

RESORT TAX
— BUILDING BIG SKY SINCE 1992 —

**DRAFT MINUTES OF THE BIG SKY RESORT AREA DISTRICT
OPEN BOARD MEETING**

January 9, 2013

Present: Les, Loble, Chairperson
Jamey Kabisch, Vice Chairperson
Ginna Hermann, Secretary/Treasurer
Mike Scholz, Director
Jeff Strickler, Director
Whitney Brunner, Administrative Officer

Chairperson Les Loble called the open meeting to order at 9:02 a.m.

I. Open Meeting

A. Public Comment

Jack Eakman stated a community group has formed to bring a Critical Access Hospital to Big Sky. He stated the group may request resort tax funding for a feasibility study. Mr. Eakman is out of town during the February 11 Town Hall Meeting and requested permission to present at the January 14 meeting, which the board granted.

Big Sky Chamber of Commerce Director Kitty Clemens stated the Montana Department of Transportation issued way-finding signage approval January 8, 2013. Ms. Clemens introduced the new Chairperson of Visit Big Sky, Catherine Gilb.

Ms. Gilb stated she works at Alpine Property Management. She stated the purpose of Visit Big Sky (the combined efforts of the Big Sky Convention and Visitors Bureau and the Biggest Skiing in America campaign) is to better define and bring clarity and representation to the destination marketing arm of the Chamber. The board stated they appreciate the efficiency created. The board referenced the bed tax report provided prior to the meeting by the Chamber and noted the substantial increase in collections.

B. New Business

1. Big Sky Community Corporation: Jessie Wiese and Al Malinowski

Ms. Wiese provided an update regarding the Corporation's use of their 2013 appropriated funds to date. Using a trail counter with an ultraviolet sensor, they learned 15,000 people hiked the Ousel Falls trail in three months. The skate park is complete and landscaping the sides was an unanticipated expense (because it had to be built above ground). The Corporation purchased a mower to groom-back trails.

Ms. Wiese stated the operations and maintenance budget is currently 60% spent and the remaining budget will be spent in June on trail maintenance, bathroom cleaning etc.

She stated the Corporation board held a strategic planning session in November with facilitator Buz Davis. They learned the organization is short staffed and will hire a part time administrator and a part time communication specialist. The Corporation board identified the following new project ideas: a mountain to meadow trail, finish the park, decide what to do with the unused park parcels, build an equestrian trail to reduce horse traffic on Ousel Falls trail, acquire more land and continue to grow the organization.

Ms. Wiese stated the summer fundraising event was a success. She stated the Corporation will look to the community to identify what they would like to see next to set project priority.

The board stated the Corporation has identified exciting and ambitious projects.

Mr. Malinowski asked for clarity on funding reserves. The board stated they do not intend to fund reserves; however, they encourage building reserves.

Mr. Malinowski stated the Corporation relies on the following three revenue streams: resort tax funding, fundraising and grants. He stated the Corporation has relied on resort tax funding for operations and maintenance and as matching funds for capital improvements.

The board asked if the new park district has taxing authority. Ms. Wiese stated they do not, but could and that it would require a public vote. She stated the parks district is eligible for different grants than the Corporation, which may assist with future revenue.

2. **Women in Action: Lisa Beczkiewicz**

Motion by Mr. Kabisch to provide Women in Action two lump sum payments per year and to require the entity to provide monthly statements outlining how the funds are used. Second by Mr. Scholz. All in favor. Motion passed.

3. **Draft Bonding Authority Bill**

Status update: The bill is on hold until after the January 14 Town Hall Meeting.

C. **Old Business**

1. **Town Hall Meeting I Preparation: Buz Davis**

Facilitator Buz Davis attended via telephone call. Mr. Davis and the board discussed the presentation format of the upcoming meeting. It was decided the evening would be separated into three sections to include guidelines, strategic issues and the organizational survey with questions taken from the public on 5x8" cards after each section. The board divided talking points for each member to address, discussed the pertinent demographic information to request on the sign-in sheets and placed time limits on each section.

2. **Administrative Officer Report**

The board directed Ms. Brunner to proceed with bids for the exterior and interior signage and direct Vega to separate "Resort" and "Tax" in the new logo.

The board directed Ms. Brunner to price blinds for the conference room window.

Mr. Loble informed the board that Accountant Rosie Barndt has resigned effective April 30, 2013 and she will arrange introductions between Ms. Brunner and her replacement, Vickie Tischendorf.

D. **Minutes**

Motion by Mr. Scholz to approve the December 5, 2012 open minutes as amended. Second by Mr. Kabisch. All in favor. Motion passes.

E. **Financial and Tax Collection Reports**

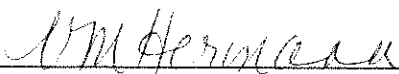
Ms. Brunner noted the budget was added to the profit and loss report, the balance sheet equity is accurate to date, all accounts have been reconciled to date and all reports in the meeting packets, including accounts receivable, were run on the same day for the same time periods.

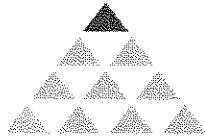
Motion by Mr. Scholz to accept the financial and collection reports. Second by Mr. Kabisch. All in favor. Motion passes.

Secretary/Treasurer Ginna Hermann joined the open meeting at 11:00 a.m.

Chairperson Les Loble adjourned the open meeting at 11:04 a.m.

Respectfully Submitted,


Ginna Hermann, Secretary/Treasurer



RESORT TAX
— BUILDING BIG SKY SINCE 1992 —

**FINAL MINUTES OF THE BIG SKY RESORT AREA DISTRICT
TOWN HALL MEETING I**

January 14, 2013

Present: Les, Loble, Chairperson
Jamey Kabisch, Vice Chairperson
Ginna Hermann, Secretary/Treasurer
Mike Scholz, Director
Jeff Strickler, Director
Buz Davis, Facilitator
Whitney Brunner, Administrative Officer

Chairperson Les Loble called the open meeting to order at 6:10 p.m.

I. Open Meeting

A. Introductions and Purpose of Meeting

1. The board stated the following introduction: The elected Resort Tax Board determines appropriations and our decisions for the betterment and success of Big Sky rely solely on the imagination, energy and skills of the members of our community. We applaud the volunteerism, dedication and passion that each organization brings to the table and find their achievements remarkable for our small community. The degree of citizen involvement we have in Big Sky says much about our citizens and a system that encourages participation. Our Goal: It is in everybody's interest that Resort Tax dollars are spent in the best ways for the benefit of the community both now and into the future. Ten and twenty years from now, hopefully the community will look back and feel the decisions made with the information at hand were collectively the right ones.

2. The board stated the following purpose of the meeting:

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

B. Ground Rules, Time Management and Use of Question Cards

C. Strategic Planning Session Review

1. The board stated the following themes that came out of the Strategic Session:

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

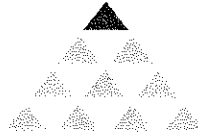
2. Strategic Session Details:

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

D. SECTION ONE – Operational Guidelines

1. **All appropriation applications must demonstrate that they:**

- Benefit the community at large
- Are a project or organization within the resort tax district
- Are a legitimate entity



RESORT TAX

— BUILDING BIG SKY SINCE 1892 —

- Meet the requirements in Section 19 of the Resort Tax Ordinance
Section 19 of the Resort Tax Ordinance
“Appropriation, Expenditure, and Purpose of Resort Tax: The revenue derived from the imposition of the resort tax will be appropriated by the District Board and expended for infrastructure facilities in the Big Sky Resort Area District; public services that provide for the public services, including but not limited to the establishment and maintenance of an adequately-sized post office; ambulance and other emergency medical services; public transportation systems; snow plowing; tourism development for the Big Sky Resort Area District; other services that provide for the public health, safety, and welfare within the Big Sky Resort Area District; and reimbursement or payment to the resort area district of the costs associated with the collection, administration, and litigation of the resort tax.”

2. **When reviewing the appropriation applications the board will consider the following guidelines:**
Quality of Organization and Proposal

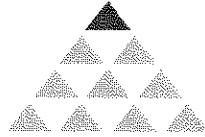
Does the organization meet the following?

- Stability and quality
- Does the organization have the ability to execute the proposal
- Clarity of the proposal submitted
- Tourism Development**
- Does the proposal promote tourism and development as measured by an increase in resort tax revenue?
- Game Changer to the Community**
- Is the project, if completed, a game changer to the community? A game changer is defined as a significant benefit to the community stakeholders (residents, visitors, tax collectors/business community)
- Big Sky World Class Resort and Community**
- Does the proposed project help make Big Sky a world class resort and community?
- Critical Infrastructure**
- Does the proposed project support or improve critical infrastructure, public health, safety and/or welfare in the community?
- Collaboration**
- Does the proposal involve collaboration among organizations/other stakeholders in the community to meet common goals, enhancing the outcome of the project and community benefits?
- Fill Need**
- Does the proposal fill a community need not currently or adequately being satisfied?

E. **SECTION TWO – Strategic Issues**

Cash Flow Management and Applicant Planning

- Cash flow planning as a board to fund large projects/ expenditures or multi-year projects
- Cash flow tools: Two solutions to the problem of funding a large project with a single year’s appropriation.
 - a. **Sinking fund:** Setting money aside each year in a sinking fund to accumulate cash for anticipated capital expenditures.
 - b. **Bonding:** Asking the legislature to grant similar bonding authority to Resort Tax Districts (such as Big Sky) that Resort Tax Communities (such as West Yellowstone) have. Issuing bonds would mean that future tax receipts would be pledged to pay the bonds. In the current concept, the authority would be limited to pledging 25% or less of the future tax receipts. Also, being considered is whether projects requiring a bond would require a super-majority of the board or a vote of the district’s registered voters.
- The board would like entities to be more fiscally transparent to aid the resort tax board in anticipating the long term funding needs of the community. The revised appropriation application will require: three year strategic plan; one to three year funding requirements, projected annual needs for the next three years broken out by year.



RESORT TAX

— BUILDING BIG SKY SINCE 1892 —

Education

- The appropriation application has been revised to provide greater consistency among proposals.
- If an entity violates a contract it will not be able to request resort tax funds in the following year's appropriation cycle. The board may waive this requirement.
- The board encourages open dialog throughout the year and welcomes entities considering resort tax funding attend a monthly resort tax board meeting to share their vision and concern/s.
- The board would like entities to be successful running their organizations and would encourage and assist in the use of a third party facilitator to help entities with planning and accounting.
- The board would also encourage and assist in the search for matching funds, grant writing workshops, etc.

Funding Operations/Maintenance, Reserves and Capital

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

Optimizing Public/Private Partnership

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

Active vs. Passive Role

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

F. SECTION THREE – Organizational Survey

1. Review the Organizational Survey

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

G. Questions from the Community

Q: The seven guidelines are well thought out. How do you intend to address priority?

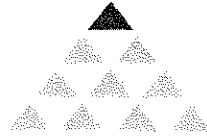
A: Not every project will fulfill all seven "will consider" guidelines. Applications will not be rated on the ability to fulfill multiple guidelines.

Q: The survey done a few years ago resulted in a ranking of needs by residents, in terms of importance. How have these results translated to allocation decisions? How has the survey of a few years ago shaped your appropriation decisions since?

A: The survey continues to be an integral part of board consideration when preparing for appropriations. For the most recent resort tax appropriation, the board reviewed and discussed the survey results at the March 2012 board meeting.

Q: Ongoing maintenance is implied in Section 19. What guidelines do you have in place to prevent maintenance from consuming your budget?

A: The board intends to fund operational and/or capital needs. No specific guidelines are in place to prevent maintenance consuming the appropriation funds; however, the board encourages the search for matching funds, grants, etc.



RESORT TAX

— BUILDING BIG SKY SINCE 1992 —

Q: What defines the community at large? I.e. Number of people or something else?

A: "Community at large" is defined by the boundaries of the resort tax district (online [here](#)).

Q: How do you define a "community at large" to qualify an application?

A: When the applicant serves the individuals in the "community at large" (defined by the boundaries of the resort tax district [online [here](#)]), it qualifies the application for resort tax funding.

Q: Has resort tax approached the legislature for any changes in legislature?

A: Yes, the resort tax board is asking the legislature to grant similar bonding authority to Resort Tax Districts (such as Big Sky) that Resort Tax Communities (such as West Yellowstone) have. Issuing bonds would mean that future tax receipts would be pledged to pay the bonds. In the current concept, the authority would be limited to pledging 25% or less of the future tax receipts.

Q: What is the status of the cash flow management situation/decision? It wasn't clear whether you are deciding between sinking fund and bonding, or planning on using both, or still considering options.

A: Both sinking funds and bonding will be considered as solutions to the problem of funding a large project with a single year's appropriation.

– Sinking fund: Setting money aside each year in a sinking fund to accumulate cash for anticipated capital expenditures.

– Bonding: Pending legislature approval, Resort Tax Districts (such as Big Sky) will be granted similar bonding authority that Resort Tax Communities (such as West Yellowstone) have. Issuing bonds would mean that future tax receipts would be pledged to pay the bonds.

Q: Sinking fund – Is this a percentage that you have in mind? On an annual basis?

A: At this time, the board does not have a specific percentage in mind. A sinking fund would be a specified amount taken out of future appropriations on an annual basis.

Q: 3/2 board split. Elaborate. Three votes for what proposal?

A: At the time of Town Hall Meeting I, the board was considering whether projects requiring a bond would require a majority of the board (3 votes out of 5) super-majority of the board (4 votes out of 5) or a vote of the district's registered voters. As of January 20, 2013, the board has amended the bonding authority legislation by requiring a super-majority of the board (4 votes out of 5, or 80% in the case of a 5 member board).

Q: If approved by the legislature, when would bonding happen?

A: Bonding may be available to the resort tax board during the upcoming 2014 fiscal year.

Q: What is the likelihood of MT legislature agreeing to grant our bonding authority as an unincorporated community? Do we anticipate their cooperation?

A: We anticipate the legislature granting bonding authority to resort tax districts.

Q: Why not partner with applicant entities that already have bonding authority, rather than seeking independent bonding authority as Big Sky Resort Area District.

A: The Big Sky Resort Area District was created to aid the Big Sky Water and Sewer District (an example of an applicant entity with bonding authority) in funding an inter-local agreement (bond) that provided debt service of \$500,000 per year since its inception. This agreement has concluded as of the resort tax 2013 fiscal year. The resort tax board is seeking the ability to provide a similar service to fund a large project.

Q: Can the life of the resort tax district be reset?

A: Yes. For example, in 1992 the qualified electors approved the imposition of a 3% resort tax in the Big Sky Resort Area for a period of 20 years. In 2006, by a majority vote of the electors, the duration of the Big Sky Reso. Area District was extended to 2032.



Q: What would be a reason to increase the percentage of the resort tax?

A: The Big Sky Resort Area District resort tax is currently at the maximum rate allowed by law, 3%. The rate of the tax can only be decreased and would require a vote of the electors at the end of the set term in 2032.

Q: Can the tax expand the scope of what can be taxed? Example would be to add a ¼% tax to real estate sales.

A: No.

Q: Discuss how Opinion 49 (online [here](#)) and the guidelines relate to the original Section #19 (online [here](#)). Does it reinforce the original intent or modify its scope?

A: No. Opinion 49 and Section 19 (of the resort tax governing ordinance) provide direction for the appropriation of resort tax funds. Opinion 49 states projects are to serve a public purpose, benefit the community at large and the recipient must be legally capable, etc. Section 19 states the public services to be funded by resort tax are to include, but are not limited to, a post office; ambulance and other emergency medical services; public transportation systems; snow plowing; tourism, etc.

Q: If we want Big Sky to be a world class community, shouldn't we take advantage of local government laws and funding sources by incorporating, and working toward a world class local government?

A: The resort tax board was elected by the district's voters to administer the resort tax law- collecting and distributing the tax. The board does not have the power to incorporate Big Sky. The board's participation in incorporation may be to fund an incorporation effort.

