 09 Budget**
Motion by Mr. Child to approve the FY 09 Budget. Second by Ms. Schumacher. All in favor. Motion passed.
- e) **Law Enforcement Agreement**

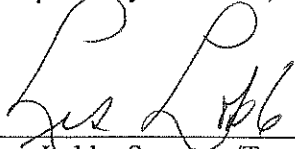
Motion by Mr. Loble to approve the Law Enforcement Agreement between Madison County, Gallatin County, and the Big Sky Resort Area District for the period of July 1, 2008 to June 30, 2009. Second by Ms. Schumacher. All in favor. Motion passed.

E. August 2008 Financial Reports

Motion by Ms. Schumacher to approve the financial reports. Second by Mr. Loble. All in favor. Motion passed.

Chairperson, Al Malinowski, adjourned meeting at 12:47 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Les Loble", written in a cursive style.

Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

October 2, 2008

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Rena Schumacher, Director
Loren Bough, Director
Sarah Ouellette, Interim Administrative Officer
Mona Jamison, A.A.L. –Via Phone Conference

Public Present-Mindy Nowakowski, BSCC
Steve Johnson – Big Sky Infrastructure Group
Bill Simkins-Big Sky Town Center (@ 10:10)

Chairperson, Al Malinowski, called the meeting to order at 10:04 a.m.

- A) Public Comment:** Mr. Johnson provided the BSRAD with a letter from the Big Sky Infrastructure Group which they had sent to Marty Lambert, County Attorney, asking him to amend his letter to the Attorney General regarding his opinion on the Incorporation of Big Sky and its affect on the BSRAD. Mr. Johnson also provided BSRAD with Mr. Lambert's response to this, which said he would not amend his original letter to the AG. Ms. Nowakowski stated that Mr. Lambert "missed the boat" in recognizing the Resort Tax.
- B) Discussion of Marty Lambert's Opinion to the Attorney General on Incorporation:** M. Jamison requested authority from the Board to submit a letter to the A.G. informing him the Board is to be considered an interested party in this matter and that M. Jamison should be notified of draft opinions and be given opportunities to comment. M. Jamison recommends the letter include verbiage that she and the BSRAD board accept and concur with Mr. Lambert's opinion, that the existing boundaries and taxing authority remain the same should the incorporation be approved by electors. M. Jamison stated that the Hammermeister case and various statutes support his conclusion. The Board members would also like Mona to attach her original "opinion" letter to this new letter for reference.

Mr. Bough said he was concerned that perhaps Mr. Lambert's opinion is theoretical and that maybe the public would not be satisfied. M. Jamison mentioned that if there was a Municipality formed in the future, that this Municipality could always request an opinion as well. The board asked that M. Jamison also include not only their acceptance of Mr. Lambert's opinion in her letter to the A.G., but also pose the question "Would the Municipality be able to become a resort community, and if so, what would be the impact on the BSRAD's boundaries and taxing authority?"

Mr. Child motioned to have M. Jamison compose this letter to the A.G. accepting Mr. Lambert's opinion, and attach her original "opinion" letter as well. 2nd by Mr. Bough. Motion Passed.

Meeting adjourned at 10:47

Signed

Date

11-18-08



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

October 15, 2008

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Loren Bough, Director
Rosalie Barndt-Holmes & Turner, CPA
Rena Schumacher, Director
Sarah Ouellette, Interim Administrative Officer

Chairperson, Al Malinowski, called the meeting to order at 10:30 a.m.

Public Comment: None.

A. Audit- Rosie Barndt was present to summarize the annual audit performed by Holmes & Turner. Provided Board with an outline, the audit, and two letters to Board required by ASCPA which also outlines the BSRAD's financials and summarizes the planning of the audit and communication with the board, and journal entries made. She noted last year's journal entries were never completed by the BSRAD office. She submitted this years and last years to S. Ouellette to implement. R. Barndt informed the Board that they cannot legally pay for an individual employee's health insurance; one employee is not considered a Group Policy, whether paid directly to the insurance company or paid to an employee as reimbursement. She suggested increasing the employee's wages or to consider a Medical Savings Plan. She is looking into a Chamber of Commerce plan, to see if they can/will change their language allowing for one employee. R. Barndt informed the board that the "Business Analysis" report recommended by state, to accompany the audit is not required. The board has decided not to hire someone to write this and will not submit with audit. A. Malinowski noted that this annual audit does not have to be "approved" by the Board, but rather reviewed.

