



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

January 8, 2014

Present: Jamey Kabisch, Chairperson
Mike Scholz, Vice Chairperson
Ginna Hermann, Secretary
Heather Budd, Treasurer
Dr. 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. **Big Sky Community Corporation: Jessie Wiese** – Ms. Wiese provided maps of the under construction Uplands and Hummocks trails. She provided a map of the proposed South Fork trail extension that would create a loop with Ousel Falls trail. The final map provided outlines trail options for a ‘safe passage’ from the Spur Road trail to the Community Park. Additional handouts included photos of the mismatched trail signage, Recreation Center and Events Arena draft floor plans and photos of the completed pavilion.

Ms. Wiese stated the majority of Uplands and Hummocks trail construction will take place in June and July, providing five miles of walkable trails from the Town Center. A five-car parking lot will be created at the start of the existing South Fork Loop trailhead. Hiking and biking will be allowed and the Big Sky Community Corporation (BSCC) board is discussing horseback riding use. Trail quality will be similar to the Moonlight Basin trails with 40” tread, wide enough for strollers and passing.

The Facilities Plan outlines two buildings: Recreation/Aquatics Center (\$12-16 million) and Events/Hockey/Rodeo/Concert Arena (\$9 million). The two buildings will not be in the same location. The Recreation Center may be located in the Town Center and the Events Center may be located near the Park.

The board asked what funding options have been discussed for operating the facilities. Ms. Wiese stated the Events Center should be able to fund operations with programming and events. She provided the following statistics for similar Recreation Center operations: 60% paid by membership income and 40% paid by local government tax contributions.

Ms. Wiese stated BSCC will hold a public meeting January 20 from 5:00 to 7:00 p.m. at Buck’s T-4 to present the Facilities Plan findings to the public.

The board asked if the Town Center skating rink would remain if the Events Arena includes a skating rink. Ms. Wiese stated yes. The board thanked Ms. Wiese for the work on the Pavilion. Ms. Wiese stated the water meter and landscaping will complete the pavilion project this spring. The board asked when landscaping

would go in around the skate park. Ms. Wiese stated the consultants recommended native grass seed, which has already been planted.

Ms. Wiese stated the BSCC's long term projects include a Bozeman/Big Sky trail and a 'Round Lone Peak' trail; however, a 'safe passage' across Lone Mountain Trail from the Spur Trail to the Park will be a resort tax request for the 2014-2015 funding cycle.

Ms. Wiese stated the Natural Resource Council (NRC) is a new to the BSCC umbrella of represented entities. The NRC projects include Forest Health/Fire Reduction and Bear Smart. She stated the BSCC board is creating a policy to protect the organization as it grows to accommodate programs that help the Big Sky community. She also stated the resort tax board can expect less applicants in coming years; however, larger requests from BSCC.

2. **Noxious Weeds: Jen Mohler** – Ms. Mohler stated the Rocky Mountain Resource, Conservation and Development District (RC&D) federal funding was cut in 2009. The decision to close the RC&D was made in October 2013; however, it will remain in existence through the end of the resort tax fiscal year. Ms. Mohler stated the Noxious Weed Committee will apply to become a 501(c)3. Although resort tax does not require that the entity be a 501(c)3, it will be a requirement for other grants and funding. The board asked if Ms. Mohler was aware the approval process for a 501(c)3 can take up to 18+ months. Ms. Mohler stated she may be able to accelerate the process by explaining that timely funding (other than resort tax) is dependent on accelerated approval.

Ms. Mohler stated Noxious Weeds held 13 events this year (four more than last year), increased its partnership efforts and assisted landowners, the majority of which are in Big Sky. She directed the board to review the emailed annual report and two summary handouts. The board asked why the Cost Share Program use is down. Ms. Mohler stated the availability of chemicals was an issue and she will begin advertising for the program again in the spring. The board asked who pays for the chemicals used during the events. Ms. Mohler stated the chemicals are donated by volunteers, the national forest, etc.

Ms. Mohler stated Noxious Weeds hoped to receive \$50,000 in grants in addition to the \$30,000 from resort tax, but with the closure of the RC&D, they are unable to apply for the grant funds. She stated a portion of the resort tax funds may go towards a website since the Committee is not represented online through the RC&D website anymore. The board reminded Ms. Mohler if funds are to be used in another manner other than what was presented in the application, she will need resort tax board approval.

3. **Chamber: Request for payment matter**

Operation request for payment included: Director & Officers Insurance and Easy Books

The board discussed the implications of funding operations, micromanaging appropriated funds and restricting the funds' use upfront. It was discussed that it is new practice for the Chamber to request operating funds and the original intent was for the new Welcome Center. The board discussed previous statements by the Chamber that they are on the path to self-sufficiency with the contrast that they have taken on a widened scope by picking up new projects with a lot of moving parts.

Housing request for payment included: Beer and wine

The board discussed that although it is not unusual to hold an event such as the Chamber's meeting with the beer and wine, it is the opinion of the board that it was bad judgment to use funds from a government entity on alcohol. Donated alcohol would have been preferred. The board directed Ms. Brunner to draft a policy for the board to review on alcohol.

Attorney Mona Jamison attended via telephone at 9:40 a.m.

1. **Ordinance Revision and Taxation** – The board reviewed the Governing Ordinance revision with Ms. Jamison. The proposed revision affects taxability sections 8, 9 and 10. It is a transition from “if not listed in the ordinance it is taxable” to “if not listed in the ordinance it is exempt”.

Ms. Jamison explained the following Governing Ordinance adoption procedures: two public readings with public comment opportunities, board discussion and deliberation, board vote on the entire amendment to adopt, and a 30 day waiting period before effective.

The board decided the first public reading would be the February 13th Town Hall Meeting. The board directed Ms. Brunner to be in contact with Ms. Jamison to ensure the meeting is titled and noticed appropriately.

Attorney Mona Jamison left the meeting at 11:15 a.m.

2. **Appropriation Application and Contract Review** – The board provided application revisions to Ms. Brunner.

The FY 2015 contract is to include an addendum with the entity’s projects listed (as in the progress report).

The board instructed Ms. Brunner to ask Ms. Jamison if the following contract revisions are appropriate: 1) clarifying the general accounting principles to include tax basis under Records and 2) adding “for itself and its subcontractors” to the proof of insurance under Liability.

C. Old Business

1. **Bonding: Establish a Critical Path** – Ms. Bridget Ekstrom provided revised documents the morning of the January 8 meeting. The board decided to place Bonding on the February 12 agenda to allow time for the board to review the information provided.

The board directed Ms. Brunner to have Ms. Jamison provide rules for creating a Bonding Ordinance and to include a project approval phase. The board would like to review a plan for creating and adopting a new ordinance and better understand how the process works.

2. **Town Hall Meeting Dates and Agendas** – The board would like to keep the meetings within one hour. The first meeting’s purpose will be to 1) demonstrate the board is living the strategic plan (not putting it on the shelf), 2) highlight the projects funded that align with the strategic plan and present the updated application, 3) the first reading of the revised Governing Ordinance and 4) present the opportunity to bond with a bonding timeline and the expectations for applicants going forward.

The purpose of the second meeting is to give the entities that were appropriated planning funds an opportunity to present their findings.

Following are the draft agendas and the board members assigned to presenting the topics:

Town Hall Meeting I: Thursday, February 13 at 7:00 p.m.

A. Welcome, Introductions and Purpose of Meeting

B. Old Business

1. Strategic Plan Review: Jamey
2. Application Update: Ginna
3. Ordinance Revision: Mike
 - a. Public Comment
4. Bonding: Jamey

Town Hall Meeting II: Thursday, March 13 at 7:00 p.m.

A. Welcome, Introductions and Purpose of Meeting

B. New Business

1. Organization Presentations
 - a. Community Corporation Facilities Plan progress

- b. Chamber Housing Plan progress
 - c. Visit Big Sky Plan progress
2. Question and Answer Session

The board discussed inviting the hospital planning group to present. It was decided that with Bozeman Deaconess actively under construction, the purpose of the hospital plan has been fulfilled. The Facilities, Housing and Marketing plans are unfulfilled and the board would like to provide an opportunity for the entities who perceived a need to further generate a solution.

The board instructed Ms. Brunner to coordinate with the presenting board members and prepare handouts for the meetings.

3. **Directors and Officers Insurance** – The board approved Mr. Kabisch signing the lowest premium policy for Directors and Officers Insurance, should the coverage be equal to the existing policy.
4. **Legal Opinion 3: Business Resort Tax Collections Disclosure** – The board discussed that all tax collector information is confidential. Should the office be asked to provide the name of largest collector, no business name is to be released.
5. **Treasurer Report** – Motion by Dr. Strickler to directed Ms. Brunner to determine if the resort tax office is to adhere to the IRS mileage rates or government employee mileage rates (and if those rates differ). Second by Ms. Hermann. All in favor. Motion passed.

The board directed Ms. Brunner to confirm she is on a high deductible health insurance plan and appropriately qualifies for the HSA account.


To clarify a statement made in the Treasurer's Report, "a backup copy of Quick Books is taken off property each month on a zip drive" to Ms. Budd's home fire safe.

6. **Administrative Officer Report** – The board provided revisions to the Year in Review press release.
- D. **Minutes** – Motion by Ms. Hermann to approve the December 11 open minutes as amended. Second by Mr. Scholz. All in favor. Motion passed.
- E. **Financial and Tax Collection Reports** – The board directed Ms. Brunner to review the Holms and Turner invoices and determine what additional payments the board should anticipate through the end of the 2014 fiscal year.

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

Chairperson Jamey Kabisch adjourned the open meeting at 11:55 a.m.

Respectfully Submitted,



Ginna Hermann, Secretary



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

February 12, 2014

Present: Jamey Kabisch, Chairperson
Mike Scholz, Vice Chairperson
Ginna Hermann, Secretary
Heather Budd, Treasurer
Dr. 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. **Visit Big Sky** – Mr. O'Connor informed the board prior to the meeting that Visit Big Sky would present the organization's progress to the board at the March 13 Town Hall Meeting and would not attend the February 12 meeting.
2. **Ordinance Adoption Timelines: Governing and Bonding** – The board confirmed a bonding timeline for fiscal year 2015 as well as a general timeline. The board directed Ms. Brunner to ask Ms. Jamison when extending the duration of the district may be presented to the voters.

Ms. Jamison later confirmed that at least half the existing term has to expire to extend the duration by presenting it to the voters. If that vote fails, the question cannot be presented to the voters more than once a year. The vote could be taken in 2023 as the current term expires in 2032.

3. **Town Hall Meeting Preparation** – Mr. Kabisch outlined the agenda for Town Hall Meeting I and stated he was meeting with Ms. Jamison to receive the legal procedures for the 1st Reading or Ordinance 98-01 as amended.

Ms. Hermann stated she would be specifically requesting that the entities identify Operation categories in the application and assign dollar amounts to the categories and the board agreed.

4. **Big Sky Community Corporation (BSCC) Letter of Support** – Motion by Mr. Scholz to have Mr. Kabisch sign a BSCC letter of support for the Montana State Parks Recreational Trails Foundation grant application. Second by Dr. Strickler. All in favor. Motion passes.

C. Old Business

1. **Administrative Officer Report** – The board provided revisions to the Alcohol Policy and directed Ms. Brunner to include the Alcohol Policy in the Application and Orientation Manual.

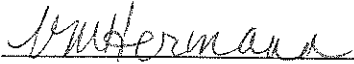
The board directed Ms. Brunner not to purchase microphones and speakers.

The board requested Ms. Brunner reserve the Warren Miller Performing Arts Center (WMPAC) May 14 for the Question and Answer Session and June 11 for the Appropriation Meeting, if available. They also requested WMPAC provide a fee for the Center's use.

- D. Minutes – Motion by Dr. Strickler to approve the January 8 open minutes. Second by Mr. Scholz. All in favor. Motion passed.
- 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 Jamey Kabisch adjourned the open meeting at 10:43 a.m.

Respectfully Submitted,



Virginia Hermann, Secretary



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

February 13, 2014

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

Chairperson Jamey Kabisch called the open meeting to order at 7:00 p.m.

I. Open Meeting

A. **Welcome and Introductions** – Mr. Kabisch welcomed the 40+ people in attendance and thanked John Zirkle of the Warren Miller Performing Arts Center. He introduced the board members and asked everyone to place their cell phones on silent. Mr. Kabisch provided a brief outline of the agenda for the evening.

B. Old Business

1. **Resort Tax Strategic Plan** – Mr. Kabisch extended appreciation to the appropriation entities whose efforts to serve the Big Sky community are “Better Together”. He outlined the Strategic Issues from the August 2012 Strategic Planning Session.
2. **Appropriation Application** – Ms. Hermann stated the board updated the appropriation application to respond to the strategic plan. She stated Whitney Brunner is available to help and answer questions. The sections of the application with changes were outlined on slides and Ms. Hermann walked through the revisions. She stated the application is available online and hard copies are at the front door.
3. **First Reading of Proposed Amendments to Ordinance No. 98-01** – Mr. Kabisch explained the board will be following a set of legal procedures for reading. He stated he will not actually be reading the proposed amendments to ordinance no. 98-01. He referred the audience to their handouts and explained the proposed amendments are highlighted and concentrate in Sections 8, 9 and 10.

Mr. Kabisch presented the following format: Once the board has provided an overview of the proposed amendments it will receive public comment. He requested that each comment be kept to two minutes. He stated the board will deliberate each comment and a motion and second, then adopted by a majority vote, may be made to incorporate the comment. When there are no more comments, a motion and second, then adopted by a majority vote may be made to adopt the first reading. Mr. Kabisch stated the second reading will be March 12, 2014 at 9:00 a.m. in the district office. He encouraged the public to attend and provide additional comment. He stated the board will follow the same format, but at the end of the second reading if a motion, second, then adopted by majority vote is made to adopt the proposed amendments as reflected from both readings. Then that Ordinance will go into effect 30 days later.

Mr. Kabisch asked if the audience had any questions about the format for this section of the meeting.

- David O’Connor provided the following overview of the resort tax: The law was initially drafted by West Yellowstone. An ordinance is the local governing document.

Mr. Kabisch transitioned the presentation to Mr. Scholz by summarizing that this is the ordinance procedure for adoption of proposed amendments to ordinance 98-01, which has been in effect since March 12, 2010.

Mr. Scholz provided an overview on the proposed amendments. He stated the amendments focus on three areas: Sections 8, 9 and 10. Mr. Scholz stated he would do his best to summarize what the board has been working on for months into a few minutes. He stated the following issues were what compelled the board to amend the ordinance:

1. To add clarity to the items and services taxed within the terms luxury verses necessity of life
2. To stay true to being a resort tax, not a general sales tax
3. To not needlessly add to the local residents cost of living
4. To not place local businesses at a disadvantage when selling items not purchased by tourists
5. To clean up language, generally provided and recommended by attorney Mona Jamison

Mr. Scholz state Section 8 is not up for discussion. It is part of the law. Everything those businesses sell is taxed. Section 9 outlines the luxuries subject to resort tax. This includes the businesses that do not fall under Section 8 and clarifies the taxable items. Mr. Scholz stated these are items that tourists buy and the community is able to gain leverage by their purchase.

He stated only seven cities in the state have resort tax and general sales tax has not been very popular in the state as it was voted down twice. What makes resort tax distinct is that it focuses on the added requirements tourists put on a community. Mr. Scholz stated it would be very hard for the 2,500 Big Sky residents to provide the services the seasonal tourists require.