Q: What procedures and/or policies and enforcement authority does the board have/use to ensure all businesses in the community are collecting and submitting resort tax?

A: The administrative ordinance specifies the penalties for failure to report and remit resort taxes due and for violations of the ordinance. The law also specifies that criminal penalties may be sought for such violations. In addition, civil penalties may be assessed not exceeding 50% of the resort taxes found due plus costs and attorney fees incurred in bringing the action. Ordinances No. 98-01 and 2008-1 implement the Law and fully describe the procedures for the enforcement and collection of the resort tax (online [here](#)). All of the remedies mentioned above (except criminal) have been used by the board. In addition, the board audits 10 businesses per year for compliance.

Q: A hospital has been mentioned several times tonight. Since we are in the strategic planning discussion of tonight, has the conversation been started with Bozeman Deaconess about this and how would a "Big Sky ER" affect the job creators of the two existing clinics?

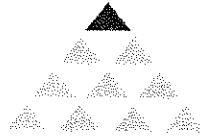
A: The board has been made aware of a group researching the medical activities and services in Big Sky and their outreach has included Bozeman Deaconess. The board is not aware of how an ER, Critical Access Hospital or similar service would affect the existing clinics in Big Sky; however, presentations made to the board indicate a Critical Access Hospital would integrate well with the existing clinics in Big Sky.

Q: Is this going to be an annual conversation and application process? What happens if something new arises in 2013/2014, etc.?

A: The May Questions and Answer Session will continue to be annual conversation with the community and applicants. Future town hall meetings will depend on community feedback and the vision of future boards.

Suggestions Submitted in Writing at the January 14, 2013 Town Hall Meeting

- Community funded WIFI
- Swimming pool
- Off season recreational activities for families like a swimming pool/recreation center
- Critical access healthcare
- Affordable daycare
- Bear proof dumpsters and trashcans at the residential level



RESORTTAX

— BUILDING BIG SKY SINCE 1892 —

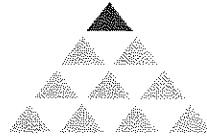
- Activities year-round for middle school and up
- Swimming pool
- Connecting the mountain and meadow via a trail
- Year-round evening activities to enliven and enrich (arts and culture)
- Develop Jack Creek Road to permit egress and ingress of large emergency vehicle and evacuate mass population in case of earthquake, fire, etc.
- Let's look at adult and senior tech education. Not just one class, but a continuum. Retired people are struggling to keep up.
- Critical care hospital
- Critical access hospital is a game changer for the community and the fire department. Resort tax should be active is the process.
- Support the critical access hospital.
- I feel the growth of the community will need more help in guaranteed airline programs.
- Bonding should be a majority by a public vote.
- Like to see projects requiring a bond to be voted on by a majority vote of the BSRAD board rather than the district's voters.
- Public vote on bond.
- I do not support supermajority board voting authority. I am more supportive of bonding authority via public vote.
- I think a supermajority vote is necessary!
- I support the bonding and feel strongly it should be on the authority of the board not the electorate. The electorates' tax rate is not affected.
- A third option perhaps: no large-scale projects come from resort tax funds. Not sure what the alternatives are, but I'm sure they exist- e.g. USDA for hospital.
- Definitely receive community vote on any bonded project- it's that important.
- Bonding should go to the entire community for approval.
- I am very skeptical about funding operational needs. Any organization must be able to function year-to-year without having to rely on resort tax funding and being faced with the necessity of scaling back if that funding becomes unavailable. Build infrastructure and require organizations to be able to fund increased operational cost associated with the new infrastructure. One exception- funding sheriff's deputies.
- Our resort tax requests are dependent on granting from other organizations. I hope the board understands our projections may be off significantly because of the unknown of future funding from other organizations.

H. Example Presentation by Jack Ekman for the Critical Access Hospital Group

Chairperson Les Loble adjourned the open meeting at 8:15 p.m.

Respectfully Submitted,

Ginna Hermann, Secretary/Treasurer



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

February 6, 2013

Present: Les, Loble, Chairperson
Jamey Kabisch, Vice Chairperson
Ginna Hermann, Secretary/Treasurer

Mike Scholz, Director
Whitney Brunner, Administrative Officer

Chairperson Les Loble called the open meeting to order at 9:05 a.m.

I. Open Meeting

A. Public Comment: None.

B. New Business

- 1. Big Sky Transportation District** – David Kack and Enion Williams reviewed the Transportations District's fiscal year 2012 audit. Mr. Kack stated the federal government provides 55% of the operating budget. He provided fare revenue and revenue/expense analysis handouts. The Bozeman to/from Big Sky link is fare-collecting route (\$5.00 per rider). He stated the fiscal year 2012 fare revenue totaled \$55,000 (fiscal year 2011 totaled \$30,000).

Mr. Kack stated the Transportation District distributed an online survey seeking the public's preference regarding funding the service with property taxes, resort tax funds and/or a mill levy. The survey received 148 responses as of February 6. It was distributed by the Big Sky School District, the Big Sky Owners Association, the Big Sky Chamber of Commerce and Outlaw Partners.

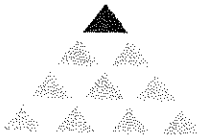
Mr. Kack referenced House Bill 316. It would raise the state gas bill to \$0.29 per gallon. A portion of the revenue would be distributed to public transportation services. He stated if the bill passes, it will serve as an additional source of funding.

Mr. Kack reviewed the Yellowstone Club's association with the Transportation District. Yellowstone Club pays 100% of the van-pool service and an added route to/from Bozeman. He stated the Transportation District does not provide service to the Yellowstone Club (the buses do not go further than the Town Center). The board asked Mr. Kack to explain the cost of the Yellowstone Club bus service to the Transportation District. Mr. Kack stated the Yellowstone Club pays \$175,000 in support. He stated the payment may be a little less than the service; however, the Yellowstone Club pays upfront.

- 2. Arts Council Headliner Account Appropriation** – Brian Hurlbut and Tallie Jamison provided handouts and presented two proposals for the use of the \$57,000 headliner account originally appropriated by Resort Tax and held by the Arts Council. The first proposal requested \$18,000 to be used as seed money for three 2013-14 winter concerts at the Warren Miller Performing Arts Center (WMPAC). The board stated proposal one is to be amended to allow the Arts Council unlimited time to recoup the seed money instead of replenishing the funds "after the first year" as currently stated.

The second proposal requested up to \$9,000 to produce an extra free concert on Saturday, September 7. The second proposal will not be replenished and may be included in future year's appropriation applications.

Ms. Jamison stated the August 1 concert was canceled due to the scheduling conflict with the PBR Rodeo. She also outlined the Arts Council Fundraiser "Crawfish and Cornbread" at the WMPAC in March to include an 18-piece band and Jazzfest theme.



RESORT TAX

— BUILDING BIG SKY SINCE 1892 —

The board suggested removing “mini headliner” from the title when referring to the September 7 end-of-summer blowout.

The board stated appreciation of the Arts Council's work and that their efforts are within the context of the goals from the Resort Tax Strategic Session, which is what the Resort Tax board is looking for from Big Sky's organizations.

Motion by Mr. Scholz to amended the Arts Council's first proposal by removing the statement of replenishing “after the first year” and; otherwise, approve the request of \$18,000 from the headliner account. Second by Mr. Kabisch. All in favor. Motion passes.

Motion by Mr. Kabisch to approve up to \$9,000 from the headliner account to fund the Arts Council's second proposal. Second by Mr. Scholz. All in favor. Motion passes.

3. **Respond to Invitation from Warren Miller Performing Arts Center** – The March 13 board meeting will be held at 9:00 a.m. in the Warren Miller Performing Arts Center.

C. Old Business

1. **Town Hall Meeting II Preparation** – Facilitator Buz Davis attended. Mr. Davis reviewed the proposed agenda. He stated the deliverables were pulled from the Town Hall Meeting I recap in the newspaper.

The board discussed the meeting format, organization presentations, survey compilation, ground rules, legislative session update, question/answer and open forum format and the chairman introduction and closure.

Polling devices will not be used at Town Hall Meeting II.

2. **Montana State Legislature** – Les Loble, Mike Scholz, David O'Connor and Kitty Clemens attended the session. A representative from Red Lodge attended as well. No one attended in opposition. The Majority Leader stated he received calls encouraging the legislation include a vote of the qualified electors. If the bill comes out of committee with a vote of the qualified electors required, the Resort Tax Board will continue to support it.

Mr. Loble provided an expense report.

3. **Administrative Officer Report**

The board directed Ms. Brunner to order letterhead (\$784), a honeycomb shade for the conference room window (\$420) and interior and exterior signage from SCS Wraps (\$560).

The board directed Ms. Jamison to establish an opinion regarding gaming revenue and its taxability.

D. Minutes

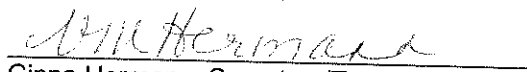
Motion by Ms. Kabisch to approve the January 9, 2013 open minutes as amended. Second by Mr. Scholz. All in favor. Motion passes.

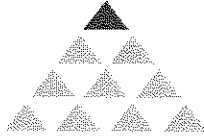
E. Financial and Tax Collection Reports

Motion by Ms. Hermann to accept the financial and collection reports. Second by Mr. Kabisch. All in favor. Motion passes.

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

Respectfully Submitted,


Ginna Hermann, Secretary/Treasurer



RESORT TAX
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**FINAL MINUTES OF THE BIG SKY RESORT AREA DISTRICT
TOWN HALL MEETING II**

February 11, 2013

Present: Les, Loble, Chairperson
Jamey Kabisch, Vice Chairperson
Ginna Hermann, Secretary/Treasurer
Mike Scholz, Director
Jeff Strickler, Director
Buz Davis, Facilitator
Whitney Brunner, Administrative Officer

Chairperson Les Loble called the open meeting to order at 6:05 p.m.

I. Open Meeting

A. Welcome, Introductions and Purpose of the Town Hall Meetings

- Mr. Loble introduced the Resort Tax Board, Facilitator and Administrative Officer
- Mr. Davis recapped Town Hall Meeting I and stated the purpose of this second Town Hall Meeting
Purpose: The Board hopes to stimulate conversation and initiation for big ideas and to encourage the community, and the organizations that serve the community, to think not as individuals, but cohesively toward the common goal of a world class community. It is in the interest of everyone if resort tax dollars are spent in the best ways for the benefit of the community both now and into the future.

B. Legislative Report

- Mr. Loble explained the bill and its status.
- Questions on the legislative report will be taken at the end of the evening to ensure those who are here to present are given the opportunity to do so.

C. Compilation of the Organizational Surveys

- Mr. Loble thanked the organizations for the work on the surveys. He stated the following:
 - The results give a sense of where the community will be in three years, cash flow requirements and the possibility of excess funds for a sinking fund and to plan for future funding demands.
 - Quality of the responses
 - a) some surveys mentioned projects and estimated the funding needed into the future
 - b) some surveys mentioned projects and did not include estimated funding needed into the future
 - For the most part, the requests seem to be realistic
 - The organizations are collectively creating a better future for the community.

-Mr. Scholz stated the following:

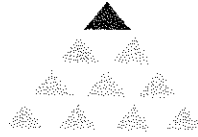
- Several organizations' interests overlap and he encouraged collaboration.
- At the end of the presentations the board encourages the community to think about what is missing and the board will open the floor for open forum.

D. Organization Presentations and Question and Answer Session

- Mr. Loble stated the following: This is an opportunity for organizations to provide more detail, explain projected cash flow requirements, present new ideas that have emerged since returning the survey and share the 3+ year vision for the organization.

- The following organizations presented in this order:
Arts Council

Blue Water Task Force



RESORT TAX

— BUILDING BIG SKY SINCE 1992 —

Chamber of Commerce
Visit Big Sky - Chamber
Community Corporation
Community Food Bank
Fire Department
Jack Creek Preserve
Library
Morningstar
Noxious Weeds and Bear Smart

Post Office
Search and Rescue
Sheriff
Skating and Hockey Association
Transportation District
Warren Miller Performing Arts Center
Water and Sewer District
Women in Action
Snowmobile Association

- Surveys provided by the organizations are on file at the Resort Tax office.
- Mr. Loble thanks the organizations for the breadth and depth of commitment.

- The following two hospitals presented next:
Hospital - Billings Clinic
Hospital - Bozeman Deaconess

E. Open Forum

- The podium was opened for comments and dialog.

F. Adjourn

- Mr. Loble closed by stating the dialog has just begun and that the appropriations meeting is where the dialog is continued.
- Reminder the Resort Tax Board meetings are open to the public and are held the second Wednesday o. each month at 9:00 a.m. in the office located in the Town Center.
- Mr. Scholz stated what is next for our community is based on the efforts of the people.
- He encouraged big ideas, initiative and collaboration referencing the sinking fund, capital expenditures, etc.
- Resort tax can help.

Chairperson Les Loble adjourned the open meeting at 9:10 p.m.

Respectfully Submitted,

Ginna Hermann, Secretary/Treasurer



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

March 12, 2013

Present: Les, Loble, Chairperson
Jamey Kabisch, Vice Chairperson
Ginna Hermann, Secretary/Treasurer
Mike Scholz, Director
Jeff Strickler, Director
Whitney Brunner, Administrative Officer

Chairperson Les Loble called the open meeting to order at 6:54 p.m.

I. Open Meeting

A. **Public Comment:** None.

B. **New Business**

1. **Noxious Weeds – 2012 Annual Report** – Jen Mohler, Program Coordinator, provided an update on the noxious weeds program. The board encouraged the program to serve as many homeowners as possible.
2. **Electrical Bids for the Entryway Lighting** – The board expressed the following concerns:
 1. Why was the low bid not accepted? Private individuals need not accept the low bid, but there is a more stringent standard for government contracts and the low bid must be accepted.
 2. Was the criterion of “combining these projects” presented in the request for bids on the lighting project?
 3. If bidder “B” is an out-of-town contractor, why was it sent out of town, rather than spent locally where it would further aid the economy of Big Sky.

Kitty Clemens, Chamber of Commerce Director, was in attendance, but was unaware of the agenda item. She stated she did not review the bids and that Ryan Hamilton and the engineers made a vendor recommendation. It is her understanding that the selected vendor has experience working with, and is the preferred vendor, for the State of Montana and has the necessary boring equipment. Ms. Clemens stated the engineers recommended the entry lighting and wayfinding signage projects be combined as a cost savings. She stated the contract has not been signed and the Chamber’s attorney is reviewing it at this time.

Mark Tedson, the low bidder, stated he spent 24 man-hours walking the site with Mr. Hamilton. He prepared plans, estimated costs (over a three-month period for no charge) and when the design came in it was rebid to gain a competitive edge. He stated there is no boring in the specs.

Ms. Clemens stated it was discovered after the fact that the lowest bidder in the second round of bids was not given the opportunity to bid in the third round. The selected bid is vendor Montana Lines from Great Falls. When asked if the Chamber Board of Directors would vote to accept a contract, Ms. Clemens stated the Board would hear Mr. Hamilton’s advice and that would inform a motion.

The board expressed concern that the Chamber may be in violation of the law if a contract is signed with a vendor other than the low bidder. The board recommended the Chamber Board of Directors be brought up to speed and that Ms. Clemens report back to the Resort Tax board on the following issues: 1. How is the project deviating from the budget? 2. What are the parameters of the third round of bids? 3. What is the timeline for project completion?

Motion by Dr. Strickler to suspend funding to the Chamber of Commerce for the Entry Lighting project. Second by Mr. Scholz. All in favor. Motion passes.

3. **Better Together** – Ms. Hermann stated the recreational organizations of Big Sky held a fruitful meeting to combine their strategic planning efforts. The organizations may consider approaching the Resort Tax Board as a group to request funding for a project that benefits multiple Big Sky organizations.

4. **Contract Provision Discussion**

The board directed Ms. Brunner to price generic signage/decals to call out "this project funded by Resort Tax".

