



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

January 12, 2011

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Les Loble, Secretary/Treasurer
Ginna Hermann, Director
Loren Bough, Director
Amy Smit, Administrative Office

Chairperson, Al Malinowski, called the meeting to order at 11:0215 a.m.

I. Open Meeting

A. Public Comment - Ginna Hermann, Arts Council of Big Sky

1. Ms. Hermann informed the Board about additional funding that the council has received. She asked whether BSRAD would like recognition as one of their funding sources. Discussion ensued, and the Board agreed that BSRAD could benefit from such recognition, but recognition of BSRAD should not overshadow other sponsors.

D. New Business

1. Taxation question- Mr. Loble explained that Ennion Williams had inquired about what is taxable concerning his online co-op business. Mr. Loble Referred him to the website and thanked Mr. Williams for his sensitivity and awareness of the resort tax in his new endeavor.

E. Old Business

1. Audits – Bob Dellinger, Dellinger & Gallagher - Mr. Malinowski explained that BSRAD has not audited since 2004. Mr. Dellinger distributed a sample report from an audit of a resort tax collector in West Yellowstone. He explained that his goal as an auditor is to be timely and unobtrusive to businesses. He focuses in compliance and education. Mr.

Dellinger described his procedure and fielded questions. He said that audit time varies widely from business to business. Mr. Child asked how West Yellowstone deals with violations. Mr. Dellinger explained that their ordinance allows them to revoke business licenses, and if a second audit is required it is billed to the business. Mr. Malinowski inquired how to manage the cost versus benefit. Mr. Dellinger explained that if a business is organized, investigation should only take about four hours. Mr. Malinowski asked when Mr. Dellinger could perform the audits. Mr. Dellinger replied that June or July would work best, and stressed that he works from a compliance perspective. Mr. Bough inquired about BSRAD's former procedures. Mr. Child explained that the most common problems could be: educational mistakes, underreporting, and overpaying. Mr. Loble wondered how lenient the Board would be with violations. Mr. Bough asked what kind of obligation BSRAD has when a violation is discovered. Mr. Malinowski explained that it depends on if the violation was a mistake or intentional. Mr. Loble stressed that education and support of Resort Tax makes the cost worthwhile. Mr. Dellinger expressed how important confidentiality is in the process. Mr. Loble moved to retain the Dellinger & Gallagher firm with an annual limit of \$10,000 for review of tax compliance. Second by Ms. Hermann. All in favor. Motion passed. Mr. Dellinger left at 11:32 a.m.

2. New Office Space – Mr. Loble read Mr. Wentzel's response to the offer set forth by the BSRAD Board of Directors. Discussion ensued about the counteroffer, and the board members came to an agreement that the New Office Space Search Committee would make a counteroffer.

3. Audits – Ms. Smit briefed the Board about her discussions with potential auditors. Ms. Hermann inquired about the process. Mr. Child explained it, and stressed that in the past, BSRAD tried to avoid being disruptive to the business audited. Ms. Hermann asked if the cost of the audits would be worthwhile for the BSRAD. Mr. Malinowski explained that audits could be a powerful tool in the collection process. Mr. Child instructed Ms. Smit to find out how much was spent on audits in the past. He then asked how BSRAD should proceed when they do find discrepancies, from an enforcement perspective. Mr. Malinowski suggested that we ask West Yellowstone tax board what it does when it discovers violations through the audit process. The Board decided to ask a representative from Dellinger & Gallagher to attend the meeting on February 9, 2011 to discuss whether they might be retained to perform audits.

4. Administrative Officer Background check - Mr. Loble informed the Board that he chose Verifications, Inc. to perform the new Administrative Officer's background check, which will save around \$900.

5. Lobbying issue – Mr. Loble explained his discussion with Mona Jamison concerning the proposed election law amendments. Ms. Jamison has encountered problems finding a sponsor. Mr. Loble and Ms. Smit formed the Community Outreach committee. Jamison recommends that she

not continue lobbying for election law amendments this session. Following discussion, the matter will be dropped for this session.

6. Alternate Office Space – Ms. Smit informed the Board about Guy Glenn’s amended offer. The Board acknowledged that it would revisit if it could not come to an agreement on the Wentzel space.


7. Minutes – Mr. Loble moved to approve the minutes from December 8, 2010. Second by Ms. Hermann. All in favor. Motion passed.

8. Financial report – Mr. Malinowski moved to approve the Funds Available Register. Second by Mr. Loble. All in favor. Motion passed.

F. Mr. Malinowski adjourned the meeting at 12:10 p.m.

II. Closed Meeting

Respectfully Submitted,



Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT CLOSED BOARD MEETING

January 12, 2011

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Les Loble, Secretary/Treasurer
Ginna Hermann, Director
Amy Smit, Administrative Office

Chairperson, Al Malinowski, called the meeting to order at 12:11 a.m.

A. Business

1. Half Moon Saloon and Restaurant – Ms. Smit reviewed her discussion with Ms. Jamison regarding this account. They advised her to continue discussions with Ms. Jamison to move through the enforcement process efficiently. Ms. Hermann asked if there are small business advisory groups in the area that could help Ms. Dyer with her business's finances. Discussion of possible collections actions ensued.

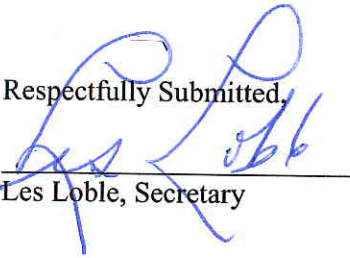
2. Collections and Accounts Receivable Reports – Ms. Smit reviewed the reports with the Board.

B. Closed Meeting Minutes

1. Mr. Loble moved to approve the December 8, 2010 minutes. Second by Ms. Hermann. All in favor. Motion passed.

Chairperson, Al Malinowski, adjourned the meeting at 12:34 p.m.

Respectfully Submitted,


Les Loble, Secretary



**MINUTES OF THE BIG SKY RESORT AREA DISTRICT SPECIAL
BOARD MEETING**

January 24, 2011

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

Chairperson, Al Malinowski, called the meeting to order at 8:41 a.m.

I. Open Meeting

A. Public Comment – None

B. New Office Space

1. Office Search Committee – Search committee presented its report. It recommended executing the buy/sell agreement for purchase of new office space at 11 Lone Peak Drive, Suite 204, in Big Sky, MT. A full discussion followed with questions by members of the Board to the search committee. Concerns with the present space include: lack of security, poor physical condition of the building; location is difficult to find for the public and tax collectors. Suite 204 is considered to be centrally located, has better visibility, is handicapped accessible; located in a secure building that is both new and maintained; is being offered at a favorable price. The Board discussed the furniture that would be included in the purchase; the furniture and artwork which would be removed by the owners. It also discussed cash flow and the resources of the Board that do permit a purchase of this size without materially affecting the Board's ability to appropriate funds for community projects. The Board then discussed possible ways in which to dispose of the space it currently owns, including appropriating for use by an applicant.

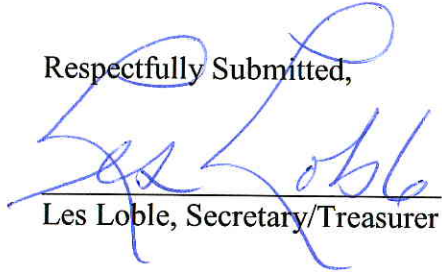
2. Inspection trip to the property under consideration– The Board then toured the proposed space, met with Suzanne Schreiner, agent for the owners, and responded to the questions of the Board members. Travel to 11 Lone Peak Drive, suite #204 located on the second floor of the RJS building in the Big Sky Town Center.

3. Consideration of **Contract for purchase of real property** – The Board then returned to its office. Mr. Bough moved that the Board accept the recommendation of the search committee that the Board enter into a buy/sell agreement for Suite 204 of the RJS Tower Building (located at 11 Lone Peak Drive, Big Sky, Montana) subject to contingencies, for \$190,000. Second by Ms. Hermann. Passed unanimously.

C. Public Comment – None

F. Mr. Malinowski adjourned the meeting at 10:00 a.m.

Respectfully Submitted,



Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

February 9, 2011

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Les Loble, Secretary/Treasurer
Ginna Hermann, Director
Loren Bough, Director
Amy Smit, Administrative Office

Chairperson, Al Malinowski, called the meeting to order at 11:02 a.m.

I. Open Meeting

A. Public Comment - none

B. Old Business

- 1. Audits – Bob Dellinger, Dellinger & Gallagher** - Mr. Malinowski explained that BSRAD had not conducted audits of tax collectors since 2004. Mr. Dellinger distributed a sample report from an audit of a resort tax collector in West Yellowstone. He explained that his goal as an auditor is to be timely and unobtrusive to the businesses. He focuses on compliance and education. Mr. Dellinger stated how important confidentiality is in the process. Mr. Dellinger described his procedure and fielded questions. Mr. Loble moved to retain the Dellinger & Gallagher firm with an annual limit of \$10,000 for review of tax compliance. Second by Ms. Hermann. All in favor. Motion passed. Mr. Dellinger left at 11:32 a.m.

- 2. Fire Department Strategic Planning Committee – Kay Reeves and Ty Moline** – Ms. Reeves described the Fire Department's operations. She distributed statistical materials. The Fire Department acts primarily as an EMS department. The department experiences a high volume of calls during the ski season. Sixty-four percent of the patients are non-residents. The Fire Department's resources are being strained, and about

five times a year all four ambulances are dispatched at the same time. Ms. Reeves discussed the various options for alternate funding sources Ms. Reeves and Mr. Moline left at 12:28 p.m..

3. New Office Space – Mr. Malinowski expressed the Committee’s concerns about the RJS Building Owners. The Committee needs more time for its due diligence investigation and will ask the sellers to extend the contingencies of the buy sell to March 9, 2011.

4. 77 Aspen Leaf Drive Unit #9 – Mr. Malinowski delayed discussion of what to do with current space.

C. New Business

1. Cash Flow and CD Deposit – Mr. Malinowski explained the Cash Flow Spreadsheet, and that it is a conservative estimate of how much money would be available to the District. He recommended that the Board make a \$700,000 deposit into existing CD. Mr. Loble moved to make a \$700,000 deposit into CD# 11914. Second by Mr. Bough. All in favor. Motion passed.

2. Administrative Officer – End of Probationary Period - Mr. Loble explained that Ms. Smit’s Probationary period ends in February 11, 2011. He said that her background check was satisfactory and contains no issues. Mr. Malinowski proposed that the Board consider a modification to her pay scale. Mr. Bough moved to raise her hourly pay to \$20. Second by Mr. Loble. All in favor. Motion passed.

3. Community Outreach Committee Formation – Ms. Smit showed the Board sample graphic designs. Discussion ensued about promoting the resort tax. Mr. Loble and Ms. Smit were appointed to the Community Outreach Committee.

D. Minutes

1. January 24, 2011 Special Meeting Minutes – Mr. Loble moved to approve the amended minutes of the January 24, 2011 Board Meeting. Second by Ms. Hermann. All in favor. Motion passed.

2. Meeting Minutes – Mr. Child moved to approve the minutes from the January 12, 2011 board meeting. Second by Mr. Loble. All in favor. Motion passed.

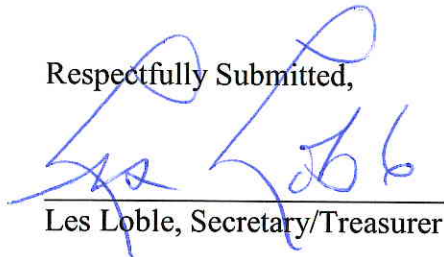
E. Financial and Tax Collection Reports

7. Financial report – After clarification about a check number, Mr. Malinowski moved to approve the Funds Available Register. Second by Mr. Child. All in favor. Motion passed.

F. Mr. Malinowski adjourned the meeting at 1:07 p.m.

II. Closed Meeting

Respectfully Submitted,



Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT CLOSED BOARD MEETING

February 9, 2011

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Les Loble, Secretary/Treasurer
Ginna Hermann, Director
Loren Bough, Director
Amy Smit, Administrative Office

Chairperson, Al Malinowski, called the meeting to order at 1:08 p.m.

A. Business

1. Half Moon Saloon and Restaurant – Ms. Smit explained her conversations with Ms. Dyer. Ms. Dyer continues to avoid meeting with Ms. Smit and has not reported collections or made any payments to the District.

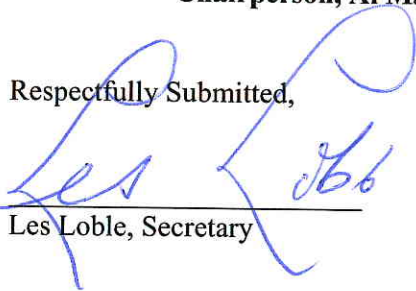
2. Collections and Accounts Receivable Reports – Ms. Smit reviewed the reports with the Board.

B. Closed Meeting Minutes

1. Mr. Loble moved to approve the January 12, 2011 minutes. Second by Mr. Child. All in favor. Motion passed.

Chairperson, Al Malinowski, adjourned the meeting at 1:13p.m.

Respectfully Submitted,



Les Loble, Secretary



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

March 9, 2011

Present: Al Malinowski, Chairperson
Les Loble, Secretary/Treasurer
Loren Bough, Director
Ginna Hermann, Director
Amy Smit, Administrative Office

Chairperson, Al Malinowski, called the meeting to order at 11:05 a.m.

I. Open Meeting

A. Public Comment – none

B. New Business

1. Women in Action – Rachel Thesing and Lisa Beczkiewicz – Ms. Thesing and Ms. Beczkiewicz explained the recent changes in Women in Actions counseling program. They have restructured the program in conjunction with Montana State University to provide more counseling hours. Ms. Thesing asked if they could request payment for marketing materials, which differs from how they applied to use the funding. Mr. Malinowski explained that funds must be used specifically in the way they were allocated. Ms. Thesing and Ms. Beckiewicz left at 11:16 a.m.

2. Staples Account – Ms. Smit explained that she set up an online access account to avoid late fees.

3. Article Ideas – The Board discussed article ideas for the resort tax column in the Big Sky Weekly.

C. Old Business

1. New Office Space – The New Office Space search committee explained that they have performed their due diligence, and recommend that the committee be authorized to acquire Unit 204 at 11 Lone Peak Drive in the Big Sky Town Center. Mr. Loble explained his concern about the zoning regulations. He obtained a legal opinion, which concluded that the zoning regulation in question is not a concern to the District. The Board discussed the payment options and other costs associated with Suite 204. Mr. Loble moved to purchase Suite 204 in the RJS building for \$190,000. Second by Ms.

Herrmann. All in Favor. Motion passed. Mr. Malinowski stated that the Big Sky Resort Area District will use available cash flow to fund the purchase until repaid by future tax collections. Mr. Malinowski then moved to allocate \$50,000 from the 2010-2011 resort tax collections to the purchase of Suite 204. The district will reserve \$50,000 in 2011-2012, \$50,000 in 2012-2013, and \$40,000 in 2013-2014. Second by Mr. Loble. All in favor. Motion passed.