Mr. Scholz explained that the current ordinance is a catch all. If an item is not listed as exempt it is to be taxed. He provided examples of homeowners fees, landscaping, etc. The proposed amendments list what is to be taxed and if an item is not listed, it is exempt.

He stated Section 10 includes the four items listed that are part of the statute. He stated the board agrees it is a better process to list what is being taxed verse not being taxed.

Mr. Kabisch opened public comment.

Public Comment:

Tom Reeves asked what the rationale is to exclude fuel. Mr. Kabisch stated taxing fuel is would increase the cost of living for locals. Mr. Scholz provided the example of liquor sales and that the board had not thought to add tax on top of tax.

Gary Hermann requested that the definition of resale be changed to be “sold for resale”. Dr. Strickler provided an example of how the books he sells are resold by businesses. Mr. Hermann stated he is questioning the way it is written and that he does not have a problem with the concept. Ms. Budd stated the board should consult Ms. Jamison. Mr. Kabisch stated the board will revisit Mr. Hermann’s comment at the second reading.

David OConnor asked if Chamber memberships would now be taxable.

Motion by Ms. Hermann to repeat the word recreational to read “voluntary recreational memberships” in Section 9.4. Second by Mr. Scholz. All in favor. Motion passes.

Gary Hermann asked if recreational, voluntary memberships, includes the local skating and hockey leagues. He stated the hockey league memberships go towards maintain the rink. He suggested nonprofit organizations should be excluded.

Motion by Dr. Strickler to revise Section 9.4 to exclude nonprofit organizations to read "related nonprofit memberships". Second by Ms. Hermann. All in favor. Motion passes.

Kitty Clemens referred to Section 9.5 and asked if businesses with physical addresses outside resort tax district boundaries that pick up tourists within district boundaries are taxed. Mr. Kabisch stated those businesses are to collect resort tax and that the district randomly selects businesses for audits.

Kay Reeves asked if new books sold in the district are taxable. Dr. Strickler stated businesses do currently pay resort tax on the sales of new books.

Motion by Mr. Scholz to add books to Section 9.6 after jewelry to read "jewelry, books and home accessories". Second by Ms. Budd. All in favor. Motion passes.

With no more comments, Mr. Kabisch closed public comment.

Motion by Ms. Hermann to remove antiques as taxable, remove the definition in Section 1.2, renumber Section 1 numbers 2 through 7. Second by Dr. Strickler. All in favor. Motion passes.

Motion by Ms. Hermann to remove antiques as taxable and remove the word antique from Section 9.6. Second by Mr. Scholz.

Discussion: Mr. Scholz stated the board hopes to avoid getting into the discussion of a price on an item determining if it is a luxury. In the case of antiques, since furniture is not to be taxed, if it is an antique is not relevant.

All in favor. Motion passes.

Motion by Ms. Hermann to add youth after nonprofit and before memberships to read "related nonprofit and youth memberships". Second by Ms. Budd. All in favor. Motion passes.

Motion by Mr. Kabisch "I hereby move adoption of the first reading of proposed amendments to ordinance no. 98-01-ord, as amended (as proposed by the board and further changed) at this meeting". Second by Mr. Scholz. All in favor. Motion passes.

Mr. Kabisch stated the second reading will be March 12, 2014 at 9:00 a.m. in the district office. He encouraged the audience to think through and feel free to provide public comment at that reading.

4. **Sinking Fund and Bonding** – Mr. Scholz stated the sinking fund is essentially a saving account and the board is thinking through cash flow for the future. For example, the Fire Department will need a \$1 million fire truck in the next 16 +/- years. In fiscal year 2014, the board set aside \$380,176 in the sinking fund. Future boards may decide to add to the fund; however, no board may decide what specific project the funds are to be used for in the future (no board may bind future boards).

Mr. Kabisch stated the Montana Legislature changed the resort tax statute to allow bonding authority. The basic structure is as follows: of the last five years collections, 25% of the average is the max debt service. The current max would be \$650,000 in debt service for an \$8 million bond. The terms are limited by the life span of resort tax, which currently expires in 2032. Extending the duration of the district, may be presented to the voters after at least half the existing term has expired (2022).

Mr. Kabisch reviewed the timeline and stated an ordinance will be created to outline the procedure for how this or future boards will handle requests. He stated more than likely the majority of the bonds would be sold to banks.

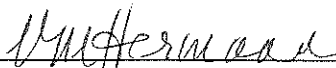
Questions:

- Eric Ossario asked who gets to vote. Mr. Kabisch stated registered voters in the Resort Tax District.

- Steven Rager asked what passes the bond. Mr. Kabisch stated a majority public vote.
 - Ron Edwards asked what it takes for a bond to move to a public vote. Mr. Kabisch stated a simple majority vote of the board.
 - Mr. Edwards asked if there is flexibility on the term. Mr. Kabisch stated the term is hamstrung by the last day of 2032. Mr. Scholz stated that in order to extend the District, you need 10 years left on the district term.
 - Mr. Edwards asked if a bond is approved are resort tax appropriation funds guaranteed to the debt service every year. Mr. Kabisch stated, yes, if the public votes to approve the bond.
 - Mr. Edwards asked if the sinking fund is the same as the emergency fund. Mr. Kabisch stated the emergency fund is a separate account with a different set of rules. Mr. Edwards asked if the emergency fund is capped. Mr. Kabisch stated he could not speak for the board, but his thought is that funds will not be added to the emergency fund.
5. Public Comment: Public comments are taken by members of the public who stand at the microphone (allowing all board members to hear the question), state their name and provide comment.
- Bill Erikson stated he is not a new Big Sky resident; he has been working in Washington DC. He asked why the board wants to get into debt. Dr. Strickler stated the Montana State Legislature allowed bonding authority. Mr. Erikson stated he does not want the board to fall into a trap. Ms. Hermann stated she does not think that is the inclination of the board and that bonding authority is another funding tool in the resort tax tool box. Mr. Erikson stated to have bonding authority is a big mistake.
 - Steve Johnson stated the resort tax board actively initiated bonding authority. Mr. Scholz provided an example of when bonding had to go through the water and sewer district to end the moratorium. He stated this allows other projects that, if approved by the community, would otherwise not be funded. Mr. Scholz stated the board does not want to suck the money out of other annual appropriation funded projects. He stated the community will decide as a whole if and when a project is brought to a public vote.
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6. Adjourn – The next town hall meeting is March 13, 2014 at 7:00 p.m. in the Warren Miller Performing Arts Center. Mr. Kabisch thanked everyone for attending.

Chairperson Jamey Kabisch adjourned the open meeting at 8:06 p.m.

Respectfully Submitted,



Virginia Hermann, Secretary



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

March 12, 2014

Present: Jamey Kabisch, Chairperson
Mike Scholz, Vice Chairperson
Ginna Hermann, Secretary
Heather Budd, Treasurer
Dr. 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: Josie Caton, a graduate student from Miami of Ohio University, provided summary results from her survey project. A copy of the report will be provided in the April board meeting packets.
- B. New Business: None
- C. Old Business

- 1. Second Reading of Proposed Amendments to Ordinance No. 98-01 – Mr. Kabisch explained the board will be following a set of legal procedures for the reading. He stated he will not actually be reading the proposed amendments to ordinance no. 98-01. He referred to the handout of Ordinance No. 98-01 and explained the proposed amendments are highlighted and concentrate in Sections 8, 9 and 10.

Mr. Kabisch stated the board will follow the same format as the first reading, but at the end of this second reading if a motion, second, then adopted by majority vote is made to adopt the proposed amendments as reflected from both readings, then the Ordinance will go into effect in 30 days.

He explained to the public in attendance that Mr. Scholz will provide an overview of the proposed amendments and then it will receive public comment. He stated the board will deliberate each comment and a motion and second, then adopted by a majority vote, may be made to incorporate the comment. When there are no more comments, board members may motion and second, discuss and adopt additional amendments.

Mr. Kabisch transitioned the presentation to Mr. Scholz by summarizing that this is the ordinance procedure for adoption of proposed amendments to ordinance 98-01, which has been in effect since March 12, 2010.

Mr. Scholz provided an overview on the proposed amendments. He stated the following issues were what compelled the board to amend the ordinance:

- 1. To add clarity to the items and services taxed within the terms luxury verses necessity of life
- 2. To stay true to being a resort tax, not a general sales tax
- 3. To not needlessly add to the local residents cost of living
- 4. To not place local businesses at a disadvantage when selling items not purchased by tourists

5. To clean up language, generally provided and recommended by attorney Mona Jamison

Mr. Scholz stated Section 8 is not up for discussion. It is part of the law. Everything those businesses sell is taxed. Section 9 outlines the luxuries subject to resort tax. This includes the businesses that do not fall under Section 8 and clarifies the taxable items. Mr. Scholz stated these are items that tourists buy and the community is able to gain leverage by their purchase. Section 10 is a list of exemptions and the board has found it is difficult to create a complete exemption list and; therefore, expanded Section 9 since the luxuries that are taxed can be summarized.

Mr. Scholz stated every item is not black and white and provided the example of fuel, which was brought up in public comment at the first reading. He stated tourists may be consumers of fuel in Big Sky; however, since most would consider the ability to drive a vehicle a 'necessity of life', it is exempt in the Ordinance. Mr. Scholz stated the board received good reception after the first reading and the public seem to understand the board's intention in amending the Ordinance.

Mr. Kabisch opened public comment.

Public Comment:

Randy Van Horn asked why Section 9.4 includes swimming. Mr. Kabisch stated it is a discretionary recreational activity. Ms. Budd stated swimming falls under spa memberships, which are considered a luxury. Mr. Van Horn asked if a recreation center opens locals would be taxed. Mr. Scholz stated the recreation center will have a large usage by nonresidents and if it is a voluntary opportunity, regardless if the facility is private or nonprofit it should not be taxed differently.

Mr. Van Horn asked if monthly memberships for swimming could be exempt. He also asked if ice skating, hockey, ice skate rentals would be taxable. Dr. Strickler stated ski season passes are taxed. He stated if a facility exists and a ticket is needed, as the Ordinance is written, it will be taxed. Ms. Budd and Mr. Kabisch stated concern that the Skating and Hockey Association is a nonprofit and struggles. Mr. Scholz stated differentiating between for and nonprofit muddies the water and provided an example if Big Sky Resort was Bridger Bowl, a nonprofit organization.

Mr. Van Horn asked if rental equipment from Titan will be taxed. Mr. Kabisch stated no.

Mr. Van Horn suggested clarifying Section 9.12 to state lodging a month or longer. Mr. Scholz stated the current writing is how it is defined in state statute; the law.

Mr. Van Horn asked if Section 10.6 was miswritten. Mr. Kabisch explained Section 10.6 is in place to summarize that if an item is not listed as taxable it is exempt.

Steve Krevat asked two questions 1) if use of voluntary memberships in Section 9.4 is a blanket for all memberships and 2) if members are required to pay taxes on the initial membership and recreational activities provided under the membership, are they being double taxed. Mr. Kabisch stated if a membership is a requirement of homeownership it is exempt. He stated if the membership is voluntary it is taxable. Mr. Kabisch asked if there is a deposit for the Spanish Peaks golf membership. Mr. Krevat stated yes. Mr. Kabisch stated the deposit would be exempt, if refundable. Mr. Kabisch stated the greens fees would be taxable. Dr. Strickler stated in the past when golfers played at Spanish Peaks no taxes were being collected.

Ms. Hermann suggested in Section 9.4 the board bring "voluntary recreational activities" to the beginning of the sentence. Mr. Scholz suggested using the term "fees and dues" instead of "membership". Mr. Scholz stated concern that the way Section 9.4 is currently written excludes youth ski tickets.

Ms. Budd asked the board if Spanish Peaks would fall under Section 8. The board agreed it would fall under Section 8. Mr. Scholz asked Mr. Krevat if a lien could be placed on a Spanish Peaks membership. Mr. Krevat stated he was unsure. He provided a hypothetical example that there are 400 lots at Spanish Peaks and 200 of

those owners are members. Ms. Budd stated, in that example, it seems access to Spanish Peaks is a luxury and therefore taxable. She stated prepared food and drink are taxable as well as voluntary recreational activities. Mr. Scholz stated if additional fees and dues are wrapped into the membership, you may want to break them out.

Mr. Scholz addressed the double taxation part of Mr. Krevat's question. He stated the key to the item as written is "voluntary". Mr. Kabisch stated if a homeowner has the discretion not to participate, it is taxable.

Mr. Krevat asked if this is retroactive since Spanish Peaks dues are semiannual. Mr. Kabisch stated no. The ordinance will be in effect 30 days from March 12, 2014.

No additional public comment.

Motion by Mr. Kabisch to revise Section 9.4 to "discretionary or voluntary recreational golfing, swimming, skiing and other activities daily tickets and seasonal passes and golf or ski fees or dues". Second by Mr. Scholz.

Discussion: Mr. Kabisch stated it is not his intent to tax football tickets to school events with his motion. Ms. Budd reminded the board of the comment in the 1st reading regarding Chamber Memberships. Dr. Strickler suggested making social and fraternal activities exempt.

Motion amended by Ms. Budd to "voluntary recreational activities: (a) golfing, swimming, skiing and other voluntary recreational daily tickets and season passes; (b) discretionary or voluntary ski and golf fees and dues". Second by Ms. Hermann.

All in favor. Motion passes.

Motion by Dr. Strickler to add to the exemptions as Section 10.6, "social, fraternal, business and school organizations events and memberships". Second by Mr. Scholz.

Discussion: Mr. Kabisch clarified that with the motion as amended by Ms. Budd social, fraternal and business events and memberships are not included and therefore exempt. He stated school events and organizations are still taxable as it is written.

Motion amended by Mr. Kabisch to "school activities and nonprofit youth programs". Second by Mr. Scholz.

All in favor. Motion passes.

Motion by Ms. Budd to move Mr. Kabisch's motion as amended to Section 10.5 and renumber the existing 10.5 to 10.6. All in favor. Motion passes.

Ms. Hermann suggested going through the Ordinance by Section and organizing the sentences differently. As it is stated, it is very confusing. Mr. Kabisch stated he is not comfortable changing the Ordinance drastically from the 1st reading without an additional public review period.

Ms. Hermann noted the definition of resale is confusing. Dr. Strickler, Mr. Kabisch and Mr. Scholz stated they are comfortable with how it is worded. Ms. Budd suggested defining "sold within the District".

Motion by Mr. Scholz to add as the first sentence in the Section 9 header as "goods and services purchased, reserved, committed or occurring fully or partially within the boundaries of the District are considered to be sold in the District". Second by Dr. Strickler. All in favor. Motion passes.

Motion by Ms. Budd to strike the following from Section 9.5: "if purchased, reserved, committed or occurring within the boundaries of the District". Second by Ms. Hermann. All in favor. Motion passes.

Motion by Mr. Scholz to add Section 9.13 "services for private events such as weddings, meeting groups and reunions, including, but not limited to space rental, photography, florist, catering and event management". Second by Ms. Hermann.

Discussion: Mr. Scholz stated weddings and similar events are a tourist business in Big Sky. Ms. Budd stated this may be a can of worms. She asked what applies to local photographers that book a wedding in Big Sky, but the wedding takes place elsewhere. Mr. Scholz stated they would remit resort tax. He stated the photographers would not have to collect the taxes that apply elsewhere.