Motion by Mr. Loble to direct Attorney Mona Jamison to amend the appropriation contract to include a provision that requires recipients acknowledge Resort Tax in all promotions. Second by Dr. Strickler. All in favor. Motion passes.

C. Old Business

1. **Town Hall Meeting Follow Up** – The board discussed Jack Creek Preserve's answers to community member Rich Piercy's questions. The board directed Ms. Brunner to reply to the Preserve's email and suggest they partner with the nonprofit entity Blue Water Task Force for the water monitoring project. A partnership would eliminate resort tax funding a private entity. In addition, it would provide a consolidated report on all Big Sky runoff.

2. **Transportation District Response** – The board stated they were satisfied with the provided response.

3. **Administrative Officer Report**

The annual thank you email was revised to remove the total gross sales explanation.

It was decided to move the May 8 Question and Answer session and June 12 Appropriations meeting back to 1:00 p.m. The board directed Ms. Brunner to ask Al Malinowski if a sign outside the post office publicizing the meetings would be allowed.

Mr. Loble stated he would be available to meet the Bozeman Daily Chronicle Journalist Jason Bacaj when he attends the next editorial board meeting. Ms. Brunner will coordinate.

Ms. Brunner provided clarity on the Directors and Officers Insurance with the Montana Municipal Interlocal Authority.

Motion by Mr. Scholz to approve the Directors and Officers Insurance coverage and premium. Second by Dr. Strickler. All in favor. Motion passes.

4. **Senate Bill 209** – The bill is scheduled to go before Montana State House of Representatives on March 15, 2013. Mr. Loble and Mr. Scholz will testify in support of the bill. The Chamber of Commerce Chairman David O'Connor may attend and testify as well.

The board agreed to reach out to their individual networks and encourage community leaders to provide letters of support.

- D. **Correspondence** – The board discussed Chamber's Housing Idea Exchange agenda and discussed the possible cost of a feasibility study. The board directed Ms. Brunner to contact Ron Edwards for Dabb Dabney's contact information and encourage them to attend at the Chamber's next Housing Meeting.

E. Minutes

Motion by Ms. Hermann to approve the February 6, 2013 open minutes, January 14, 2013 Town Hall Meeting I minutes and February 11, 2013 Town Hall Meeting II minutes. No second. Motion fails.

Mr. Loble directed Ms. Brunner to track changes and distribute his revisions of the aforementioned minutes to the board.

Ms. Hermann stated the minutes would be revisited at the April 10, 2013 meeting after the board reviews Mr. Loble's revisions.

F. Financial and Tax Collection Reports

Secretary/Treasurer Hermann observed the Community Corporation holds its checks and does not deposit the funds up to one month from the date the check was issued. The board directed Ms. Brunner to ask the Director if there is purpose to the funds being held.

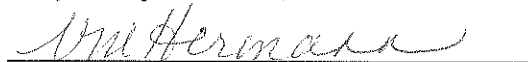
The board noted January 2013 was the largest January for resort tax collections and the summer months continue to increase as well.

The board directed Ms. Brunner to research the Printing and Copying amount that exceeds the annual budgeted total.

Motion by Ms. Hermann to accept the financial and collection reports. Second by Mr. Kabisch. All in favor. Motion passes.

Chairperson Les Loble adjourned the open meeting at 8:20 p.m.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Ginna Hermann", is written over a horizontal line.

Ginna Hermann, Secretary/Treasurer



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

March 25, 2013

Present: Les, Loble, Chairperson
Jamey Kabisch, Vice Chairperson
Mike Scholz, Director

Jeff Strickler, Director
Whitney Brunner, Administrative Officer

Chairperson Les Loble called the open meeting to order at 9:00 a.m.

I. Open Meeting

- A. **Public Comment:** None.
- B. **New Business**
- C. **Old Business**

1. **Chamber of Commerce Response** – Dr. Strickler stated he met with Chamber Chairman David O'Connor, Chamber Director Kitty Clemens and Ryan Hamilton to discuss the complaint from Mr. Tedson. Dr. Strickler stated the bid was awarded based on the most qualified bid, not the lowest bid. Montana Lines stated in the bid that Montana Lines is Federal Highway Administration (FHWA) certified and able to provide traffic controllers, insurance, bonding, etc. He stated the Chamber Board of Directors has offered to prepare individual conflict of interest statements. Dr. Strickler stated due to the Chamber's reasonable explanation he sees no reason to hold back funding.

Motion by Dr. Strickler to release funding to the Chamber of Commerce for the Entry Lighting project because the bidding explanation of selecting the qualified bidder is appropriate. Second by Mr. Kabisch. Mr. Loble, Mr. Kabisch, Mr. Scholz and Dr. Strickler in favor. Ms. Hermann not in attendance. Motion passes.

The board discussed informing entities in advance of Resort Tax Board meetings if an agenda item raises issue with the specific entity as a courtesy. The board discussed creating a board standard for future circumstances. It was decided the Resort Tax Board does not intend to become involved in entities' bidding procedures; however, when citizens of the district present an issue with the expenditure of resort tax funds, the board may respond on a case-by-case basis in an open forum. The board intends to research the issue in advance of discussing the issue.

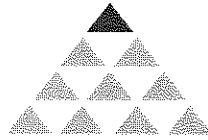
2. **Other** – Should Senate/House Bill 209 pass, an agenda item will be added to the April 10, 2013 agenda to discuss how to move forward.

Chairperson Les Loble adjourned the open meeting at 9:25 a.m.

Respectfully Submitted,



Ginna Hermann, Secretary/Treasurer



RESORT TAX
— BUILDING BIG SKY SINCE 1992 —

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

April 10, 2013

Present: Les, Loble, Chairperson
Jamey Kabisch, Vice Chairperson
Ginna Hermann, Secretary/Treasurer
Mike Scholz, Director
Jeff Strickler, Director
Whitney Brunner, Administrative Officer

Chairperson Les Loble called the open meeting to order at 9:01 a.m.

Secretary/Treasurer Ginna Hermann attended via telephone call.

I. Open Meeting

A. Public Comment: None.

B. New Business

1. **Taxability of Landscaping, Lawn and Garden Services** – The board reviewed the governing ordinance and discussed lawn mowing, tree trimming and similar landscaping services to determine taxability. The board discussed resort tax law, broad based sales tax and property taxes. In addition, the board discussed a competitive edge for outside businesses, the scale of enforcing and other similar services' taxability and the definition of transient visitor.

Alan McClain, owner of Big Sky Landscaping, stated landscaping maintenance, irrigation, etc. is a skilled service. He stated concern regarding enforcing resort tax requirements on owners associations. He also stated concern regarding taxing elderly clients.

Scott Hammond, San Schwabe and Pat Dillion reiterated Mr. McClain's statements.

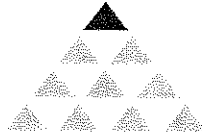
Dale Palmer, owner of Nordic Hot Tubs, stated he was not invited to testify when the board determined hot tub taxability. He stated the business loses up to \$2,000 of each sale to maintain a competitive price with outside-area competitors. He stated the item's "end function", not if the item is sold "store front/retail" or "wholesaler", should determine taxability.

2. **Jack Creek Preserve: Katie Alvin** – Ms. Alvin stated she was in attendance to clarify her response to Mr. Piercy's email. The board replied no further clarification was needed. Ms. Alvin stated she will supply the board with a project specific budget.
3. **Guidelines for Bidding Resort Tax Funded Projects** – Mr. Scholz provided two resort tax legal opinions on the subject, which contradict one another. The board discussed establishing guidelines or handling projects on a case-by-case basis.

Mr. Loble reminded the board the Chamber rejected the lowest bidder based on criteria other than the amount of the bid.

Ms. Hermann stated the board may consider establishing guidelines regarding contract follow-through from applicants.

Motion by Mr. Kabisch to direct Ms. Jamison to provide an opinion clarifying if the lowest bidder must be taken when an entity spends resort tax funds. Second by Mr. Scholz. All in favor. Motion passes.



RESORT TAX

— BUILDING BIG SKY SINCE 1892 —

4. **2013-2014 Office Budget** – The board directed Ms. Brunner to add \$1,000 under furniture (chair purchase) and \$5,000 under strategic facilitator (town hall meetings).

Motion by Dr. Strickler to accept the 2013-2014 office budget as amended. Second by Mr. Scholz. All in favor. Motion passes.

C. Old Business

1. **Senate Bill 209** – The bill awaits the Governor's signature.
2. **Sinking Fund/Emergency Fund** – The board discussed setting aside \$250,000 to \$600,000 for a sinking fund. The board agreed the sinking fund will include the existing \$100,000 emergency fund and the emergency fund will supersede the sinking fund.
3. **Administrative Officer Report** – The board reviewed Section 18 of the ordinance, which specifically requires gross receipts are to be kept by tax collectors.

The legal opinion on gaming was discussed and the board directed Ms. Brunner to inform Ms. Jamison that additional follow up is not needed.

The board directed Ms. Brunner to report to the board the dates and directions for filing resort tax board elections.

D. Minutes

Motion by Ms. Hermann to approve the January 14, February 6 & 11 and March 12 & 25 open minutes as amended. Second by Mr. Kabisch. All in favor. Motion passes.

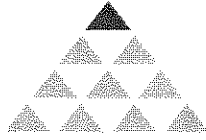
E. Financial and Tax Collection Reports

Motion by Mr. Scholz to accept the financial and collection reports. Second by Ms. Hermann. All in favor. Motion passes.

Chairperson Les Loble adjourned the open meeting at 11:21 a.m.

Respectfully Submitted,

GINNA HERMANN, Secretary/Treasurer



RESORTTAX
— BUILDING BIG SKY SINCE 1892 —

FINAL MINUTES OF THE QUESTION & ANSWER SESSION OPEN BOARD MEETING

May 8, 2013

Present: Les, Loble, Chairperson
Jamey Kabisch, Vice Chairperson
Ginna Hermann, Secretary/Treasurer
Mike Scholz, Director
Jeff Strickler, Director
Mona Jamison, Attorney
Whitney Brunner, Administrative Officer

Chairperson Les Loble called the open meeting to order at 1:00 p.m.

I. Open Meeting

- A. **Opening Remarks and Introductions:** Chairman Les Loble – Please sign-in and wear a “Better Together” button. Copies of the agenda, collections to date and funds available handouts are on the back table. With regard to the collections to date and funds available handouts, keep in mind that an additional month’s worth of data will be available at the Appropriations Meeting on June 12. Turn off your cell phones or put them on vibrate. Tax collectors, we thank you for supporting the community and ask you remit any resort tax due by May 31.
- B. **Senate Bill 209** – Senate Bill 209 was passed by the legislature and signed by the governor. It is now effective. It gives the Resort Tax Board the right to issue bonds. Following are the elements of the law:
 - (1) If the amount of the bond is less than \$500,000, 4/5 board majority is required;
 - (2) If over \$500,000, then a simple majority of the board (3/5) is required, but the purpose of the bond issue must be submitted to a vote of the registered voters within the RTD;
 - (3) Debt service, i.e., payments on principal and interest cannot exceed 25% of the annual collections averaged over the last five years; (assuming a 4% interest rate, 15 year bonds and the average of the last five years’ collections, a bond issue of \$7,000,000 is the maximum amount allowed under the law);
 - (4) Bonds may only be used for capital type and infrastructure projects;
 - (5) Finally, the term or number of years of pay back of the bonds may not exceed the remaining authorized life of the RTB.
- C. **Sinking/Reserve Fund Consideration** – Explanation of the existing \$100,000 emergency fund. A sinking fund would supplement the emergency fund and may be a prudent decision. If the board decides to set aside monies for a sinking fund its purpose will be to help manage cash flow and plan beyond year-to-year appropriations. As an example, the Fire Department will need costly equipment such as a fire truck. The cost may be up to \$1 million, which would be 30% of this year’s funding. In such a year, the other Big Sky entities would suffer and it would be a substantial drain on Resort Tax funds.
- D. **Public Comment:** Whitney McKenzie stated support for Morningstar Learning Center. She stated she has worked at Morningstar the last four years and that by providing early childcare they are preparing students to go to kindergarten. In addition, Morningstar’s services allow community members to go to work.

E. Question and Answer

1. Noxious Weeds – Jen Mohler, Mike Jones and Jon Shafer

Dr. Strickler noted the increase in funding is to pay the coordinator. Ms. Mohler stated that over the years the program has had an increase in the coordinator time. Last year 44.3% of the work completed was unpaid. To meet the demand and to do the job the program needs a funding increase for the coordinator. The Gallatin County Conservation District has supported the program in the past; however, they fund weed control, not operations.

Ms. Hermann asked if funding increases, will services the increase. Ms. Mohler stated that instead of her time being spent chasing funding for operations she can increase services. She will work closely with the Gallatin County Weed District and the PhD students at MSU.

Mr. Scholz asked if the position of coordinator is year-round, fulltime or part-time, seasonal. Mr. Scholz clarified and asked the percentage of a full-time equivalent position. Ms. Mohler stated at the height of the season it is full-time (April through October) and at the lowest point of the season it is ½ time. Ms. Hermann asked how many hours the coordinator is working. Ms. Mohler stated an average of ¾ time (as compared to full-time) on an annual basis.

Mr. Scholz asked if there are any projects that would continue without a coordinator. Ms. Mohler stated no. All programs would come to an end.

Mr. Kabisch asked if the cost share program was funded last year. Ms. Mohler stated no and that \$2,800 will be available for the cost share program this year. Mr. Scholz asked who the other grants are noted on the application. Ms. Mohler stated the Cross Charitable Foundation for Noxious Weeds, the Bighorn Sheep Program, Gallatin National Forest federal grants and MSU federal grants (in November/December).

Mr. Shafer stated Resort Tax sets a baseline for staffing and the other grants are for programming. He stated the two fulltime Gallatin County employees are stretched thin and that having a staff person in Big Sky to do property inspections, raise awareness and monitor outbreaks of new weeds is invaluable.

Mr. Loble asked where the Big Horn Sheep area is located. Ms. Mohler stated it spans from the beginning of Lone Mountain Trail and Hwy 191 to Spanish Peaks and down to the Karst area.

2. Trails, Recreation and Park District: Startup Operations – Steve Johnson

Ms. Hermann asked how the Rec and Park District will overlap with the Big Sky Community Corporation. Mr. Johnson stated the subject matter is the same; however, they are organized differently. The Rec and Park District is a non taxing entity, but is a governmental entity that has grant opportunities. He stated they have overlap of board members and are identifying projects to pursue together.

Mr. Scholz asked if the District can be effective with a 5-10% cut in requested funding. Mr. Johnson stated the District will do what it can with the funds received.

3. Search and Rescue: Operations – Steve Johnson and Ed Haeke

Mr. Kabisch asked how important the driveway is to operations. Mr. Haeke stated they have a driveway and the funds requested are for a parking area. He stated they would like to get around to improving the parking area, but it is not time-critical.

Dr. Strickler noted the \$10,000 bump in future requests as outlined on the application. Mr. Haeke stated a snowmobile is starting to wear out. He stated a second pickup truck was funded by the county.

4. Fire Department: Operations, Equipment and Vehicle Purchase – Chief Bill Farhat

Moment of silence taken for the former Fire Chief Bob Stober.

Mr. Kabisch asked how the budget has been amended due to the mill levy passing and by how much the Resort Tax request will be reduced. Chief Farhat stated the request will not reduce and that it is exactly what the Department needs to operate.

Mr. Scholz asked what would be the effect on the Fire Department if funding was reduced by 5-10%. Chief Farhat stated he would continue to use the existing pickup truck (\$45,000 to replace). Mr. Loble asked if the associated impact fees would not be needed if the pickup truck was not purchased. Chief Farhat stated he would not need those either.

Mr. Scholz asked what savings does the Department have to date. Chief Farhat stated the Department has \$197,000 at the end of the last fiscal year. He stated the goal was to get to 25% in reserve funding. He clarified that Gallatin and Madison county funding cycles do not match up and each year funding is tough. He stated the Department has seen a catch-up in back taxes from as early as 2004. He stated that once a reserve has been established, the funding dips and valleys that take place throughout the year will not affect the Department and it will reduce what it asks for each year.