2. Current Office at 77 Aspen Leaf Drive – The Board discussed details about the allocation of the current office space. The space will be offered under the same guidelines as other resort tax funds, and would be deeded to the chosen organization. The space will be sold if there is no interest. Any money from this sale would go directly to the purchase of Suite 204. The Board discussed different ways to publicize the availability of the space.

D. Minutes – February 9, 2011

1. Mr. Bough moved to approve these revised open meeting minutes from the February 9, 2011. Second by Ms. Herrmann. All in favor. Motion passed.

E. Financial and Tax Collection Reports

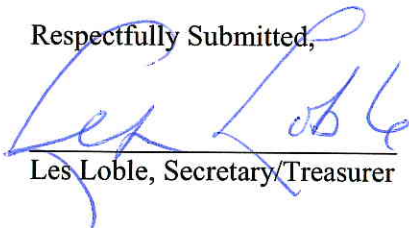
1. Ms. Herrmann moved to approve the funds available register. Second by Mr. Bough. All in Favor. Motion passed.

2. The Board discussed the Tax Collections by Fiscal Year spreadsheet, noting that Tax Collections in December 2010 were greater than any other December in District history.

F. Mr. Malinowski adjourned the meeting at 12:01 p.m.

II. Closed Meeting

Respectfully Submitted,



Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT CLOSED BOARD MEETING

March 9, 2011

Present: Al Malinowski, Chairperson
Les Loble, Secretary/Treasurer
Loren Bough, Director
Ginna Hermann, Director
Amy Smit, Administrative Office

I. Closed Meeting

Chairperson, Al Malinowski, called the meeting to order at 12:01 p.m..

A. Minutes – Mr. Loble moved to approve the closed meeting minutes from February 9, 2011. Second by Mr. Bough. All in favor. Motion passed.

B. Business

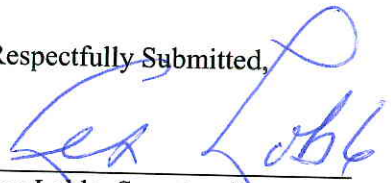
1. Collections and Accounts Receivable reports – Ms. Smit reviewed the reports with the Board. The Board advised Ms. Smit to continue her attempts to collect from Hiking in Heels and The Root for Life. The Board instructed Ms. Smit not to take legal action as it would be too costly.

2. Half Moon Saloon & Restaurant – Ms. Smit informed the Board that Ms. Jamison is in the process of attempting to get Halfmoon Saloon's liquor license revoked. The Board asked that Ms. Smit contact the Sheriff, or have Ms. Jamison contact the Sheriff, and request cash drawer pulls in an attempt to collect from Halfmoon.

3. April Board Meeting - The April board meeting was changed to Thursday, April 14, 2011 at 11:00am

C. Mr. Malinowski adjourned the meeting at 12:12 p.m.

Respectfully Submitted,


Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

April 14, 2011

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Les Loble, Secretary/Treasurer
Loren Bough, Director
Ginna Hermann, (via telephone)
Amy Smit, Administrative Office

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

I. Open Meeting

A. Public Comment – none

B. New Business

1. CVB – Ennion Williams and Ryan Hamilton

Mr. Williams informed the Board that the Transportation District has been working with Ryan Hamilton and others who are trying to create a cohesive brand for the community. They have been working with the Big Sky Chamber of Commerce (COC) and the Convention & Visitors Bureau (CVB), and hope to bring more local entities into the project, including the BSRAD. Ennion explained that the CVB is funded through the state bed tax, and the funds are limited as to how they can be spent. Mr. Child asked that representatives of the CVB come to a scheduled board meeting to explain more about the organization. Mr. Malinowski expressed his concern that too much involvement could make the BSRAD Board seem not to be impartial.

2. Big Sky Transportation District – Ennion Williams

Mr. Williams briefed the Board about the increases in Skyline ridership over the last year. He explained that they are still looking into the mill levy process, though it might be difficult to get 20% of voters outside of the existing district to approve it. He fielded questions from the Board concerning the process, and they requested that he conduct further research and update them when possible. Mr. Malinowski inquired about the change in documentation in their requests for payment. Mr. Williams was unsure, but noted that they had a different person handling their paperwork and would look into it.

Mr. Williams said that his organization wants to become less reliant on leased Karst services. He discussed the fare system and the programs progress so far. Ennion Williams and Ryan Hamilton left at 11:36am.

3. May & June Board Meetings - The Board decided not to hold regular Board meetings during the months of May and June, due to the appropriations process.

4. Reimbursement of Travel Costs - Ms. Hermann wondered if Board Member travel costs to return to a Board meeting (when a Board member is out of Big Sky) are eligible for reimbursement. The Board felt that such costs were not.

5. Order of Applicants for Funding - Mr. Malinowski suggested of changing the order of applications addressed at the Q&A meeting. It was decided that the order of applicants would be chosen randomly, with allowances for those with serious scheduling conflicts.

6. Signage and Logo – Ms. Smit showed the Board some simplified logo versions that would make the printing and signage process easier. The Board asked for more research, information, and prices.

7. Artwork in the Office - Ms. Smit inquired whether she could allow local artists to display their artwork in the office. Ms. Hermann thought that that might be able to be coordinated through the Arts Council. Mr. Bough pointed out that it might be hard to choose which artists to display. Ms. Smit will continue to look into the idea.

8. Cash Management – Mr. Malinowski explained the need to move money from First Security Bank. The President of First Security Bank, Jamey Kabisch, informed Mr. Malinowski that they were pledging assets to secure BSRAD funds that had now been moved into the District's CD with Big Sky Western Bank. He asked if BSRAD could move another portion of their money when the account fell below a certain balance, so that FSB could sell its pledged assets. Mr. Malinowski explained that he needed the authority to work with Ms. Smit to transfer funds to Big Sky Western Bank if necessary. Mr. Loble moved to assign the Chair and the Administrative Officer the authority to move funds into the Big Sky Western Bank CD over the next three months. The Board should be notified of these changes.

C. Old Business

1. Status of 77 Aspen Leaf Drive #9 - Mr. Malinowski suggested if an applicant included a request for rent in its application for an appropriation, the District could consider offer it the old office space. Discussion followed.

D. Minutes – March 9, 2011 – Mr. Bough moved to approve the minutes. Second by Ms. Hermann. All in favor. Motion passed.

E. Financial and Tax Collection Reports

1. After noting a voided check number, Mr. Child moved to approve the check register. Second by Mr. Bough. All in favor. Motion passed.

2. Mr. Child said out the collections from December, January, and February of FY11 have been some of the best in the last ten years. Discussion ensued.

F. Other

1. APEC – Mr. Malinowski said that some diplomats at the Atlantic Pacific Economic Conference will be eligible for tax exemption. Ms. Smit informed the Board of her efforts to inform collectors on how to proceed.

F. Mr. Malinowski adjourned the meeting at 12:10 p.m.

II. Closed Meeting

Respectfully Submitted,



Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

May 11, 2011

QUESTION & ANSWER FORUM

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Les Loble, Secretary/Treasurer
Loren Bough, Director
Ginna Hermann, Director
Amy Smit, Administrative Officer
Mona Jamison, Attorney

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

Mr. Malinowski welcomed attendees, made introductions, and gave a brief explanation of how the meeting would be run. He read section 19 of ORD 98-01, which describes how resort tax funds will be dispersed. Mr. Malinowski said that the Big Sky Institute withdrew its request.

1) Public Comment

Kristen Gardiner supported Morningstar Learning Center's affordable childcare, and Jack Creek Reserve's water quality monitoring.

Bill Simkins supported all five of the Chamber of Commerce's applications, stating Big Sky needs a marketing strategy or brand. Also, Big Sky needs an entryway monument to direct people into the community, and a signature summer event.

Katie Alvin supported Morningstar Learning Center, and Women In Action. It has important social impacts on the community. She supported the Blue Water Task Force, and hopes it can partner with her organization, the Jack Creek Preserve.

Meg O'Leary supported the Transportation District, explaining that Big Sky Resort could not have offered a competitive bid to host the APEC conference without it.

Shana Seely supported Morningstar Learning Center, stating that 60% of the enrollees receive aid, and that the community needs the program to keep young families here.

Beth Van Horn supported the Westfork Owners' Association application. She said how important it is for that Big Sky's emergency service vehicles are able to easily get in and out of the Fire Department.

Marcus Kirchmyer supported the Chamber's marketing applications, stating his belief that the Biggest Skiing in America campaign has generated more tourism in Big Sky.

Devon White supported the Gallatin Canyon Business Association, stating the need to develop business in the south Gallatin Canyon.

Public comment closed.

2) Applications

1. Gallatin County Sherriff's Office - Big Sky/Canyon Division Patrol– Sherriff James R. Cashell

Mr. Loble asked what the “union add-ons” are. Sherriff Cashell said that it is a monthly stipend provided to help the officers afford to live in Big Sky. Mr. Child said that there was not a line item in last year's application, and asked for further information about why. Mr. Child said the 10% budget increase, and asked whether any other county agency whose budget has a comparable increase? Sherriff Cashell said that the start up budget has been cut dramatically with no increase. Mr. Malinowski asked why this budget has increased if the overall budget is not increasing. The Sherriff answered that there has been a recalculation of wages due to a lawsuit, and he would find out more information. This budget is treated differently because it is contractual and because Madison County and BSRAD also contribute. Mr. Bough asked why the calculation of the cost of services in Big Sky is increasing dramatically compared to the overall budget. The Sherriff said that he would find out.

2. Gallatin County Sherriff's Office - Special Event Fund - Sherriff James R. Cashell

Sherriff Cashell said that the County absorbs the cost to send extra law enforcement to Big Sky for special events like diplomatic visits or large celebrations. This application is intended to cover costs when the department is unable to bill anyone for their services. He said they would like to have the money available in case it is needed. Mr. Bough asked if any other areas would require a Special Event Fund. The Sherriff said that Big Sky has funds available due to the resort tax. Mr. Bough said that most of these events have a corporate sponsor, and ask if they have been billed. The Sherriff said that in some cases, they are unreachable. Mr. Bough asked if Gallatin County delegates responsibilities to the State Department. Sherriff Cashell said that they do not handle any law enforcement other than care of the protected individual. Mr. Bough said that some of the enforcement discussed happened outside the BSRAD. Sherriff Cashell said that the BSRAD would not be charged for these portions. Mr. Loble asked if they ask West Yellowstone for funding. Mr. Cashell answered that they have never received funding from the City of West Yellowstone.

3. Arts Council of Big Sky – Building the Arts in Big Sky for our Residents and Visitors Bob Thompson and Brian Hurlbut

Mr. Loble asked where the Arts Council would hold the headliner event. Mr. Thompson said that it would be in the Town Center, adjacent to the small stage. Mr. Malinowski asked if they had chosen the headliner yet; they had not. Mr. Bough asked why they had increased their request by \$10,000. Brian said that The Classical Music Festival accounted for \$4,000 and the remainder goes to infrastructure changes. Mr. Child asked about the plan for the Classical Music festival, and have they considered charging when paid events generate revenue. Mr. Thompson said that they are trying to stretch the event over several days to keep people in the community. He said that this first year is intended to test the success of the event. There was discussion about festival ticket sales, and Mr. Child said that on the Arts Council's P&L for 2010, event income was \$59,000 greater than what was budgeted for. Ms. Hermann asked for clarification. Mr. Hurlbut said that budgeting for these events is difficult, so they budget at a “break-even” point. He said that The Art's Council is considering holding paid events prior to the Classical Music Festival, but desire to keep the festival itself free. Mr. Child said that there are several free events petitioning for resort tax dollars, and asked if this event is popular enough to sustain itself. Mr. Child asked for a current P&L vs. Budget and balance sheet from the Art's Council.

4. Big Sky Transportation District – Skyline – Ennion Williams and David Kack

Mr. Bough asked what this year's ridership as opposed to last year? Mr. Kack said that local ridership through April has increased 22%, and the Link (Bozeman to Big Sky) has increased by 5%. Despite the fare, they foresee about 80,000 local rides and 40,000 between Big Sky and Bozeman. He attributed these increases in ridership and tourism to the recovering economy. Mr. Loble asked about the fare structure, and if they were planning to change it. Mr. Kack said that the Link service charges \$2 round tip, and free service in Big Sky. They do not plan to change it, and said that Gallatin County does not provide them with any funding. Mr. Loble asked where they were in the process of expanding the Transportation District. Mr. Kack said that they have not made a decision whether or not they will try. Mr. Loble asked about the cost of diesel. Mr. Kack said that he estimated \$4/gallon, which now looks like a low number due to changing costs. Mr. Loble asked for clarification about the term "not ideal for over the road services". Mr. Kack said that it means that the vehicle is fine for local service, but not long distances. Mr. Child asked about the sheets labeled "capital expenses". Mr. Kack said that the list displays vehicles available from the MT Department of Transportation to eligible recipients. Mr. Child said that the 35 passenger vehicle the district desires are not on this list, Mr. Kack answered yes, and said that they can make a special request.

Ms. Hermann asked how serious they are about the levy, and if they have a timeline. Mr. Williams said that they are moving forward with the process, but do not have an actual timeline. Mr. Bough asked if they have purchased the two 35 passenger vehicles. Mr. Kack said that the 35 passenger vehicles would be ideal, and hope to be selected by the Montana Department of Transportation to be offered them in June. Mr. Bough asked how many vehicles they plan to operate. Mr. Kack said that they will operate four during peak times, with two spares. Mr. Loble asked for a list of the vehicles The Transportation District owns, and a list of the ones they want. Mr. Child asked if they would still need to use Karst. Mr. Kack said that they would in the winter, to reduce costs by using a larger vehicle with only one employee. Mr. Child asked if the Link busses are filled. Mr. Kack said that they are on the weekend and powder days. Mr. Bough said that a full one-way Link trip collects \$5, and asked what the total cost of that trip is. Mr. Kack said that one-way costs about \$150. Mr. Malinowski asked what the logic is in only charging only one-way. Mr. Kack answered that most passengers ride round-trip. Mr. Child asked if they considered the fare system a success, and if they have plans to expand the fares. Mr. Kack said the fare system has been a success, but they do not have any plans to increase the fares. Mr. Child asked about the operating expenses of the local and Link services, and discussion ensued. Mr. Kack said that the budget was generally split 70% to local service, and 30% to the Link program. Mr. Child asked about the "Match Revenue". Mr. Kack said that the MDT inquires where the Transportation District gets additional funding, for example, Madison County, Big Sky Resort, and BSRAD. Mr. Child asked if the \$290,000 requested does not cover your total operating expense. Mr. Kack confirmed this, stating that at one time they asked for 100% of their budget, they now asking BSRAD for approximately 33%.

5. Gallatin Valley Snowmobile Association – Buck Ridge Grooming – Devon White

Mr. White thanked the Board for eighteen years of support, and said that they had a great season, despite a few mechanical problems. Mr. Loble asked how many times the ridge was groomed this year. Mr. White said that they groomed twice a week from mid-December thru early April, despite mechanical difficulties.