Mr. Kabisch stated concern the item will create a competitive disadvantage for Big Sky vendors compared to Bozeman vendors. Mr. Scholz provided the example of fishing guides.

Motion amended by Mr. Scholz to "services for private events such as weddings, meeting groups and reunions, including, but not limited to space rental, equipment rental, photography, florist, catering and event management". Second by Dr. Strickler.

Discussion: Ms. Budd asked how the office will track items like flowers. Dr. Strickler stated through the event planner. Ms. Budd asked what if the event planner is from New York. Ms. Hermann stated the best option will be if the event is held at a facility that is aware of the required resort tax. Ms. Budd suggested adding "event facilities" to Section 9.12. The board discussed the office will have to do the best it can to track the activities outlined in the motion.

Ayes: Jamey Kabisch, Mike Scholz, Ginna Hermann and Jeff Strickler. Nays: Heather Budd. Motion passes.

Mr. Kabisch explained to the board if it is the board's desire to give additional disclosure, it can notice the Ordinance again. The board agreed it has followed the law and done its job to notice and disclose the Ordinance as amended. Mr. Kabisch thanked Mr. Scholz for leading the project.

Mr. Kabisch opened a final public comment. No public comment.

Motion by Mr. Kabisch to adopt the second Reading of Proposed Amendments to Ordinance No. 98-01-ORD, as amended as proposed by Board and further changed at the meeting. Second by Ms. Hermann. All in favor. Motion passes.

The board recessed the open meeting at 11:25 a.m. The board reconvened the open meeting at 11:35 a.m.

2. **Town Hall Meeting** – The board directed Ms. Brunner to place microphones in both isles of the Warren Miller Performing Arts Center (WMPAC) for public comment and to add a podium for the presenters.
3. **Better Together License Agreement** – The board discussed the necessity of protecting "Better Together".

Motion by Mr. Scholz to adopt the proposed Better Together schedule to parallel the Bonding Ordinance schedule. Second by Ms. Hermann.

Ayes: Heather Budd, Mike Scholz and Ginna Hermann. Nays: Jamey Kabisch and Jeff Strickler. Motion passes.

4. **Sheriff's Department and Interlocal Agreement Meeting with Commissioners** –Per Ms. Jamison's memo Interlocal Agreements my bind future boards and; therefore, the board agreed to propose a three-year agreement and rephrase the financing language to divide by thirds. Mr. Scholz, Ms. Hermann and Ms. Budd will attend the March 14 meeting with both counties' Commissioners and Sheriffs.
5. **Treasurer Report** – Ms. Budd stated the money market account is properly pledged. She stated interest rates are climbing with First Security Bank edging out Big Sky Western.
6. **Administrative Officer Report** – The board directed Ms. Brunner to inform WMPAC that Resort Tax is technically Category II and for WMPAC to send an invoice for usage. The board directed Ms. Brunner to gain bids for an accounting firm (Marjorie Kanab and Co., Rich Liddell, Holms and Turner, Galusha and Higgins and JCCS).

The board reviewed the Gardiner Resort Tax proposal and discussed the mandatory property tax relief (also required by Whitefish) and noted the proposal does not include promotion of the community.

Motion by Mr. Kabisch to accept the appropriation advertising budget. Second by Mr. Scholz. All in favor. Motion passes.

7. Gallatin Valley Snowmobile Association – *Motion by Mr. Scholz to approve the receipts submitted by the Gallatin Valley Snowmobile Association that are 90 days in the past. Second by Ms. Hermann. All in favor. Motion passes.*

8. List of Collectors – The board reviewed the memo from Ms. Jamison and noted that with a list in existence, it is public right to know.

9. Minutes – *Motion by Ms. Hermann to approve the January 12 open minutes. Second by Mr. Scholz. All in favor. Motion passed.*

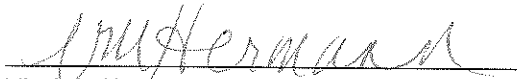
Motion by Ms. Hermann to approve the January 13 Town Hall Meeting open minutes. Second by Mr. Scholz. All in favor. Motion passed.

D. Financial and Tax Collection Reports – The board directed Ms. Brunner to move the financials behind the Treasurer Report on the April agenda. The board directed Ms. Brunner to 1) update fiscal year 2013 to the audited numbers, 2) change the Moonlight Basin collection from December 2012 to Prior Year Collections and 3) provide an estimate of collections and rollovers for fiscal year 2015.

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

Chairperson Jamey Kabisch adjourned the open meeting at 12:25 p.m.

Respectfully Submitted,



Virginia Hermann, Secretary



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

April 9, 2014

Present: Jamey Kabisch, Chairperson
Mike Scholz, Vice Chairperson
Ginna Hermann, Secretary
Heather Budd, Treasurer
Dr. 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:** David O'Connor stated he is in attendance to answer procedural questions regarding the memo from the Chamber. The fiscal year 2014 wayfinding application was to create a capital improvement fund for the infrastructure being installed. Light poles were not mentioned in the narrative and; therefore, the light pole that was destroyed has not used the funds from this request. He asked if the board advises the Chamber to request the funds in this fiscal year and save it as a reserve or if they should roll over the funds into fiscal year 2015 and mention repair and replacement of signs and light poles.

The board directed the Chamber to include maintenance of signs and light poles in the fiscal year 2015 appropriation request and restrict it for signs and lights. The board stated it may or may not approve the request.

B. New Business

1. **Post Office:** Al Malinowski stated he has been negotiating with the federal post office service for a rate increase. At the time the resort tax application was due he was concerned it would not come through. He provided a handout post office and resort tax history. His first goal was a federally run post office in Big Sky. His second goal was to run the Big Sky post office with as much federal funding as possible. 2006 was the last time he was able to get contractual funding and in 2008 the growth surpassed expectations. He doesn't know what is to come. He requested \$275,000 from the federal post office and they came back and said they are willing to provide \$255,000. Mr. Malinowski replied that \$255,000 is not enough and the Big Sky post office cannot operate on that. He received a reply that the full \$275,000 was granted and is effective April 2014. He is hopeful he will not be using the remaining fiscal year 2014 funds from resort tax. He will be requesting the funds as a rollover into fiscal year 2015 as a cushion in case the community is on a climb, which would create unexpected labor spikes.

The board asked if rent will increase. Mr. Malinowski stated the rent is at a fair market value and he does not anticipate an increase next year.

2. **Recreation Center:** Jessie Wiese stated the Big Sky Community Corporation Board made the decision not to develop and run the Rec Center proposal. She stated it is outside the mission statement. Ms. Wiese stated at this point in the BSCC organization and with the current staff, they will not be the face of the effort. Ms. Wiese stated a Rec Center Facilities Group is forming a 501C3 and will be submitting a resort tax application

this year. The resort tax board asked if Ms. Wiese will remain on the board and she stated she remains interested, but will not lead the group.

3. **Question & Answer Session Prep and Available Funds Estimation:** The board discussed part of the Warren Miller Performing Arts Center parking lot being blocked off for construction and the meeting being during school hours. The board is concerned there will not be enough parking and directed Ms. Brunner see what the school can do to provide assurance there will be enough parking.

The board decided on the following setup: At entry, one table set up for handouts; on left of stage, set up two tables with seven seats with 4 mics; on right of stage, set up podium with 1 mic and; lights are to be equal on the stage and in the audience.

Funds available were reviewed and an updated spreadsheet will be provided the day before the Question & Answer session.

4. **Fiscal Year 2015 Budget:** The board provided revisions and directed Ms. Budd to look into Ms. Brunner's HSA, sick and vacation time. Before the next meeting, Ms. Brunner is to distribute the budget to the board for discussion before the meeting. The board will take action at the Question and Answer session.
5. **Hospital Handout:** Mr. Strickler attended the new Medical Center information meeting and brought handouts for the other board members from the meeting.

C. Old Business

1. **Governing Ordinance Adoption:** The board directed Ms. Brunner to send an email to tax collectors informing them of the adoption.
2. **Better Together Ordinance:** The board discussed the resources used, how resort tax benefits from the trademark, if it is important to the community to have the trademark and if an ordinance is necessary since it is already trademarked by resort tax. Having the trademark, will allow the board to ensure it is properly used and an ordinance provides protection.

Motion by Mr. Scholz to approve the draft ordinance as written. Second by Ms. Hermann. In favor: Mr. Scholz, Ms. Hermann and Ms. Budd. Opposed: Mr. Kabisch and Mr. Strickler. Motion passes.

3. **Interlocal Agreement:** Mr. Scholz and Ms. Budd reviewed the progress reached with the Commissioners. Reference the March 10 notes. Resort tax will save \$34,000 in fiscal year 2014.

Motion by Mr. Kabisch to approve the amended Interlocal Agreement for fiscal year 2014 and the three year agreement for fiscal years 2015-2017. Second by Mr. Scholz. All in favor. Motion passes.

4. **Legal Opinion 12:** The board discussed STIP, stating it is hard to open the account and agreed to leave the current balance of \$ 10,149.50 in the account.
5. **Treasurer Report –** Ms. Budd reviewed the Treasurer's Report.
6. **Financial and Tax Collection Reports –** Motion by Mr. Kabisch to accept the financial and collection reports. Second by Ms. Budd. All in favor. Motion passes.
7. **Administrative Officer Report –** Motion by Mr. Kabisch to remove Les Loble, add Heather Budd and reinstate Jamey Kabisch, Mike Scholz, Virginia Hermann and Jeff Strickler to the Money Market and Checking accounts at First Security Bank. Second by Mr. Scholz. All in favor. Motion passed.

The board directed Ms. Brunner to cancel the printer maintenance service in the new fiscal year. The board decided to wait until the printer we have crashes and then take proposals for a replacement.

Attorney Mona Jamison attended via telephone at 10:20 a.m.

8. **Bonding Ordinance** – The board provided the following revisions:
Section 1 (4) remove “not-for-profit” and add “as described in ORD-98-01”
Section 2 (2) change “at least weekly” to “at least biweekly”.
Section 5 (2c) add “registered, voting” to “of the registered, voting qualified electors”
Section 6 (2c) add the formula for bonding outlined by the legislature

The legislature requires advertising the debt service that could be available annually. The board discussed creating a policy to place parameters around the “advertising”.

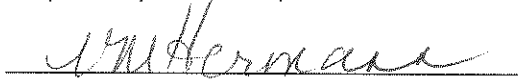
Attorney Mona Jamison left the meeting at 11:45 a.m.

9. **Minutes** – Motion by Mr. Scholz approve the March 12 open minutes. Second by Dr. Strickler. All in favor. Motion passed.

Motion by Mr. Scholz approve the March 13 Town Hall Meeting minutes. Second by Ms. Hermann. All in favor. Motion passed.

Chairperson Jamey Kabisch adjourned the open meeting at 11:53 a.m.

Respectfully Submitted,



Virginia Hermann, Secretary



FINAL MINUTES OF THE QUESTION & ANSWER SESSION OPEN BOARD MEETING

May 14, 2014

Present: Jamey Kabisch, Chairperson
Mike Scholz, Vice Chairperson
Ginna Hermann, Secretary
Heather Budd, Treasurer

Jeff Strickler, Director
Mona Jamison, Attorney
Whitney Brunner, Administrative Officer

Chairperson Jamey Kabisch called the open meeting to order at 1:00 p.m.

I. Open Meeting

- A. **Opening Remarks and Introductions** – The Chairman introduced the Board Members, Attorney and Administrative Officer. Thank you to Jerry House and John Zirkle. The parking situation and theater setup is great. Copies of the agenda, collections to date and funds available handouts are on the front table. Turn off your cell phones or put them on vibrate. The board will call entity representatives to the podium in the order the applications were received. The board has not talked about the applications. At the end of the meeting there will be another public comment.

This year and last we've been working to streamline and improve the application. The biggest change this year is question two. The board requested specific goals, objectives and the funds associated with each project. If we do not have the dollar amounts for each project we will ask them today.

- B. **Available Funding Estimation** – The Chairman directed attention to the Available Funding Estimation handout and went through each line item. The sinking fund cannot be bound from year to year and is; therefore, available for appropriation. Mr. Kabisch stated he intends to make a motion at the Appropriation Meeting to place the \$280,176 in the sinking fund.
- C. **Budget** – Motion by Mr. Scholz to approve the budget. Second by Ms. Hermann. All in favor. Motion passes.
- D. **Public Comment** – None.
- E. **Question and Answer**
1. **Search and Rescue** – Greg Clark

The board asked if Search and Rescue needs both sleds this year. Mr. Clark responded; yes, it is critical. They are using Canyon Adventures and personal sleds, which are not available at all times. It will be more efficient and safe with two instead of one.

Can one go out alone? Yes, but we like to have two sleds at all times.

Comment: Regarding tourism, the board stated Search and Rescue does help make Big Sky a world class resort despite their answer in the application. Visitors and residents knowing they are safe is important. Mr. Clark stated thank you, they will continue with their safety campaign posters.

2. **Women in Action** – Rachel Thesing and Andrea Scholz



The board asked if there is just one paid personnel. Ms. Thesing stated; yes, part time, 20 hours a week.

Comment: Counseling amounts to \$100 per hour, costing the community \$590 per person being counseled. It is an important social service; however, the community needs to know what it is costing us.

The entity has a substantial amount in the bank. Yes, we do not need to raise any more reserves and will be using a portion of our surplus this year. Where is that in your budget? Under total income following page 10.

What is your fiscal year end? December.

3. Weed Committee – Jennifer Mohler and John Councilman

How does the coordinator fall into a programs budget verses an operations budget? With the close of the Northern Rocky Mountain Resource, Conservation and Development (NRM RC&D) we've started the process to becoming our own 501C3 and we are still in our infancy. You ask a good question and I am not sure I can answer it at this time. Because of the nature of our work our busy season begins mid-May and many on our board are in weeds-related businesses. It has been difficult to make several of the organizational decisions at the start of the season. At the end of the busy season in November we will do more organizational planning.

How many employees? No employees, there is one contract position, coordinator.

The application states there is one contractor that makes \$30,000 and the personnel is \$38,000. I am hoping to find grant money to pay for that.

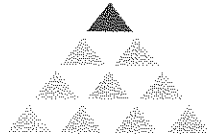
Tell us about the \$25,000 for private donor contributions; what are your sources? We will be approaching several foundations, especially sportsman foundations, to see if we can work with them. How much did you raise last year in private donor contributions? \$9,000. We were not able to pursue grants the second half of 2013 when the NRM RC&D closed.

Are any donated funds earmarked for the cost share program? No individuals have earmarked their donated funds. We are not allowed to fundraise until we receive federal status, but we are going to apply to the Montana Noxious Weed Trust Fund for the Gallatin Corridor because of the construction and disturbance. We were awarded funds from the Gallatin Conservation District this year. How much? \$1,250. Are the funds specifically for the cost share program? Yes.

I do not see clear numbers attached to your proposed projects. You've listed goals under question two, but no numbers. We need numbers. Break out the \$70,000 for programming. What is the \$45,000 being spent for compared to previous years? Although the organization's structure has changed, you are proposing to do the same things you've done in the past. There was very little cost share last year. I question the percent of operating compared to programming. With operating going up, ideally programming would go up as well. Last year we increase our programming by 44% in education and community events. We need specifics.