Dr. Strickler asked if the funds requested for new clothing will cover the new people (now funded through the passing of the mill levy). Chief Farhat stated yes.

5. Transportation District: Skyline – Enion Williams and David Kack

Mr. Scholz asked how reducing funding by 5-10% would affect the District. Mr. Kack state a reduction in funding would mean a reduction in operations and service would be adjusted.

Mr. Kabisch asked when the last time was that the District bid out the Karst contract. Mr. Kack stated the District will bid it out for fiscal year 2015. He stated in the past is has been a 4% increase (when Karst drives the Skyline buses).

Mr. Scholz asked if the West Yellowstone service ended, would there be an equipment cost savings. Mr. Kack stated the Skyline vehicles come from the state and are disconnected from the West Yellowstone service. Mr. Scholz asked what the cost to Resort Tax is for the operation of the West Yellowstone service. Mr. Kack stated there is no cost to Resort Tax. He stated Montana Department of Transportation funds go toward the operations. He stated they have had 775 rides on the West Yellowstone service since March 1.

Mr. Kabisch asked what percentage of riders are tourists and what percentage are employees. Mr. Kack stated the Link service to/from Bozeman is 60/40 employees/recreationalists and in Big Sky the service is 70/30 employees/tourists.

Mr. Kabisch asked Mr. Kack to explain the Yellowstone Club funding. Mr. Kack stated the Yellowstone Club provided \$200,000 the first year. Mr. Kabisch clarified that \$50,000 of the Big Sky Transportation District funds go into the program. Mr. Kack stated the State sponsored a job access and job commute program; however, the program is going away this year. He stated Skyline will request \$185,000 from the Yellowstone Club this year for program funding.

6. Post Office – Al Malinowski

Mr. Kabisch asked the definition of “labor burden” as stated in the application. Mr. Malinowski stated it includes taxes, insurance and any benefits provided beyond salary.

Mr. Loble asked when the Big Sky Post Office will know the effect of new federal standards. Mr. Malinowski stated he does not know, but that if a day is reduced, the Big Sky Post Office will follow suit because there will be no delivery.

Mr. Scholz asked if the Post Office could operate with a 5% decrease. Mr. Malinowski stated the Post Office has no other source of funds.

7. Library – Kathy House

Dr. Strickler asked if there will be additional overhead on current library with the new elementary school. Ms. House stated no. There will be a new library in the new school and the school would be responsible for the new positions.

Dr. Strickler noted the Library is the only group requesting less this year. Ms. House stated the Library has completed a few major upgrades by transferring over to CDs, DVDs, etc.

Ms. Hermann stated the Library shows growth with an increase in library cards.

Ms. Hermann noted the Library is budgeting for fewer donations than they received the year before. Mr. Kabisch asked if the donation from the year before went towards the purchase of a printer. Ms. House stated she cannot count on donations and that the funding for the printer was a one-time donation.

8. Skating and Hockey Association: Ice Arena, Programming – Gary Hermann, Lindsey Pruitt and Ryan Bucta

Mr. Hermann noted a cost break down error in application and Ms. Pruitt provided updated paperwork.

Mr. Scholz asked if the Association could do without 5-10% of the requested funds. Mr. Kabisch asked if the Association could do without a light. Mr. Hermann stated lighting is a safety issue and that if funding was reduced the Association would elect to do without other capital improvements such as the dividers and chain link fence. He stated that by buying two lights at the same time it is savings.

Mr. Loble asked how serious discussions with the Big Sky Community Corporation (BSCC) are regarding moving the rink and operations to the park. Mr. Hermann stated the Association receives funding they would otherwise not receive if it was part of BSCC. He stated the Association is working together with BSCC on a facility and that Ms. Wiese, Director of BSCC, has been great to work with and is very collaborating. He stated the Association does not see a cost savings to becoming part of BSCC; however, a larger, permanent facility would be a benefit.

Mr. Loble asked for Mr. Hermann's thoughts on the idea that Resort Tax funding be contingent on the Association joining BSCC. Mr. Hermann stated donations are received from passionate skaters who are not necessarily interested in trails and parks and it may be harmful to the organization. He stated the Association has been successfully raising funds independent of BSCC. Mr. Loble stated he disagrees that fundraising would be more difficult. Mr. Hermann asked why joining the two entities would be an important advantage. Mr. Loble stated that BSCC was created to provide a parks and recreation department for the proliferation of groups in Big Sky. Dr. Strickler made the suggestion that the Association is being narrow minded in achieving its fundraising objectives and that BSCC may provide fundraising opportunities that would not be entity specific. Mr. Hermann stated BSCC has a board that decides where the funds are to be spent. Dr. Strickler gave the example of the Rotary Club building a bouldering garden. Mr. Kabisch stated Crail Ranch works under the umbrella of the BSCC. Mr. Hermann asked why handing over control is necessary at this point. Mr. Scholz stated insurance, bookkeeping costs, etc. may be less expensive if the Association was created as an individual silo under BSCC.

Ms. Hermann stated the Association's work in bringing a combined facility to Big Sky demonstrates "better together". Mr. Hermann stated hockey is very interested in the facility and he was the only other entity that attended interviews for the feasibility study.

Mr. Hermann stated that Mr. Loble's request to have the Association join BSCC is one year premature and that he does not think funding should be conditioned on joining BSCC.

9. Jack Creek Preserve: Water Quality Monitoring – Katie Alvin

Dr. Strickler asked to clarify if the Jack Creek Preserve is really open to the public. Ms. Alvin stated 4,500 acres of the property is on the west side of the gate; however, the Preserve is owned by a 501(C)3 and the trails and campsite is open to the public. She stated that because the road is private we have to follow the rules of the road's owner. She stated to date 350 people will be on the property through August.

Mr. Scholz asked how the Preserve works with Blue Water Task Force. Ms. Alvin stated they share three AmeriCorps members, the monitoring station and data collection systems are similar and the annual reports are on the websites.

Mr. Kabisch asked if the Preserve does not receive funding if they would continue to do water quality monitoring. He stated the Preserve shows \$600,000 in liquidity. Ms. Alvin provided a project specific budget. Ms. Alvin stated if the project was not funded the Preserve would probably do less monitoring. She stated that by funding the Preserve, resort tax is monitoring water for the entire Resort Area District.

10. Sheriff's Office: Big Sky/Canyon Patrol Services – Sheriff Brian Gootkin and Deputy Matt Daughtry

Ms. Hermann asked how the Gallatin County Sheriff's Department salaries compare with similar areas. Sheriff Gootkin stated a similar area is Flathead County and they make just a little more than Gallatin County (Flathead has 54 sworn and Gallatin has 48 sworn).

Dr. Strickler asked why the services are not equally shared between with Gallatin and Madison Counties. Sheriff Gootkin stated that regardless of the funding from the counties, services have never been cut in Big Sky.

Mr. Scholz asked if the Sheriff's Department can save anywhere. Sheriff Gootkin stated there is no fluff and that if funding is reduced he will delay hiring the additional deputy. He stated hiring/training is a nine month process and a delay would push back having a deputy on the streets by one year (due to the three months vacancy savings). He stated the additional person would be following up with theft, etc. allowing a deputy to patrol the canyon.

11. Arts Council: Music in the Mountains – Brian Hurlbut and Marie Goode

Dr. Strickler noted the \$3,750 to be a partner in a billboard on Hwy 191 and asked where the billboard is located. Mr. Hurlbut stated it is south of Gallatin Gateway.

Mr. Scholz asked what a reduction in funding of 5-10% would do for the Arts Council. Mr. Hurlbut stated it will not affect programming and that the restrooms and stage would be evaluated. He stated port-a-potty use would continue.

Mr. Kabisch asked what the food services include. Mr. Hurlbut stated food services cover the winter programs and the Madrigal Dinner. The dinner concert ticket sales cover the cost of the food and an Arts Council restricted fund pay for the performance.

Mr. Loble asked who owns the sound system. Mr. Hurlbut stated the Council rents the equipment.

Mr. Scholz asked if the projected income will be rolled over. Mr. Hurlbut stated the Council's costs increase each year (insurance goes up, etc.). He stated profit is more like a contingency.

12. Snowmobile Association: Buck Ridge Trail Grooming - Devon White

Mr. Loble asked is the snowmobile traffic is the same from year to year. Mr. White stated it is increasing and that Buckridge had 8,000 riders last year (they have an automatic counter).

Mr. Scholz asked if the Association could handle a 5-10% reduction in funding. Mr. White stated it would not affect the Association. He stated it is a barebones operation and they have a lot of volunteers.

13. Blue Water Task Force: Watershed Group Funding - Kristin Gardner

Mr. Kabisch asked if there was a change in the application since it was submitted. Ms. Gardner stated she mistakenly included mention of the \$60,000 phase two storm water conservation project, which will not realistically happen this year (the \$60,000 was not included in the total request for funding).

Mr. Scholz asked how secure are the grants. Ms. Gardner stated they are estimates. Mr. Scholz asked if the Task Force does not get the grants where will the money come out of the budget. Ms. Gardner stated it will come out of a combination of programs. She stated she just finished grant applications with the Department of Environmental Quality and Montana State for \$50,000.

Mr. Scholz asked what is considered bookkeeping. Ms. Gardner stated bookkeeping is her time.

Ms. Hermann asked for details on the fly fishing event. Ms. Gardner stated it will be Saturday, August 3 and the Task Force is hosting a film tour and banquet. It is a fundraising opportunity; however, since it is the first year she has not reduced the Resort Tax request.

14. Community Corporation: Operations, Maintenance – Jessie Wiese

Mr. Kabisch asked what community asset management includes. Ms. Wiese stated maintaining the skate park, mowing, the ball fields, irrigation, infield maintenance, noxious weed control, picnic tables, taxes of property, trails and the trail map.

Mr. Kabisch asked if the Corporation is appropriated \$5,000 for community asset management, can it function. Ms. Wiese stated yes. She can make it work.

Mr. Kabisch referred to the statement of condition and \$318,000 in cash. He asked what is restricted. Ms. Wiese stated the funds the subcommittees raise are for use at their discretion. They have their own checking accounts as well. Ms. Wiese provided a verbal breakdown of the budget as of April 30 including total unrestricted funds and cash in bank. She stated the Corporation is chipping away at its project list.

Dr. Strickler stated the Corporation is working as a bank for the other organizations and the tax benefits extend to the other organizations.

Mr. Kabisch asked how the fundraiser was for the Corporation. Ms. Wiese stated it is allowing for matches on the funding this year. She stated she does not know if the funds will come again, but the Corporation works hard to use the money in a timely manner and report progress back to the donors.

Mr. Loble asked when the Corporation became an umbrella organization. Ms. Wiese stated that at the beginning the Corporation board felt it would be best to structure it as an umbrella organization. She stated the administrative side of things is sometimes difficult with all the restricted funds. Mr. Scholz noted \$8,000 is tough to run an organization on. Ms. Wiese expressed thanks to the Resort Tax Board for taking the time to understand the organization.

Mr. Scholz asked if the funding request is for 100% of operations. Ms. Wiese stated yes.

Mr. Kabisch stated the Corporation has budgeting for a \$50,000 float and asked what can the Corporation live without. Ms. Wiese stated she would not want to see more than \$5,000-8,000 in operations lost. She stated operations and maintenance is tough to fundraise for because when the Corporation fundraises it tells the donors where the money is going. She stated it is tough to tell them it goes toward flushing the toilets.

Mr. Loble asked if the different groups get together for projects. Ms. Wiese stated yes. She stated that to spend the combined funding it is a vote of the subcommittee board and then brought to the Corporation board. Ms. Hermann asked if there is representation on the Corporation board from all the subcommittees. Ms. Wiese stated that there is from some, but the Corporation board members understand the importance of the subcommittee projects to the community.

15. Community Corporation: Park Capital Improvements, Trail Construction – Jessie Wiese

Ms. Hermann noted the requested funding is mostly for a pavilion and asked if it can be built in phases. Ms. Wiese stated the largest cost savings would be to take away the shade roof; however, to do this would not meet the goals of the pavilion. She stated it may be able to be built on something other than a concrete slab for a cost savings.

Mr. Kabisch asked how many bids the Corporation received. Ms. Wiese stated it was bid out to four contractors; two bids were received (one by the deadline).

Mr. Scholz asked the cost of the port-a-potty. Ms. Wiese stated the pavilion should save money. She stated 16 softball teams with 25 people on each roaster prove the need for restrooms.

Mr. Kabisch asked who manages the disbursement of the funds. Ms. Wiese stated that she and the Chairman of the Board manage the disbursement of funds.

Mr. Kabisch stated a 7.5% markup on the contractor's work is not typical and suggested the Corporation consider asking the contractor to remove the markup.

Ms. Wiese stated that initially the Corporation received a bid for two and it is cost effective to build them both at once. She stated she is not confident they can be built if the Resort Tax funding request is reduced.

Mr. Kabisch suggested running the escrow through a title company.

Ms. Hermann asked if the trail work can be phased. Ms. Wiese stated it is currently phased.

Mr. Kabisch asked where the trail will go. Ms. Wiese stated it will start in the Town Center, go along the south side of the Southfork of the Gallatin and join the Ousel Falls trail and loop. Ms. Wiese stated if the first phase can be built then the Corporation can build excitement for fundraising the following phases.

Ms. Hermann asked if the pavilion or trail are priority. Ms. Wiese stated the Corporation board did not prioritize that way and the two projects made it on the Resort Tax funding request because there are both high priorities.

16. Community Corporation: Parks and Recreation Facilities Planning – Jessie Wiese

Mr. Loble stated the City of Bozeman recently went through a similar process and asked how the Corporation picked the consultants. Ms. Wiese stated the Corporation had a large pool and interviewed three.

Mr. Loble stated the selected consultants seem water centric. Ms. Wiese stated the consultants have a wide breath of resources and will provide expertise for the project.

Ms. Hermann stated the consultants are coming up with a lot of deliverables and asked what the next steps include. Ms. Wiese stated a program model, reviewing the site, revenue projections, a five year operating proforma, operating cost estimates and contacting the stakeholders to move forward. Ms. Wiese stated \$38,000 is the total cost, but renderings and a facilitator to gain fundraising support are additional costs.

Mr. Scholz stated it is easy to build a facility, but more challenging to operate it. He stated a plan for operations will be something the Resort Tax Board will be very interested in learning. Ms. Wiese stated building a sustainable building creates cost savings and the Corporation board will evaluate what money programs can generate.

Mr. Kabisch stated this is the scary part of asking the community to bring big ideas.

17. Morningstar: Daycare Tuition Reduction Program – Joe Miller, Lindsey Hurlbut and Kristin Brown

Mr. Scholz asked if the funding request will increase the number of students at the facility or if it will provide tuition reductions to those already attending. Mr. Miller stated the Morningstar board believes it will increase enrollment.

Dr. Strickler asked if Morningstar has a waiting list. Mr. Miller stated Morningstar has a waiting list for infants.

Dr. Strickler noted Morningstar is asking for funding for 150 children a week and currently it averages 100 children per week. Mr. Miller stated Morningstar is averaging 135 children per week and they continue to hit record numbers. Mr. Miller stated there is a chance Morningstar will not use the entire funding request; however, it would allow the entity to reach the benchmark for cost.

Mr. Scholz asked for the building's capacity. Mr. Miller stated 43 children per day.

Mr. Kabisch asked what impact eliminating Prekindergarten (because of the passage of the new school bond) would have on the building. Mr. Miller stated it would have a positive impact. Ms. McKenzie stated Jerry House advised Morningstar that the new school's prekindergarten would serve the special needs children only. Mr. Miller stated that Morningstar will then need to expand in the next five years (due to the growth of Big Sky).

Mr. Scholz asked for a description of the food program. Ms. Hurlbut stated the food program is built into the cost of tuition.