6. Big Sky Search and Rescue – Operations – Tom Reeves

Mr. Loble asked if they had asked Madison County for any funding. Mr. Reeves said that their entire county budget is \$5,000, and that Sheriff Cashell did not want them to ask Madison County. Mr. Bough asked about the number of calls received this year. Mr. Reeves said that though the numbers of calls are down, some calls are much more costly than others. He referenced the missing local skier, whose

search was the equivalent to an entire year's worth of calls. Mr. Bough asked about helicopter expenses. Mr. Reeves said that helicopter expenses are paid for by a state fund, rather than by the resort tax. They cost between \$800 and \$1500 per hour.

7. Big Sky Fire Department – Kay Reeves and Seth Barker

Mr. Bough asked for an update on the search for a new fire chief. Ms. Reeves answered that they received over sixty applications, and twelve applicants are being interviewed in July. Ms. Hermann asked if she had any further information regarding the analysis of the Fire Station's operations. Ms. Reeves said that after analyzing the budget, they allocated 45% to their EMT operations. Mr. Child asked if the EMT operation costs equal the figure requested. Ms. Reeves answered yes. Mr. Child asked if the station has changed their policy regarding visitor calls that drive up costs. Ms. Reeves said that after thorough analysis, they raised ambulance fees by 10%, and are considering another raise. Mr. Child asked if patients are notified that they will be billed, and they have the option to drive themselves to the hospital. Mr. Barker said that their first priority is health and safety, but they do inform the patient if he or she is in a suitable state to travel to the hospital alone. Mr. Malinowski asked about the \$52,000 net income. Ms. Reeves said that she would find the answer. Mr. Bough asked if 160,000 miles the normal mileage for replacement of an ambulance. Mr. Barker said that 160,000 miles is very high. Mr. Bough asked about the total number of trips to Bozeman, and Ms. Reeves said that there were 195 trips in 2010. Mr. Bough said he thought that the mileage seemed high; Ms. Reeves said that it is their oldest ambulance. Mr. Child asked if Mr. Revisky's capital acquisition plan is being followed. Ms. Reeves said that it has not been updated, but the replacement of the ambulance in question does follow that plan. They have not been following it otherwise.

8. Women In Action – Community Counseling Program – Rachel Thesing & Lisa Beczkiewicz

9. FY 2010 Rollover

Mr. Malinowski corrected a typo on the Board's spreadsheet. Mr. Bough asked how they assess the quality of the provider. Ms. Thesing said that they measure success by how many hours are being used. Ms. Hermann asked as to how effective a student counselor is compared to a professional. Ms. Beczkiewicz said that interest in the program is growing. Mr. Bough asked about how many people were served last year compared to this year. Ms. Thesing said that they are getting counseling for the same amount of people for considerably less money. Mr. Malinowski asked if they have refused counseling to anyone. Ms. Thesing answered no, and said that they do not want to refuse help to anyone. They are anticipating higher demand and hope to have the funds available when that time comes. Mr. Loble asked where the counseling takes place, and Ms. Thesing said that they have an office in the Meadow Village. Mr. Bough asked as to what MSU provides other than the graduate student counselor. The Women In Action representatives said that they provide weekly supervision of the graduate students. Mr. Loble asked for a description of the population serviced. Ms. Beczkiewicz said that she is planning to write a grant report describing the program and its population served. The Board members asked for more specific numbers. Mr. Malinowski said their organization showed a net income of \$19,000. Mr. Child said that they have added their CD and bank account to their P&L, which provides an inaccurate portrait of their finances. Concerning the rollover, Mr. Child asked if they were requesting the rollover based on the anticipation of program growth. Ms. Beczkiewicz said yes.

10. Chamber or Commerce – Way finding – Marne Hayes

Branding

Biggest skiing in America

Area Guide and Maps

Signature Summer Event & Regional Promotion

Way finding: Mr. Loble asked Ms. Hayes for information on how the Chamber of Commerce is funded. Mr. Bough asked for information and feedback from the stakeholder meeting. Ms. Hayes said that Arril Beauchamp ran the meeting, and that she would get the information. It was her feeling that the general consensus was positive. Mr. Bough said that they need to define how to measure the economic impact resulting from the signage. Mr. Child agreed. He would like to see the data that supports the claim that the signs could increase summer tax revenue 22-40% in the next three to five years. Mr. Malinowski said he was concerned about the total estimated project cost of \$350,000 to \$550,000. Ms. Hayes said that they took a several examples and averaged them. Mr. Child said that to recoup the cost of a \$350,000 sign, they would have to generate 11.3 million dollars of taxable sales. Ms. Hermann said that there is a lot of overlap of branding and signage efforts, and asked why the effort could not be better coordinated. Ms. Hayes said that the some projects should be addressed individually, but that streamlining of the process would be ideal. Mr. Loble asked for a definition of “Wayfinding”. Marne answered that it is a cohesive signage plan. Mr. Loble asked about the blue highway signs. Ms. Hayes said that the hope is to replace the signs. Mr. Child asked how many signs they have planned, and what the criteria is for the information on the signs. Mr. Bough asked to have Mr. Beauchamp answer the question of what information will be on the signs. Mr. Beauchamp said that the signs will be within the guidelines for federal highway, and must be general. For example, you cannot put “Moonlight Basin”; you could put “Ski Resort”. Ms. Hayes said yes, that they would create a uniform system of signs that would guide the visitor through the community. Mr. Child asked who would own the signs. Mr. Beauchamp said that someone would have to take ownership and maintain the signs. Ms. Hayes said that it has not been decided. Mr. Bough asked if the Gallatin Canyon would be included in the signage plan. Ms. Hayes confirmed that they would start the signage both north and south of Big Sky. Mr. Bough asked Mr. Beauchamp what economic indicators could be used to measure the impact of the signage. Mr. Beauchamp indicated that this is hard to quantify, other than an increase in visitors. Ms. Hermann asked if they would be looking for other income sources. Ms. Hayes said they hoped to collect donations. Mr. Malinowski agreed that the community needs an entryway sign, but that the cost seems high. He said that he believes advertising money should try to bring people to Big Sky, and that the Way finding plan seems to be geared toward travelers who are already here. Mr. Bough asked for a better description of the plan and how the money would be spent. Mr. Bough said that he feels the impact of the project should be at the corner of US 191 and Highway 64. Mr. Child raised the option of approaching local businesses and stakeholders to fund the design, with the idea that the BSRAD would pay to build it. Mr. Bough said that it might be difficult for business owners to fund the project without any feedback from the BSRAD Board of Directors.

11. Chamber of Commerce – **Branding** – Marne Hayes

Mr. Loble asked what is the “brand” of the other resort communities mentioned in their application. Ms. Hayes said that they were trying to point out the fact that those areas have many events and activities offered in the summer. Mr. Bough said that BSIA originated in the private sector, and that he expects the same for the summer brand. Ms. Hermann said that the summer communities become known for their events. Ms. Hayes said that the idea is to create a cohesive summer brand for Big Sky and promote it. Mr. Child asked for clarification about the application. Ms. Hayes said that it is geared toward a summer campaign, which would coordinate with the Biggest Skiing in America campaign. Ms. Hayes said that she feels that the Chamber is not entitled to define the Big Sky Community. Mr. Loble said the Chamber and its membership should decide what the brand is, rather than a third party. Mr. Child asked if the money would be better spent trying to get West Yellowstone visitors to Big Sky. Mr. Malinowski agreed that Big Sky would benefit from more summer traffic, and asked why they chose to use an outside consultant. Ms. Hayes said she feels that objectivity and experience is important. Ryan Hamilton said the strategic planning portion of this application is important. He said that Big Sky does not have a long-term plan, and that a third party consultant would act as a guide through the process. Mr. Bough said that most of what Mr. Hamilton spoke about would be addressed with the Way finding plan.

12. Chamber of Commerce - Biggest Skiing in America – Marne Hayes

Mr. Bough asked how they calculated the amount for in the application. Ms. Hayes said that it is 50 cents per skier day, until the resort tax application date. A discussion about the definition of skier days ensued. Greg Peck said that Big Sky and Moonlight Basin use the same system, and that no matter how many times a skier is scanned on any given day, it only counts as one skier day. Mr. Child asked about past skier day counts. Meg O’Leary said that last year’s count was around 297,000, and the year before was around 300,000. Mr. Loble asked as to how the Chamber calculated the demographic about the visitors to Big Sky. Marne said that it came from a volunteer survey they conducted here in Big Sky. Ms. Hermann said she felt the BSIA campaign has been successful, and asked how the campaigns would be changing in the future. Ms. Hayes said that at their year end meeting, they will analyze the data collected from the website and consider tactical changes at that time. Mr. Loble asked about the match, and Ms. Hayes said that the match amount is contingent on funding from the BSRAD. Mr. Loble asked for clarification on the difference between “impressions” and “clicks”. Ms. Hayes said that an impression is when a banner is displayed on a user’s screen, and a click is when the user clicks a link. Mr. Loble asked for the definition of “organic” search. Dave O’Connor said the term refers to search results that were not paid for.

13. Chamber of Commerce – Chamber Publications printing – Marne Hayes

Ms. Hayes said that this application was for the printing costs of the same maps and guides previously distributed by the Chamber. Mr. Bough asked why the printing costs seemed quite high. Ms. Hayes said that it is for the editing of the new documents, and to make the design of the guide and map more cohesive. Mr. Bough and Mr. Malinowski said the design costs seemed high, and asked that Ms. Hayes look into the charges and get bids from other companies.

14. Chamber of Commerce– Signature Summer Event & Regional Promotion– Marne Hayes & Eric Ladd

Mr. Bough said the Board has received several requests for the funding of branding and events in Big Sky. Ms. Hayes said that the Professional Bull Rider Events carry quite a reputation. Mr. Loble asked what the typical demographic for the spectators of this event is. Mr. Ladd said that they vary from families to high profile people. He said that professional bull riding is the fastest growing spectator sport, and he was worried locals will not be able to get tickets to the event because it will sellout so quickly. Mr. Loble asked about the event, and asked who would get the money from ticket sales. Mr. Ladd said that it would be a three day event, and that the promoter would receive the funds. Mr. Bough said that the purpose of the event is to draw people to Big Sky, but not become the sponsor of a private event. Mr. Ladd said that if the event made a profit, they would not request payment from BSRAD. Mr. Child asked about the event budget, and Ms Hermann asked if they were looking for seed money. Mr. Ladd said that the money would go to promotion of the event. Ms. Hermann asked if they had national sponsors, and Mr. Ladd said that they did not, but ideally the event would help them to in the future.

15. Blue Water Task Force – Watershed Group Funding – Kristin Gardener

Mr. Malinowski asked why the request increased from \$20,000 last year to \$49,000 this year. Ms. Gardener said that last year she was not granted her full request. She described the new programs, an interpretive trail and a demonstration rain garden. Mr. Loble asked how much the stream monitoring program costs alone. Ms. Gardener said that the water monitoring would be \$1300. Mr. Child said that the TMDL used to be the focus of the request, and asked about the program’s changes. Ms. Gardener said that through the initial testing, the Task Force discovered issues that need to be resolved. Mr. Child asked how the rain garden would help. Ms. Gardener said that it would capture excess nutrients and sediment, and serve as a model to the community. Mr. Malinowski asked how much the Blue Water Task Force pays in rent. Mr. Malinowski asked if her organization would be interested in moving to the old BSRAD space. Ms. Gardener answered that she would ask her Board of Directors.

16. Friends of the Big Sky Library – Community Library – Kay Reeves & Kathy House

Mr. Loble asked about the change in amounts requested last year as compared to this year. Mr. Malinowski asked why the reserve fund is still so large when the BSRAD Board has requested that they lower their reserve amount. Ms. Reeves said that they feel their reserve should be about \$25,000, and that they are slowly decreasing the amount.

17. Big Sky Institute – Community & Educational Greenhouse – **Withdrawn**

18. Lone Peak Partners – Recreational Plaza – Andy Driesbach

Mr. Malinowski asked if Lone Peak Partners was in existence, and Mr. Driesbach said that they are in the process of incorporating. Mr. Loble asked as to why they applied for only \$1. Mr. Driesbach said that it was to promote community awareness. Mr. Bough asked what the community educational facility would be used for. Mr. Driesbach listed possible uses, including a museum or childcare facility, and said that it was designed as a place holder. Mr. Malinowski said that their goals are similar to those of the BSCC, and asked if they are working together. Mr. Driesbach said that they had, but he did not feel that they were competing with each other. Mr. Driesbach said that he felt the recreational plaza would focus more on winter and shoulder season recreation. Mr. Bough asked who the principals are in this project. Mr. Driesbach said that investors included Matt Morris. Mr. Bough asked if the building would be commercial or community. Mr. Driesbach said that the expenses would rule out free operation, and they expect to use some space commercially to generate money. Mr. Bough said that Lone Peak Partners c consult with Mona Jamison about the legal details. Ms. Jamison asked when they expected to have a business plan, what parts would be non- profit, and if they would be applying for money for design. Mr. Driesbach said that he expected to apply for funding to help with operational costs. Ms. Jamison said that the Board cannot commit to long-term funding and asked him to at some point supply the Board with information about similar public-private partnership facilities. Mr. Malinowski said that Lone Peak Partners should come to a scheduled Board meeting to further discuss the details of the proposed project.