With the difficulties you experienced last year, how much did you raise outside the resort tax appropriation? Since our fiscal sponsor would not sign off or allow us to fundraise, we were only able to raise the resort tax funds. We were your total funding last year? Yes. However, from 2012-2013 we did have funds we continued to use in 2013.

How many acres were covered? The annual report provided to you all at the beginning of the year had those figures and will provide them to Whitney.



RESORT TAX

— BUILDING BIG SKY SINCE 1992 —

Do you work with the Community Corporation on their noxious weeds? We collaborate on the Big Sky Community Weed Pull event. I do not directly spray, but I am a resource to answer questions. I assisted them with their weed management plan. In addition, the homeowners associations also use me as a resource.

In 2013 for every \$1.00 received from resort tax, \$1.80 was received in kind including community involvement and expertise. Our board is made up of weed experts, which is a technical value you cannot express in dollars.

Why create your own organization and not work under the Gallatin County Weed District? I am not sure a county organization can be a fiscal sponsor for a 501C3. Why do you need to have a 501C3? We want to be able to apply for certain grants with foundations where you have to be a 501C3 to receive funds. We have MSU Extension people on our board and that partnership will be mutually beneficial to us both because we can work together in applying for grants.

In the future, you'll be hovering around the \$40,000 request for funding. In the past you've operated on \$19,000 in requested funding. This request is more than double. Is it more effective for you as an organization to start a new organization with higher operating expenses rather than joining another organization? This is new for me. Previously I was assisting land owners, etc. Now I am trying to organize a 501C3. When we looked at going under other grant sponsors, their charge was closer to 10-12% verses what we're looking at which is 7%. It is cheaper for us to go this route.

Is this a fulltime job? No. What percentage of a full time equivalent is it? At different times of the year it is a quarter time (Nov - mid-May) and a ¾ time (mid-May – Oct) job; the average is a ½ time job.

What is the cost to hire someone to spray and acre? It depends on the species of weed, the population and the contractor. The Weed Committee is not involved in the business of weed spraying; we are in the business of helping educate land owners.

4. Blue Water Task Force – Kristin Gardner, Andrea Saari and Jon Holtzman

How big is the garden going to be? The entire ditch; where Wildwood Nursery is working today.

How much did you raise with the fly fishing event? \$9,500.

We see private donations were up and grants were down. In the past we've applied for a lot of funds from the Montana Department of Environmental Quality. In June I will be applying for a significant amount of funding for the watershed restoration project. We'll learn if we receive the funds in December and then the numbers you see will change significantly.

Why are you not working with Jack Creek Preserve? The Preserve focuses on the Madison watershed and we work only on the Gallatin watershed. We collaborate and share resources, but we are not involved in their monitoring.

Looking back through your funding request history you were at \$31,000 in 2010, \$48,000 in 2011 and you are up to almost \$100,000 now. Is this going to be a \$500,000 organization in a few years? Our percentage of resort tax funding has gone down. But the raw dollars spent by the community to continue water monitoring is increasing. Our primary focus now is restoring the waters where there were issues and those are significantly more expensive projects than water monitoring. I think our budget will continue to go up significantly in the next several years, but I hope to receive funding from the state on the projects.



How many fulltime employees do you have? We have contracted employees. I am ½ time; 20 hours per week. Andrea works 10 hours per week. We also have a Big Sky Watershed Core Member here and she is 40 hours per week. Her service term is from January until November.

Do you contract your bookkeeper out? No; I am the bookkeeper. It would be best if you put the cost under the same person. If everyone broke out their different duties it would be difficult to see compensation.

Comment: What you do is important to the community and is valuable to recreation and livelihood in the area.

5. Skating and Hockey – Ryan Blecta and Lindsey Pruitt

Would the recreation center construction change the location of the rink? Yes. Our board members have been attending the recreation center meetings.

Who pays to use the ice? Broomball League, which will be increasing by 25% this year since it has been so popular, open hockey, individuals may become members and we ask donations from visitors.

How have memberships trended? We have less this year compared to last year. We need to campaign.

What do you charge for businesses to put logos on boards? \$250 for a small banner and \$500 for a large banner.

Next year you are looking to double your private donor contributions to \$6,270. Last year you only brought in \$2,800. How do you plan to do that? This year we went through a transition with our president moving out of town. We plan to increase the contributions with more memberships and the in-kind donations for the banner sponsorships are expiring.

What is the \$4,000 other? \$2,000 is the rollover and \$2,000 is from broomball and hockey dues expanding.

The one area your organization falls short, compared to the other applying organizations, is the percentage of your budget that comes from resort tax as opposed to what you fundraise. Under fundraising you have \$750. What are your plans for fundraising? We'll be working diligently this year to fundraise. We've been working with Big Sky Resort to hold a golf tournament and bring in \$5,000-10,000. We'll also be working to gain board sponsors early in the season. If you think you are going to fundraise that much, I would encourage you to put that in your budget so you will be held accountable.

We are an entirely all volunteer organization. We have one contractor that moves snow and maintains the rink. Now that we have a grasp on the expenses our volunteers will be doing more fundraising. We had a learning curve this year.

Years ago when there was a rink in the area the advertising on the boards at least paid for the production of the boards.

Do you see duplication of costs being on your own instead of being under an umbrella organization? No; not with the Community Corporation. With the recreation center in the future we will consider the opportunity then.

How much do you collect per day in the volunteer donation pot at the rink? It is hard to see and there is no signage directing people to contribute a fee. We would like our board members and volunteers to there to encourage donations. How many people per day donate? It varies, but there is an increase in the use of the rink because of the letters we've received; many are using the rink with their families. What was your income from the donation pot? \$1,500.

If the new facility became a reality, would the items you are requesting funds for travel with you? Yes.



6. Library – Kathy House and Dani Kabisch

Mr. Kabisch stated he will be abstaining from the Library vote because his family financially benefits from the library.

We need specifics under question two. For example, what is the cost of reading program, etc.

Is Rick from the University of Montana contributing anything for the catalog project? Yes; that is a capstone project for the high school and it is through the Yellowstone Club Foundation. We are trying to put together materials pertaining to Yellowstone for community members and researchers.

Please breakout everything as to how the \$71,000 is going to be spent.

There is a \$7,000 increase over last year. Why? \$1,000 is for the kindergarten program with Morningstar to promote early literacy skills and kindergarten readiness, upgrade the memorial garden bench that had a water issue and a couple trees need to be replaced and tablets for the preschool program.

The change in operations is the change in programming, correct. Yes; it will all balance out.

Comment: What a wonderful program. The whole community should be excited.

7. Snowmobile Association – Devan White

Please expand on programming and other in the budget. \$26,500 is for the new trailer to haul the groomer. What programming is in the \$12,479? I'm guessing it is the counter for snowmobiles I'll have to ask the association.

Please clarify the public grants. The \$41,000 is mostly fish, wildlife and parks and the other is resort tax.

On the top of the organizational budget page, you should have the total budget at \$73,000 and the percentage of the request would be around 28%.

In question two, please break out and provide numbers and dollar amounts associated with each item.

What was the traffic on the counter this year over last year? It is higher. I do not know the number, but I will get it for you.

8. Arts Council – Brian Hurbut

Are you the only employee? No we just hired a full time development coordinator.

How important is the stage expansion? It is a low priority, but we really want to get it done.

How important is the billboard for your organization as a marketing tool. It is more important as a whole community marketing tool getting people to Big Sky in the summer.

Do you think Town Center will contribute to the expansion of the stage? No.

Your capital reserves are restricted? It was set up as a classical music festival account. Technically it is not a restricted account; we could use it in emergency. The other two restricted funds are donor advised funds.

Comment: Thank you for your work.

9. Parks District – Steve Johnson

Comment: I'd like to point out for the community's review that the Parks District request for funding to the county commissioners was denied.



10. Post Office – Al Malinowski

Comment: Thank you for your efforts.

11. Fire Department – Bill Farhat and Alan McClain

The numbers are going in the right direction. Thank you.

Are there any major capital issues this year? The command vehicle I drive has over 100,000 miles, but it is doing very well. We will use funds we already have or put off its replacement.

Has anything else changed with the capital plan? No; not really; the same items are on there. We're trying to see how our funding will go as the district rose and the tax dollars have changed. It is very difficult to forecast. The dollars will appear within our own budget years down the road. Two years down the road we will be asking to replace our cardiac monitors, but we will try to be fiscally responsible and keep the dollars requested as low as possible.

Looks like you built up the capital reserves and need just a little more. Is that because you have to show an income and will that happen gradually with the tax increases? It does happen gradually. This year we had a problem with Madison County. They approved the funds, but did not pass the approval along to their accounting so we were short \$280,000. In September they will be double billed to get caught up. That will go towards the operating budget. As the operating budget is satisfied, it will go toward the reserve.

Where are you in terms of response times? Now we have 24 hour shifts with 3-4 people on shift on a regular basis. 5 people will be on two of the shifts when we hire another person on July 1 and we hope to get closer to that so two calls can be answered at once. We are able to respond promptly if you are right next door and we are 10 minutes away if you are 10 miles away.

12. Transportation District – Courtney Jones

In the application it says you are going to expand routes later in evenings. How much later? It would be a two hour extension and run until 1:00 a.m. We are renegotiating with Karst and working though price increases. Unfortunately when we had to apply for resort tax we did (and still do) not have hard numbers from Karst.

What percentage of riders are employees verse visitors? The local Big Sky route is 50/50 and the Bozeman route is 70/30. We would like to have more routes from Bozeman with the increase in housing shortages.

Last year we received funding from the state to for a route to West Yellowstone, but the money goes away June 30 and we will no longer provide that service.

Do you have public grants from Gallatin and Madison Counties? Not from Gallatin. Madison County challenged Gallatin and said they would provide a match of additional funds, but no funds were given.

Have you figured in the fare income from the \$65,000 request for added service? The increase in service would be local so we would not collect fares.

How does construction work with the schedule from Bozeman? It does not; we are late.

It looks like you will not hit your goal for capital reserves. We are trying to reserve more. Since Karst is not scheduled yet, we do not have exact numbers, but this is what we were basing it on a month ago.

Comment: I imagine the Sheriff's Department appreciates the bus hauling people down at night.



Have you expanded service to the Yellowstone Club? No; their schedule has remained consistent and has helped the Bozeman route links.

13. Community Corporation – Jessie Wiese

With the tunnel design, have you taken into consideration the recreation center location? We do not know if the recreation center is moving forward. We have not been making our project contingent on their location. With their current plan; however, it would be a good fit.

Are other entities funding the Bear Smart trailer? Yes; most of the funding is coming from a bear spray company, the Gallatin and Deer Lodge National Forests and Fish, Wildlife and Parks.

In the amended budget under capital, there are no funds for the tunnel. Our projections are unknown, but the number will go up. We are budgeting conservatively. Realistically we do not know what to expect and may try to find funds from the transportation district.

The purpose of the three-year projection is so we are not surprised by increased needs/costs. It would be helpful to resort tax if we had an estimated figure.

What is your noxious weeds program and how much do you spend on spraying? We have a maintenance plan with different levels of weed management. We spray two times per year within the easements of all trails and in the parks. The cost is \$6,500 for that program and contractors charge an average of \$125 per hour. I took that detail out of the budget, but happy to provide it to you.

Each year we ask; please explain why in the audited balance sheet the liquidity is far less than in the budget you provide us. It has to do with our fiscal year; July through June. At the time of the audit, the money is in the bank account, but is then spent by the end of the summer. The reason it increased from July 2012 to July 2013 is because of the Rotary donations, our fundraising event and other generous donations.

Please provide a current balance sheet.

Comment: The consolidated request in one application is great.

Comment: The South Fork trails and landscaping are great additions.

How many trees were donated at your gala? 24 trees.

The recreation facility is now under a separate application. Why? Our board made the decision that with our resources regarding staff and our mission statement being specific to parks and trails, it was not an ideal fit; however, we remain supportive of the effort. We are glad to have the results and believe it was a worthwhile study.

What is your sense from your board? Do they think it is a financially feasible project? Per the last meeting they had with the consultants, the study adjusted their numbers based on community concerns.

14. Sheriff's Department – Brian Gootkin and Matt Daugherty

Comment: Thank you for your help renegotiating the budget with the counties and giving \$34,000 back to resort tax this year.

Please reference the capital expenditures at \$19,445. What is that for? Vehicle with package.



RESORT TAX
— BUILDING BIG SKY SINCE 1992 —

Do you monitor the number of calls year over this year? Calls are monitored and I can provide a breakdown. Please provide a report for last year and this year.

Last year a 6th deputy was added. How many hours is he spending at the school? There is overlap time depending on days off, but someone is there several hours each week. It could be a whole day or walking through. Ian Parker is the School Resource Officer and he is the led.

Chairperson Jamey Kabisch recessed the meeting at 2:45 p.m. and reconvened the meeting at 2:55 p.m.

15. Ski Education Foundation – Eric Becker and Samantha Mies

How old is the current scoring system? It is probably 5-6 years old; are you referring to the timing equipment? Yes. It is certified by the US Ski Association and it expires next year and will no longer be usable.

In your benefit to community at large you mention world class coaching to local children at \$3.85 per hour. Can you tell us how you got to that number? That is the average cost per child per hour of coaching. We divided our coaching cost by the number of hours, I think.

In promoting tourism, your impact per racer per day is \$181 to the District. How did you come up with that number? Three years ago we performed a study on ski racing by division and sent out surveys and tracked expenses. We learned what they are spending here and that is where the figure comes from.

In your projected budget for 2014-2015, I did not see the resort tax funds in the income line. Is it included? No. Are any other items left out of the budget? No. Your net income loss next year will be \$10,000 and you are asking resort tax for \$38,715. With your current balance sheet and the fundraising you've done in the past, why do you need resort tax money? We are not asking for resort tax money for operations. We are asking for resort tax money to purchase infrastructure equipment to continue to run safe races and to perform maintenance on the items already acquired with resort tax funds. So you do not have any of those expenditures in your budget for the upcoming year? No; we were amiss to not include that, but we were under the assumption that if we did not receive the income we would not be able to perform the expenditures.

There seems to be a lot more racing activity. Yes, there has been an increase in numbers. Five to six seasons ago, 50 kids were in our program. Today we have 145 kids in the alpine racing program. In addition, we have the freeride competitive team with 20 kids and the Nordic team with 12 kids. We generally attract youth three-day races. At the national level we have Masters and Adaptive. The timing equipment will be used in every race.

Do you expect the same amount of races this year? We expect a slightly larger youth race and to add one more Collegiate race, which we will know in June.

Comment: We commend you on serving a special group of people, but increasing community-wide tourism, and being self funded.

At the end of 2013, you show a net income of \$50,000. Year-to-date you are at a net income of \$27,000. With your ability to generate revenue, why do you need resort tax funds? Last year was an anomaly. We received a large, one-time donation from the Rapier Foundation of \$100,000. As of today, our net income is \$12,000. We try to bring in enough money from our programs and fundraisers to cover normal expenses. We come to resort tax for un-normal expenses.



What is the likelihood of another large grant? We always try, but nothing is in the bank yet.

What is the 10% discount? It is if you have multiple kids in the program. Do you have a scholarship program? Yes; when we have a big donation we give out the money for competition scholarships and tuition for the basic program. This year, we collaborated with Women In Action and they gave \$5,000 in tuition scholarships.