Ms. Hermann noted tuition is not need based. Mr. Miller stated the Morningstar board determined tuition is more cost effective as a hard line instead of a tiered program. He stated need based is inefficient with families coming and going from Big Sky often.

Dr. Strickler asked how much food is paid by the state. Ms. Hurlbut stated Morningstar does not have a food program right now and that state funding is based on the poverty line. Dr. Strickler asked if Morningstar has any Medicaid children. Mr. Miller stated the number of people who meet the criteria for state funded programs in Big Sky is very small. He stated the income is higher, but the cost of living makes it difficult to live in Big Sky. Morningstar does not have any Medicaid children (that they know of).

Mr. Loble asked how many daycare providers are in Big Sky. Mr. Miller stated Big Sky Resort (during ski season) and Montessori. He is not sure how many people take children into their homes. Mr. Miller stated the Morningstar board believes a \$5 per day reduction would allow parents to place their children in Morningstar, the only licensed daycare in Big Sky.

Mr. Kabisch asked how the Resort Tax Board can get over that the funding is for only 40 children. Mr. Miller stated Morningstar takes the initiative to be an educational center; however, by state standards Morningstar is a daycare. He stated it costs Morningstar more to operate with an educational component, but it is a benefit to the community. Mr. Miller stated Morningstar benefits business owners and Ophir School and it gives parents the confidence to stay in Big Sky when they are ready to start a family.

Mr. Loble asked for Ms. Jamison's opinion. Ms. Jamison stated the service Morningstar provides is fabulous; however, the issue of overall community benefit from a legal perspective is in question. In addition, Ms. Jamison expressed concern that resort tax subsidizes a service that puts this daycare at an advantage. She asked if Morningstar will partner with the school to better help need based children. Ms. Jamison stated it is fundamental for families to work and that the board has stretched to fund what they can for this entity each year.

Mr. Miller stated Morningstar has been in conversations with the school and intends to partner with the school in anyway it can. Mr. Miller stated it is not fair for Morningstar to have to justify its worth in Big Sky (as compared to the other organizations requesting resort tax funding). He stated Morningstar's benefit to the community far exceeds the immediate families and their children. He stated the goal of this funding request is to open Morningstar's services to more families in Big Sky.

Dr. Strickler asked where Morningstar is on the challenge grant from the Rapier Family. Mr. Miller stated \$32,000 has been raised and with \$73,000 from resort tax, they would meet their goal, which would allow Morningstar to receive the grant and pay the rest of the mortgage.

Mr. Scholz asked how the Greatfalls program is funded. Mr. Miller stated the Greatfalls program is community funded.

Mr. Scholz encouraged Morningstar to keep moving forward. He stated the country's leaders are discussing the issue as well.

Mr. Miller stated he encourages the Resort Tax board to consider the uniqueness of the families in Big Sky.

Mr. Loble asked if the concert's purpose is fundraising. Mr. Miller stated yes. The Beach Boys is the summer fundraiser and the cost of the concert it paid. He is optimistic that will be a big help.

Ms. Brown stated she is a Morningstar board member and serves as their council. She would be happy to discuss the legality of Morningstar with Ms. Jamison or any Board member.

18. Women In Action: Community and Substance Abuse Counseling Programs – Lisa Beczkiewicz

Dr. Strickler asked for the number of people served by the new alcohol program. Ms. Beczkiewicz stated within the first two weeks the program is averaging eight clients a week (plus eight more in the existing per counseling program). She stated the max number the program can take is between 8-12. She stated the fee is on a sliding scale. Ms. Beczkiewicz clarified the court mandated people paid in full.

Mr. Kabisch asked if there the donation was for a specific program. Ms. Beczkiewicz stated the donation will go to several programs and was a one time contribution. She stated the program received an award from DUI taskforce. She stated Women In Action has taken on the role as a mini Big Sky United Way.

Mr. Kabisch asked how a 10% reduction effect the organization. Ms. Beczkiewicz stated it would be difficult because they are just starting a program.

Mr. Scholz noted the budget shows an income of \$35,000 and asked where the money is spent. Ms. Beczkiewicz stated the organization program applies for funding January 1 and the \$35,000 floats the program until funding arrives.

19. Women In Action: Critical Access Hospital Feasibility Study – Lisa Beczkiewicz and Jack Eakman

Mr. Kabisch asked how the Critical Access Hospital committee will we decide if the Bozeman Deaconess or Billings Clinic feasibility studies are acceptable. Mr. Eakman stated the monetary amount required of our community and the timeline for building.

Dr. Strickler stated two feasibility studies are in process and asked why \$60,000 additional funding should be spent. Mr. Eakman stated the application was submitted because of the Resort Tax funding timeline and that as of May 8 the community does not have a response from the two hospitals.

Cheryl Ridgely, Bozeman Deaconess – Ms. Ridgely stated the study has been completed and is currently under review. She stated regardless if efforts are duplicated, the results will be the same.

Mr. Kabisch stated he has been involved in multiple feasibility studies and it is hard in a town like Big Sky to ensure results are accurate. Ms. Beczkiewicz stated the Critical Access Hos[ital. Committee would like to be certain whatever hospital lands in Big Sky, it is the right fit.

Mr. Scholz stated he is not sure the community wants to go this on its own if either of the hospitals do not think it is financially feasible.

Ms. Jamison asked how is hospital being defined. Mr. Eakman stated it is the federal definition of Critical Access hospital, 50 miles from the closest provider, serving an un-served population and 100% of the costs are reimbursed by the federal government. He stated there are 46 Critical Access Hospitals already in Montana and Big Sky is the only destination ski resort in the nation without a hospital.

Mr. Eakman stated the Committee is asking the Resort Tax Board to escrow the money. He stated he believes the community is close to the end-zone and at this point the Committee does not see the way into the end-zone with the efforts of the two hospitals.

20. Chamber of Commerce: Program Application – David O'Connor and Kitty Clemens

Mr. Kabisch asked for an explanation for the \$25,000. Mr. O'Connor stated the Chamber is looking to learn the best way to serve the community. It will aid business intelligence and gauge the health of the Big Sky economy. In addition it will help the Chamber learn what businesses to attract to Big Sky. He stated in the past the Chamber has made assumptions, but it would like to look at the community as a whole. He stated the traditional role of a Chamber is economic development. Ms. Clemens stated the Chamber board has selected Long Winds International as the vendor.

Mr. Kabisch asked what the payback is and at what point will capitalism take this over. Mr. O'Connor stated the Chamber would like to be of better service to the community and let other organizations cover other facets of community health. Ms. Clemens stated Long Winds will help identify how Big Sky is chosen as a vacation destination and how likely the prospect is for people to visit. It gives the Chamber a starting point to close the gap and make the sale. Mr. O'Connor stated the Chamber is seeking information to then make informed decisions.

Mr. Scholz asked if the State of Montana worked with Long Winds. Ms. Clemens stated Long Winds has not worked with Montana before. Mr. Scholz asked if Mr. O'Connor and Ms. Clemens have seen a final study from Long Winds before. They stated yes and they believe the study will be custom to Big Sky.

Mr. Loble asked to see the preliminary proposal.

Mr. Loble asked if the Chamber has spoken with Dab Dabney. Ms. Clemens stated Brian Wheeler from Big Sky Resort has attended the housing committee meetings and relayed the financial proforma to Mr. Dabney. She stated the housing product the Chamber would like to address is outlined in the capital improvements plan, which is housing for the rising business professional (Mr. Dabney's plan is for the seasonal worker). She stated the Chamber has pulled together a mix of skill sets of the people who can make the housing development a reality in Big Sky.

Mr. Kabisch stated he is concerned the people with the land are not at the table. Ms. Clemens stated a stakeholder advisory board has been created that includes many area developers.

Mr. Scholz stated funding this project is a necessary risk if the community wants to move forward. He stated affordable housing is the biggest stumbling block in Big Sky and this effort is worth the risk. He stated the community needs to let the developers/planners know what we can offer them. Mr. O'Connor stated the communities that have figured this out have solved it in the way the Chamber has proposed.

Ms. Hermann asked if the Chamber has a proposal to know what is included. Ms. Clemens stated she prepared a task list for the steering committee group based on other resort-based economies.

Dr. Strickler stated the list of resort-based communities are all incorporated. Ms. Clemens stated Vail had special legislation passed because they cover two counties and set up special boundaries. She stated this effort will help Big Sky identify the best tools to fulfill the need.

Mr. Loble stated that property development is where most the brain power goes in this community. He also stated there are not enough specifics in the application on this project. He stated to date Big Sky has not solved the issue with the capitalism model.

Dr. Strickler asked if the Chamber could prioritize the projects for the Resort Tax board. Mr. O'Connor stated he would consult the Chamber board, but his priorities are as follows: 1) operations, 2) housing and 3) entry. Ms. Clemens stated the strategic plan leads housing. Dr. Strickler asked Mr. O'Connor to consult with the Chamber board and provide defined priorities for the Resort Tax Board.

Ms. Hermann asked the Chamber to explain the entryway easement situation. Ms. Clemens stated the Chamber learned it would be best to have elements on both sides of the road as well as identical easements on both sides

of the road. The Chamber formed an entity for the entryway easement project. To date they do not have easements signed, but may have it signed by the June 12 meeting.

Ms. Clemens stated the entryway monument architecture and project development will be a donation by Dan Turvey of Dan Joseph Architects. Mr. Turvey stated the Big Sky construction community at large would like to contribute and his inspiration is to build the monument without any resort tax funds.

Mr. Scholz stated the Resort Tax board may decide to set aside the funds in a reserve and when the Chamber presents a set bid, Resort Tax will have the resources.

Mr. Scholz stated the \$80,000 for the study seems nebulous. Ms. Clemens stated a managing committee has been formed and a request for proposal will be completed so the funding is not nebulous.

Mr. Loble asked what the sign replacement line item is noted in the a. Mr. O'Connor stated it is a sinking fund for sign replacements as needed. The way the signage memorandum is written the Chamber has a short period of time to fix damaged signs since they are in the public built environment of the Department of Transportation. Mr. Loble asked if the Chamber has looked into insurance. Ms. Clemens stated replacement cost insurance is cost prohibitive.

Ms. Hermann asked Ms. Jamison how the Resort Tax Board would access a sinking fund. Ms. Jamison stated the funding is set up on an annual basis. The board would include a contingency in the contract (i.e. a provision in the contract). Mr. Scholz stated the bonding process has not been set up yet. Ms. Jamison stated the Resort Tax Board has more work to do to set up the bonding process.

Mr. Kabisch noted the operations request is the same as last year. He stated last year the Chamber mentioned its goal is to have operations be covered by memberships. Mr. O'Connor stated the Chamber is in the process of identifying revenue streams and they may not realize those funds into the next fiscal year. Mr. O'Connor stated the new location of the Visitors' Center has been a great success, but it has incurred costs. Ms. Clemens stated the Chamber undershot its goal membership numbers (due to inflated original numbers); however, with the new Membership Manager and additional part-time staff the Chamber expects to see an increase in memberships in the next year. To date the Chamber has 371 members. She stated the Chamber does not trade memberships anymore because the Chamber needs to count on the membership income to grow. Mr. Kabisch stated memberships should be at the core of the Chamber's business. Ms. Clemens stated she would supply new membership numbers.

21. Visit Big Sky: Destination Marketing, Promotions – Catherine Gibb and Kitty Clemens

Mr. Scholz asked if the Resort Tax board cut the requested funding by 5-10% what would the affect be on Visit Big Sky's application. Ms. Gibb stated the more money Visit Big Sky is appropriated, the more of an impact they will make in marketing Big Sky, driving visitors and the more money that will go back into the resort tax coffers. She stated it is hard to saturate the market with a small budget. Ms. Gibb stated similar communities like Telluride and Vail spend \$500,000 and \$2.5 million respectively on summer marketing. She stated Visit Big Sky can do a lot with the funding request it proposed. Mr. Kabisch asked if the similar communities mentioned use public funds for summer marketing. Ms. Clemens stated Vail passed a bill to create a marketing district that pays for summer marketing.

Dr. Strickler stated he does not see anything from the state or other sources of public income in the application. Ms. Gibb stated state money is the only funding that has gone into the summer marketing in the past, but it has not moved the needle, which is why Visit Big Sky is coming to Resort Tax.

Mr. Loble stated the goal of Biggest Skiing in America (BSIA) has been to increase skier days. He asked Ms. Gibb to explain BSIA. Ms. Gibb stated the original 500,000 skier visit goal before 2013 was set the year before the national economy crashed. She stated in reviewing past BSIA notes she has seen the committee was "shooting for the moon" with the goal. Ms. Gibb stated the final numbers are in for the 2012-2013 ski year and Big Sky Resort and

Moonlight Basin had record years with 480,000 skier visits (4% off the goal). She stated nationwide the ski industry is down and Big Sky's numbers are up over the 2008-2009 ski year.

Mr. Loble referenced the BSIA trademark agreement. Ms. Clemens confirmed with Glenniss Ireland of Big Sky Resort that the 10-year agreement is still in place as long as BSIA is marketed. Ms. Gibb stated private partners continue to invest in the campaign and Visit Big Sky is using the same model for summer investors. She stated the private business partnerships show community support for the program because when they put their own money into the marketing effort it demonstrates they believe in it as well.

Mr. Loble asked Visit Big Sky to provide the Resort Tax board with the metrics of how the private partnerships have been created and what the incentive is for the private partners.

Mr. Kabisch asked Visit Big Sky to show the number of skier days and the private/public match. Ms. Gibb stated the formula is based off \$.50 per skier day for BSIA (\$243,000 toward winter) and \$207,000 for summer.

Mr. Loble encouraged Visit Big Sky to be mindful and not loose right to use the trademark.

22. Water and Sewer District: Land Acquisition – Ron Edwards

Mr. Scholz asked where the land is located. Mr. Edwards stated the land is located east of the ponds.

Dr. Strickler asked if the sale pending sign is referring to the sale pending with the District. Mr. Edwards stated no. There was a buyer that fell away from the deal and the second party has until June 16 to close the sale.

Ms. Hermann asked if building below the dam is risky. Mr. Edwards stated the dam is no longer classified by the state as hazardous. He stated that having a buffer around the dam is a good idea.

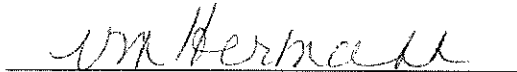
Dr. Strickler asked if the Big Sky Community Corporation (BSCC) is partnering with the District. Mr. Edwards stated there is discussion of placing walking bridges, a park extension and improve the look of the land in partnership with BSCC. Mr. Scholz asked if the District's mater plan includes buying land and giving use of it to other entities. Mr. Edwards stated this piece of land is the only piece left that makes sense. He stated the District bought 30 acres where Search and Rescue is currently located for buffer concerns (and eliminating the possibility of condos).

Mr. Loble stated the land is zoned commercial. Mr. Scholz asked if the District could expand with more lagoons in the area. Mr. Edwards stated the area does not make sense for that type of use.

F. Public Comment: None.

Chairperson Les Loble adjourned the open meeting at 3:40 p.m.

Respectfully Submitted,



Ginna Hermann, Secretary/Treasurer



FINAL MINUTES OF THE FINAL APPROPRIATIONS OPEN BOARD MEETING

June 12, 2013

Present: Les, Loble, Chairperson
Jamey Kabisch, Vice Chairperson
Ginna Hermann, Secretary/Treasurer
Mike Scholz, Director
Jeff Strickler, Director
Mona Jamison, Attorney
Whitney Brunner, Administrative Officer

Chairperson Les Loble called the open meeting to order at 1:12 p.m.

I. Open Meeting

A. **General Announcements: Chairman Les Loble** – Mr. Loble opened the meeting and introduced the board members, attorney and administrative officer. Please sign-in and wear a “Better Together” button. All decisions for funding will be made today. The board is not required to appropriate all available funds or fulfill all requests. Board members will make motions and a motion may be seconded. Discussion may take place and the board will vote on the motion. One substitute motion to the primary motion is allowed. Terry Smith of Water and Sewer will update the master spreadsheet as motions are passed based on majority approval.