19. Morningstar Learning Center – Excellence in Early Education and Childcare – Whitney McKenzie & Laura Sacchi

Mr. Bough asked how the money would be used, if there would be similar restrictions, and why the request tripled. Ms. Sacchi said that the money would be used for scholarships, but that they did not plan to restrict the funds. The school is virtually at capacity, and Morningstar cannot guarantee that there will be room for more students. Morningstar completely spent the \$20,000 awarded last year by the month of February. Total scholarships awarded for the school year equaled \$60,000, which is the amount of the current request. To make up the difference they used funds from an ECEF restricted account, YCCF scholarships grants, and money from last year's fundraisers. Mr. Loble asked about the profit earning potential as it relates to enrollment. Ms. McKenzie said that during the month of February, Morningstar made a profit. Ms. McKenzie said how enrollment varies seasonally. Ms. Sacchi said that her costs also vary greatly. About four months out of the year they operated at or just above a break even point, but for the year they are at a \$15,000 loss. Mr. Child asked how many students need to be enrolled for Morningstar to support itself. Ms. Sacchi said that it's not so much the number of students, but rather a monthly revenue amount of \$19,000 to \$20,000. Mr. Loble asked what the age range is more profitable. Ms. Whitney said that the infant/toddlers are more expensive per child, but Ms. Sacchi said that the preschoolers are more profitable overall. Mr. Child asked why they do not expand the infant/toddler services. Ms. McKenzie said that they have expanded, and that they are restricted by the small nap

room in their current location. Mr. Child asked if there is an ideal place in Big Sky. Ms. Sacchi answered that there is not. Mr. Child asked if they were in an ideal space and at capacity, why were they asking for a \$60,000 operational request. Ms. Sacchi said that the request was to go toward scholarships. Mr. Child said that she had mentioned earlier that she did not want any restrictions on the money. Ms. Sacchi apologized for any confusion, and said that the money would only go towards scholarship requests. She did not want the funds restricted to for new students because the facility cannot accommodate a large number of new students. Approximately 60% of the existing enrollment presently receives a scholarship of some type. Ms. Sacchi said that it was difficult to balance the existing/new student scholarships each month throughout the school year. The fluctuations in enrollment make meeting the restriction guidelines difficult. Mr. Malinowski said the differentiation was necessary so that they continue to seek new enrollees and become self-sustained. His concern is that the facility is at capacity and still not self-sustainable. Ms. Sacchi said that the money would only be given to those through the application process. Mr. Bough if all the applicants for scholarships received assistance. Mr. Bough said that the restrictions set on Morningstar's appropriation last year did not consider what would happen when they reached capacity. Mr. Bough said that some enrollees go to kindergarten, or move away. He said that the split was to encourage new student enrollment within the community. Mr. Child said that in the past Morningstar had said that they could become self-sufficient if they were at capacity. Mr. Bough then asked Ms. Jamison if she still felt that the allocation was legally allowable if there is a capacity constraint. Ms. Jamison cautioned that it may not be able to meet the requirements of serving the community at large. Mr. Bough brought up the concept of a changing the wording of the scholarship application and using a lottery as a basis for awarding the money so that the funds are available to more people in the community. Ms. Jamison stressed that criteria would have to be changed and that no funds could go toward operations. Mr. Bough asked if Morningstar will always require funding, or if it will be able to sustain itself. Mr. Child asked as to whether the money would be available to the person on the waiting list. Mr. Bough said that it would be because of a proposed lottery system. Mr. Child questioned the idea. Ms. Jamison said that governments do not usually provide scholarships, and that there is the question of access. Ms. Sacchi said that due to the demand, they are offering care five days a week starting in July. Mr. Bough said the Board needs to define a criteria that will work when the enrollment is basically static. Ms. McKenzie asked if they are only funding new enrollees, then what about the currently enrolled students that need assistance. Mr. Malinowski asked the Morningstar representatives to supply the Board with the quantity of families who directly benefit from the program, as well as the total dollars allocated over the year. He said that the Board needs to be careful they are not giving a large amount of money to a small group of community members. Ms. Jamison underlined the legal importance of this issue. Mr. Malinowski said that in a prior appropriation, the Board awarded \$300,000 toward the construction of a new facility on the condition that Morningstar would raise \$200,000 for the same purpose. Mr. Malinowski then said that their financials do not account for the \$500,000 that was secured for the construction of a new facility. Ms. Sacchi said that there is a restricted account on the balance sheet with over \$60,000. Mr. Malinowski said that with those funds, the financials do not reflect the entire \$500,000. She said that some of the donations were not restricted and had to be used to cover an operational deficit. The funds are being replaced in the months when the facility is making a profit. She said that the facility had no other choice and had to use the money. Ms. Sacchi said that other resort communities subsidize their childcare, and that Morningstar has survived on donations. She said that only private, in-home facilities have been able to survive in Big Sky because they are not subject to the costs and state licensing requirements. Mr. Child asked about Handprints, and the Morningstar representatives answered that they are not licensed. Mr. Child said that Morningstar seems to need a subsidy. Ms. Sacchi said that they are a 501c3, with a volunteer Board and are providing an important service to the community. Ms. Sacchi said that Morningstar runs a very tight budget, and the scholarships are wonderful for the community. She said that as the economy recovers, her customers may not need scholarships. She said that Morningstar budgets at a break-even point to provide the best possible service for the most people in Big Sky. Mr. Child asked if a lesser dollar amount, such as the \$20,000 would be an appropriate amount to reach the break-even point. Ms. Sacchi said she did not feel \$20,000 was enough, and that if the scholarships are not available for the students, then they might drop out. Mr. Bough asked for a spreadsheet with the compiled amounts of what each student received in scholarships over the year. Ms. McKenzie said that more scholarship money would increase the enrollment. Mr. Malinowski said that the issue is that childcare assistance in general only helps a small

population of the community by nature. Mr. Loble asked about the balance of the accounts that were supposed to be restricted for the building. He questioned whether the funds that went toward operations were restricted. Ms. Jamison said that the Board required that there be a match for the construction. Ms. Sacchi said that all of the accounts add up to more than \$500,000. Mr. Child said that the only other money left would be around \$3,000, and guessed that they are funding the organization from the Money Market account. He said that even if the donations were not restricted, that the BSRAD Board set forth restrictions for the match. Ms. Sacchi said that they raised more than the \$200,000 necessary for the match amount. Mr. Child said that the problem is that the \$500,000 is not accounted for at this time. Mr. Malinowski requested the current financials, and asked whether the organization's accounts had ever dropped below the \$500,000 required by the agreement.

20. Westfork Meadows Owners Association – Road & Drainage improvements – Brandon Bang and Randy Van Horn

Mr. Loble asked for clarification on how the dollar amount was chosen, and questioned as to why they did not apply for funding last year. Mr. Child asked the applicant representatives to justify their request. Mr. Van Horn said that they had not made a decision of what road to pave or received all of the bids in time for the application process. Mr. Loble asked about their accounts receivable. Mr. Bang said that they have a few issues but are sound overall. Ms. Hermann asked if there has been a precedent set concerning road improvements. Ms. Jamison said that they had received funding in previous years, and that she was more concerned about the proportion of the project to be funded. Mr. Malinowski asked how they came to their number. Mr. Van Horn said that he asked for 2/3 of the cost of the project, because 2/3 of the paving is in front of the Fire/Police Departments. The WMOA also covered the cost of paving eighteen feet into the Departments' parking lot to avoid an abrupt edge. Mr. Loble asked if the Fire Department repaved the rest of their parking lot. Mr. Van Horn said that they did not. Mr. Child said if their reasoning was because the Fire and Police departments caused the damage, or because of a safety issue. Mr. Bang said that the WMOA is a small organization and that they have been resurfacing the roads in a timely manner. Mr. Malinowski said that the Meadow Center applied for an RID, and asked why WMOA has not. Mr. Van Horn said that they had tried and failed in the past, and that he would support resort tax funding for repaving the post office parking lot. Mr. Bough said that he was unsure of the amount requested, and was concerned about the justification of the request. Ms. Jamison asked when they found out the cost, and was told it was June 2010. Mr. Child asked if the Police and Fire stations caused the damage. Mr. Van Horn said that they did not have to choose to repair that particular road, but did so in the interest of the community. Their first concern was the usability of the roads by these service vehicles. Mr. Bang said that everyone benefits from the fire/police stations and the 190 working class owners in the association pays for it. Ms. Jamison said that resort tax dollars cannot subsidize a private owners association. Mr. Bang asked how much money was spent towards road construction on other projects, like the Water & Sewer District.

21. Big Sky Community Corporation – Community Park Project – Katie Morrison and Steve Johnson

Mr. Bough asked how much they had received in donations towards the tennis courts and the trails Ms. Morrison answered that they received \$300,000 total for the tennis courts, \$9,000 for the trail and another \$118,000 from the Yellowstone Club. Ms. Herman asked what projects this application would complete. Ms. Morrison said that this work would complete the east end of the park, including the paving of the parking lot and the softball fields, and dirt work. Mr. Child asked what portions of the park would be functional this summer. Ms. Morrison said that the tennis courts, soccer fields, basketball court, two softball fields, and a skate ramp. Ms. Hermann asked how much land would be left for a performance venue. Mr. Johnson said he thought it might be prudent to reevaluate how that land should be used. Ms. Hermann said that the BSRAD Board allocated money for a project that included a performance venue, and that the initial survey of Big Sky indicated that locals wanted a performance venue. Mr. Johnson said that to build a large venue, they would also have to build a very large parking lot. Ms. Hermann asked whether they intend to clear the land for a smaller venue. Ms. Morrison confirmed and said that they have done the groundwork, and are installing power at the site to be used with the current

mobile stage. Mr. Child asked as to how much parking might be required. Mr. Johnson said that for a 5000 person venue, they would probably require roughly 1600 parking spaces.

22. Big Sky Community Corporation – Operations - Katie Morrison and Steve Johnson

Mr. Bough asked why the maintenance costs increased so much from last year. Ms. Morrison said that they raised the number to cover unforeseen expenses. Mr. Johnson said that they now have a lot of assets that they must maintain. Mr. Malinowski asked for clarification of the line item “community asset management”. Ms Morrison said that it was for costs such as mowing or bear dumpsters. He then asked about the line item “administrative support”. Ms. Morrison said that it was for insurance, accounting services, utilities, and rent (\$400 per month). Mr. Child asked if most of the costs are typically recurring. The representatives said that most costs are recurring, but that some aging assets periodically require significant work.

23. Gallatin Canyon Business Association – Marketing – Dave O’Connor \$24,170

Mr. O’Connor offered a synopsis of the reasoning behind the application. The purpose is to promote the South Gallatin Canyon businesses amongst locals as well as visitors. The businesses have unique characteristics when compared to other areas of Big Sky. He said the distinct nature of the summer and winter markets, and feels that the Gallatin Canyon businesses are poised to capture the business of passersby. They want to capture business from the northbound travelers. Mr. Bough said he was concerned that the application needed more specific information, and said he was concerned about dividing the community. Mr. O’Connor said that he feels that their identity is slightly different. Mr. Child asked if having a storefront in West Yellowstone would be more beneficial. Mr. O’Connor said that he felt it would not be well received by the citizens of West Yellowstone, who already send business to Big Sky. Mr. Malinowski said that he felt it was better to market coming to Big Sky, rather than the just the Gallatin Canyon. Mr. Loble said he is concerned that this would vulcanize Big Sky, and does not think it is wise to fragment the community. Mr. O’Connor said that during the summer; people do not use Big Sky as a travel destination. Mr. Bough said that historically, the group marketing of Big Sky has been a success, and questioned whether the requests would increase over time. Mr. O’Connor said that he felt that the canyon is distinct enough to require its own marketing campaign. Mr. Bough asked if their group rejected being associated with Big Sky. Mr. O’Connor answered that the canyon would be marketed as a part of Big Sky. Mr. Loble asked if visuals would be received before the next meeting. Mr. O’Connor said that he would try to supply them. Mr. Malinowski said that two of the businesses are outside the District. Ms. Jamison said that the money could only be spent within the District, and that any businesses outside the District could not be specifically named.

24. Jack Creek Preserve Foundation – Water Quality Monitoring Project – Kevin Germain

Mr. Bough asked about how this organization’s data differs from Blue Water Task Force. Mr. Germain said that they are very similar, just in a separate watershed. One-third of this watershed is located within the BSRAD. Mr. Bough said their partnership with Ennis High School and Madison Conservation District, and asked if they will partner with Lone Peak High School if they received funding. Mr. Germain said that they have worked with the Ennis High School in hopes of involving students and generating awareness, and would do the same with Lone Peak High School.

25. Northern Rocky Mountain Resource Conservation and Development Area, Inc. – Noxious Weed Project - John Councilman and Jennifer Mohler

Mr. Malinowski said that due to the turnover within the organization, there was gap in service, and did the BSRAD receive the service that they paid for. Ms. Mohler said that there was a small gap, but she took over the program quickly. Mr. Malinowski said he spoke with a community member who was

concerned about the amount of money spent on administration and mapping. Ms. Mohler said that the mapping was completed in 2009. Though they paid money for mapping, their partners donated their time to assist with the project. Mr. Councilman said that most of the time is donated. Mr. Malinowski asked if more money should go toward treatment or cost sharing. Ms. Mohler said they are different programs. Mr. Child asked whether or not she actually helps landowners spray their weeds. She confirmed that she mostly identifies weeds and connects homeowners with resources to kill the weeds. She said that they do volunteer spray. Mr. Child asked for clarification on how the cost share funds are used. Ms. Mohler said that the funds go to reimburse landowners or organizations.

26. MSU Ski Team – Alpine Competition Funding – Jeremy Heinrichon

Mr. Loble asked if the application was legally eligible for funding. Ms. Jamison answered that it is not. It is funding a MSU organization, which is not inside the District. She said that the law states that the organization must be located within the District. Mr. Heinrichon said they hold their events in Big Sky, and that their budget was cut twenty percent. Ms. Jamison said they will need to find other funding sources. Mr. Loble said that the law states that the funds must help the community at large.

27. Big Sky Sewer & Water – Debt Service Cost Sharing – Terry Smith

Mr. Malinowski said that this money is for property tax reduction to everyone in the Water and Sewer District.

28. Big Sky Sewer & Water – Pilot Snowmaking Project – Terry Smith

Mr. Loble asked if there is any progress. Mr. Smith said that Ron Edwards heard from Terry Campbell that the project has been approved. Kevin Germain said that it has been a monumental achievement to have cleared this with the DEQ. He said that the project is moving forward, though it is a lengthy process. Mr. Bough asked if they could produce written evidence of progress before the appropriation meeting. Mr. Smith said that he would try. Mr. Bough asked if anyone else has a similar program. Mr. Germain said that it is done in Australia and a variation of the project exists in Vermont.

29. The Post Office, LLC. – The Big Sky Post Office – Al Malinowski.

Mr. Loble asked about the 13% increase in the request. Mr. Malinowski said that he tries to create a reasonable budget which includes a small cushion for unforeseen costs. This cushion is returned if not needed. He also said that The Post Office, LLC has only used its total resort tax allocation once. Mr. Malinowski said that he is very hesitant to ask the USPS for more money, considering all the closings. Mr. Bough asked about how The Post Office, LLC charges for boxes, and what percentages of these boxes are paid. Mr. Malinowski said that if you are in an area where you can receive mail via the road, then you have to purchase a box, and that around 20% to 30% of the box holders are charged. Mr. Bough asked if they set the rates. Mr. Malinowski said that as a contract station, The Post Office can only follow the rules set forth by the USPS, and that all money collected goes directly to them. He said that he would prefer a USPS run post office, but that it is unlikely to happen. Ms. Hermann asked if they could charge for all of the boxes. Mr. Malinowski said that it is required by the USPS mandate to provide every U.S. citizen with mail service.

30. MSU – Big Sky Forest Health and Fire Safe Program – Crystal Hagerman

Mr. Loble asked what the “funding uncertainties” from paragraph two of the application. Ms. Hagerman said that the Natural Resource Conservation Service cut their budget to help fund the RC&D. They decided to apply under MSU Gallatin County Extension umbrella, though the program will operate in exactly the same way.

3) Public Comment

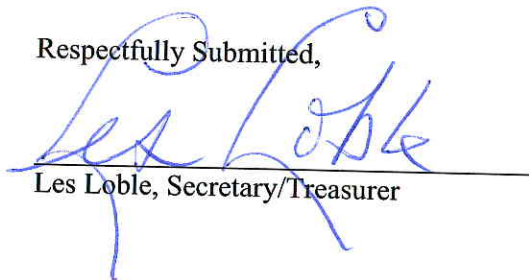
Steve Johnson supported the Fire Department applications and the Parks and Trails.

Beth Van Horn supported of the Arts’ Council and the Westfork Owners’ Association request.

Kevin Germain supported the Search and Rescue, the Fire Department, the pilot snowmaking project, and the Blue Water Task Force.

Chairperson, Al Malinowski adjourned the meeting at 6:29 p.m.