16. School District – Jerry House

You are asking \$76,000 for the sign. What percentage of sign would be used by School District and what percentage of the sign is being funded by the School District? We have five different entities that will use the sign including the elementary, middle and high schools plus the Warren Miller Performing Arts Center (WMPAC) and the Big Sky Community. We plan to promote the Big Sky Community and the School District depending on the event happening. To come to a percentage I will base the usage on events and the greatest percentage, 70%, will be the School District and 30% for the Big Sky Community and WMPAC. Events to be promoted include games, Love and Logic, theater, guest speakers, MSU hosted events and Thrive. The reader board will give us the opportunity to communicate with visitors, residents, etc.

There is a letter included in your application from your business manager. Yes; the state legislature bidding policy is now \$80,000.

The resort tax board has its own policy and it is \$50,000. We would like to see multiple bids. Understood.

With the mill levy increase and with the bonding issue, there is no cost share possibility when the school is going to be using 70% of the time on the sign? No. You cannot find any funds from the new elementary school? No; correct. That is how tight we are.

The reader itself has a five year warranty, but the life of the sign will be longer than five years. What happens when five years end? It is designed for longevity. After the five year warranty, the School District takes on responsibility for the sign.

17. Friends of Big Sky, Education – John Zirkle

Were you asked to help fund sign? We were asked for consulting purposes and our perspective on the design. We funded the initial work of \$3,000.

Comment: You have a nicely laid out proposal.

In the application, you talk about the desire to keep the ticket structure as is. Can you increase the net revenue of ticket sales? Or can you adjust the cost spent for programming? We have put a lot of thought into the structure. Budget seats are always \$20 or less. We can increase ticket costs with larger brand names and we can expand premium seating. If the seasons goes as planned, the average ticket is \$30 and we could raise it to \$35. However; we want to be careful that we keep the events open to the whole community. \$140 is a serious investment for a family.

Comment: I appreciate the ticket cost structure and I made it to three shows this year. If the tickets had been much more, I may have only made it to one.

All this money is for programming, not operations, correct? Correct. The budget you see is only for the season programming. The school pays to keep the lights on, etc. It is not for operations or my salary, etc.

18. Recreation Facility – Eric Ladd, Jamie Daugaard and Andy Driesbach



Who would own the land? Is land available and at what cost? Should funding be in a conditional setting in order to be released? It depends on what piece of land is purchased. This is a fluid and fast moving project. We expect to be well down the road negotiating on the land and under contract before June 11. If it is not under contract, then we would not request the money. Regarding who would own the land, most likely it would be the group that is leading this up. But there is talk that in the future it could become part of the park district or another organization. It will be a long-term partnership so the land is secured for the use by this facility.

There are two facilities. What are the projected numbers for construction and land purchase? The recreation center will be in the town center. That agreement has been put in place. The land that I was speaking about before is for the events center. We have three parcels we are negotiating on right now. The rec center is around 66,000 square foot and \$20.6-22.8 million in construction costs. The events center would be about \$22,000 square foot indoor and \$22,000 for the arena. There would be further land for parking and livestock pens. That is projected at \$8 million.

\$30 million for the two facilities. The rec center land will be donated. Yes. There are some re-plating issues to go through.

During the presentation here at WMPAC, the consultants said it would all be done with private funds. You are starting asking for public funds. Besides the land donation, do you have any other donations at this time? There have been donations in time and effort to get to this point. The ISG statement was a misstatement. It was never projected that this would be built all privately. It would have to have public funds. Funding would look like a pie chart and include private donations, HOAs, the park district, the list is endless.

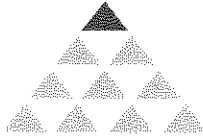
In the 40 years I've lived here, all of the fundraising for all the projects together have raised \$30 million. That is a respectful statement. Today we have over \$300 million in new construction in Big Sky and that is the highest since anyone has ever lived here.

When the consultants were here I asked what's the smallest community they built a rec center. They replied, a population of 10,000. We're a quarter of that. Will tourists on vacation make up the other 7,500? Yes; based on the projections this would, at bare minimum, be a breakeven facility. They were impressed with our spike in population during the high seasons. The communities they mentioned with a population of 10,000 may not see the fluctuations we see. The unknown is what is going to draw people to Big Sky. Look at the events facility. I cannot build seats fast enough for the rodeo. Will that offset the cost? The consultants think it will bring us to breakeven or better.

I've gone over the numbers and when you look at the consultants' data, the amount of debt service is zero. So when you talk about breakeven, that is the operations of a built and funded facility. That is correct.

I think you are premature coming here. The numbers you provided in the application include private donor contributions = \$0; in-kind = \$0 and fundraising events = \$0. If this was a situation where you had private donor/s, the project was started, raised millions and were \$500,000 or so short, resort tax can help. I do not think people in the community have expressed a desire for this facility until they have voted with their pocketbooks. All you have now is a great idea.

The resort tax board has been burned in the past, by the former Morningstar organization. The board provided funding for a building that was never built and the money was not returned, it disappeared. I suggest you have more before coming to this board.



RESORT TAX

— BUILDING BIG SKY SINCE 1992 —

In response to your statements, we respect what you are saying. We are at that next step, the feasibility study is complete, we have tangible items and our board believes this resort tax application is the next step. We do not want to lose momentum and think it is a critical time for our request. 18 different groups have come to our meetings and are represented in these facilities from people with therapeutic needs to rodeo to ice skating. The members of the rec center board have day jobs and we are asking for funds to move this project forward by hiring dedicated staff. This group is young, but the community needs it now. 50% of the Big Sky population would be directly impacted by the programs that would take place in these facilities.

Until you are to the point where you can tell us how much you will be asking for from resort tax in the future, I do not think your business plan is developed enough. The money we've requested will bring us to that point; otherwise, the project is in jeopardy. In order to meet with donors you need plans, architectural drawings, etc.

Could this be a phased approach? The events facility could be operational by December. With the PBR donating bleachers (\$70,000) and the skating and hockey boards, the ice arena would be a phased approach.

Our responsibility is to the public; these are tax dollars. In the events facility you have the PBR, which is for profit, and skating and hockey, which is nonprofit. PBR is critical to generating money and PBR may come and go. The skating rink is, as we know, lucky to break even; ice doesn't make money.

PBR would become a paid tenant of the facility. PBR may come and go, but now that it's been proven a successful entity, someone else will replace it. The Town Center has been approached the last five seasons by weekly rodeo promoters that would perform throughout the summer. The consultants educated us that well-run ice arenas generate revenue across the country. Right now we have seasons where the ice is vulnerable. This ice would have proper ventilation and would be covered when the sun comes out. The facility proposed would be large enough to host regional tournaments and hockey groups.

The events center would fund the operating cost of the rec center, correct? Yes. Then why not build the arena to see if it can do what they say it can do and produce the revenue to offset the estimated rec center costs? That is the way it will happen anyway. The rec center will take two seasons to be constructed. But the rec center is what the Big Sky population is beating down the door to have built. It is nice to want something, hard to pay for it.

People in the community have shared with me they are concerned with the ongoing operational costs of a swim center. I do not want to have to sink \$250,000 a year into funding the operating costs. It is possible; however, we hired the number one consultants in the country.

I am concerned the consultants were doing whatever they could to make the numbers look like it was realistic to gain our business. When the consultants did their interviews, the community wanted a facility twice this size and cost \$40,000. The consultants did a feasibility study and recommended that we cannot have the big pool, etc. It is unrealistic for this community. They recommended the right size pool for high efficiency filters and boilers. They recommended new inflatables that are 1/20 the cost of slides, etc. This is for the current population; however, we think the population is going to expand.

In the case the board decides to go down this road with you, is there a chance we can hold back the resort tax funds until you have matching funds? This board may be more amendable to the idea if we knew someone else had some skin in the game.

We would ask that if the resort tax board decides to make funds contingent on a match, give us "bullets". For example, it is tough to fundraise for salaries and behind the scenes costs. We've already given matching grants for marketing and PR. With architecture and bidding we could probably raise more.



If the board granted any part of your request it may have to include criteria and requirements before funds would be released. Understood. To be clear if we had to choose, what we would most like is staff and marketing to get this effort rolling.

If land is not under contract, we will withdraw the land funding request. Would the \$400,000 number decrease once you were in final negotiations? It could. The land donor is willing to match 50% for a property that is north of \$800,000. Another piece of land could change the cost.

If you buy the land and don't raise the money to build, who ends up owning the land? It could be an agreement with resort tax, or with this group (rec center board) or donated to BSCC. We'll need the answer to that question.

19. Chamber of Commerce – Kitty Clemens, David O'Connor and John Richardson

Rollover: The rollover is due to the delay in the easement? Yes. The owner is conducting a best-use site plan for the property, which will be complete by August.

Highway Lighting: What is the delay in lights? We received positive feedback from the community and the next step is to take the lights to the bridge. You received the revision that we are requesting funds for four lights, not six. Yes.

Ryan Hamilton started the project, correct? Yes; now Kitty is project manager.

Wayfinding: You are permitted for 28 signs. Right now the signs are at the main business centers. Where would the next level go? We have a plan already approved by both counties. We would reference the master plan and work with the dept of transportation and the community to select the next sites. For example, the gap between West Fork and the Mountain.

Power Lines: This is certainly in addition to the things Chambers do. We take on additional projects as needed. Northwestern Energy approached us and provided the easements. It would aesthetically improve the front door to Big Sky.

Will the new power lines still be seen? They cannot be buried.

Who else is benefiting from the power lines being buried? Power services will not change. I guess you could say they would benefit aesthetically. Since there is no final plan for the property where the Visitor Center is located, do we have any guarantee that in the long term the benefit is to Big Sky or to the land owners? The power lines are across the road on property other than the Visitor Center property. In terms of the Visitor Center, our lease is one year. Right now we cannot tell you if we will be there in 20 years. Is that why you are keeping the building in West Fork, as a fall back? Yes. Mountain Maven signed a one year lease. We are reluctant to do long term with all the moving parts.

Could this be leverage to get the deal done by stating the Chamber might not be interested in moving forward on this project without a long-term lease? The power lines are across the road on property other than the Visitor Center property.

Operations: How are Chambers of Commerce typically funded in other resort mountain communities? In a lot of resort mountain communities there is a sales tax dedicated to resort administration. In others, the Chamber receives 100% of the lodging tax, it is not sent to the state office like in Montana. In general, similar Chamber earmark sales tax or lodging tax. What percentage would be from membership in those cases? I would have to breakout our budget and just include what Chambers would typically do and take out what towns would do.



\$495,000 of the budget is capital, not standard Chamber projects. Funds would be raised through membership dues and state monies.

Comment: Their operating request is 28% of their budget, similar to other organizations that we fund.

Our staff also manages Visit Big Sky.

Tell us about membership trends. We have an in-depth report. We surpassed the pre-recession numbers this year and should hit the goal of 400 members again. Now we are at 381 members. The low was 320 members. In February 2013 we promoted a membership-dedicated person. It is difficult to measure the percentage of Big Sky businesses we have as members. From our best assessment, we have about 79% of all the businesses as members.

Will you ever be in a spot where you will not be requesting cost for staff? If we continue to do what we are doing, no. Our revenue streams are the Visitors Guide and paid in-house advertising. I do not see us needing to expand staff.

Comment: We commend you all for what you're doing.

\$1.2 million requested is a lot of money. We are taking on projects that could be any organization. BSCC or someone similar could be the one taking on these same projects.

Housing: The \$165,000 request is the 2nd phase. Please provide details. I brought supplemental documents. We have not received the final report from the consultants. Our request addresses option one only. Option one is to participate with public/private partnership and create a demonstration project.

Do you think you got your money's worth out of the feasibility study? We got community specific data. If these are the problems, they outlined the tools as a laundry list of the most attainable to the hardest to do. Now we know what all the options are. Are you happy with the money spent? On the whole we are very happy. We believe we did not receive a cookie cutter response and it made us look hard at the options presented. The variety of options spoke to the community and how we can get something done. It provided a great sense of relief and informed us how we can move forward.

The data we received on what other communities are doing was helpful to know as well. It helped with grant requests, quantifies our need and now we are in a position to help.

If we appropriate the \$165,000 for the demonstration project, what is the future? Identify land, take the appropriate steps to make the land usable, select a developer, begin engineering and become shovel ready.

How many units? We cannot answer that. It will depend on the size of land and cost per square foot.

The \$50,000 for earnest money is low. Where does rest of the earnest money come from? It is a public/private partnership. They will be designed to be economically feasible. In addition, the state says they have more money than they get requests for in a specific, appropriate grant fund.

Incorporation is the elephant in room. The consultants made it sound like there were more options to an incorporated community. Would you consider a study to see if incorporation is feasible? It is a devise issue and we are a membership organization. We may recommend that it be done, but not by the Chamber.

The funds we are asking for will not be requested until land is identified.



Comment: Last March we challenged the entities in our community to be “Better Together”. We thank the Chamber and BSCC for working on these studies.

We thank you for encouraging Big Sky to think big.

None of the options presented are mutually exclusive. There are concurrent efforts going on right now. We expect a net income at end of the fiscal year to be \$5,000. Most of the membership revenue comes in February and the Visitor Guide is in March and April.

20. Visit Big Sky – Kitty Clemens, Catherine Gibb and John Richardson

You are requesting \$134,000 more over last year. Where is it going? It is going to increased advertising. We are committed to expanding the reach. We still remain low, 50% lower in spending, for comparable resort communities’ marketing.

Biggest Vacation in America, is the technology proven? Yes; it is a proven technology, but a new use of the technology. A sidewalk concierge takes several technologies into one, large, interactive smart screen. We will be able to gather data as to where people go when they come here and feed that content to tour operators. It is the combining of several technologies.

What happens if there is vandalism? The company we will partner with takes responsibility for the devices. They gave a 300 pound man a bat and the device cannot be broken. Downtown Bozeman has one. When the cold spell was below 20 degrees for several days this winter, it had problems. We are prepared to deal with that. The units are not hard wired so we can service them right away.

We plan to have one in West Yellowstone for the weeks when their lodging is 100% sold out and rates are substantially lower in Big Sky. We will be able to take real-time reservations and feed people into Big Sky.

Is the winter campaign still the Biggest Skiing In America (BSIA)? With the changes in resort ownership, do you believe that the importance of BSIA should be Visit Big Sky’s responsibility? The competitive landscape has changed and groups consolidated. The campaign represents the businesses outside the resort as well and we believe that is important. It is a valuable tool for the winter visitor, not just the brand of skiing. 320 and Lone Mountain Ranch see a positive impact from the campaign and it does translate to revenue and bookings. Numbers were better than they’ve ever been. Analytical data that drives people to the website is still getting hits and turning into bookings and revenues.

You used to have the skier day formula. It seems the community’s progressed past that. You may consider resort tax increases or shift your measure of success.

In another example, I’ve had to live through losing state (Colorado) marketing funds and dropping from 25% nationwide market share to 5% market share.

21. Food Bank – Tim Trysinki and Sarah Yather

With 32,000 pounds of food, is there a lot of waste? We feed into a bigger distribution. When local grocery stores donate foods that would otherwise be thrown away, fresh produce gets composted or diverted to animal farms in the Gallatin Valley.

What are your usage trends? We are adjusting to the seasonality of Big Sky. Last winter, 64 households made trip to Bozeman from Big Sky. This winter, five made the trip. The Big Sky numbers have increased. We saw a 20% increase in those that identified themselves from Big Sky.