B. Public Comment

Becky Pape supports the Sherriff’s Office, the Fire Department and Morningstar. She encouraged the board to differentiate between needs and wants. Ms. Pape stated Big Sky is an area with many transient people passing through. She provided examples of past robbery problems. Ms. Pape stated the school children need protection. In support of the Fire Department, she provided an example of the Karst fire. Ms. Pape stated if Big Sky would like to encourage families to stay, affordable daycare is needed.

Chief William Farhat supports the Sherriff’s Department.

Eric Becker supports Blue Water Task Force, the Chamber of Commerce and Visit Big Sky. He stated the Gallatin River is a cornerstone of Big Sky and it needs continued monitoring. Mr. Becker stated he owns a business and has been impressed with the current Chamber leadership. He stated summertime business has been neglected and Visit Big Sky’s application is an opportunity for Big Sky to compete with other Yellowstone National Park gateways.

Steve Nordahl supports Visit Big Sky. He stated as a business owner, his concern is getting visitors to Big Sky in all seasons. Mr. Nordahl stated that funding an effort that is good for business will trickle back to the other organizations and increase resort tax funding.

Devin White supports Visit Big Sky. He stated for Big Sky to become a world class resort and community we need people to visit.

Catherine Gilb supports Visit Big Sky. She stated tourism is the fuel that makes Big Sky what it is and tourism does not happen without promotion. Ms. Gilb stated visit Big Sky is a unified marketing effort of experienced individuals from every corner of the community.

Chris Moon supports Women in Action and the Big Sky Skating and Hockey Association. He stated Women in Action is providing for a vital need available nowhere else in Big Sky. Mr. Moon stated Skating and Hockey is for both locals and tourists.

Lyndsey Owens supports Visit Big Sky, the Big Sky Community Corporation and the Arts Council. She stated the entities mentioned are managed by dedicated community members.

Jessie Wiese of the Big Sky Community Corporation provided an update on the Parks and Trails application. She stated the Corporation received over seven miles of easement approval, which, due to difficulty getting land owners to set aside land for public use, has been 13 years in the making.

Markus Kirchmayr supports the Chamber of Commerce and Visit Big Sky. He stated the housing study is positive for Big Sky and he appreciates that the Chamber is looking forward. Mr. Kirchmayr stated everyone benefits from more tourists.

Victor DeLeo supports the Chamber of Commerce and the Sheriff's Department. He stated the Chamber board has proven the ability to get things done with the progress of the Visitor's Center, Wayfinding, Lighting and the Entry Monument.

- C. **Determine Funds Available** – Motion by Mr. Kabisch to revise (due to expense funds entered in the funds available spreadsheet twice) and approve the funds available at \$3,040,357.
Second by Mr. Scholz.
All in favor. Motion passed.
- D. **Sinking/Reserve Fund Discussion** – Mr. Scholz stated the board is considering a sinking fund as a cash flow management tool. He stated the goal is to plan for future years where tax funds will be tight and the majority of entities would be required to operate with a decrease of 30-40% in funding due to one entity's necessary requirements. Mr. Scholz explained the funds cannot be designated for future use and that it will be up to the community to elect resort tax board members to make the best use of the money in future years. He stated entities requests' almost always grow.
- 1) Motion by Mr. Scholz to set aside \$250,000 of the fiscal year 2014 resort tax funds into a sinking fund.
Second by Mr. Kabisch.
Discussion: Mr. Kabisch stated if the existing \$100,000 emergency fund is to be included in the reserve fund, the motion may be amended to \$150,000. Mr. Loble stated the emergency fund has been dedicated to provide assistance for an area-wide emergency. Ms. Jamison stated there is an ordinance on the emergency fund and the sinking fund opinion is an entirely separate fund. Mr. Scholz stated the board will have to write an ordinance for the sinking fund. Mr. Loble clarified that the motion on the floor is for a sinking fund of \$250,000 over and above the emergency fund of \$100,000.
All in favor.
Motion passed.
- E. **Contract Revisions** – Mr. Loble stated the contract has been amended to 1) require entities to provide prominent notice to the public that resort tax has partially or totally funded the project and 2) provide two one-page progress reports to the resort tax board.
- F. **Appropriation of Funds**
- 2) Motion by Ms. Hermann to appropriate \$65,000 to the Library.
Second by Dr. Strickler.
All in favor.
Abstained: Mr. Kabisch
Motion passed.
- 3) Motion by Dr. Strickler to appropriate \$288,201 to the Sheriff's Department.

Second by Mr. Scholz.

Discussion: The board asked a representative from the Sheriff's Office to come forward. Sheriff Brian Gootkin came to the podium. Mr. Scholz stated he supports the effort to have a second deputy. He asked why the paperwork shows that the county will contribute less when resort tax contributes more. Mr. Scholz asked why the two counties and resort tax do not all pay a third of the new deputy (as has been done in the past). Sheriff Gootkin stated if the resort tax board does not appropriate what his Office has requested, the county will not contribute the difference and will require him to find it in the budget. Mr. Kabisch stated if the resort tax board votes to add a deputy and fully fund the deputy, the county pays less than if there is no additional deputy. Mr. Kabisch asked where the funds will go. Sheriff Gootkin stated he does not know where the funds will go and that there is no logical reason to the county's contribution. He stated his office is being transparent with the numbers provided.

Substitute motion by Mr. Kabisch to appropriate \$255,093 to the Sheriff's Office.

Second by Ms. Hermann.

Discussion: Mr. Kabisch stated the substitute motion is reducing the appropriation by the difference the two counties are offloading to Big Sky. Dr. Strickler stated he brought this up at the Question and Answer session. On one hand the counties and resort tax should pay equally and on the other hand the Big Sky community needs the deputy. He stated he does not think resort tax should delay gaining the deputy.

Mr. Scholz stated the next year and every year in the future the cost is divided by thirds.

In favor: Mr. Loble, Mr. Kabisch, Ms. Hermann and Mr. Scholz

Opposed: Dr. Strickler

Substitute motion passed. Original motion fails.

- 4) Motion by Mr. Kabisch to appropriate \$2,000 to the Trails, Recreation and Park District.

Second by Mr. Scholz.

All in favor.

Motion passed.

- 5) Motion by Ms. Hermann to appropriate \$15,400 to Search and Rescue.

Second by Dr. Strickler.

All in favor.

Motion passed.

- 6) Motion by Mr. Loble to appropriate \$36,500 to the Post Office.

Second by Mr. Kabisch.

All in favor.

Motion passed.

- 7) Motion by Mr. Kabisch to appropriate \$295,000 to the Transportation District.

Second by Mr. Loble.

Discussion: Mr. Kabisch stated there is room in the Transportation District's budget to make \$295,000 work. Mr. Scholz stated he spoke with Mr. Kack and the Transportation District's budget is in the negative now and it is the only application that budgeted for negative.

Substitute motion by Mr. Scholz to appropriate \$310,000 to the Transportation District.

Second by Dr. Strickler.

In favor: Mr. Loble, Ms. Hermann, Mr. Scholz and Dr. Strickler

Opposed: Mr. Kabisch

Substitute motion passed. Original motion fails.

- 8) Motion by Mr. Kabisch to appropriate \$258,000 to the Big Sky Community Corporation Park Capital Improvements and Trail Construction.

Second by Mr. Scholz.

All in favor.
Motion passed.

- 9) Motion by Dr. Strickler to appropriate \$494,000 to the Fire Department.
Second by Ms. Hermann.

Discussion: The board asked a representative from the Fire Department to come forward. Chief William Farhat came to the podium. Mr. Kabisch stated the board may consider removing \$95,000 from the request for the Department's sinking fund since the board approved a resort tax sinking fund. Mr. Scholz asked the Chief if the Department needs to build up its own reserve and if the sinking fund request includes profits. Chief Farhat stated the Department's auditors recommended building an independent reserve of 25% of the budget. He stated with the Department's request this year, it will hit its target and will not ask for reserve funding in the future. Mr. Loble stated the resort tax reserve fund is for a catastrophic, area-wide event. Ms. Hermann asked why the Department reduced their projected request on the application for future years. Chief Farhat stated the mill levy election was not complete at the time the application was submitted.

All in favor.
Motion passed.

- 10) Motion by Mr. Kabisch to appropriate \$39,000 to Morningstar.
Second by Ms. Hermann.

Discussion: Ms. Hermann stated she would like the board to consider appropriating more towards tuition reduction. She stated the goal is to get as many Big Sky children into preschool as possible. Mr. Loble stated a tuition reduction program could be administered by Women In Action (or a similar entity) and parents could decide where to place their children in daycare. He stated private individuals have approached him and provided examples of jobs lost due to resort tax funding one daycare. Mr. Loble stated all children should be entitled to a subsidy, not just the ones that go in the right front door. He stated the Rapier Foundation has the freedom to choose one entity over another, but the resort tax board is responsible for public funds. Mr. Loble stated the Rapier Foundation provided a challenge grant and, with the Beach Boys concert tickets, Morningstar will meet the match. Mr. Scholz asked Mr. Loble to explain previous boards' intent when funding Morningstar. Mr. Loble stated the original funding was for a physical building that was to include plenty of public, community-wide usable space. Mr. Scholz stated the public space (likely used for yoga, etc.) would make the building more communitywide, not just daycare. Dr. Strickler stated Morningstar is the only licensed daycare in the area. He stated that as a pediatrician, there is a difference between a licensed daycare and a homemaker taking in additional children. Dr. Strickler stated that the State of Montana sets standards that all licensed daycares have to meet. Ms. Hermann stated the resort tax board subsidizes a physiatrist through Women In Action. Mr. Loble stated Women In Action uses a sliding scale. Mr. Scholz asked if Morningstar used a sliding scale, would Mr. Loble be in favor of the motion. Mr. Loble stated Joe Miller of Morningstar provided a sensible response to why subsidizing on a sliding scale does not work for Morningstar. Ms. Jamison stated that from a legal standpoint, as a community benefit, the resort tax board providing scholarship funding through an independent entity like Women In Action works. She stated the board could provide a condition that the funds are to go to licensed facilities only. Mr. Scholz stated that the resort tax board often walks a gray line and instead of figuring how something cannot be done, it is the board's responsibility to figure out how something can be done. He stated other areas similar to Big Sky have been successfully using public funds on daycare and housing. Mr. Scholz stated Telluride provides \$6,500 per child with a floating scale. He stated that when our peer communities have achieved success, Big Sky has to work on making it happen.

In favor: Mr. Kabisch, Ms. Hermann, Mr. Scholz and Dr. Strickler
Opposed: Mr. Loble
Motion passed.

- 11) Motion by Dr. Strickler to appropriate \$30,000 to Women In Action Community and Substance Abuse Counseling.
Second by Ms. Hermann.
All in favor.
Motion passed.
- 12) Motion by Mr. Scholz to appropriate \$20,000 to Women In Action Critical Access Hospital Feasibility Study.
Second by Ms. Hermann.
All in favor.
Motion passed.
- 13) Motion by Mr. Loble to appropriate \$17,500 to the Gallatin Valley Snowmobile Association.
Second by Mr. Kabisch.
All in favor.
Motion passed.
- 14) Motion by Dr. Strickler to appropriate \$82,600 to the Blue Water Task Force.
Second by Mr. Scholz.
All in favor.
Motion passed.
- 15) Motion by Mr. Kabisch to appropriate \$95,000 to the Arts Council.
No second.
Motion fails.
- 16) Motion by Dr. Strickler to appropriate \$100,600 to the Arts Council.
Second by Mr. Scholz.
Discussion: Ms. Hermann stated the Arts Council's offer to reduce the request by \$95,000 was in good-faith, but it would impede production.
All in favor.
Motion passed.
- 17) Motion by Mr. Kabisch to appropriate \$98,000 to the Big Sky Community Corporation Operations and Maintenance.
Second by Dr. Strickler.
Discussion: The board asked representatives from the Big Sky Community Corporation to come forward. Jessie Wiese and Al Malinowski came to the podium. Mr. Loble asked Mr. Kabisch how he decided on \$98,000. Mr. Kabisch stated the Corporation has it in the budget, the entity has done a good job of raising money and it will figure out how to make it work. Mr. Scholz asked Mr. Malinowski what the Corporation's target reserve is and what kind of profits the entity is projecting in the future. Mr. Malinowski stated the excess will be the matching funds for what the Corporation is able to raise in the future. Ms. Wiese stated the funds the Corporation allocated to the reserve this year came from the event fundraising. The surplus seen on the budget is restricted. She stated the Corporation has a greater ability to raise funds to build things than to raise the funds for operations. Mr. Loble stated since the Corporation is a tent organization for different interest groups it may consider requiring the groups contribute to the funding needs of the organization. Ms. Wiese stated the Corporation's board is currently discussing the same idea.
Substitute motion by Mr. Kabisch to appropriate \$113,000 to the Big Sky Community Corporation Operations and Maintenance.
Second by Dr. Strickler.
All in favor.
Substitute motion passed. Original motion fails.

18) Motion by Ms. Hermann to appropriate \$50,000 to the Big Sky Community Corporation Parks and Recreation Facilities Planning.

Second by Dr. Strickler.

Discussion: Mr. Scholz stated if the facility goes forward, the resort tax board will have a large bill in the years to come. He stated the project may begin a future bonding discussion. Mr. Scholz stated the Corporation would be wise to have a plan and explain how the facility's operations and maintenance will be funded. Mr. Kabisch stated there may be an endowment. He stated the planning is the first step and it will help define what is needed.

All in favor.

Motion passed.

19) Motion by Mr. Scholz to appropriate \$297,000 to the Chamber of Commerce Program Application.

Second by Ms. Hermann.

All in favor.

Motion passed.

20) Motion by Dr. Strickler to appropriate \$2,500 to Jack Creek Preserve.

Second by Mr. Loble.

Substitute motion by Mr. Scholz to appropriate \$3,400 to the Jack Creek Preserve.

Second by Mr. Kabisch.

Discussion: Mr. Scholz stated the Preserve does more water quality monitoring with less funding.

All in favor.

Substitute motion passed. Original motion fails.

21) Motion by Mr. Kabisch to appropriate \$450,000 to the Chamber of Commerce Visit Big Sky.

Second by Mr. Scholz.

All in favor.

Motion passed.

22) Motion by Dr. Strickler to appropriate \$27,680 to the Big Sky Skating and Hockey Association.

Second by Ms. Hermann.

Discussion: Mr. Kabisch stated he thinks the light should be paid for by a different entity.

All in favor.

Motion passed.

23) Motion by Dr. Strickler to appropriate \$34,300 to Noxious Weeds.

Second by Mr. Loble.

Discussion: Mr. Loble stated the law has changed and it is now more difficult to enforce prevention. Ms. Hermann stated she would like to see programs increase in the future. Dr. Strickler stated programs will not increase with the funds requested; however, Big Sky will be paying for the service it has been receiving.

In favor: Mr. Loble, Ms. Hermann, Mr. Scholz and Dr. Strickler

Opposed: Mr. Kabisch

Motion passed.

Chairperson Les Loble recessed the meeting at 2:50 p.m. and reconvened the meeting at 2:57 p.m.

24) Motion by Mr. Kabisch to revise (due to expense funds not accounted for in the previous funds available approval) and approve the funds available at \$3,030,357.

Second by Dr. Strickler.

All in favor.

Motion passed.

25) Motion by Mr. Kabisch to appropriate \$55,000 to Morningstar.

Condition: For tuition reduction.

Second by Ms. Hermann.

In favor: Mr. Kabisch, Ms. Hermann, Mr. Scholz and Dr. Strickler

Opposed: Mr. Loble

Motion passed.

26) Motion by Dr. Strickler to appropriate \$288,201 to the Sheriff's Office.

Second by Ms. Hermann.

Discussion: Mr. Kabisch stated it is a \$32,000 difference or a savings of \$16,000 for each of the counties.