Respectfully Submitted,



Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT SPECIAL OPEN BOARD MEETING

June 15, 2011

Present: Al Malinowski, Chairperson
Lance Child, Vice-Chair
Les Loble, Secretary/Treasurer
Ginna Hermann, Director
Loren Bough, Director
Mona Jamison, Attorney
Amy Smit, Administrative Officer

Chairperson, Al Malinowski, called the meeting to order at 11:00 a.m.

A. Open Meeting – 11:00am at the District office – 11 Lone Peak Drive, Suite 204

1. Public Comment – none

2. Legal Matters – Halfmoonshot 3D, LLC. – Cariline Davis-Dyer and Tom Stonecipher

- a. Mr. Malinowski noted that a reporter was present, but left because he was here for a different item.
- b. Mr. Stonecipher, counsel to Ms. Davis-Dyer, referred to the letter and list of payments he previously sent to the Board. He next referred to the previous payment plan that he thought stated that the penalty awarded through the lawsuit would be waived if the original outstanding taxes were paid. He acknowledged that not all the payments in the payment plan were made, and that some checks bounced. He felt that Ms. Davis-Dyer had made significant payments toward the plan. He noted that she has fallen behind on her current payments, but was current on her March 2011 and April 2011 payments. Mr. Stonecipher said that he has explained to his client that the resort tax must be paid and it is priority. He said that Halfmoonshot 3D is not trying to show disrespect for the tax, but that they are trying to keep from closing. Mr. Stonecipher said that they have renegotiated the Halfmoon's financing. He said that the new proposal would require Halfmoon to stay current on its taxes. Mr. Stonecipher said that he has spoken with Marilyn Christensen of the Liquor Division, and that she is willing to reinstate Halfmoonshot 3D, LLC liquor license immediately upon receiving confirmation of a payment agreement accepted by the BSRAD. He said that there is no hidden money, and that Mr. Dyer has been out of work for some time. He asked Ms. Jamison if she could immediately contact the Liquor Division to have the license reinstated.

Ms. Jamison said that Mr. Stonecipher is very cordial and pleasant to work with. She answered that she is against contacting the Liquor Division before all parties sign a "letter of understanding". Ms. Jamison said that the Board has no obligation to accept a payment plan or forgive penalties because they were granted in the judgment against Halfmoonshot 3D, LLC. She said that Halfmoon collected the money as an agent of the District, and that the Board could press criminal charges for the misuse of tax funds. Ms. Jamison said that she recommends that the BSRAD not accept any post dated checks if there is a payment plan agreement.

Mr. Loble asked Ms. Jamison if there would be any issue trying to revoke the liquor license again in the future, as it has been done twice thus far. Mr. Loble was concerned that the Liquor division may question the credibility of the BSRAD. Ms. Jamison answered that the Liquor Division would not renew or revoke the license, with an option for a hearing. The Board discussed the nature of some payments made on the account. Ms. Smit explained that the spreadsheet she produced outlining the judgment against Halfmoonshot 3D, LLC and the payment received did not include an amount for July 2011, as the amount has not been reported. She also explained that the way payments were applied in the BSRAD system differ from the way shown in the letter received from Mr. Stonecipher. She said during the payment plan, Halfmoon was also paying on recent invoices rather than the oldest amount past due.

Mr. Bough noted that the base tax amount from the judgment had been paid, and asked how much of a payment Ms. Davis-Dyer would make today. Mr. Stonecipher answered that they had no payment. Mr. Bough said that the BSRAD Board has made every possible concession for Ms. Davis-Dyer, and without an immediate payment, he would not consider a payment plan. Mr. Stonecipher said that she needed to sell liquor to make money to pay the taxes. He expressed his frustration that he was not involved in the issue earlier. Ms. Jamison said that Ms. Davis-Dyer created the previous payment plan and changed it. She said the BSRAD Board only held her to follow the agreement she created. Mr. Malinowski asked how the Board could justify special treatment of the Halfmoon to other tax collectors. Mr. Child said that Ms. Davis-Dyer has not honored any payment plan she has set up with the Board. He asked why they consider another payment plan when the only way they have gotten a response was to revoke the liquor license. Ms. Hermann said that there was still no response to the question of how the BSRAD Board could justify letting the Halfmoon be so delinquent on their tax remittances. Mr. Stonecipher said that Ms. Davis-Dyer would stay current on all future payments.

Mr. Malinowski said the Board should start a discussion. He said he would not relieve the legal fees and interest because of the time an expense involved. Mr. Loble said that if this were a payroll liability tax, the IRS would have shut down. He said that the Board has been more than accommodating. Mr. Child said that other businesses do not have difficulty remitting the taxes they collect. He said that without an immediate payment, they would just be accepting another promise. Mr. Stonecipher said that they would try to get together a payment. Mr. Bough said that Mr. Stonecipher must not be aware of the broken promises made by Ms. Davis-Dyer. He said that he would only accept an agreement that paid all past due tax amounts up front. Ms. Hermann said that she also would require a sizeable payment up front. Mr. Loble said that he was resistant to reinstating the liquor license, and feared she will stop making payments in the near future. Mr. Child said he would only consider a plan that pays all past due taxes immediately, makes payments toward the interest and legal fees awarded in the judgment, and stays current on new tax remittances going forward. Discussion ensued.

Mr. Bough said that if there is no immediate payment, they should reject the proposal. Motion by Mr. Bough to reject the proposal made by Halfmoonshot 3D, LLC. Second by Mr. Loble. All in favor. Motion passed.

Mr. Bough asked what type of plan the Board might accept. Ms. Hermann said that if they do agree to another payment plan, the Halfmoon must be open. Mr. Child said he would accept a plan that paid all delinquent taxes, interest and late fees, and the unreported amount collected in July 2010 paid up front. He said that all past due interest, late, and legal fees from the judgment must be paid within six months, and she must remain current with new tax remittances. Ms. Jamison recommended putting her on a payment schedule. Mr. Bough said that the Board should still consider waiving the judgment penalty if she makes all of her payments on time. Mr. Malinowski said that he is torn, but that he would agree to something like this. Ms. Jamison said that the Board does not want to be involved with a change in the agreement, and that Mr. Stonecipher and his client need to present another proposal. Ms. Davis-Dyer and Mr. Stonecipher left at 12:17pm.

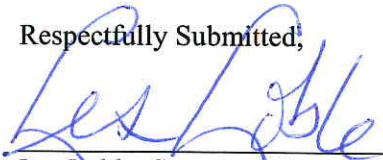
3. Funding Transfers Between Approved Line Items - Northern Rocky Mountain RC&D and Big Sky Community Corporation.

1. Mr. Malinowski explained that two organizations would like to transfer funds from one approved line item to another. Mr. Loble moved to approve the transfer of funds between approved line items for both the Northern Rocky Mountain RC&D and

Big Sky Community Corporation 2010-2011 funding requests. Second by Mr. Bough.
All in favor. Motion passed.

Chairperson, Al Malinowski, adjourned the meeting at 12:18 p.m.

Respectfully Submitted,



Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

APPROPRIATIONS MEETING

June 15, 2011

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Les Loble, Secretary/Treasurer
Loren Bough, Director
Ginna Hermann, Director
Mona Jamison, Attorney
Amy Smit, Administrative Officer

Chairperson, Al Malinowski, called the meeting to order at 1:07 p.m.

D) Open Meeting

Mr. Malinowski began the meeting by reviewing the agenda.

A) Public Comment

Tom Owen, owner of Gallatin Alpine Sports, supported the Arts Council, specifically the matching grant for the free Classical Music event.

Becky Pape supported the Discover Gallatin Canyon application. She said that the Canyon businesses do not benefit much from BSRAD funding and get the short end of the stick. Ms. Pape said that development of the Gallatin Canyon Business Association will not separate the community. The goal is to capture visitors that would otherwise pass by, and inform them about the Big Sky area.

Mike Scholz supported resort tax appropriations that support and promote community businesses.

B) General Announcements

Mr. Malinowski thanked the Board members for their work. He said that four of the five Board seats will be up for election this fall. Mr. Loble thanked Mr. Malinowski for his work as an excellent Chairman. Mr. Malinowski said that anyone interested in running should contact the BSRAD's Administrative Officer for the nominating forms.

C) 2010-2011 Resort Tax Funds Appropriations

a. Funds Available

Mr. Malinowski said the amount of funds available for 2011-2012 appropriations is \$2,154,168.82. He said the figure includes new and rollover requests but does not include the annual, mandatory appropriation of \$500,000.00 for the Water & Sewer District bond.

Motion by Mr. Bough to approve \$2,154,168.82 to be appropriated to new and rollover requests. Second by Ms. Hermann.

Discussion: none

All in favor. Motion passed.

b. Appropriation of Funds

1) Motion by Ms. Hermann to approve the Friends of the Big Sky Community Library's request in the amount of \$52,000. Second by Mr. Bough.

Discussion: Mr. Lance asked why she moved to appropriate \$5,000 less than requested. Ms. Hermann said that they have money in reserve and were able to function on that amount in the past.

All in favor. Motion passed.

2) Motion by Mr. Loble to approve the Women In Action (\$9,200) and Water & Sewer District's Pilot Snowmaking Project (\$15,000) rollover requests. Second by Mr. Bough.

Discussion: None.

All in favor. Motion passed.

3) Motion by Mr. Bough to approve the Gallatin County Sherriff's Office Canyon Patrol Services request in the amount of \$122,498. Second by Mr. Loble.

Discussion: Mr. Child said that he is concerned that the request amounts keep increasing, and he does not feel like BSRAD should have to cover past pay increases. Mr. Bough said that he was unsatisfied with the answer as to why the budget has increased. He also said that he wants to honor the past Boards' agreement.

All in favor. Motion passed.

4) Motion by Mr. Bough to approve the Big Sky Transportation District request of in the amount of \$250,000. Second by Ms. Hermann.

Discussion: Mr. Bough said that last year's figures show an increase in ridership, but a decrease in the number of routes, and he felt that this level of funding will be sufficient. Mr. Loble asked about the timing of payments from the BSRAD and from other agencies, and whether Mr. Malinowski and the other Board members were comfortable that they were not being overfunded. Mr. Malinowski said that BSRAD does initially overfund them to facilitate cash flow, but the year end reconciliation resolves this issue. Mr. Child asked about the Transportation District's reconciliation process, and its discussion at the April 2011 Board meeting. Mr. Malinowski answered that the BSRAD waits to reconcile with audited financials. Ms. Hermann said the Transportation District has done a wonderful job raising funds by charging fares. Mr. Malinowski said that he hoped the District will continue to charge reasonable fares. Mr. Bough encouraged the Transportation District to communicate with the public to determine the public's future needs.

All in favor. Motion passed.

5) Motion by Mr. Loble to approve the Arts Council of Big Sky request in the amount of \$82,775. Second by Mr. Bough.

Discussion: Mr. Loble said the Arts Council is doing a great job, and that its programs are an important in developing Big Sky's culture.

All in favor. Motion passed.

6) Motion by Mr. Bough to approve the Women In Action request in the amount of \$20,800. Second by Mr. Child.

Discussion: Mr. Bough said that the program has done a fantastic job helping an underserved area of the community. Ms. Hermann agreed, and asked to have a formal evaluation of how effective the program is.

Amended motion by Mr. Bough to approve the Women In Action request in the amount of \$20,800 under the condition that they submit an evaluation report to the BSRAD Board by March 31, 2012. Second by Mr. Child. All in favor. Motion passed.

7) Motion by Mr. Loble to approve the Gallatin Valley Snowmobile Association request in the amount of \$15,000.00. Second by Ms. Hermann.

Discussion: Mr. Loble noted that BSRAD has appropriated the same amount every year. Mr. Malinowski said that they only received \$12,000 in 2010.

All in favor. Motion passed.

8) Motion by Ms. Hermann to approve the Big Sky Search & Rescue Operations request in the amount of \$10,000.00. Second by Mr. Bough.

Discussion: Mr. Bough spoke about the large rescue effort this spring, and said that the Search & Rescue has completed the building on time and within their budget. He said that it does a fantastic job organizing rescues, in conjunction with Sherriff Cashell.

All in favor. Motion passed.

9) Motion by Mr. Bough to approve the Big Sky Chamber of Commerce Biggest Skiing in America request in the amount of \$200,000.00. Second by Mr. Loble.

Discussion: Ms. Hermann said that the numbers show that the advertising campaign is working.

All in favor. Motion passed.

10) Motion by Mr. Loble to approve the Big Sky Fire Department request in the amount of \$452,250. Motion died for lack of a second.

11) Motion by Mr. Child to approve the Post Office request in the amount of \$44,000.00. Second by Mr. Bough.

Discussion: Mr. Malinowski abstained from the discussion and Vice Chair Child conducted the part of the meeting pertaining to this motion. Ms. Hermann asked why the increase in request from last year. Mr. Child explained that The Post Office never requests payment if they do not need the funding, and did not use \$8,000 of the money appropriated for the 2010-2011 fiscal year.

In favor: Lance Child, Loren Bough, Les Loble, Ginna Hermann
Mr. Malinowski abstained from the vote.

Motion passed.

12) Motion by Mr. Bough to approve the Big Sky Community Corporation's Community Park Project request in the amount of \$179,000. Second by Mr. Child.

Discussion: Ms. Hermann said that the 2010 Phase 1A request which received resort tax funding originally provided space for a large concert venue. The results of the preliminary survey showed that the Big Sky Community put a large concert venue as their top priority. Their new request does not provide a large concert venue at the park. Ms. Hermann said she would like to see the criteria for the venue. Mr. Child said that last years appropriation was not nearly large enough to complete such a venue, and that this application is a scaled down request. Ms. Hermann produced documentation from the last request that showed a large concert venue, and said that there is not room at the park to hold a headline event. Mr. Child said that he feels that the allocated space is quite large. Mr. Bough said that they approved two softball fields and a soccer field reduced the amount of space. Ms. Hermann said she feels the Community Park need a large enough concert venue. Mr. Bough asked why this venue needs to be at the park. Ms. Hermann answered that they have been holding the concerts there for over twenty years, and that the BSCC made the commitment to clear the area to have the space available. Mr. Child quoted the BSCC application: "we have reduced the first phase of this project to the bare essentials". Ms. Herman said that it is confusing how they have changed the application, and the concert venue is just as important as the other park projects. Mr. Loble said that during the 2010 Q&A, he inquired about the Arts Council venue, and was told that it would be worked out. Mr. Loble agreed with Ms. Hermann that the BSCC has not followed through with regard to this matter. Mr. Malinowski asked Katie Morrison of the BSCC if a

music venue was still in the plans. Ms. Morrison answered yes, that they have poured a pad for the temporary stage and that they plan to bring electricity to the site. Ms. Morrison said that they said that have worked with engineer Trever McSpadden to figure out how to fit a large number of people into the space. Mr. Bough asked that Mr. McSpadden speak to the issue. Mr. McSpadden said that they have done mathematic calculations to figure out how to fit people into the location, and that lack of parking is a problem. Ms. Hermann said she believes the potential is there, but is concerned that there is no money set aside to clear the sagebrush. Mr. Johnson of the BSCC said he has been clearing the sagebrush. Mr. Child asked if Ms. Hermann desired a timeline for completion of the space. Ms. Hermann said she wanted a commitment to supply a large concert venue. Mr. Child said that there is still no end date for the project. Mr. Bough said that the BSCC has financial constraints. Ms. Hermann said that there is not enough room for the venue or parking. Mr. Johnson said that he has been clearing the sage because Ms. Hermann asked him to do so. Mr. Bough asked him if he feels the site is sufficient. Mr. Johnson said that they compared similar spaces that exist in Eugene, OR and Vail, CO, and that when the space is developed there will be enough room for 5,000 people. Mr. Johnson said that there has been no commitment from the Arts Council that the venue will be used. Mr. Bough said that though he is sensitive to Ms. Hermann's concerns, he would not modify his motion.