B. Minutes – September 10, 2008 - Open Meeting – Motion by Ms. Schumacher to approve, 2nd by L. Bough, All in favor. Motion carried.
October 2, 2008 Open Meeting – Motion by L. Child to approve, 2nd by L. Bough, All in favor, Motion carried.

C. New Business

- a) **Bond** –S. Holstein had previously completed an application and sent to Central Insurance. Board requests S. Ouellette follow up with this matter with Mr. Roemer, owner of Central Ins. to get details on bond.
- b) **Letter from First Security Bank**-Letter outlines current FDIC insurance.

E. Old Business

Attorney General Opinion – Per Oct. 2 board mtg. M. Jamison sent a letter to Attorney General stating the Board does in fact agree with M. Lambert's (county attorney) opinion regarding the potential Incorporation of the town of Big Sky. The letter also included the question as to how Incorporation would affect BSRAD. M. Jamison also attached her original opinion to this letter sent.

Enforcement Ordinance 2008-01 –1st Reading- L. Child made a motion to approve and adopt, 2nd by L. Bough, All in favor. Motion carried.

D. Financial Reports –Board noted that the "P&L Year to Date" didn't show the "Income." Administrator will correct for next month. Motion by Mr. Child to approve the checking register report for September 2008. Second by L. Bough, All in favor. Motion carried.

Chairperson, Al Malinowski, adjourned meeting at 11:26 p.m.

Respectfully Submitted,



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

November 19, 2008

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Loren Bough, Director
Rena Schumacher, Director
Les Loble, Secretary
Sarah Ouellette, Interim Administrative Officer

Public: Mindy Nowakowski
Steve Johnson, BSSR
Tom Reeves, BSSR

Chairperson, Al Malinowski, called the meeting to order at 10:30 a.m.

Public Comment: Representatives for Big Sky Search and Rescue, M. Nowakowski, S. Johnson and T. Reeves were present and updated board on the construction of their building. Currently they have a draft copy of the license from the Big Sky Comm. Corp to use the private road in the Big Sky Comm. Park. They also have a draft copy of their lease from Big Sky Sewer District, but still have some permit work to complete. Their contractor informed them that they missed their window to begin construction this year due to weather. Mr. Reeves said they do not plan to ask the BSRAD for more funding for this next year. They are working with County to apply for a Conditional Use Permit for this building. They thought the next four months would provide them with enough time to complete their permitting process, unless there were problems. They weren't sure if any of the permits had an expiration date or not. In terms of a septic tank, they were advised by the BSCWSD to get a holding tank, for which they got a variance for from the Gallatin Co. Health Dept.

A. Minutes – October 15, 2008 - Open Meeting – Motion by Mr. Bough to approve, with two corrections noted. 2nd by Mr. Child. All in favor. Motion carried.

B) New Business

- a) **Employee 401K-** Jurgen Weil, 401 Manager and Elizabeth Harris from Mass Mutual were unable to attend this meeting. Board inquired as to whether or not the District held a contract with these parties. Administrator will look into.
- b) **Board Positions-Seating:** Mr. Loble made a motion to have board members maintain their current positions with A. Malinowski as Chairperson, L. Child as Vice Chair, L. Loble as Secretary and R. Schumacher and L. Bough as Directors. Ms. Schumacher 2nd motion, All in favor, motion passed.
- c) **New Office Location-** Tabled issue until next meeting.