With the opening of new grocery store, will you find need for more food? Is there a need you can expand to? Can we make sure the food does not waste? We've had conversations with the new grocery store. Currently the system is that people can get a 5-7 day supply of food and can access the program every 30 days. We work with group homes and do what we can to make sure the food is not going to waste.

Will you take the food to West Yellowstone or Ennis? Typically food for those destinations has come from Bozeman. In the event Big Sky produces food sufficient to their needs, we will find ways to use the food.

I was hired in October. During the high season I saw 20-25 people per week. November/December I saw 60 people per week. Now we are back to 25 people per week. It seems to fluctuate with employment.

Comment: We appreciate what you do.

22. Water and Sewer District – Terry Smith and Nick Wellinstein

Tags could be purchased by anyone in the community? Anyone in the meadow area can be serviced by these tags. We want to go to the mountain. Anyone can buy them.

How does this benefit everyone? Tags benefit individuals by emailing and texting the temperature, etc.

Would that work for the canyon? No; not yet. Would you consider putting them in the canyon even though it would not help the Water and Sewer District? Sure.

It would be nice to offer equal service even if not in the Water and Sewer District.

23. Jack Creek Preserve – Kevin Germain

Do you have a new director? No.

Is availability still limited on Jack Creek Road. Yes.

The conservation district completed the application. Are you staying with conservation district? We hope to and we think it is an appropriate home for it.

24. Morningstar – Joe Miller and Jennifer O'Connor

We are requesting the same amount for the tuition reduction program appropriated last year.

You don't have a mortgage and don't pay property taxes, why are you still more expensive than Bozeman daycares? Our staff costs. Staff in Big Sky verse Bozeman wage pay. So much so that it accounts for a rent payment? I sat down with seven daycares in Bozeman to figure out how we are more expensive. In Bozeman they pay \$7-8 minimum wage and hire students without cars or families. Management is making \$10 per hour in Bozeman. 30-40% of their costs are labor. Ours are double that; although, our other costs are lower. I believe we are responsible with the money.

Under capital expenditures you included expansion. We put it on the application for conversation's sake. We need a good capital campaign. We have a waiting list and believe it is a choke hold for people choosing not to move to the community because they have no daycare option. We are discussing expanding the building, seeded by the reserve fund. We may design and start bids in the summer. Could you lease space? We hesitate because it made it difficult to thrive; we prefer a debt-free building. Plus we would need an additional manager at two different locations.



RESORTTAX

— BUILDING BIG SKY SINCE 1892 —

What is the nature of your restricted funds? \$40,000-50,000 is restriction by donors. The Development Director is a paid position for two years by donation. The other funds will be used for landscaping and the building expansion.

Comment: You have a theme of affordability; good job.

- F. Closing Comments: The sinking fund was funded last year and can be re-appropriated. Its intention is for capital. For example, the Fire Department has a 10 year capital plan.
- G. Public Comment – Peter Bedell: Thank you for the Morningstar support for our family. It really helps.

Chairperson Jamey Kabisch closed the open meeting at 4:42 p.m.

Respectfully Submitted,

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

Virginia Hermann, Secretary



FINAL MINUTES OF THE FINAL APPROPRIATIONS OPEN BOARD MEETING

June 11, 2014

Present: Jamey Kabisch, Chairperson
Mike Scholz, Vice Chairperson
Ginna Hermann, Secretary
Heather Budd, Treasurer

Jeff Strickler, Director
Mona Jamison, Attorney
Whitney Brunner, Administrative Officer

Chairperson Jamey Kabisch called the open meeting to order at 1:07 p.m.

I. Open Meeting

- A. **General Announcements: Chairperson Jamey Kabisch** – Mr. Kabisch opened the meeting and introduced the board members, attorney and thanked the administrative officer. He asked the attendees to please sign-in. Mr. Kabisch stated that today is about the applicants. He thanked the applicants for their hard work and stated that although the board appropriates the funding, without the applicants efforts it would be for not.

He stated all decisions for fiscal year 2015 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. Ron Edwards will update the master spreadsheet as motions are passed based on majority approval.

Reference the Funds Available handout. We arrived at the funds available number with tax collections that are received throughout the year, the \$280,176 sinking fund from last year's appropriations and projected revenue for May and June. This was a fantastic year for the Big Sky community.

B. **Public Comment**

Kevin German supports Blue Water Task Force, Madison Conservation District, the Recreational Development Corporation and the Chamber of Commerce. He stressed the importance of the Recreational Development Corporation securing a paid staff person on board. He stated as a recent board member he is impressed with the Chamber of Commerce, the board members' dedication and the skill of the staff. He specifically supports the Housing effort and stated other communities have the structure to fill the need of taking on affordable housing and he is proud of the Chamber for taking on the responsibility. He stated the report filed by EPS on workforce housing stated 63-85% of the Big Sky workforce leaves at the end of the day and to be a world class community the affordable housing situation needs to be addressed.

Jennifer O'Connor supports Morningstar. She stated she is President of Big Sky PTO and a parent. Ms. O'Connor stated she has been impressed that the same people who lead our volunteer organizations in Big Sky are also parents. She gave the example that her husband is the President of the Chamber of Commerce. Ms. O'Connor stated the parents in this community are the volunteers in this community and without Morningstar they could not serve the community in the capacity they currently serve.

- C. Determine Funds Available – Motion by Mr. Kabisch to approve the funds available at \$4,041,814.
 Second by Mr. Scholz.
 All in favor. Motion passed.
- D. Sinking/Reserve Fund Discussion – Mr. Kabisch stated the board is again 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 in funding due to one entity’s necessary requirements. Mr. Kabisch 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 in fiscal year 2014 the board appropriated \$280,176 to the sinking fund.
- 1) Motion by Mr. Kabisch to set aside \$280,000 of the fiscal year 2015 resort tax funds into a sinking fund.
 Second by Ms. Hermann.
 All in favor.
 Motion passed.
 - 2) Motion by Ms. Hermann to set aside a total of \$580,000 of the fiscal year 2015 resort tax funds into a sinking fund.
 Second by Dr. Strickler.
 All in favor.
 Motion passed.
- E. Appropriation of Funds
- 3) Motion by Ms. Budd to appropriate \$31,000 to Search and Rescue.
 Second by Mr. Scholz.
 All in favor.
 - 4) Motion by Mr. Scholz to appropriate \$382,000 to the Fire Department.
 Second by Ms. Budd.
 All in favor.
 Motion passed.
 - 5) Motion by Dr. Strickler to appropriate \$257,062 to the Sheriff’s Department.
 Second by Ms. Hermann.
-
- Discussion: Mr. Kabisch thanked Mr. Scholz for working to make the fiscal year 2014 funding equitable. He stated the Sheriff’s Department funds its Big Sky operations by dividing the costs in thirds between Resort Tax, Madison County and Gallatin County.
 All in favor.
 Motion passed.
- 6) Motion by Mr. Kabisch to appropriate \$11,872 to the Post Office Rollover.
 Second by Dr. Strickler.
 All in favor.
 Motion passed.
 - 7) Motion by Ms. Hermann to appropriate \$375,000 to the Transportation District.
 Second by Mr. Kabisch.
 All in favor.
 Motion passed.
 - 8) Motion by Ms. Hermann to appropriate \$30,000 to Women In Action.
 Second by Mrs. Budd.
- Discussion: Mr. Scholz stated his wife is President of Women In Action, but since their family does no benefit monetarily from the organization he may participate in the vote.

All in favor.
Motion passed.

- 9) Motion by Dr. Strickler to appropriate \$97,660 to the Blue Water Task Force.
Second by Ms. Budd.
All in favor.
Motion passed.

- 10) Motion by Ms. Hermann to appropriate \$71,173 to the Library.
Second by Mr. Scholz.
Discussion: Mr. Kabisch stated his wife is employed by the Library and his family benefits monetarily from the organization. He will be abstaining from the vote.
In favor: Mr. Scholz, Ms. Hermann, Ms. Budd and Dr. Strickler
Abstained: Mr. Kabisch
Motion passed.

- 11) Motion by Mr. Kabisch to appropriate \$343,220 to the Big Sky Community Corporation.
Second by Ms. Budd.
All in favor.
Motion passed.

- 12) Motion by Dr. Strickler to appropriate \$594,590 to the Chamber of Commerce.
Second by Ms. Hermann.
Discussion: Ms. Budd stated she approves of the Chamber's application except for burying the utility lines. She stated that until there is a final usage plan for the corner properties from easements for the Entryway Monument to a long term lease for the Visitors Center, the request should not be fulfilled. She suggested the Chamber wait a year until the aforementioned situations are worked out and request the funds then. Mr. Scholz asked if the board agreed to place a contingency on the funding would Ms. Budd agree. She stated yes.

Substitute motion by Ms. Budd to appropriate \$594,590 to the Chamber of Commerce with the condition that the \$100,000 earmarked for the utility line be contingent on 1) a three-year lease with an option for a three-year renewal for the Visitor Center and 2) an easement in place for the Entry Monument.

Second by Ms. Hermann.

All in favor.

Substitute motion passed. Original motion fails.

- 13) Motion by Mr. Kabisch to appropriate \$42,585 to the Chamber of Commerce Entry Monument Rollover.
Second by Dr. Strickler.
All in favor.
Motion passed.

- 14) Motion by Mr. Kabisch to appropriate \$584,000 to Visit Big Sky.
Second by Mr. Scholz.
All in favor.
Motion passed.

- 15) Motion by Ms. Budd to appropriate \$64,700 to Morningstar.
Second by Dr. Strickler.
All in favor.
Motion passed.

- 16) Motion by Mr. Scholz to appropriate \$2,000 to the Madison Conservation District.
Second by Ms. Budd.

All in favor.
Motion passed.

- 17) Motion by Ms. Hermann to appropriate \$27,931 to Skating and Hockey.
Second by Ms. Budd.

Discussion: Mr. Scholz stated in the revised proposal from the Skating and Hockey Association, they increased their fundraising potential. He stated if they would have reflected the increase in their budget, the Resort Tax request would be reduced by \$5,000. Mr. Scholz stated he recommends the board amend the motion to \$5,000 less. Dr. Strickler stated that condition could be implemented next year. Ms. Hermann stated a reduction of that size on a \$28,000 request would be devastating to an organization. She stated the organization received a challenge grant from the Yellowstone Club and she maintains her motion to fully fund the request.

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

- 18) Motion by Ms. Hermann to appropriate \$2,000 to the Skating and Hockey Rollover.
Second by Dr. Strickler.

Discussion: Mr. Kabisch stated he would like to echo Mr. Scholz's point and he encourages the organization to increase their fundraising efforts.

All in favor.
Motion passed.

- 19) Motion by Dr. Strickler to appropriate \$125,700 to the Arts Council.
Second by Mr. Scholz.

All in favor.
Motion passed.

- 20) Motion by Ms. Hermann to appropriate \$75,000 to the Warren Miller Performing Arts Center.
Second by Dr. Strickler.

All in favor.
Motion passed.

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- 21) Motion by Ms. Hermann to appropriate \$5,000 to the Parks District.
Second by Ms. Budd.

All in favor.
Motion passed.

- 22) Motion by Mr. Kabisch to appropriate \$1,288 to the Parks District Rollover.
Second by Ms. Budd.

All in favor.
Motion passed.

- 23) Motion by Mr. Scholz to appropriate \$20,000 to the Snowmobile Association.
Second by Ms. Hermann.

Discussion: Mr. Kabisch thanked Devon White for providing the follow up documentation. He appreciated seeing the jump in trail use; the increase is terrific.

All in favor.
Motion passed.

- 24) Motion by Dr. Strickler to appropriate \$42,500 to the Noxious Weed Committee.
Second by Ms. Hermann.

All in favor.

Motion passed.

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

No second.

Motion fails.

- 26) Motion by Ms. Hermann to appropriate \$38,715 to the Ski Education Foundation.

Second by Mr. Scholz.

All in favor.

Motion passed.

- 27) Motion by Ms. Hermann to appropriate \$18,000 to the Water and Sewer District.

Second by Dr. Strickler.

Discussion: Mr. Kabisch stated it is a reach to maintain that the funding request benefits the entire Resort Tax District. He stated the Water and Sewer District will be the beneficiaries of the service. Mr. Scholz stated he is hopeful the Water and Sewer District will expand the service to the canyon next year since it is available in the meadow and on the mountain.

All in favor.

Motion passed.

- 28) Motion by Mr. Scholz to appropriate \$60,000 to the School District.

Second by Ms. Hermann.

Discussion: Mr. Scholz stated the sign is important and it is no different from the board funding the Arts Council billboard. Mr. Kabisch stated he will vote against the motion. He stated with the number of things going on at the school he has a hard time understanding why they do not have funds to contribute. He stated the majority of the sign's use will be school related and funding the sign should come from the School District. Mr. Kabisch stated the elementary school will not be completed until next year, maybe the sign can wait. He stated \$76,000 is a lot of money for a sign. Ms. Hermann stated the School District's funding dilemma is due to geo-tech issues with the new elementary school site. Dr. Strickler stated the sign will advertise the community for the traffic coming south.

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

Opposed: Mr. Kabisch and Ms. Budd

Motion passed.

- 29) Motion by Ms. Budd to appropriate \$30,000 to the Noxious Weeds Committee.

Second by Ms. Hermann.

Discussion: Ms. Budd stated weeds are a big issue in the area and a worthy cause. Mr. Scholz stated the request has doubled from previous years. He stated the weeds pulled have not grown proportionally. Mr. Scholz stated the organization has so much programming and the community has not seen the results from the programming; regarding the amount of weeds pulled. He stated he would like to see more funds dedicated to the cost share program. Ms. Hermann stated she agrees that more cost share is needed. She stated she would like to see an organization with more structure. Mr. Scholz stated the cost share program is a measurement of success and the organization is not getting the job done. He stated he is curious if the funds were given to the Bighorn Sheep Range and Gallatin Weed Fund if more weeds would be pulled. Mr. Scholz stated the organization needs to do more. Mr. Kabisch thanked Jen Mohler for the supporting documents. He stated there is duplication of services and coordination with the Gallatin Weed Fund. Mr. Kabisch stated he is not sure the board should create an entity to do what the Noxious Weeds Committee has proposed.

In favor: Ms. Budd and Dr. Strickler

Opposed: Mr. Kabisch, Mr. Scholz and Ms. Hermann

Motion fails.

30) Motion by Ms. Budd to appropriate \$30,000 to the Noxious Weeds Committee with the condition that \$10,000 be distributed as cost share.

Second by Ms. Hermann.

Discussion: Ms. Budd stated 2011 was the highest year for cost share. She stated her motion challenges the organization to increase their cost share number. Mr. Scholz stated the motion is going in the right direction.

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

Opposed: Mr. Kabisch

Motion passed.

31) Motion by Dr. Strickler to set aside a total of \$746,100 of the fiscal year 2015 resort tax funds into a sinking fund.

No second.

Motion fails.

32) Motion by Ms. Hermann to appropriate \$50,000 to the Recreational Development Corporation with the condition that the funds be used on a new study to analyze the possibility for Big Sky.

Second by Ms. Budd.

Discussion: Dr. Strickler stated \$70,000 was given for a study and the Recreational Development Corporation's follow up request is premature, inappropriate and without a business plan. He stated to put more funding in an unfounded project is irresponsible. Dr. Strickler recommended that the Recreational Development Corporation approach the board next year.

Ms. Budd stated a recreation center is an opportunity for the community and could be a game changer, which the board encourages. She stated she would hate to see the project die. Ms. Budd stated she supports funding to move the community towards a rec center.