In Favor: Al Malinowski, Lance Child, Loren Bough, Les Loble

Opposed: Ginna Hermann

Motion passed.

13) Motion by Mr. Bough to approve the Chamber of Commerce Wayfinding request in the amount of \$40,000. Motion died for lack of a second.

14) Motion by Mr. Loble to approve the Big Sky Chamber of Commerce Strategic Planning & Community Branding Initiative request in the amount of \$20,000.00. Second by Ms. Hermann.

Discussion: Mr. Loble said that the Chamber has had great success with the Biggest Skiing in America campaign, but that the Wayfinding project needs to come after the creation of a strategic plan. Mr. Loble said that he is impressed by the Chamber's efforts, but that they need to organize the effort and create a single vision. Mr. Bough said that the best ideas in this community come from private businesses, which others then support. He is concerned that the Strategic Planning and Branding Initiative application focuses on creating a summer brand for Big Sky, and may not be an effective use of money. Mr. Bough said he is opposed the vague nature of this application. Mr. Loble said that he is no longer on the Fire Board, but that the Fire Department has benefited greatly from developing their strategic plan. Ms. Hermann said she would like to see a more cohesive marketing effort among the different organizations of Big Sky. Mr. Bough said that the community has multiple stakeholders, and that this diverse group cannot duplicate a single entity strategic plan. Mr. Bough said that he has not seen much support for this application. Mr. Child agreed that the Chamber of Commerce needs a strategic plan, but that the request was not focused enough to be effective. Mr. Malinowski said he agrees that there is a need for a strategic plan, and is willing to support this application. Mr. Child agreed that he is willing to support the effort. Mr. Loble asked about an additional funding plan contingent on submission of a strategic plan to the BSRAD Board. Mr. Bough said he thinks there are a lot of weaknesses in the application, and that he will expect tangible results if the request is funded.

In favor: Les Loble, Al Malinowski, Lance Child, Ginna Hermann

Opposed: Loren Bough

Motion passed.

15) Motion by Mr. Loble to approve the Chamber of Commerce Publications Printing request in the amount of \$31,000. Second by Ms. Hermann.

Discussion: Ms. Hermann said that the Chamber lowered the amount requested to \$25,344. Mr. Child confirmed this.

Amended motion by Mr. Loble to approve the request in the amount of \$25,344.00. Second by Ms. Hermann. All in favor. Motion passed.

16) Motion by Mr. Bough to approve the Chamber of Commerce Wayfinding Signage & Entryway Monument request in the amount of \$33,000. Second by Mr. Child.

Discussion: Mr. Bough said that this request is for permitting & design, and that private money has already supported this project. Funding this will allow the Chamber to create a visual representation of the prospective signage, that the community and BSRAD Board will be able to make a decision about. Mr. Bough said this application could help create a sense of place and help guide people into the community. Mr. Child asked the Chamber representative, Robin Hicks, if the request amount would produce a visual representation of what the monument and signage would look like. Ms. Hicks answered that it would. Mr. Child said that he would like to see this request split into two separate requests. Mr. Child said that he has felt community support for the entryway monument, but not necessarily the Wayfinding plan. Mr. Bough said that he agreed with this view, and that he expects this project to have multiple stages.

All in favor. Motion passed.

17) Motion by Mr. Loble to approve the Big Sky Fire Department Operations request in the amount of \$430,000.00. Second by Mr. Bough.

Discussion: Mr. Loble said that Fire Department's research demonstrated that the Fire Department serves mostly as an EMS service for visitors. He said he feels the mill levy was not passed because voters understand that the Fire Department mainly serves visitors, and that resort tax money should fund these services. Mr. Child did not agree that Big Sky's voters understand that the Fire Department primarily provides emergency medical services, or that resort tax should be automatically held responsible to cover this deficit. He said that he did not think the formula used by the Fire Department to request funding should be used in the future. Mr. Malinowski said that this application differs from past applications because it does not ask for deficit funding, but rather it requests operating funds. Mr. Loble said that though he is no longer on the Fire Board, he has witnessed their priorities evolve. Sometimes the District has wanted applications for specific items, such as capital items, and sometimes it has wanted applications to cover operations including deficits. Mr. Loble said that he feels this request was clear and rational.

All in favor. Motion passed.

18) Motion by Mr. Bough to approve the Gallatin County Sherriff's Office Special Event Fund request in the amount of \$10,000.00. Second by Mr. Loble.

Discussion: Mr. Bough said that he is not in favor of this request, but wanted to address it out of respect for Sherriff Cashell's time.

In favor:

Opposed: Lance Child, Les Loble, Al Malinowski, Loren Bough, Ginna Hermann

Motion failed.

19) Motion by Mr. Bough to approve the Chamber of Commerce Signature Summer Event & Regional Promotion request in the amount of \$23,000.00, under the condition that the event undergoes a full reconciliation and the money is returned if the event turns a profit. Second by Ms. Hermann.

Discussion: Mr. Bough said this event has donors and community members risking their own money to create this event for the community, with the idea that it will become annual. He said that resort tax should be used to promote tourism to support local businesses. The reconciliation provision ensures that the community money will only be used if the event turns a profit. Ms. Hermann asked if they could roll the fund over into a reserve account to continue and build the PBR event in the future. She said that BSRAD funds cannot go to a for profit entity. Mr. Loble agreed, and said that if they had not funneled their request through the Chamber of Commerce, they would not have been eligible to receive resort tax funding. Mr. Malinowski said that the request has two parts: \$20,000 toward the rodeo, and \$3,000 toward radio advertising. Mr. Child said he was excited about the event, but that he believes it is a for-profit event and would create a slippery slope issue concerning the funding of such events organized by businesses. He said that the PBR circuit must be profitable, or it wouldn't exist. Mr. Child said he felt the funding for this should come from the Chamber of Commerce members and other local businesses that will benefit from this event. Mr. Bough said that he understood this concern, and that local businesses are already supporting this event. He said that the idea is to bring new events that will draw

people to Big Sky. He said that the Arts Council coordinates for-profit performers, etc. to perform in Big Sky as well. Mr. Malinowski asked if the event will not turn a profit immediately, why they expect that it will in the future. Mr. Bough explained after an event is successful, larger sponsors will be more willing to fund them. He said that the risk is in the startup costs, and that he acknowledges there is a slippery slope concern. Mr. Bough said that the audit process will serve as a safe guard. Mr. Lance asked rhetorically if the event will be able to sustain itself based upon attendance. Mr. Malinowski asked where they will get funding if it is not appropriated by the BSRAD Board.

In favor: Loren Bough, Ginna Hermann

Opposed: Les Loble, Al Malinowski, Lance Child

Motion fails.

20) Motion by Mr. Loble to approve the Blue Water Task Force request in the amount of \$33,000.00. Second by Ms. Hermann.

Discussion: Mr. Loble said that the BWTF does a great job, but he feels the core mission can survive with less support.

All in favor. Motion passes.

21) Motion by Ms. Hermann to approve the Lone Peak Partners recreational plaza request in the amount of \$1.00. Second by Mr. Bough.

Discussion: Mr. Malinowski said he does not want to bear the expense of writing a contract for a \$1 appropriation. Mr. Bough said that he likes volunteer project ideas, but does not want to encourage applications filed solely for the purpose of publicity. He said that there are many legal concerns regarding the proposed mix of profit and non-profit. Mr. Bough said he is also concerned about the size of the project, and encouraged the applicants to discuss the legal issues with Ms. Jamison and the Board. Ms. Hermann encouraged Lone Peak Partners to coordinate with the other entities that have similar interests or goals. Mr. Malinowski said that the BSRAD Board of directors encourages future applicants to attend the monthly Board meetings to seek advice. Mr. Loble said that this could also help a prospective applicant get a feel for the viewpoints of the Board members.

In favor: Ginna Hermann

Opposed: Al Malinowski, Loren Bough, Les Loble, Lance Child

Motion fails.

22) Motion by Mr. Bough to approve the Northern Rocky Mountain RC&D Noxious Weed Project request in the amount of \$19,000.00. Second by Mr. Loble.

Discussion: Mr. Bough said that the Board understands from the past that this project will not occur if it is not funded the full amount. He said that he would like to see a larger amount spent on actual spraying. Mr. Child said that in his experience in using the program, they identify any noxious weeds and instruct on how to deal with them, but he wondered if they follow up to see if the weeds have been treated. Mr. Loble said he would like to see some report of their effectiveness later this year with statistics. Mr. Malinowski encouraged all of the organizations that receive funding to communicate with the BSRAD Board and report on their programs.

All in favor. Motion passed.

23) Motion by Mr. Child to approve the MSU Big Sky Forest Health and Fire Safe Program request in the amount of \$15,600. Second by Ms. Hermann.

Discussion: none

All in favor. Motion passed.

24) Motion by Mr. Loble to approve the Jack Creek Reserve request in the amount of \$2,000. Second by Mr. Bough.

Discussion: Mr. Loble said that BSRAD does not fund many projects in the Madison County, but that the resort tax is collected there. He said that this is the Madison county equivalent of the Blue Water Task Force.

All in favor. Motion passed.

25) Motion by Mr. Bough to approve the Morningstar Learning Center Scholarship request in the amount of \$20,000, under the condition that money is used for need-based scholarships and the number of students receiving scholarships not be less than the previous year. Second by Ms. Hermann.

Discussion: Mr. Bough asked Ms. Jamison if the letters received as part of the application were public record. He then referred to the letter from Morningstar Director Laura Sacchi, which criticized a BSRAD Board member. He said that it was inappropriate, and that none of her allegations were accurate. Mr. Bough said that if Ms. Sacchi were present, he would have asked for a public apology. Mr. Bough said that he feels the need for childcare is critical in Big Sky, and that Morningstar Learning Center runs an amazing program. He asked the Board to consider the fact that Big Sky has a lack of childcare services, and for many people Morningstar is the only option. Mr. Loble said that the original Morningstar building was never finished, and that now the BSRAD is subsidizing childcare. Mr. Loble said that it is not clear whether Morningstar has kept its agreement to raise and secure \$200,000 to match the \$300,000 appropriated by the BSRAD three years ago. Morningstar's books show two restricted accounts. In its letter of June 2, 2011, it stated it may not disclose the nature of the restrictions. Without knowing the nature of the restrictions, BSRAD may not assume these accounts meet the requirements of the agreement. Two other accounts (100-03 and 100-04 totaling \$47,475.60) are unrestricted according to the June 2, 2011 letter. BSRAD's attorney has advised that unrestricted accounts do not meet the requirements of the agreement. Mr. Child said that childcare is necessary in every community, but that it never was publicly subsidized in the Big Sky community before Morningstar. He said that the appropriations to Morningstar have taken a sector of private business and put it in public hands. Mr. Child said that by essentially publicly subsidizing Morningstar, they have taken the incentive away from other perspective childcare businesses. Mr. Child said that Morningstar's original model with a low teacher/child ratio, high quality surroundings, and low cost is not feasible, especially here in Big Sky. He said it is not the BSRAD job to tell a business how to run, or to support a business model that is not working. Mr. Malinowski said that much emotion is associated with this issue, and Morningstar is a great organization. He said that the issue is whether or not public money may be used to fund this program which only affects a small portion of the community. Mr. Malinowski it is questionable whether this program fulfills the BSRAD Board's obligation to fund projects that serve the community at large. Morningstar originally applied for funding to build a community center, and at the time the Board stated funding could not be granted solely for daycare. Mr. Malinowski said that last year the Board funded Morningstar to help increase its enrollment to a point where it could sustain itself. He said that he is not against childcare, but he feels this Morningstar request may not be funded by public funds. Ms. Jamison said from a legal standpoint, BSRAD has, in previous appropriations, pushed the envelope to fund Morningstar. She said that she is not against daycare or children, but she cannot assure the Board that it serves the community at large. Ms. Jamison said that it is her obligation to advise the Board on how to interpret the resort tax law. Mr. Malinowski said that while childcare is a priority, the community has expressed that it has other higher priorities.

In Favor: Loren Bough, Ginna Hermann

Opposed: Al Malinowski, Lance Child, Les Loble

Motion fails.

26) Motion by Mr. Bough to approve the Big Sky Community Corporation Operations & Maintenance request in the amount of \$95,000. Second by Mr. Loble.

Discussion: Mr. Bough said that he lowered the amount because every organization can survive with 5% less.

All in favor. Motion passes.

Mr. Malinowski listed the requests that had not been discussed. Mr. Child said that if a motion failed, a new motion could be raised concerning the same request.

27) Motion by Mr. Loble to approve the Big Sky Sewer & Water request in the amount of \$250,000. Second by Mr. Bough.

Discussion: Mr. Loble said that he felt some reduction was necessary, but that this request benefits a large portion of the community. Mr. Malinowski said that the funding of this request directly lowers property taxes, rather than funds the Water & Sewer District. He said that when the bonds were approved, it was understood that the Water & Sewer district would continually request resort tax funding on behalf of its customers to defray costs. Mr. Malinowski said that the need for an adequate Sewer & Water system was a large factor in the adoption of the resort tax in Big Sky. Ms. Jamison said that there was a moratorium on all construction in Big Sky. Mr. Child said that 2013 is the final year BSRAD is obligated to fund the Water & Sewer bond. A discussion ensued about the amount and timing of the final bond payment.

In favor: Les Loble, Al Malinowski, Loren Bough, Ginna Hermann

Opposed: Lance Child

Motion passes.

FIVE MINUTE BREAK

Mr. Malinowski resumed the meeting, and said that there was approximately \$231,000 remaining available for appropriation, but that the Board is not obligated to appropriate all of the funds.

28) Motion by Mr. Bough to approve the Gallatin Canyon Business Association Marketing request in the amount of \$20,000.

No second. Motion fails.

29) Motion by Mr. Bough to approve the Chamber of Commerce Signature Summer Event in the amount of \$15,000.

No second. Motion fails.

30) Motion by Mr. Bough to fund the Chamber of Commerce Signature Summer Event request, omitting the Regional Promotion portion, in the amount of \$12,000 under the condition that the money will be returned if the event turns a profit. This will be determined through a full account of all aspects of the event by no later than September 30, 2011.

Second by Ms. Hermann.