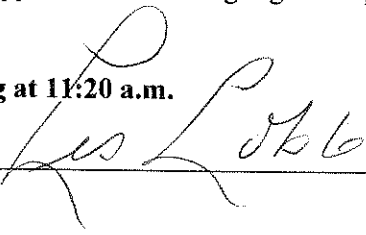
C) Old Business

- d) **Incorporation:** A. Malinowski had asked our Attorney, M. Jamison, if the Board needed to respond to the letters that had been sent to the Attorney General from Simkins' Attorney and Mona said it wasn't necessary at this time, but that she will continue the dialogue with the parties involved. Board agreed not to write any more letters to the parties at this time.
- b) **Enforcement Ordinance 2008-1 –2nd Reading-** L. Loble made a motion to adopt this amended Ord., 2nd by L. Child, All in favor. Motion carried. In 30 days from this meeting, Ord. will be in effect. Board asked Administrator to send this out to those tax collectors in a delinquent status.
- c) **Bond:** L. Loble made motion to obtain a "blanket" employee insurance bond for coverage up to \$250,000. 2nd by R. Schumacher. All in favor, Motion carried. Board would like to review coverage and policy when the District receives it.

d) Financial Reports – Motion by L. Child to approve the checking register report for October 2008. 2nd by L. Bough, All in favor. Motion carried.

Chairperson, Al Malinowski, adjourned meeting at 11:20 a.m.

Respectfully Submitted, Les Loble, Secretary





MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

December 10, 2008

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Rena Schumacher, Director
Les Loble, Secretary
Sarah Ouellette, Interim Administrative Officer

Public: Bill Olsen, Big Sky Community Corp. (BSCC)
Mary Jane McGarity, Big Sky Owner's Assn. &
Big Sky Comm. Corp

Chairperson, Al Malinowski, called the meeting to order at 10:33 a.m.

Public Comment: Representatives for BSOA and BSSC were present with updates on Big Sky Spur Rd Trail and Big Sky Park. Mr. Olson said the trail was nearly done but the trail still needed sealing, including the section along 191. Need approval for two cross walks, signage and flashing lights from Montana Dept. of Transportation. Need to fix erosion between the bridges. This work will be done next spring. They would like to build a tunnel from Spur Rd. to Little Coyote and asked Board if BSCC could use approximately \$20,000.00 from its current approved Spur Rd. allocation to pay for engineering and preliminary costs for this tunnel. Board decided to place this request on next month's agenda. Ms. McGarity provided board with a copy of the BSCC's 2008 Annual Report, a draft copy of the Big Sky Park design and an expense report for the concert, "Young Dubliner's" which the Softball league hosted this past summer. BSCC requested its current approved allocation for the Softball League be used to cover these expenses. Board will place this request on next month's agenda for a vote.

A. Minutes – November 19, 2008 - Open Meeting – Motion by Mr. Loble to approve, with noted corrections, 2nd by R. Schumacher. All in favor. Motion carried.

B) New Business

- a) **Legal Opinion #45 regarding Bankruptcy:** Board decided that no further recommendation or information on this issue was needed from its attorney. The Board's attorney, M. Jamison, did recommend the Board send a letter to any business going through bankruptcy, acknowledging its bankruptcy and reminding it to continue to collect and remit the resort tax if it is still operating.
- b) **District Board Chain of Command and Lobbying:** A. Malinowski will send emails to board members after discussions with M. Jamison, as informational only, not for approval. Board discussed upcoming legislative session and potential tax issues. L. Loble made a motion to engage M. Jamison to represent the District as Lobbyist in next legislative session for a fee of 15,000.00. L. Child 2nd the motion. All in favor. Motion carried.

C) Old Business

- a) **Employee 401:** Administrator, S. Holstein, has been researching this and the Board will discuss with her when she returns in January. S. Ouellette, informed the Board that it did not appear the BSRAD had a contract with E. Harris of Mass Mutual or Jurgen Weil, the current investor and manager of the previous employee's 401 plan.
- b) **Financial Reports:** L. Child made motion to approve the checking register for November 2008. 2nd by L. Loble. Motion carried. Board stated it wanted to continue to receive this register from the "funds available" register.

Chairperson, Al Malinowski, adjourned meeting at 11:25 a.m.

Respectfully Submitted, Les Loble, Secretary