Mr. Scholz stated Ms. Hermann's motion is an interesting proposition. He stated he is disappointed with the way the funds were used this year and that the funds were mismanaged. Mr. Scholz stated he has carefully reviewed the proposal from the consultants and found that although they recommended a \$20+ million facility, the other communities with similar facilities did not start with a \$20+ million facility. He stated he met with a consulting firm that manages the Whitefish rec center. Mr. Scholz stated he was surprised that Whitefish was not considered as a comparable in the Big Sky study. He reviewed how Whitefish funded their \$7 million facility: fundraising \$5 million, city \$700,000, the remainder may have been financed. The organizing board donated the facility to the city and the city leased it back to them for \$1. He stated the board that funded and built the facility was to be responsible for the operating loss and; therefore, carefully planned not to overbuild the facility. Mr. Scholz stated the Whitefish facility has 4,000 members; Big Sky does not have 4,000 people, but the consultants recommended a \$20 million facility. Whitefish has 25,000 residents and Big Sky has 2,000. He stated the Big Sky consultants stated tourists will make up the difference. The Whitefish rec center claims that tourists are negligent. Mr. Scholz stated second homeowners could make up some of the y difference. He stated the Big Sky study must have been mismanaged. Mr. Scholz stated the project needs a sustainable scope. He stated it is a difficult motion because the board will have to decide if they are willing to put good money after bad.

Dr. Strickler stated he appreciates what Mr. Scholz has said. He stated this is a divisive issue. Community leaders and business owners have stopped him in the street and placed calls to him recommending the board not give the organization funding because the proposal is unreasonable. Dr. Strickler stated it may be a good idea, but it is not a reasonable proposal.

Ms. Hermann stated if the organization does not receive funding, it will die. She stated a major component of this project is an arena. Ms. Hermann stated the board is saying the community received a bad study, but it is a good thing for Big Sky. She stated the board does not have the realistic economics from the organization to approve the request.

Dr. Strickler stated the organization may come back to the board when they have a reasonable proposal.

Ms. Hermann asked how they can do that without funding.

Mr. Scholz stated if the idea dies then it probably wasn't a good idea. He stated he's had a Recreational Development Corporation board member tell him that they've put four years of effort into the project and they are done. He stated passionate people will stay involved. The organization may consider the composition of their board. Architectural fees and marketing do not seem like the next steps. It is clear the board would like to see you back here next year.

In favor: Ms. Hermann and Ms. Budd

Opposed: Mr. Kabisch, Mr. Scholz and Dr. Strickler

Motion fails.

33) Motion by Mr. Kabisch to set aside a total of \$746,100 of the fiscal year 2015 resort tax funds into a sinking fund.

Second by Mr. Scholz.

Discussion: Dr. Strickler stated you can never go wrong putting money in the bank for a project in the future.

All in favor.

Motion passed.

34) Motion by Mr. Kabisch to appropriate \$4,041,814 of resort tax funds according to the previous motions passed.

Second by Ms. Hermann.

All in favor.

Motion passed.

F. Banking

Motion by Mr. Kabisch to place \$1 million in a 12-month First Security CD at .34% and \$2.75 million in a Big Sky Western money market at .30%.

Second by Ms. Budd.

Discussion: Mr. Kabisch stated resort tax places its funds in local banks and bids rates. Keeping the funds local ensures the community can benefit by building projects and operating lines of credit. He stated the board reviews the accounts regularly to ensure competitive rates.

All in favor.

Motion passed.

A. Public Comment

John Holtzman supports the Blue Water Task Force. He stated he lived on a resort lake where, because the majority of residents operated on well and septic, the community suffered rashes, a ring around the lake, a decrease in water species, etc. He stated with Big Sky building on the rise, the area has the potential to destroy the river it depends on for livelihood because the majority of the community will not be on water and sewer. He encouraged the board to use the sinking fund to plan for the water and sewer system the community will soon need.

Chairperson Jamey Kabisch adjourned the open meeting at 2:32 p.m.

Respectfully Submitted,



Virginia Hermann, Secretary



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

August 13, 2014

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

Chairperson Jamey Kabisch called the open meeting to order at 9:03 a.m.

I. Open Meeting

A. Public Comment:

Jessie Wiese: Big Sky Community Corporation (BSCC): The BSCC board did not have a July meeting and; therefore, did not have the opportunity to compile a response. Ms. Wiese mentioned she would be in touch regarding the September 10 meeting.

Lynne Anderson: The Country Market: Ms. Anderson stated 13 years ago she was directed by the Resort Tax Board to tax anything that she puts labor into at The Country Market. She referenced the two letters submitted and stated Section 9 of the ordinance includes food prepared and served, which would exempt all items in her store (except coffee and gift items).

The board discussed the following terms, etc.: immediate consumption, ordered by an individual, sealed, grocery store versus restaurants, consistency in resort tax's communication to Big Sky grocery stores, etc. If definitions for prepared and served are dictated by the law, the board cannot change law and; therefore, direction may be clear.

Ms. Anderson stated she has no problem collecting the tax and is seeking clarification.

Per the opinion of the District's attorney, the law overrides the board's Section 9 of the ordinance. Until the board reaches a conclusion, it directed Ms. Anderson to collect the tax as it had done prior to July 1. Back taxes will not be sought from July 1 to present.

Ms. Anderson stated resort tax on the items in her store creates a burden on those that live in Big Sky. The board assured Ms. Anderson it has talked about that at length and in an effort to clearly not be a burden, the ordinance was revised and adopted in April 2014.

The board directed Ms. Brunner to ask Ms. Jamison if definitions exist for prepared and served.

Motion by Ms. Hermann that The Country Market is to collect the tax as it had done prior to July 1 and back taxes will not be sought from July 1 to present. Second by Ms. Hermann. All in favor. Motion passes.

B. New Business

1. **Weed Committee: Jen Mohler and Board:** Ms. Mohler introduced herself and the Weed Committee Board. She stated they are formally requesting that the Resort Tax Board lift the \$10,000 cost share; one-third of their

budget. Ms. Mohler stated the Gallatin County Weed District has funds already for cost-share and two years ago the Resort Tax Board denied her request for cost-share funds. She stated the Weeds Committee Board was formed in 2004 to accomplish weeds at a macro level.

Mr. Kabisch asked the Weed Committee Board Members from the Gallatin Country Weed District to explain what their organization focuses on accomplishing. They stated the Weed District focuses on county projects, educating the public, has a \$4,000 cost-share program, provides rental sprayers and manages co-op projects. Mr. Kabisch asked if the Weed Committee is a duplication of the Weed District. They responded that there is no county property in Big Sky, but they could do limited education. They stated Ms. Mohler's prior position was under the Weed District. They stated what she does is an addition to what they do because there are two employees on the Weed District for all of Gallatin County. Ms. Hermann asked of the \$4,000 for cost-share, what is distributed? The Weed District stated 100%. Most landowners have used it before. Statistics are posted on the Weed District website.

Mr. Scholz stated Ms. Mohler reported 37 inspections were completed in 2013. He referenced the letter provided and that Ms. Mohler stated she has no time to do inspections in 2014-2015. He asked Ms. Mohler how much time is allocated to an average inspection. She stated an hour and a half and examples like HOA inspections take up to five hours. Mr. Scholz calculated that is 20 days of inspections per year. He asked how much time is allocated to Farmers Markets. Ms. Mohler stated it is a full day. Mr. Scholz calculated that is eight days of Farmers Markets per year. He asked how much time is allocated to weed pulls. Ms. Mohler stated four days per event. Mr. Scholz calculated that is eight days per year. He asked where else her time is used. Ms. Mohler stated she assists at the Farm Fair in Gallatin County, with the Bighorn Winter Range re-vegetation plots, with Blue Water Task Force, at spray day for Gallatin and Madison Counties, with Jack Creek Preserve education, at the Ophir School weed pull, responding to complaints, etc. Mr. Scholz stated that Ms. Mohler bills by the hour. In the budget she provided she is paid \$32,000. At \$40 per hour she should have 100, eight-hour days to accomplish all she outlined.

Ms. Mohler stated the Weeds Committee requires site visits for landowners to participate in cost-share. She stated they track landowners in a database and Lone Mountain Ranch has had three owners in three years. Education is important because if chemicals are used improperly, they can have a negative impact. She provided the example of smoking and the education necessary.

The Weed District Chairman stated the money and results have gone into the following past projects: Knapweed along the highway from Gallatin Gateway to Big Sky and Canada Thistle around the Big Sky golf course. He stated bringing the Weed District Board programs together was a challenge. He stated the Resort Tax Board is buying a big resource base from MSU to the Forest Service. The Chairman stated his board thinks Ms. Mohler is doing a fantastic job, to have her expertise is great and the Weed District Board is comprised of weed experts. He stated it is a good deal.

Ms. Hermann stated the application request was not funded in full because the Resort Tax Board does not believe in the importance of managing noxious weeds. The application request was not funded in full because we are not getting the results to justify the requested funds.

Mr. Scholz asked if what resort tax funded in the 2015 appropriation cycle is not enough to be as effective as she was in 2008. Ms. Mohler stated correct. Mr. Scholz asked what took place in 2008. A Weed Committee board member who was in Ms. Mohler's position before and Ms. Mohler stated \$42,000 was funded in 2008, \$4,680 was spent on cost-share and mid-year there was a change in personnel. Mr. Scholz asked what the budget differences are when comparing 2008 to 2014-2015. He stated in 2014-2015 100, eight hours days have been budgeted.

Ms. Budd asked if the Resort Tax Board released the \$10,000, does the Weed Committee have a large project like the two the Chairman mentioned. A Weed District Board Member stated the \$10,000 would provide leverage and an example could be grant writing.

Ms. Budd asked the Forest Service representatives who enforces the feed that comes up the canyon. They stated the Forest Service Law Enforcement, letters, signs, their website provides a list of where weed free feed can be purchased, etc. and that people do a good job of managing the feed brought up the canyon.

Mr. Scholz stated the Resort Tax Board appreciates what all the Weed Committee representatives in the room do. He stated they all represent public lands. Mr. Scholz stated from what the Weed Committee letter stated, the Weed Committee is about private land. Mr. Scholz stated the Resort Tax Board needs to see results. If measurable results are provided, you'll find a Resort Tax Board that will be willing to work with you in the 2015-2016 appropriation cycle.

Dr. Strickler stated it is state law that landowners address their noxious weeds. Year after year Ms. Mohler has been telling the Resort Tax Board she focuses on education and year after year we provide more funds. We have seen no results. Dr. Strickler stated somewhere in the education process landowners need to be notified of their legal obligation. Dr. Strickler stated Ms. Mohler has stated she uses the carrot not the stick. He asked what is wrong with reminding the landowners of their legal obligation.

A Weed District Board Member stated the released funds could be used for postcards. Ms. Mohler stated Big Sky is at the top of the watershed and water quality, wildlife habitat, etc. are affected downstream. She stated they are asking for the funds to be released to leverage to a bigger picture.

Mr. Scholz asked what will be done with the \$10,000. Ms. Mohler stated some will be used for cost share; although, she has no applications currently in, some for supporting other programs and some to support the 44% increase in programming from the last year.

Mr. Scholz stated he appreciates the entire Weed Committee Board attending to hear what the Resort Tax Board has been stating as its concerns to Ms. Mohler. A Weed District board member stated the Resort Tax Board has legitimate concerns.

Motion by Ms. Hermann to release the \$10,000 cost share funds. Second by Dr. Strickler. All in favor. Motion passes.

Ms. Hermann discussed with the Resort Tax Board if they would like to see a five year plan from the Weed Committee before releasing the \$10,000. She stated since the Resort Tax Board is the only entity funding the Weed Committee, it needs to see results. Ms. Hermann discussed with the board if it would like to require the Weed Committee to commit to enforcing weed management in their education.

Motion by Ms. Hermann to release the \$10,000 cost-share funds and that the Weed Committee provide a five year plan with measurable results by January 1.

Discussion: Mr. Kabisch stated he is not in favor of a stipulation and that if the Resort Tax Board's concerns are not met by the 2015-2016 appropriation cycle, he will not vote to fund the Weed Committee.

Motion dies. No second.

2. **Fiscal Year 2015 Resolution:** The resort tax board signed the fiscal year 2015 Resolution.
3. **Appropriation Application and Progress Reports: How to Improve:** The board provided the following revisions to the application:
 - Question 1: Provide a description of the makeup of your office; specifically the number of employees or contractors and their duties.

Page 7: Move the headline "Total Organizational Budget" to below the header. Add space for a "Cash Sub Total" under "Fundraising Events". Under "Other Description" add "Describe the Purpose of Capital Reserves: On Hand Unrestricted and On Hand Restricted Funds". Next to "Expenses Paid Personnel" add space for "Full Time Equivalent" and "Time ¼, ½, ¾ or full time".

Page 8: Next to "Paid Personnel" add space for "Full Time Equivalent" and "Time ¼, ½, ¾ or full time".

Progress Report: Under "Status Report" add "Comparison from Application: How Are You Meeting Your Measurable Objectives?"

4. **Establish Resort Tax Fiscal Year 2015 Meeting Dates:** *Motion by Mr. Kabisch to accept the fiscal year 2015 meeting dates as proposed. Second by Mr. Scholz. All in favor. Motion passes.*
5. **Transportation District Letter:** The board directed Ms. Brunner to change emphasis to emphasize.
Motion by Mr. Kabisch to approve the letter as amended and submit it to the Transportation District. Second by Ms. Budd. All in favor. Motion passes.
6. **Office Audit:** Mr. Kabisch stated he met with the auditors and Ms. Budd spoke with them over the phone. The auditors will attend the September meeting to provide a comprehensive update to the board. Ms. Brunner noted remittances cannot be dropped off at the office and all remittances are to be mailed to the PO Box or dropped off at First Security Bank. She will place a sign on the door with notice to tax collectors.
7. **Legal Opinion 14:** The board reviewed the opinion.
8. **Other: TIF/TEDD District:** Mr. Kabisch informed the board a group has formed to work towards the creation of a TIF/TEDD District in Big Sky. The District would follow the boundaries of the Resort Tax District. A TIF/TEDD District would freeze a portion of all future Gallatin and Madison County property tax and collect in a fund for services like the Fire Department, etc. Creation of a TIF/TEDD District is a long process. Mr. Kabisch spoke with Mr. Jamison and learned the TIF/TEDD District would not qualify as Resort Tax emergency funding and cannot seek appropriation funds mid-cycle. The TIF/TEDD District group could go to a currently funded entity and ask the Resort Tax board if the intended use for the funds could be changed. Mr. Scholz stated a TIF/TEDD District may affect the school funding.

C. Old Business

1. **Better Together Ordinance:** Mr. Kabisch presented Ordinance 2014-1 and asked for public comment. No public comment.
Motion by Mr. Kabisch to revise Section 3 (2) of Ordinance 2014-01 to "The renewal date for License Agreement is January 1st. A written request for renewal of use must be made not less than 45 days from January 1st". Second by Ms. Budd. All in favor. Motion passes.
Motion by Mr. Kabisch to adopt the First Reading of Proposed Amendments to proposed Ordinance No. 2014-01 as proposed by Board and further changed at this meeting." Second by Ms. Hermann. All in favor. Motion passes.
2. **Bonding Ordinance:** Mr. Kabisch presented Ordinance 2014-1 and asked for public comment. No public comment.
Motion by Mr. Kabisch to adopt the First Reading of Proposed Amendments to proposed Ordinance No. 2014-02 as proposed by Board." Second by Mr. Scholz. All in favor. Motion passes.
3. **Bonding Advertising Policy:** The board discussed adopting the policy with the Bonding Ordinance.