Discussion: Mr. Bough said that section 19 of the District ordinance says that resort tax funds can be used to fund "tourism development". He said he feels it is the Board's duty to make these difficult "slippery slope" decisions. Mr. Bough said that this Professional Bull Riding event could become a defining, nationally recognized summer event in Big Sky. He said that he does not favor spending dollars on consultants, but believes in spending dollars on events that will promote the community and its businesses. Mr. Bough said that the resort tax funded events put on by the Arts Council are similar to this PBR event. He said he is confident that the resort tax collected because of this event will be more than \$12,000 appropriation. Mr. Bough said that this event satisfies the BSRAD mandate, and he believes it will bring in substantial business. Mr. Loble asked if the \$12,000 will only be returned if the event makes a profit. Mr. Bough confirmed this, and said that he is not trying to set up an ongoing agreement to support this event. He said that some things resort tax has funded have succeeded, and some have failed. Mr. Bough said that this event could be transformational for the community. Mr. Malinowski said that he would be more comfortable with a lesser amount, but that \$12,000 is an amount that can reasonably be recouped in tax collections from the event. Mr. Child said that a full audit can be costly, and he feels it is unnecessary. Mr. Child said that he would like a full accounting (but not an audit) of the event. Mr. Bough said he will amend his motion to reflect Mr. Child's wishes. Ms. Hermann said she noted that businesses that donate \$12,000 are recognized as a sponsor, and asked if BSRAD would be acknowledged as a sponsor. Ms. Jamison said it would be beneficial for the BSRAD to be named among the sponsors of the event. Mr. Malinowski asked for clarification that Mr. Bough's amended motion would not include funding for the radio campaign portion of the Chamber of Commerce request. Mr. Bough confirmed that the motion did not include funding for the Regional Promotion portion of the request.

All in favor. Motion passed.

31) Motion by Mr. Bough to fund the Gallatin Canyon Business Association request in the amount of \$10,000. No second. Motion fails.

32) Motion by Mr. Child to increase the amount of funding for the Big Sky Transportation District request from \$250,000 to \$290,000. Second by Mr. Bough.

Discussion: Mr. Malinowski if the motion included a condition requiring reconciliation.

Amended motion by Mr. Child to fund the Big Sky Transportation District request in the amount of \$290,000, under the condition that it provides a year end reconciliation with audited financials.

All in favor. Motion passes.

33) Motion by Ms. Hermann to increase the amount of funding granted to the Friends of the Big Sky Library from \$52,000 to \$57,000.

No Second. Motion fails.

Mr. Bough asked Mr. Malinowski what happens to the available funds that have not been appropriated. Mr. Malinowski answered that they stay in the bank accounts to be appropriated in future years. Mr. Loble asked for confirmation that BSRAD still has an emergency fund. Mr. Malinowski answered that yes BSRAD has \$100,000 in the emergency fund, which was created before he sat on the Board. Ms. Jamison said that the fund was created to be used in the event of a flood or other kind of emergency, and that it requires a unanimous vote to use the funds. Mr. Bough asked Mr. Malinowski if it would be possible and/or advantageous to make early payments to the Water & Sewer bond. Discussion ensued about the issue. Mr. Loble said that municipal bonds are very complex and he would not want to spend money with no knowledge of the actual effect. Mr. Bough said he would like to use the money in a way that will benefit the community the most. Mr. Child asked for more information from the Water & Sewer District. Ms. Jamison said that the BSRAD Board is not obligated to spend all of the funds.

34) Motion by Mr. Loble to appropriate the funds according to the previous motions passed by the Board. Second by Ms. Hermann.

All in favor. Motion passes.

D) Public Comment

None.

Al Malinowski adjourned the meeting at 3:46 p.m.

Respectfully Submitted,



Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

July 1, 2011

Present: Lance Child, Acting Chair
Les Loble, Secretary/Treasurer
Loren Bough, Director
Amy Smit, Administrative Officer
Mona Jamison, Attorney (via telephone)

Jolene Keller, reporter

Vice-Chairperson, Lance Child, called the meeting to order at 10:47 a.m.

A. Public Comment: none

B. Halfmoonshot 3D, LLC – Tom Stonecipher and Cariline Davis-Dyer – review of proposal

1. Mr. Stonecipher said that the proposed agreement says it all, Ms. Davis-Dyer agreed. Mr. Loble asked if the bank check (for \$5294.12) presented as payment for back taxes will be deposited if there is no agreement reached. Mr. Stonecipher answered that he felt it would not be deposited if no agreement were reached, and asked Ms. Jamison if she had a different understanding. Ms. Jamison answered that these delinquent taxes are due to the District, and that the Board had not discussed the matter. Ms. Jamison said that Ms. Smit informed her that a remittance coupon for July 2010 had been supplied by Ms. Davis-Dyer, but no payment. Ms. Jamison said the issue should be taken into consideration. She said that there could be criminal charges, but that the Board has never even discussed exercising this option.

Mr. Child said that he wanted everyone to understand that the bank check in the possession of the District for \$5294.12 does not reflect all of the Halfmoon's delinquent taxes. He said that the July 2010 remittance of \$1,810.44 is not accounted for in the bank check, or in the agreement. Mr. Stonecipher said that he acknowledges that the tax is due, but that the check was meant to be part of this agreement, and that it was difficult to raise this money. Mr. Bough said that it is not beneficial to the Halfmoon to discuss where this community money has been used instead of being remitted to the District. Mr. Loble asked if the Halfmoon had made its May 2011 remittance on time. Ms. Smit answered that it was due yesterday, but she had not received payment. Mr. Loble said that this was not encouraging.

Ms. Jamison said that she would like to see two changes in the proposal. Ms. Jamison said that the first paragraph should be changed to include the July 2010 amounts, and in the recital, the word "satisfaction" should be changed to "acceptance". Based on the delinquent taxes, she does not feel that the word "satisfaction" applies. Mr. Child agreed that July 2010 did need to be changed. Mr. Bough asked if paragraph six in the agreement enhances or restricts the powers of the BSRAD Board of Directors in any way. Ms. Jamison said that she believes it reiterates the Board's powers, and asked if Mr. Stonecipher would go on record confirming this fact. Mr. Stonecipher confirmed that paragraph six of the proposal does not change the Board's powers. Mr. Stonecipher and Ms. Davis-Dyer stepped out of the room for a private discussion.

B. Halfmoonshot 3D, LLC – (continued)

Mr. Stonecipher asked Ms. Smit why the July 2010 amount was not included in the original spreadsheet she created. Ms. Smit explained that Ms. Davis-Dyer did not report for July 2010, so she did not know how much she owed. Mr. Child said that this is an honor reporting system, and that for 99 percent of BSRAD collectors remit payment when they report. Mr. Lance asked for the opinions of each Board member.

Mr. Bough said that this agreement does not meet the criteria of paying all past due taxes, as it is missing the July 2010 and May 2011 remittances. He said that if that issue would be resolved, he would accept the proposal.

Mr. Loble said that he disagreed. He said that the Halfmoon neglected to remit its resort taxes for three years, the Board has already released the liquor license once, and that Ms. Davis-Dyer's payment schedules have not been honored in the past. Mr. Loble said that the Halfmoon has had an edge over other businesses by keeping this 3%, and that the BSRAD should not condone this. Mr. Loble said that if an employee skimmed 3%, it would be considered embezzlement and they would be criminally punished. He said that the BSRAD would in effect act as the Halfmoon's bank, when they should be seeking a loan from a bank. Mr. Loble said, in his opinion, the payment schedule will not be honored, and the Board will have to revoke the liquor license again. Mr. Loble said that this process could be drawn out through the hearings and appeals. Mr. Loble said that the BSRAD has been more than charitable, and it was time to put an end to it.

Mr. Bough said that he agreed with Mr. Loble's well-spoken points, and that there was a willful neglect in regards to the payments. He said that they received no real response from Ms. Davis-Dyer until the liquor license was revoked. Mr. Bough said that he does not approve of what has gone on in the past, but that the Board has the responsibility to negotiate in good faith with BSRAD tax collectors. Mr. Bough said he feels that the BSRAD Board should be extremely judicious when exercising the power to shut down a community business. Mr. Bough said he understands that the money could be borrowed from a bank, but that in an imperfect world this is best arrangement that can be made in his judgment. Mr. Bough said for the record that he wanted to reiterate the fact that if the Halfmoon fails to follow this payment schedule, the BSRAD Board will aggressively pursue actions against them.

Mr. Child said that he agrees with the extremely valid points from both Mr. Loble and Mr. Bough. He pointed out that the fact that the May 2011 payment was not made on time does not give him much confidence in the Halfmoon. He said that no one sits on the resort tax Board to decide the fate of local businesses. Mr. Child said that he would only accept an agreement that includes full payment of all past due taxes before the agreement is signed. He said that he believes that the fate of the Halfmoon will be decided by the public, rather than the BSRAD Board.

Mr. Loble agreed that it is a well drafted agreement. Mr. Bough asked if the \$1810.44 would be immediately paid as part of the agreement. Mr. Stonecipher said it would, and asked if the agreement could be altered and signed immediately so that the Halfmoon could operate for the July 4 weekend. Ms. Jamison said it could, and they discussed the legal issues concerning modification of the contract. Mr. Stonecipher said that the modification is in the recital, rather than in one of the provisions. Mr. Loble said he did not have any legal concerns with this change. Discussion ensued about the logistics, including communication with Marilyn Christensen concerning the reinstatement of the liquor license.

Motion by Mr. Bough to approve the agreement regarding payment of the resort tax, subject to the recital wording change from "satisfaction" to "acceptance", and subject to the receipt of a second bank check in the amount of \$2157.81. Second by Mr. Child.

In Favor: Mr. Bough, Mr. Child


Opposed: Mr. Loble

Motion passes.

Mr. Stonecipher and Ms. Davis-Dyer stepped out to speak privately. Ms. Davis-Dyer thanked the Board.

F. Mr. Child adjourned the meeting at 11:29 a.m.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Les Loble", is written over a horizontal line. The signature is stylized and cursive.

Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

July 20, 2011

Present: Al Malinowski, Chairperson
Lance Child, Vice-Chair
Les Loble, Secretary/Treasurer
Ginna Hermann, Director
Amy Smit, Administrative Office

Chairperson, Al Malinowski, called the meeting to order at 11:05 a.m.

I. Open Meeting

A. Public Comment

B. New Business

1. Old Office Space – Katie Morrison of BSCC - Mr. Malinowski said that the Big Sky Community Corporation is interested in renting the District office space at 77 Aspen Leaf Drive. Discussion ensued considering the timing and the terms of the agreement. Mr. Loble moved that the Big Sky Resort Area District lease the space at 77 Aspen Leaf Drive #9 to the Big Sky Community Corporation for \$400 per month until June 30, 2012. Second by Ms. Hermann. All in favor. Motion passed.

2. Cowboy Hall of Fame – Katie Morrison of BSCC, and Ryan Hamilton of Big Sky Town Center – Ms. Morrison provided materials concerning the application to host the Montana Cowboy Hall of Fame. She explained the need to hire a professional to write the proposal on behalf of the community of Big Sky. Discussion ensued about who might be best suited to write the proposal. Ms. Morrison and the Board discussed the different guidelines set forth by the Montana Cowboy Hall of Fame. Ms. Hermann and Mr. Loble expressed their concerns about the amount of money that will need to be raised to complete the project. Ms. Morrison told the Board about the sites that were under consideration for the MTCHF. Mr. Malinowski, Ms. Hermann, and Mr. Loble expressed their support. Mr. Child also supported the plan, but expressed that he did not want to draw from the emergency fund. Discussion ensued about the best way to fund the project. The Board discussed the possibility of leasing the office space at 77 Aspen Leaf Drive, #9 to the BSCC for \$1 per month, including utilities. This money could then be reassigned and utilized for the application. Mr. Child moved to reassign \$7,000 from the Big Sky Community Corporation's 2011-2012 appropriation to be utilized for the request for

proposal written to the Montana Cowboy Hall of Fame. Second by Mr. Loble. Motion passed unanimously. Ms. Morrison and Mr. Hamilton left at 12:00pm.

A. Minutes – Mr. Loble moved to approve the open meeting minutes from April 13, May 11, June 15, and July 1, 2011, as amended. Second by Mr. Child. Motion passed unanimously.

B. Financial and Tax Collection Reports – Mr. Child moved to approve the check register for April, May, and June 2011. Second by Ms. Hermann. Motion passed unanimously.

II. Closed Meeting

Chairperson, Al Malinowski, adjourned the meeting at 12:52 p.m.

Respectfully Submitted,



Les Loble, Secretary



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

September 28, 2011

Present: Al Malinowski, Chairperson
Les Loble, Secretary/Treasurer
Ginna Hermann, Director (via telephone)
Loren Bough, Director
Amy Smit, Administrative Office

Chairperson, Al Malinowski, called the meeting to order at 11:05 a.m.

I. Open Meeting

A. Public Comment

B. Business

1. Big Sky Zoning Advisory Committee – Steve Johnson & Tim Skop - Overview of Capital Improvement Plan. Mr. Johnson explained the findings of the draft Capital Improvement Plan. He said the information in the study is extremely important when considering the future of Big Sky. The study showed that Big Sky is 50% developed, and on average has a vacancy rate of 70%. During peak season Big Sky's population is roughly 7782, excluding day visitors and those staying in hotels. Mr. Johnson said that based on these reports there may be need for ongoing infrastructure funding from BSRAD. Mr. Johnson said that Big Sky cannot depend on adequate funding from Gallatin County. Mr. Skop said that the CIP serves as a list of things that need to happen to keep the community growing. He said that it is a projection of what will happen, so that the community can plan rather than react. Mr. Loble asked how accurate the predictions of the last CIP were. Mr. Skop and Mr. Johnson said that it was very out of date. Mr. Malinowski said that it is important to continue to seek funding from Gallatin County. Mr. Johnson said that Gallatin County is extremely short on funding, and that Big Sky will probably not receive any. Mr. Bough said that BSRAD should not fund projects that the county should be funding. The Board agreed.

2. Funding Transfers between Approved Budget Line Items

a. Big Sky Community Corp – Katie Morrison- Ms. Morrison requested the transfer of \$6,000 saved from park construction to cover engineering fees. Motion by Mr. Loble to approve the transfer of \$6,000 from budget line item Relocate Storage Building to Parking Lot. Second by Mr. Bough. Motion carries unanimously. Ms. Morrison requested to transfer money saved on seal coating

the Spur Road Trail to the asset management line item for the repair of erosion at Ousel Falls. Motion by Mr. Bough to approve the transfer the excess amount allocated from budget line item Seal Coat Spur Road Trail to Community Asset Management. Motion carries unanimously.

Katie Morrison, Steve Johnson, & Tim Skop leave at 11:32am

b. Arts Council of Big Sky – Motion by Mr. Loble to approve the transfer of \$78 from budget line item Town Center Stage to Computer Purchase. Second by Ms. Hermann. Motion carries unanimously.

- 3. Arts Council of Big Sky** –Bob and Donna Thompson, Brian Hurlbut - Headliner Account. The representatives from the Arts Council explained that the 2011 Headliner concert lost about \$40,000. They explained that they are considering changing their overall concert series program to be more successful. They expressed a willingness to collaborate with some of the other private concerts, if the BSRAD approved. Mr. Bough said it is important to look at an event's effect on the overall economy of Big Sky. Mr. Loble asked that the Arts council draft a new plan then bring it before the Board for consideration.