In favor: Mr. Loble, Ms. Hermann and Dr. Strickler

Opposed: Mr. Kabisch and Mr. Scholz

Motion passed.

27) Motion by Mr. Loble to set aside an additional \$30,176 of the fiscal year 2014 resort tax funds into a sinking fund (total \$280,176).

Second by Mr. Kabisch.

All in favor.

Motion passed.

28) Motion by Mr. Kabisch to appropriate \$3,030,357 of resort tax funds according to the previous motions passed.

Second by Ms. Hermann.

All in favor.

Motion passed.

G. Other – Mr. Loble provided an update on the health of former Fire Chief Bob Stober. Currently Chief Stober is recovering in assisted living.

Mr. Loble stated this year is his last of eight years on the Resort Tax Board. He stated the Resort Tax Board is wonderful and always in need of new enthusiasm and ideas. Mr. Loble stated he has gained an appreciation for the organizations of Big Sky and the commitment of the many individuals involved. The community applauded. Mr. Scholz stated Mr. Loble's Chairmanship has been tremendous.

Mr. Scholz stated he commends the entities that took a look at their budgets and provided input on the requested funding reductions. He stated the reductions were not necessary because a request totaling \$375,000 did not receive funding and the Chamber formally reduced their request by \$300,000. In addition, resort tax collections were greater than projected.

A. Public Comment: None.

Chairperson Les Loble adjourned the open meeting at 3:08 p.m.

Respectfully Submitted,



Ginna Hermann, Secretary/Treasurer



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

August 14, 2013

Present: Les, Loble, Chairperson
Ginna Hermann, Secretary/Treasurer
Mike Scholz, Director
Jeff Strickler, Director
Mona Jamison, Attorney
Whitney Brunner, Administrative Officer

Chairperson Les Loble called the open meeting to order at 8:57 a.m.

Secretary/Treasurer Ginna Hermann attended via telephone call.

I. Open Meeting

A. Public Comment

Nancy Radick Butler of Gourmet Gals stated four and a half years ago she started her business. At that time she attended a Resort Tax Board meeting and the board was made up of different members. Ms. Radick Butler stated 90% of her business is catering and is billed out for payment. She stated she often does not receive payment two weeks to two months from the date of service. Ms. Radick Butler stated she was told initially to pay resort tax at the time of service, which as a small business, created a hardship because she had to pay in advance of payment, out of pocket.

The current board stated she is not to pay in advance of receiving payment. The board stated that when a business bills out and the bill is not paid, it is a bad debt and resort tax cannot be remitted. A business is to remit the tax paid, not the tax billed. Ms. Radick Butler stated that goes against what she's been doing all these years and what she recalls was said in court. She stated she has been told many different things over the years.

The board stated she was in court because she had not been remitting resort tax at all. The board asked if she went a year or more without being paid. Ms. Radick Butler stated no.

The board clarified that Ms. Radick Butler does not pay the tax. Ms. Radick Butler remits the tax that is paid to her by the public.

Ms. Jamison stated that the payment schedule currently in place is Court Ordered and what is contained in the Order must be remitted. Ms. Radick Butler stated she is not at the meeting to discuss the Court Ordered Payment Schedule.

The board asked Ms. Radick Butler what she is here to discuss. Ms. Radick Butler stated she would like to know what she should do. The board stated that when she collects the tax she is obligated to remit it. Ms. Radick Butler stated that goes against what was said in court. She asked if she will be penalized. The board stated if she remits the tax late; yes, she will be penalized.

Ms. Radick Butler stated past boards have given her bad information. She stated the state and federal agencies do not penalize to the degree resort tax penalizes and, although her business will go on, she has been in danger of

going out of business because of resort tax. She stated she wants to go on record that she feels venerable because the Resort Tax Board could put her out of business.

The board stated there has been a misunderstanding and the board is telling her what is expected going forward. The board stated Ms. Radick Butler does not need to be afraid because what the board is telling her is the way the resort tax governing documents are written. The board stated 373 of 374 Big Sky businesses have no problem remitting the resort tax collected.

The board asked if Ms. Radick Butler has remitted any taxes that have not been paid to date. Ms. Radick Butler stated yes. The board suggested she examine her books to see what collected tax remains to be remitted.

Ms. Radick Butler stated Ms. Brunner came into her business in June to relay the board's response to Ms. Radick Butler's letter and that Ms. Brunner stated she would look into receiving a transcript from the court and that she had not heard from Ms. Brunner. Ms. Jamison stated what is in the transcript does not matter. It is the Court Order issued and signed by Judge that controls the payment schedule. Ms. Brunner stated that since there was a difference of understanding regarding what was communicated in court, a transcript would settle the discrepancy. Ms. Brunner learned a transcript would be a cost to the board and that she is not to act as legal counsel nor make decisions for the board. Ms. Brunner apologized to Ms. Radick Butler for not communicating that she would not be requesting a transcript and, that if a transcript was of interest to Ms. Radick Butler, it was up to her to obtain the record.

Ms. Radick Butler asked for an apology for the hardships her business has endured by having to remit the tax in advance of receiving the payment. The board stated it apologizes that a previous resort tax employee provided incorrect information. The board stated all businesses are held to the same standard and her business was penalized because she did not remit the taxes collected.

Ms. Radick Butler expressed disappointment that the board would not admit that maybe, out of the 374 business that collect and remit resort tax, her business was caught in an error within how resort tax operates.

Ms. Jamison suggested the board provide the final, approved minutes to Ms. Radick Butler as a record of the conversation. The board agreed.

Ms. Radick Butler left the resort tax office.

The board clarified it did not penalize Ms. Radick Butler; the Judge penalized her for not remitting taxes. It is up to the tax collector to follow the law. The board stated Ms. Brunner did the right thing.

B. New Business

1. **Noxious Weeds** – Jen Mohler provided an update on the program and reviewed events held by the Noxious Weeds Committee. The board requested clarity on the weeds along Highway 191. Ms. Mohler stated many of the weeds along highway 191 are not certified noxious weeds and the state may not have to legally treat them; however, she will investigate the weed growth in the locations mentioned by the board and see if she can file a report with the state.

The board suggested the owners of the small lots in the meadow may benefit if a smaller herbicide kit was available at the local hardware store. Ms. Mohler stated herbicide can only be sold in certain size packets. She stated she would work on a takeaway cheat sheet to help local homeowners identify noxious weeds common in their area to be available at the hardware store.

2. **Liability Insurance** – Motion by Mr. Scholz to approve liability insurance contract. Second by Dr. Strickler. All in favor. Motion passes.
3. **Holmes and Turner Audit Contract** – Motion by Ms. Hermann to approve the three-year audit contract. Second by Dr. Strickler. All in favor. Motion passes.

Furniture and Taxability –Ms. Jamison stated the way the ordinance is structured now, with lists of specific luxuries and exemptions, is confusing; if an item is not listed in the ordinance, it is taxable. She stated the inclusion of “luxury” enabled resort tax to include items sold outside the destination resorts. Resort tax is a general sales tax that exempts necessities of life.

The board discussed the philosophy of resort tax versus a general sales tax. Mr. Scholz suggested the board begin thinking about resort tax as a tax on what tourists (and the public) buy. He stated collections are increased, not by broadening the tax, but by investing collections into growing the community. Mr. Loble stated concern that resort tax should not feel oppressive to the tax collectors. Positive support for resort tax by collectors should remain a goal for the board.

Motion by Dr. Strickler to direct Ms. Jamison to clean up and draft a revised ordinance (in layout and structure) by amending Sections 8, 9 and 10. A committee of Mr. Scholz and Mr. Kabisch will review and edit the draft before presentation to the board. Second by Mr. Scholz. All in favor. Motion passes.

5. **Resort Area District Population Limit** – Ms. Jamison reviewed her written opinion and stated that even if the population expands, the district still exists.
6. **Procedure for Choosing Among Investment Alternatives** – Motion by Dr. Strickler to adopt the following procedure:

At the six month meetings (July and January), Ms. Brunner is to place “Investment Discussion” on the agenda. The board will discuss whether a change in the district’s investments is of interest to the board. At the direction of the board, Ms. Brunner is to solicit rate proposals from local banks. At the time of solicitation, Ms. Brunner is to provide the banks with an estimate of the total funds to be placed in the account (CD or Money Market). Rate proposals will be requested once and decisions will be made on the proposals received. The Treasurer will review the proposals prior to the board meeting and make a recommendation to the board at the meeting.

Second by Ms. Hermann. All in favor. Motion passes.

7. **Establish Resort Tax Fiscal Year 2014 Meeting Dates** – Motion by Mr. Scholz to accept the calendar as amended. Second by Ms. Hermann. All in favor. Motion passes.

Sept 11	9a	Monthly Meeting
Oct 9	9a	Monthly Meeting
Nov 13	9a	Monthly Meeting (New Board of Directors)
Dec 11	9a	Monthly Meeting
Jan 8	9a	Monthly Meeting
Jan 13	6-9p	Town Hall Meeting I (TBD)
Feb 10	6-9p	Town Hall Meeting II (TBD)
Feb 12	9a	Monthly Meeting
Mar 12	9a	Monthly Meeting
Apr 9	9a	Monthly Meeting
Apr 14	3p	Applications Due
May 14	1p	Question & Answer Session
Jun 11	1p	Final Appropriations

8. **Big Sky Institute** – The school acquired the land previously set aside for the Big Sky Institute. A bond was passed for the construction of the school.

Motion by Dr. Strickler to formally request Big Sky Institute refund the resort tax funding. Second by Mr. Loble.

Discussion: Ms. Jamison stated the entity was required to submit receipts for all funds before requesting payment.

Dr. Strickler withdrew the motion and requested Big Sky Institute be placed on the agenda for the next board meeting. The board directed Ms. Brunner provide a report of the funds appropriated and spent by Big Sky Institute.

9. **Sheriff's Department County Matched Funds** – The board directed Ms. Brunner to write a letter to the counties asking for an explanation why they reduced funding when adding a deputy. The board approved the Sheriff's request at the June appropriation meeting because it believes the community needs the deputy now.

The board directed Ms. Jamison to review the Interlocal Agreement to see if it is now in breach.

Secretary/Treasurer Ginna Hermann left the meeting at 10:54 a.m.

C. Old Business

1. **Sinking Fund** – The board discussed the need for an ordinance if the sinking fund is to be used during another time of the year outside of appropriations. Ms. Jamison reminded the board that rollover funding is available if a project is unable to complete its task in the fiscal year. The board expressed concern that if funding was appropriated during a second time of year, the first appropriation cycle may not be as vigorous.

The board discussed changing the definition of the Emergency Fund to encompass "unforeseen events". Ms. Jamison advised against the change. She suggested if an entity requires funding, but the project is not developed completely to receive funding at appropriations, a condition may be written into the contract that funds were appropriated, but will not be released until the entity meets certain criteria. Likewise, she suggested the condition could draw the funds from the emergency fund.

2. **Bonding Ordinance** – The board decided to work back from the date of April 14 (FY 2015 application deadline) and begin a calendar of the requirements needed to execute a bond. Items needed include voting period regulations, D.A. Davidson's involvement, a community education period, board preliminary approval and board final approval before public vote.

The board directed Ms. Brunner to reach out to Bridget Ekstrom with D.A. Davidson. The board directed Ms. Jamison to reach out to Charlotte Mills of the Gallatin County Election Office.

3. **Bidding** – Resort tax is not an agency, it is a government entity and is to adopt state bidding procedures. The entities receiving resort tax funds have no bidding restrictions. The board directed Ms. Brunner to add the following to the appropriation application:

Project line items that exceed \$50,000 are required to get two bids. If the lowest bidder is not accepted, the entity is to provide a written explanation to the resort tax board.

4. **Administrative Officer Report** – The board decided Ms. Brunner's request for Flex Thursdays was not a good idea for an hourly employee.
 5. **2-Month Timeframe for Decision Making** – The board discussed that any action taken by the board would only be allowed during Old Business. This would allow for the board to reflect before a vote is taken. The board decided this would slow down the process. The board will continue with action items being allowed in New Business.
 6. **Better Together** – The board directed Ms. Brunner to request an estimate for the board to copyright "Better Together".
- D. **Minutes** – Motion by Ms. Hermann to approve the April 10, May 8 and June 12 open minutes. Second by Mr.Scholz. All in favor. Motion passes.

- E. Financial and Tax Collection Reports – Motion by Dr. Strickler to accept the financial and collection reports. Second by Mr. Scholz. All in favor. Motion passes.

Chairperson Les Loble adjourned the open meeting at 12:08 p.m.

Respectfully Submitted,


Ginna Hermann, Secretary/Treasurer



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

September 11, 2013

Present: Jamey Kabisch, Vice Chairperson
Ginna Hermann, Secretary/Treasurer
Mike Scholz, Director

Jeff Strickler, Director
Whitney Brunner, Administrative Officer

Vice Chairperson Jamey Kabisch called the open meeting to order at 8:59 a.m.

A moment of silence was taken in remembrance of the September 11, 2011 events.

I. Open Meeting

A. Public Comment

Hans Williamson and Bob Shanks introduced themselves as candidates on the ballot for the November 5, 2013 Resort Tax Board election.

B. New Business

1. **Big Sky Institute** – The board discussed the concepts of fraud and breach of contract as it pertains to resort tax appropriations. The board stated the 2008 computers, furniture, etc. are not items the Resort Tax Board has interest in taking back. The board stated the report prepared (outlining the funds spent in categories per fiscal year) provides the due diligence necessary for the Resort Tax Board to satisfactorily move on and not request Big Sky Institute return funding.

The board directed Ms. Brunner to put together a status report comparing the entities contractual agreement and their results for board review in May.

2. **Orientation Manual** – The board directed Ms. Brunner to make the following additions to the manual: 1) when the ordinance is revised, update the history, 2) remove the name from the Notice of Non Payment Letter, 3) add a bonding overview and the bonding legislation, 4) add a bidding explanation, 5) on page 13 change \$2 million to \$3 million, and 6) on page 14 reference Mona's opinion for the Conflict of Interest statement.
3. **Gift for the Chairman** – The board approved Ms. Brunner's suggestion for the Chairman's gift.
4. **Agenda Item Time Limits** – Per Ms. Jamison, the board may limit the total time for public comment and it may limit time per individual; just so long as reasonable opportunity is provided. The board expressed concern that if a meeting moves swiftly and the published agenda includes times, a presenter may misunderstand, arrive at the meeting at the published time and the agenda item may have passed. The board decided it is the responsibility of the Chairman to run the meeting and board members may encourage the Chairman to move agenda items along.

C. Old Business

1. **Better Together** – The board agreed the patent attorney’s presented cost (\$2,500) is too high for the board to approve copyrighting the Better Together trademark. The board directed Ms. Brunner to research the forms needed, the application fees, etc. to see if the copyright can be obtained internally without attorney fees. The board agreed if the process is lengthy or appears to cost close to \$2,500, Ms. Brunner is to discontinue research.
2. **Sheriff’s Department** – The board directed Ms. Brunner to set a meeting date between the representatives of Gallatin and Madison Counties and the Resort Tax Board to discuss, review and update the Interlocal Agreement. Per Ms. Jamison, the meeting would provide an opportunity to discuss everyone’s pro-rata share and determine if any adjustments should be made.

The board clarified to Ms. Brunner that funding to the Sheriff’s Department is not being restricted by the board at this time, unless the department requests the entire appropriation for fiscal year 2014.

3. **Bonding** – The board discussed the current objective is to create a critical path/timeline should an entity approach the Resort Tax Board with a project that requires bonding. Mr. Kabisch stated a prospectus with disclaimer periods is needed from the underwriter. Mr. Kabisch will contact Ms. Ekstrom of D.A. Davidson and request additional information. The board directed Ms. Brunner to invite Ms. Ekstrom to the November meeting.

D.A. Davidson will most likely sell the bond to the Big Sky banks. The banks will most likely purchase resort tax bonds as community reinvestment projects. The bonds can be sold to individuals if D.A. Davison buys and resells to individuals.