Bob and Donna Thompson, Brian Hurlbut left at 11:55am.

- 4. Town Center Owners Association Annual Meeting** – Motion by Mr. Loble to name Amy Smit as proxy so to represent the BSRAD at the meeting. Second by Mr. Bough. Motion carries unanimously.

Open meeting suspended at 12:02pm, restarted at 12:37pm

- 5. BSRAD Exterior Sign** – Mr. Loble said that the District needs a new logo design, and the issue was tabled.
- 6. Administrative Officer** – Mr. Malinowski proposed to modify the other benefits in Amy's contract to reflect the approved increase in hours, and to increase her pay. Motion by Mr. Loble to modify the benefits in the Administrative Officer position to 70% of a full-time position, to increase her pay to \$22 per hour, and to accept the proposed changes to her schedule. Second by Ms. Hermann. Motion carries unanimously.
- 7. Computer Replacement** – Mr. Loble asked if the proposed computer could handle the workload. Mr. Malinowski said that a very knowledgeable computer specialist recommended it.
- 8. Fiscal Year 2012 Budget** – Motion by Mr. Loble to adopt the fiscal year 2012 draft budget once adjusted to reflect the increase in the Administrative Officer's pay. Second by Mr. Bough. Motion carries unanimously.
- 9. Minutes – July 20, 2011** – Motion by Mr. Loble to approve the minutes. Second by Mr. Bough. Motion carries unanimously.

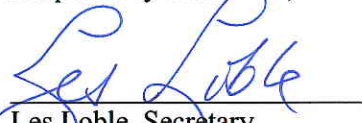
10. Financial and Tax Collections Reports – Ms. Hermann moved to approve the Funds Available register from August 2011. Second by Mr. Bough. Motion carries unanimously

11. Interlocal Agreement – Board members signed the previously adopted Interlocal Agreement.

II. Closed Meeting

Chairperson, Al Malinowski, adjourned the meeting at 1:10 p.m.

Respectfully Submitted,



Les Loble, Secretary



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

October 26, 2011

Present: Al Malinowski, Chairperson
Les Loble, Secretary/Treasurer
Ginna Hermann, Director (via telephone)
Loren Bough, Director
Amy Smit, Administrative Office

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

I. Open Meeting

A. Public Comment

B. Business

1. PBR- Eric Ladd & Ryan Hamilton- Mr. Ladd thanked the Board for their support of the professional bull riding event. The Board discussed the economic impact and case study information provided by Mr. Ladd. Mr. Malinowski said that he felt that the event account and reports were thorough and showed how the event benefited the community. Mr. Loble agreed. Mr. Ladd said that they turned away 1500 people due to the lack of seating. Mr. Loble asked if they considered increasing the ticket price. Mr. Ladd said that they wanted to keep it affordable for locals. Mr. Ladd said that the event has received a lot of recognition online and future sponsor interest. He said he thinks it would be a good idea for the community of Big Sky to purchase mobile seating for events.

2. Noxious weed program - Jennifer Mohler – update and funds transfer request. Ms. Mohler explained the various programs and community events put on by the weed committee, including the treatment of the big horn sheep winter range in Big Sky. Mr. Malinowski asked for clarity about the funds transfer request. Ms. Mohler explained that the total budget of the cost-sharing program would not be reduced, but that it will receive funding from a different source. Mr. Bough moved to approve the transfer of funds between line items as requested. Second by Ms. Hermann. Motion carries unanimously.

3. CIP Letter of Support – Mr. Loble briefed the Board on his meeting with the authors of the Big Sky CIP update. He said the new CIP plan is readable and informative, and that its authors asked if the BSRAD Board would write a letter of recommendation. Ms. Herman agreed that the report was very thorough, and she would like to create a summary for the BSRAD Board to reference in the future. Mr. Malinowski expressed his concern with the statement in the document that implies that Gallatin County may not fund infrastructure in Big Sky. Ms. Hermann said the letter of support should clearly define which portion of the document BSRAD Board does not support. Ms. Hermann said she will create a summary of the CIP findings, and Mr. Loble agreed to write the letter of support.

Mr. Loble moved to create a letter of support for the CIP update, specifically identifying that the Board does not agree with the statement in the CIP that Gallatin County will not support infrastructure in Big Sky with county taxes. Second by Mr. Bough. Motion carries unanimously.

4. Cowboy Hall of Fame Update– Ryan Hamilton – Mr. Hamilton explained that there has not been any news, but that they expected to hear soon.

5. Wayfinding & Planning & Branding - Ryan Hamilton & Marne Hayes – Mr. Malinowski thanked Marne for her service to the Community during her time at the Chamber of Commerce. Ms. Hayes explained the progress of the Wayfinding & Branding project, and the methods used to extract a sense of Big Sky’s identity. Mr. Simpkins said that the process has added to Big Sky’s community profile. Mr. Loble said he feels Big Sky needs a comprehensive community calendar. Ms. Hermann announced that there would be a meeting of the key community events organizers to coordinate a 2012 events calendar. Ms. Hayes explained that anyone can post events to the Chamber of Commerce events calendar on their website.

6. BSRAD Audit Report FY11 – Rosalie Barndt – Ms. Barndt explained the findings of the audit. She said that as in past years, the one-person office raises concern about the lack of internal controls. Mr. Malinowski brought up the issue surrounding the purchase of the new office space. He said that the Board was going to spread the purchase over four years, but ended up absorbing it with the un-appropriated funds. Discussion ensued surrounding the decision. Mr. Bough said it is important to explain this change if community members ask about the unused funding.

Mr. Malinowski moved to reverse the prior decision to spread the cost of the new office space over four years because the funds are available. Second by Mr. Loble. Motion carries unanimously.

7. BSRAD Logo Redesign – Mr. Loble explained to the Board the Community Outreach Committee’s meeting with Vega Creations. He said a new logo and sign

should cost \$7,000 or less. Ms. Herman asked if the end result would be a new logo to be used a marketing tool. Mr. Malinowski said he is in support of the idea.

Mr. Bough moved to amend the public relations budget to \$6500. Second by Mr. Loble. Motion carries unanimously.

C. Minutes – September 28, 2011- Mr. Bough moved to approve the minutes as amended. Second by Ms. Hermann. Motion carries unanimously.

D. Financial and Tax Collection Reports – September 2011 – Mr. Bough moved to approve the Funds Available register. Second by Mr. Loble. Motion carries unanimously.

E. Other

1. The Board discussed the business of the election, including whether a Board member will have to canvas the results.
2. Ms. Smit expressed her interest in creating a Facebook page for the District. The Board agreed.
3. Mr. Malinowski was given with a bottle of wine from Mr. Bough's wine cellar and a card on behalf of the Board as gratitude for his service. Mr. Bough said that he has served on many Boards, and that Mr. Malinowski is the best chair he has ever worked with. Ms. Hermann said that he has been professional and a huge asset to the public, and wished him good luck. Mr. Malinowski said that he has been proud to serve, and is looking forward to spending more time with his family.

D. Closed Meeting

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

Respectfully Submitted,


Les Loble, Secretary



FINAL MINUTES OF THE BIG SKY RESORT AREA DISTRICT
OPEN BOARD MEETING

November 16, 2011

Present: Les Loble, Chair
Jamey Kabisch, Vice-Chair (via telephone)
Ginna Hermann, Director (via telephone)
Mike Scholz, Director
Jeff Strickler, Director
Amy Smit, Administrative Office

Les Loble called the meeting to order at 11:03 a.m.

I. Open Meeting

A. Public Comment

1. Marcus Kirchmayer urged the Board to vote on who would be appointed to the last seat, rather than use a coin toss to decide. He thanked the Board members for their service to the community.

B. New Business

1. Oaths of Office- Mr. Loble acknowledged the receipt of the signed and notarized Oaths of Office from Mr. Kabisch, Mr. Scholz, and Ms. Hermann. New bank signature cards will have to be signed so that all directors are eligible to sign checks on behalf of the District. The Administrative Officer will deliver draft minutes to First Security Bank to facilitate the process.

2. Board Seat Appointment- Mr. Loble said the election resulted in a tie between Loren Bough and Jeff Strickler. Both agreed to a coin toss. Mr. Kabisch moved to proceed with the coin toss. Second by Mr. Scholz. Motion carries unanimously. Dr. Strickler won the coin toss. Ms. Hermann moved to appoint Dr. Strickler to the BSRAD Board of Directors. Second by Mr. Scholz. Mr. Scholz said from my experience on other boards, this is the correct way to do things. There was a public election, and politicizing it with the Board doing a vote of its own isn't the right way to do it. The Board has made the right and fair decision, and we can take this as a lesson that every vote counts. The other

members of the BSRAD expressed their agreement with Mr. Scholz. Motion carries unanimously. Dr. Strickler signed his Oath of Office in the presence of a notary.

3. Elect Officers of the Board – Ms. Hermann nominated Mr. Loble as Chairman of the Board. There was discussion about the other Board positions. As a substitute motion, Mr. Scholz moved to elect Mr. Loble as Board Chair, Mr. Kabisch as Vice-Chair, and Ms. Hermann as Secretary/Treasurer. Second by Dr. Strickler. Motion carries unanimously.

4. Resignation of Administrative Officer - Mr. Loble said that Ms. Smit has resigned as Administrative Officer. She said she will stay on for another four or five weeks. Mr. Loble said she has been a sparkling Administrative Officer. Mr. Scholz complimented Ms. Smit for her willingness to remain that long. The Board discussed whether the Administrative Officer needs to be a notary. The consensus was that it is not necessary.

5. New Board Members Orientation – Mr. Loble said that he and Ms. Hermann are preparing orientation packets for the new Board Members.

6. BSRAD Audit Report FY11- Holmes & Turner has delivered the audit report to the District. All Board members received a copy.

7. Montana Cowboy Hall of Fame Application – Mr. Loble said that Ryan Hamilton had approached the Board to answer a question concerning resort tax as part of the Montana Cowboy Hall of Fame application process. Mr. Scholz moved that Mr. Loble write a letter as Chair to the Montana Cowboy Hall of Fame Committee that does not make any specific commitment, but that the project is eligible for funding, and must undergo the yearly appropriation application process. Second by Mr. Kabisch. Motion carries unanimously.

C. Old Business

1. Signage and Logo – Mr. Loble reported on the meeting he and Ms. Smit had with Vega creations. He said that the Board amended the budget to include funds for a logo redesign and an outdoor sign for the District.

D. Minutes – October 26, 2011- Ms. Hermann moved to accept the minutes as amended. Second by Mr. Scholz. Motion carries unanimously.

E. Montana Cowboy Hall of Fame - Ryan Hamilton & Katie Morrison entered at 11:40am. Mr. Loble told Mr. Hamilton and Ms. Morrison about the letter to the MCHF committee. Mr. Hamilton told the Board that he responded to the MCHF committee's

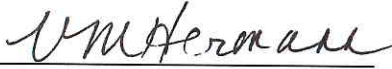
question regarding support of community projects. He left a copy of the response. Mr. Hamilton and Ms. Morrison left at 11:43a.m.

F. Financial and Tax Collection Reports – October 2011 – Mr. Loble said each month the unaudited financial statements are approved by the Board. Mr. Kabisch said the accounting fee budget line was incorrect. Mr. Kabisch moved to accept the financial reports, with the exception of the error concerning accounting fees. Second by Mr. Scholz. Motion carries unanimously.

Chairperson, Les Loble, adjourned the meeting at 11:50 a.m.

II. Closed Meeting

Respectfully Submitted,



Ginna Hermann
Ginna Hermann, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

December 14, 2011

Present: Les Loble, Chairperson
Jamey Kabisch, Vice Chairperson
Ginna Hermann, Secretary/Treasurer
Jeff Strickler, Director (via telephone)
Mike Scholz, Director
Amy Smit, Administrative Office

Chairperson, Les Loble, called the meeting to order at 11:00 a.m.

I. Open Meeting

A. Public Comment

1. Bill Farhat and Kay Reeves – New Fire Chief – Ms. Reeves introduced Bill Farhat, the new Fire Chief of the Big Sky Fire Department. Chief Farhat said he is becoming with the community. He said the station is now staffed 24 hours per day. Mr. Loble welcomed Mr. Farhat on behalf of the Board.

B. Business

- 1. Orientation**– Mr. Loble said that he, Ms. Hermann, and the new Administrative Officer would be working together to create an Orientation Manual. He gave the Board a brief overview of the rules, regulations, and procedures of the Big Sky Resort Area District.
- 2. Administrative Officer Hiring – Ginna Hermann and Al Malinowski** – Ms. Hermann said that there were six applicants, and they conducted three interviews. She thanked Al Malinowski for taking part in the interview process. Mr. Malinowski said that they thought Whitney Brunner would be the right person for the position. He said that the Administrative Officer position seems to be a three to five year position, or perhaps should be split into two positions in the future. Ms. Hermann said that Ms. Brunner has strong marketing and office skills. Ms. Hermann recommended hiring Whitney Brunner as the Administrative Officer, per the contract. Discussion ensued. Ms. Hermann moved to offer Whitney Brunner the part time permanent position of BSRAD Administrative Officer at \$18/hour with a minimum of 24 hours per week, 11 paid holidays, and sick and vacation hours as per the contract. Second by Mr. Kabisch. All in favor. Motion carries unanimously.

Al Malinowski left at 11:54am.

- 3. 2011 Election Bill** – Mr. Loble noted the cost of the 2011 BSRAD Board Member election, and compared it to the cost of the 2009 election. The costs were very similar.
- 4. Signage and Logo** – Mr. Loble said the Board has started working with Vega Designs to create a new logo and marketing plan. The Board members were asked to think of five words that describe what they think the new logo should convey to the public. The appropriation contracts now contain a requirement that appropriation recipients publicly acknowledge BSRAD's appropriation.
- 5. Fiscal Year 2012 Budget Changes** – Ms. Smit explained the proposed changes to the FY12 budget, including the addition of \$10,000 to the Accounting line item to cover the Compliance audits. Mr. Scholz moved to amend the FY2012 budget to reflect the addition of the compliance audit costs, and the hiring of the new Administrative Officer. Second by Mr. Kabisch. All in favor, Motion carries unanimously.
- 6. FY12 Appropriations Dates** – Regular meetings dates will remain the second Wednesday of every month at 11:00 a.m. The application deadline will be April 4, 2012, the Q&A Meeting will be May 9, 2012, and the Appropriations meeting will be June 13, 2012. Dr. Strickler moved. Second by Ms. Hermann. All in favor. Motion carries unanimously.
- 7. Financial and Tax Collection Reports** – Mr. Kabisch moved to accept the Funds available register pending reconciliation, and a written explanation of the reconciliation discrepancy of \$141.44. Second by Ms. Scholz. All in favor. Motion carries unanimously.
- 8. Other**

Chairperson, Les Loble, adjourned the open meeting at 12:47 p.m.

Respectfully Submitted,



Ginna Hermann, Secretary