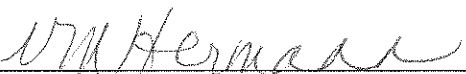
Once a bond is prepared to move forward, it is at the whim of the market regarding interest rates. The Resort Tax Board can instruct the underwriter to place a cap on the interest rate; if it goes up to X%, it is not to be sold. The interest will be paid by the district.

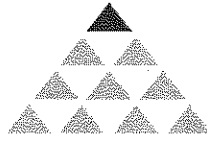
The board instructed Ms. Brunner to add (when complete) this information to the Orientation Manual and publish an article in the local papers.

4. **Election** – Mr. Loble and Mr. Kabisch will go to the Gallatin County Elections office in Bozeman November 6, 2013 to canvas the election.
 5. **Town Center Owners Association Proxy** – Motion by Ms. Hermann to approve Mr. Kabisch sign the proxy for the Town Center Owners Association Annual Meeting. Second by Mr.Scholz. All in favor. Motion passes.
- D. **Minutes** – Motion by Mr. Scholz to approve the August 14 open minutes as amended. Second by Ms. Hermann. All in favor. Motion passes.
- E. **Financial and Tax Collection Reports** – Motion by Mr. Scholz to accept the financial and collection reports. Second by Ms. Hermann. All in favor. Motion passes.

Vice Chairperson Jamey Kabisch adjourned the open meeting at 10:00 a.m.

Respectfully Submitted,


Ginna Hermann, Secretary/Treasurer



RESORT TAX
— BUILDING BIG SKY SINCE 1992 —

**DRAFT MINUTES OF THE BIG SKY RESORT AREA DISTRICT
OPEN BOARD MEETING**

October 9, 2013

Present: Les Loble, Chairperson
Jamey Kabisch, Vice Chairperson
Ginna Hermann, Secretary/Treasurer
Mike Scholz, Director
Jeff Strickler, Director
Whitney Brunner, Administrative Officer

Chairperson Les Loble called the open meeting to order at 9:00 a.m.

Secretary/Treasurer Ginna Hermann attended via telephone call.

I. Open Meeting

A. **Public Comment:** None

B. **Old Business**

1. **Progress Report Review** – The board directed Ms. Brunner to add a column titled “Amount of Dollars Spent”, remove “Summary” from “Status Report Summary”, add page numbers and add lines for Board Chair/Governing Officer name and signature.

Motion by Ms. Hermann to adopt the Progress Report, as amended, to be completed by entities in December and May. Second by Dr. Strickler. All in favor. Motion passes.

2. **Sheriff’s Department / County Commissioner Meeting** – Deputies Dan Springer and Matt Daugherty presented an email from Ed Blackman and the Sheriff Department’s budget.

Deputy Springer explained the cost division of the six deputies between Gallatin and Madison Counties and Resort Tax. All costs are divided by the three local governments; except the new deputy’s vehicle, which is the financial responsibility of Resort Tax. The board expressed confusion why the vehicle cost is not divided in thirds as well. Deputy Springer stated he can explain the budget as presented; however, he cannot explain the fundamental decisions for the creation of the budget. The board discussed having a board member meet with Mr. Blackman and the commissioners to reconcile the discrepancy.

Deputy Springer stated he will research 1) the order deputies were added to Big Sky and if a precedence was set in previous budgets, 2) if revenue funds from the detention center can be applied to this discrepancy and 3) if the July through October vacancy of the sixth deputy allows the appropriated funds to cover the discrepancy.

The board stated it approved the funding request as presented in June and it appreciates the Sheriff’s Department effort to reconcile the financial discrepancy. The board will review Deputy Springer’s findings and meet with the commissioners to create an Interlocal Agreement for six deputies.

3. **Bonding** – The board discussed creating an ordinance to govern the district’s ability to bond.

The board stated that in order to finalize an appropriate timeline, it needs the first payment due date from Bridget Ekstrom of D.A. Davidson. It will then work back from that date to determine if appropriation funding needs to be set aside the year the entity seeks initial approval from the Resort Tax Board, which begins the process of the public education, public vote, underwriting procedures, etc. Ms. Ekstrom will attend the November meeting.

The board discussed if an entity requested funding for the public education period, the Resort Tax Board may encourage the entity to seek funds elsewhere and that the responsibility of the Resort Tax Board is to bring the project to public vote and not to necessarily promote the project.

The board discussed that once the lump sum is loaned to the Resort Tax Board, it will be distributed to the entity in the same payment request system currently in place (i.e. receipts are submitted, reviewed and approved by the Resort Tax office to release funds). The board discussed creating a draw inspection system to further review the compliance of the entity before releasing funds (similar to a bank holding construction companies responsible by in-person progress inspections of the construction).

4. **Better Together Trademark** – Motion by Mr. Kabisch to submit an application to the Secretary of State to trademark “Better Together” in the financial and tourism promotion class codes at a cost of \$40 to the district. Second by Mr.Scholz. All in favor. Motion passes.
 5. **Administrative Officer Report** – The board directed Ms. Brunner to offer the conference room furniture to nonprofits and businesses in Big Sky. If the furniture is not needed, it is to be given to goodwill in Bozeman.
- C. **Minutes** – Motion by Ms. Hermann to approve the September 11 open minutes. Second by Mr. Scholz. All in favor. Motion passes.
 - D. **Financial and Tax Collection Reports** – Motion by Mr. Kabisch to accept the financial and collection reports. Second by Mr. Scholz. All in favor. Motion passes.

Chairperson Les Loble adjourned the open meeting at 10:40 a.m.

Respectfully Submitted,


Ginna Hermann, Secretary/Treasurer



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

November 13, 2013

Present: Jamey Kabisch, Chairperson
Mike Scholz, Vice Chairperson
Ginna Hermann, Secretary
Heather Budd, Treasurer
Jeff Strickler, Director
Whitney Brunner, Administrative Officer

Vice Chairperson Jamey Kabisch called the open meeting to order at 9:00 a.m.

Secretary/Treasurer Ginna Hermann attended via telephone call.

I. Open Meeting

A. Public Comment: None

B. New Business

1. **Oath of Office** – Ms. Brunner confirmed the Oath of Office forms have been completed by the newly elected officials Heather Budd, Ginna Hermann and Jeff Strickler.
2. **Election of Officers** – Motion by Dr. Strickler to nominate Mr. Kabisch as Chairperson, Mike Scholz as Vice Chairperson, Ginna Hermann as Secretary and Heather Budd as Treasurer. Second by Mr. Scholz. All in favor. Motion passes.
3. **Housing Development Plan: Kitty Clemens** – David Schwartz and Dan Guimond of Economic Planning Systems summarized the first steps of their plan including quantifying and understanding the housing need, finding the housing gap (seasonal, service industry or teacher/cop) and learning where people are living now. The board asked the following questions:

Has the firm worked with unincorporated communities? Mr. Schwartz stated they have worked with Copper Mountain and Durango Mountain Resort (formerly Purgatory).

Have the recommendations the firm puts forth generally been carried out by the communities? Mr. Schwartz stated, with time and in incremental steps, the communities carry out the recommendations.

Will the firm present a financial plan that is feasible for the Big Sky community? Mr. Schwartz stated his firm will look at funding solutions to ensure they recommend what is feasible for the community.

When will the recommendations be complete? Mr. Schwartz stated they anticipate the final recommendation will be ready at the end of April or beginning of May 2014. Ms. Clemens stated legal work, which was already budgeted for in the current appropriation, may affect the plan's completion date. The board stated with Resort Tax appropriations on an annual cycle, a month late is a year late. The board asked if the timeline was too short considering the consultants will not see the community through a summer season. Mr. Schwartz

stated they will use the lodging and resort tax incomes to understand the impact of the summer season. The board stated it would like to like to see the completed plan in March, if possible.

4. **Warren Miller Performing Arts Center: John Zirkle** – Mr. Zirkle thanked the board for the 2012 appropriation of \$494,415. He provided a handout and presented a slideshow presentation outlining the events slated for the 2013-2014 debut winter season (Christmas to Easter). Tickets will be rolled out three shows at a time the first days of December, January and February and seats range from \$15 to \$55. Mr. Zirkle stated they hope to grow and diversify the community by bringing international, national, Montana and school performances to the Center. Anne Marie Mistretta stated the Center is not competing with other Big Sky venues including bars, the Resort, etc. Mr. Zirkle stated the season cost is \$150,000 to \$160,000 plus \$50,000 (a one-time gift from the Bough Family). 26-30% (\$35,000 to \$45,000) of the season cost is funded by ticket sales earned income.
5. **Office Audit: Vickie Tischendorf** – Ms. Tischendorf reviewed the draft financials. The board discussed pledging securities, one employee accounting access, deferred compensation, the Management’s Discussion and Analysis report, the positive change in the fund balance, the new committed (reserve) funds and vacation and sick day accrual.

Mr. Kabisch stated he would go to First Security Bank after the meeting to ensure securities are pledged to cover the funds in the bank’s accounts. The board agreed the Treasurer would review the securities and audit trail quarterly and will receive a backup copy of Quick Books on a flash drive at every meeting. The board decided to prepare a Management’s Discussion and Analysis report. Past boards have not prepared a report because the audit was to stand on its own and a letter may dilute the audit. However, the current board decided to address the pledging and one employee deficiencies and the policies going forward. The report is to include reference to the consolidation of the area resorts.

Motion by Mr. Scholz to retroactively update Ms. Brunner’s vacation and sick days based on the actual hours worked and for Ms. Budd to adjust Quick Books. Second by Dr. Strickler. All in favor. Motion passes.

Ms. Tischendorf stated she appreciates working with Ms. Brunner and her organized record keeping.

C. Old Business

1. **Orientation Manual** –The board directed Ms. Brunner to add the role of the officers, update Mr. Scholz’s address and add the board decision regarding bidding.
2. **Strategic Session Review, Town Hall Meeting Planning** – January and February Town Hall Meetings will be scheduled to include the following agenda items: review the Strategic Plan, present the proposed revisions to the ordinance and provide opportunities for the community plans funded by resort tax to update the community (WIA Hospital Feasibility Study, BSCC Facilities Plan, Chamber Housing Committee and VBS Marketing Plan).
3. **Sheriff’s Department** – The board reviewed Undersheriff Dan Springer’s responses to the questions proposed at the October meeting. Mr. Kabisch and Mr. Scholz discussed meeting with Ed Blackman before setting a meeting date with County Commissioners.
4. **Administrative Officer Report**

The board approved Ms. Brunner’s request to take vacation December 23 and 24.

The board directed Ms. Brunner to work with Mr. Kabisch on a Resort Tax Employee Handbook.

Motion by Dr. Strickler to approve payment of the July invoices for Women In Action. Second by Ms. Budd. All in favor. Motion passes.

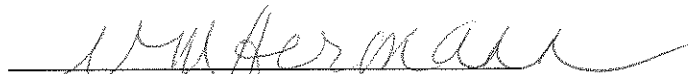
Secretary Ginna Hermann left the meeting at 11:00 a.m.

- D. Minutes – Motion by Mr. Scholz to approve the October 9 open minutes. Second by Dr. Strickler. All in favor. Abstained: Ms. Budd. Motion passed.
- E. Financial and Tax Collection Reports – Motion by Mr. Scholz to accept the financial and collection reports. Second by Dr. Strickler. All in favor. Motion passes.

Secretary Ginna Hermann returned to the meeting at 11:03 a.m.

Chairperson Jamey Kabisch adjourned the open meeting at 11:03 a.m.

Respectfully Submitted,



Ginna Hermann, Secretary



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

December 11, 2013

Present: Jamey Kabisch, Chairperson
Mike Scholz, Vice Chairperson
Ginna Hermann, Secretary
Heather Budd, Treasurer
Jeff Strickler, Director
Whitney Brunner, Administrative Officer

Chairperson Jamey Kabisch called the open meeting to order at 9:00 a.m.

I. Open Meeting

- A. Public Comment: None
- B. New Business

1. **Bonding: Bridget Ekstrom of D. A. Davidson** – Ms. Ekstrom stated she specializes in local government bonds. To correspond with the duration of resort tax, a bond's final year would be 2032. Multiple bonds may be issued as long as the total is under the maximum debt service of \$649,068. The board asked if a bond issue does not pass public vote, will resort tax be obligated to pay fees to D.A. Davidson? Ms. Ekstrom stated, no; if an election passes, D.A. Davidson will propose to be the underwriter. She stated Dan Semmens of Dorsey and Whitney has served as bond counsel on the majority of Montana local government bonds and would be available to prepare the required opinion and resolution. The resolution will outline how the bond will be funded, disclose the appropriation dates, the principle amount, project description, term, etc.

Director Jeff Strickler attended via telephone at 9:15 a.m.

As an example, Ms. Ekstrom stated if a bond was issued January 1, principle payments would be required January 1st and July 1st. With the District's fiscal year, she suggested making the majority of the payment June 15th, after appropriations, and the interest payment in December. The board asked if there is a limit between when the bond is issued and the first payment. Ms. Ekstrom stated the first payment is due within two years.

The board asked what the general cost is to educate the public. Ms. Ekstrom stated it ranges from \$1,000 to \$100,000. The board discussed the entity requesting funds will be responsible for educating the public.

Ms. Ekstrom distributed two handouts to the board outlining an eight and two million dollar bond. The board stated 1) cash may be earmarked through an appropriation and 2) bond proceeds could fund the reserves. Ms. Ekstrom referenced rates and stated municipal bonds depend on supply and demand. The board stated the interest rate and the growth rate of resort tax collections may negate themselves.

The board discussed presenting a critical path timeline at the first Town Hall Meeting and requested that Ms. Ekstrom put together a timeline working back from a June 15th final resolution adoption date and provide a sample resolution.

The board left the Open Meeting at 9:40 a.m.

The board returned to the Open Meeting at 9:50 a.m.

2. **Progress Reports** – The board directed Ms. Brunner to request the a second report in April to be submitted with the application.

3. **Treasurer’s Report** – Ms. Budd stated she will review rates monthly.

Motion by Mr. Kabisch to set up online banking to allow Ms. Brunner real-time viewing access to the money market and checking accounts. Second by Mr. Scholz. All in favor. Motion passes.

4. **Employee Handbook** – Revisions provided to Ms. Brunner.

Motion by Mr. Kabisch to adopt the handbook as amended. Second by Mr. Scholz. All in favor. Motion passes.

C. **Old Business**

1. **Town Hall Meeting Date Selection and Agendas** –The board discussed dividing the agenda into two meetings: Old and New Business. Old Business is to take place in February and include 1) Strategic Plan Review, 2) Ordinance Revision, 3) Bonding and 4) Hospital Plan progress. New Business is to take place in March and include 1) Community Corporation Facilities Plan progress, 2) Chamber Housing Plan progress and 3) Visit Big Sky Plan progress.

2. **Management’s Discussion and Analysis Letter** – Revisions provided to Ms. Brunner.

Motion by Mr. Scholz to accept the Management’s Discussion and Analysis as amended. Second by Ms. Budd. All in favor. Motion passes.

3. **Better Together** – The board directed Ms. Jamison to prepare a licensing agreement, outlining restrictions for Ms. Brunner to distribute to entities currently using the trademark.

Director Jeff Strickler left the meeting at 10:50 a.m.

4. **Directors and Officers Insurance** – With the annual premium approaching the District’s bidding limit of \$5,000, the board directed Ms. Brunner to gather additional quotes.

5. **Correspondence** – The board directed Ms. Brunner to summarize the Correspondence on one page to reduce the paperwork distributed in the meeting packet.

D. **Minutes** – Motion by Mr. Scholz to approve the November 13 open minutes as amended. Second by Mr. Kabisch. Absent: Dr. Strickler. All in favor. Motion passed.

E. **Financial and Tax Collection Reports** – Motion by Ms. Hermann to accept the financial and collection reports. Second by Ms. Budd. All in favor. Motion passes.

Chairperson Jamey Kabisch adjourned the open meeting at 11:00 a.m.

Respectfully Submitted,



Ginna Hermann, Secretary