4. **Treasurer Report:** The board directed that Ms. Brunner request First Security and Big Sky Western Banks' best rate bid for Resort Tax each month. Ms. Budd requested that the audit report be generated monthly, instead of quarterly.
5. **Financial and Tax Collection Reports:** Ms. Brunner provided an updated balance sheet with the sinking fund set aside. The board discussed the possible cash flow deficit in November and December (the spreadsheet is based on last year's collections). With recent collections surpassing previous years' collections a deficit may not occur. The board directed that Ms. Brunner provide an updated cash flow spreadsheet with this fiscal year's collection numbers at the October board meeting.

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

6. **Administrative Officer Report:** The board directed Ms. Brunner to inform the Community Corporation that they are to include the market-rate rent and value of the other amenities provided to them in the resort-tax-owned office space on the fiscal year 2016 application.

The board discussed Morningstar's fiscal year 2014 unused funds. The appropriation is based on a tuition reduction program and; therefore, cannot be used for other programs, etc.

The board directed Ms. Brunner to update the Employee Handbook to a September annual employee review month. Mr. Kabisch and Ms. Hermann will hold Ms. Brunner's review and make a recommendation to the board at the September closed meeting.

Motion by Mr. Scholz to accept the lockbox agreement from First Security Bank and that Chairman Mr. Kabisch may sign the agreement. Second by Ms. Hermann. All in favor. Motion passes.

7. **Correspondence:** The board discussed the Jack Creek limited community access and the resort tax appropriated funds for the watershed as a point of reference for future appropriations.
8. **Minutes:** *Motion by Mr. Kabisch to approve the April 9 open minutes. Second by Ms. Hermann. All in favor. Motion passes.*

The board directed Ms. Brunner to revise the spelling of Devon White and Brian Hurlbut in the May 14 minutes.

Motion by Mr. Scholz approve the May 14 Question and Answer minutes as amended. Second by Dr. Strickler. All in favor. Motion passes.

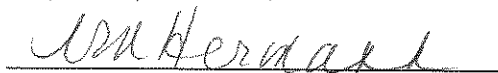
The board directed Ms. Brunner to revise the spelling of Kevin Germain in the June 11 minutes.

Motion by Dr. Strickler to approve the June 11 Appropriation minutes as amended. Second by Mr. Scholz. All in favor. Motion passes.

9. **Other:** Ms. Budd congratulated Mr. Scholz on his honor from the Chamber of Commerce and thanked Mr. Kabisch for a well-run, efficient Appropriations meeting. Dr. Strickler thanked Ms. Hermann for her work on the appropriation application noting the improved format made them easier to review.

Chairperson Jamey Kabisch adjourned the open meeting at 11:25 a.m.

Respectfully Submitted,



Virginia Hermann, Secretary



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

September 10, 2014

Present: Jamey Kabisch, Chairperson
Ginna Hermann, Secretary
Heather Budd, Treasurer

Dr. Jeff Strickler, Director
Whitney Brunner, Administrative Officer

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

Secretary Ginna Hermann attended via telephone.

I. Open Meeting

A. Public Comment: None.

B. New Business

1. **Big Sky TEDD District: Chamber of Commerce:** The board asked the TEDD group members in attendance to introduce themselves. The board stated it supports the idea. It asked if a condition to match the first \$25,000 and Resort Tax being the last in on the \$20,000, would be a handcuff. Ms. Clemens stated the total project cost will be \$90,000 and Resort Tax will not be the last in because the group has to raise private sector funds. She stated the condition the board mentioned may slow down the process. Mr. DuCuennois stated the first \$25,000 has already been matched by the private sector and the grant is federal funds.

The board asked if the group will come back to request reallocating the remaining funds. It clarified that it believes in the merit of the project, but does not want to have to reallocate again. The board asked if \$90,000 is where the costs stop.

Ms. Clemens stated the utility lines project may cost less at a later date. Engineering costs and preliminary work may be needed. Mr. DuCuennois stated the costs are not finite, there is not a clear path and there are a lot of politics. He stated the ultimate goal is for TIF/TEDD to alleviate projects like the utility line project from Resort Tax. Mr. O'Connor stated the utility line project remains a goal for the Chamber, but it is their hope that TEDD could take on that future cost.

Motion by Mr. Kabisch to approve the \$45,000 reallocation request from the utility lines project to TEDD funding with the following conditions: 1) \$25,000 is contingent on a match of funds; resort tax funds are to be the last funds in and 2) if either county commission votes no, the TEDD group is to come to the resort tax board immediately and no further resort tax funds will be released.

Second by Dr. Strickler.

Discussion: The board expressed should the commissioners vote no, resort tax does not want to fund a lawsuit between the TEDD group and the commissioners. The board discussed the cash infusion Big Sky contributes to both counties and if PR and politics will inhibit the rationale and economics of the potential district.

All in favor. Motion passed.

2. Liability Insurance: The board accepted The Agency's AmTrust proposal.

C. Old Business

1. Taxability Ordinance: Prepared and Served: *Motion by Mr. Kabisch to amend Ordinance 98-01 (as amended 4.11.14) Section 9: 7 to prepared or served and to define "prepared" by Minnesota statutes and "served" by Ohio statutes. Second by Ms. Hermann. All in favor. Motion passed.*

The board discussed defining restaurant, premium for quality/freshness, the opportunity to manipulate language and good guidance for tax collectors.

The first reading to amend the Ordinance will be at the October 8 meeting.

2. Better Together Ordinance: 2nd Reading: Mr. Kabisch presented Ordinance 2014-1 and asked for public comment. No public comment.

Motion by Mr. Kabisch to amend Ordinance 2014-1 Section 3:2 to "The renewal date for a License Agreement is January 1st. A written request for renewal of the License Agreement must be made not less than 45 days from January 1st." Second by Dr. Strickler. All in favor. Motion passed.

Motion by Mr. Kabisch to adopt the Second Reading of Proposed Amendments to proposed Ordinance No. 2014-01 as proposed by the Board and further changed at this meeting." Second by Dr. Strickler. All in favor. Motion passed.

Mr. Kabisch stated that the Ordinance has now been amended and that the amended Ordinance will go into effect 30 days from the meeting (Oct 12, 2014).

3. Bonding Ordinance: 2nd Reading: Mr. Kabisch presented Ordinance 2014-2 and asked for public comment. No public comment.

Motion by Mr. Kabisch to adopt the Second Reading of Proposed Amendments to proposed Ordinance No. 2014-02 as proposed by Board." Second by Ms. Budd. All in favor. Motion passed.

Mr. Kabisch stated that the Ordinance has now been amended and that the amended Ordinance will go into effect 30 days from the meeting (Oct 12, 2014).

Secretary Ginna Hermann left the meeting at 9:38 a.m.

4. Bonding Advertising Policy: Mr. Kabisch stated he and Ms. Brunner will create a spreadsheet of the resort tax's current bonding capacity to post it on the website.

Motion by Mr. Kabisch to approve the bonding advertising policy. Second by Dr. Strickler. All in favor. Motion passed.

Secretary Ginna Hermann attended the meeting via telephone at 9:45 a.m.

5. Administrative Officer Report:

The board directed Ms. Brunner to add "if the entity has multiple projects, include additional pages as needed" to the Measurable Objectives section of the Progress Report.

Ms. Budd will attend the Town Center Home Owners Association Annual Meeting. Mr. Kabisch may attend. The board discussed the stage area not being a dedicated park and the board stated they would be in favor of the stage becoming a dedicated park.

Motion by Mr. Kabisch to provide Ms. Budd voting rights at the meeting and to act as the proxy for the resort tax board. Second by Dr. Strickler. All in favor. Motion passed.

6. Treasurers Report:

Ms. Budd explained the banks' hesitancy to provide their best rates each month. She stated she understands their concern that funds may be moving often. She suggests the board request the best rates once a year at appropriations. Ms. Budd stated she will review the banks' published rates monthly to ensure the banks posted rates do not exceed the resort tax rates.

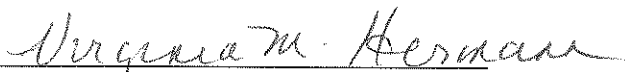
Ms. Budd explained Ms. Brunner's current sick and vacation accrual and that her interpretation when updating the accruals was that Ms. Brunner was earning the full amount of sick and vacation time at 24 hours per week, versus 60% of that amount. When the new accrual numbers were calculated, they were based on 100% the amount, so therefore increased vacation and sick relative to 100% vs. 60%.

Motion by Ms. Budd to have the auditors provide direction and oversee Ms. Brunner adjusting Quickbooks for the calculation of accrual per hour based on a 32 hour work week and calculate the past years' carryover accruals. Second by Mr. Kabisch. All in favor. Motion passed.

1. Financial and Tax Collection Reports: *Motion by Dr. Strickler to accept the financial and collection reports. Second by Mr. Kabisch. All in favor. Motion passes.*
2. Minutes: *Motion by Dr. Strickler to approve the August 13 open minutes. Second by Ms. Hermann. All in favor. Motion passes.*

Chairperson Jamey Kabisch adjourned the open meeting at 10:05 a.m.

Respectfully Submitted,


Virginia Hermann, Secretary



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

October 8, 2014

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

Heather Budd, Treasurer
Whitney Brunner, Administrative Officer

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

Secretary Ginna Hermann attended via telephone.

I. Open Meeting

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

1. **Administrative Ordinance 1st Reading:** Mr. Kabisch explained the board will be following a set of legal procedures for the reading. He stated he will not actually be reading the proposed amendments to Ordinance no. 98-01. He referred to the handout of Ordinance No. 98-01 and explained the proposed amendments are highlighted.

Mr. Kabisch stated the ordinance will be reviewed again at the 2nd Reading November 12th and the public will have the opportunity to comment at that time as well.

Key points of discussion: Goals:

- Not tax food necessities in grocery stores regardless of place of preparation. Similar types of food should not be taxed because of either value added, enhanced quality or freshness by in-house efforts. (Example: an off the shelf pizza, bread or pre-wrapped sandwich should be considered the same necessity regardless of whether it came off a delivery truck or not)
- Not raise the cost of living to residents on necessities of life.
- Not put local businesses selling necessities at a pricing disadvantage to out-of-tax district competition. This can help local businesses stay competitive.
- Tax all restaurants, fast food stores and food service establishments whether stand alone or incorporated within another business to include but not limited to grocery or convenience stores. Simply put, these types of food service establishments are the only food that should classify as luxuries and our definitions should read accordingly.

The board introduced the ordinance changes by stating it feels the intention of the resort tax is to tax those who do not live in the district and should not increase the cost of living for locals. In discussions with the resort tax attorney, the board has learned several legal definitions, which would provide clarity on the law, do not exist. The board has been seeking definitions for the language used in the ordinance including "unprepared" and "unserved" as well as "restaurant" and "food service establishments". The attorney provided Ohio and Minnesota legal definitions for "prepared" and "served" and that is what is included in the ordinance revision provided for review at this 1st Reading. The board provided several examples of items commonly found in grocery stores that are deemed luxuries under the current ordinance that conflict with the board view of the intent of the ordinance. There were several additions provided by the public in attendance. Examples given by all include bread, macaroni salad, grab-and-go sandwiches, pizza, etc.

Mr. Scholz stated he suggests adding, under Section 1:7(b), sold by weight and food items off the shelf.

The board discussed what would define a restaurant including a menu, a kitchen, chairs, utensils, ordered items, etc. The board discussed convenience and quality do not equal luxury. It discussed that what is deemed a luxury will change over time.

The public in attendance each explained their grocery businesses and the differences between each including computer set up, layout, etc. Several expressed concern in the way the ordinance is currently and concern revising the ordinance.

Among comments from the public in attendance, Ms. Lynne Anderson stated she is applying to accept food stamps, the SNAP program, and as a result learned the federal government does not consider the food items in her grocery luxuries. In addition, the items taxed in her store are not eligible for SNAP. Separately, Ms. Anderson stated Section 1:9 contradicts 1:7.

The board discussed two points of view that 1) up until now there has not been a problem with how resort tax has been applied in the district's groceries and 2) the gray area and this board's view on the intent of the resort tax.

Gift food items were discussed and the board stated those items would remain taxable.

In closing, the board decided its next step is to seek legal counsel. Mr. Scholz will communicate the intention of the board to the attorney and the request for definitions for "restaurant" and "food service establishments". 2nd Reading will not take place at the November meeting.

2. **Bonding Capacity:** Mr. Kabisch stated he reviewed the bonding capacity spreadsheet prepared by Ms. Brunner and believes it to be correct.

Motion by Mr. Kabisch to publish the current bonding capacity on the resort tax website. 2nd by Ms. Hermann. All in favor. Motion passed.

3. **Bonding Ordinance:** The board discussed the prospect of multiple projects in one year and the need for a process. The suggested text in the ordinance bundles the projects for a ballot. The board stated it would like to bundle the projects for a bond after voter ballots.

Motion by Mr. Kabisch to revise the suggested language in the ordinance to the following: Section 5(3) If the board approves more than one qualifying project proposed during a call for applications and each project has met the requirements of this Ordinance and has been voted on at the special or other election by the qualified electors, then the Board may combine the qualifying projects into a single bond issue. 2nd by Ms. Hermann. All in favor. Motion passed.

The board discussed if the board should make the decision to send multiple projects to public vote if the combined total exceeds the bonding capacity or if the projects can all be sent to public vote and, should multiple projects pass, a special election would determine the recipient of funds. It agreed that projects should be pursued based on merit and not timing of applications received, etc.

The board discussed if a ballot can be created that would allow the voters to choose the project/s that total less than the bonding capacity. The board directed Ms. Brunner to ask Ms. Jamison if a ballot like this exists and if the law provides guidelines.

4. **Office Audit: Holmes and Turner: Rosie Barndt:** The deficiency remains the same as in previous years. It is a one-employee office. Ms. Barndt stated the board is doing everything it can to best mitigate the deficiency. She reviewed the summary provided and the posted and passed journal entries.

Motion by Mr. Kabisch to accept the posted journal entries and move the passed recording on compensated absences as a posted journal entry. 2nd by Mr. Scholz. All in favor. Motion passed.

Ms. Barndt stated she is removing the Management Letter Recommendations from the audit report. She stated the board acknowledged the recommendations, has made them procedure and is moving forward.

The board pointed out an error on page 20, note 5, 2nd paragraph, 2nd sentence. It should read, "The District is not required to contribute to the plan but may match up to 6.8% of the participant's earnings.

The board pointed out an error on page 21, note 10. The changes should match.

The board pointed out that the employer contributed more to the 457 retirement plan than the employee did. Ms. Barndt stated that, over time, the employer and employee contributed the same amount.

Ms. Barndt stated she will provide an updated, final audit report to the board for review at the November 12th board meeting. She provided a letter that waives Holmes and Turner of responsibility for errors and Mr. Kabisch directed Ms. Brunner to include the letter in the November 12th board meeting packet for all to review.

Ms. Barndt explained how she calculated the holiday, sick and vacation days accrued from quick books. She stated that the state government accrued holiday, sick and vacation days when using holiday, sick and vacation days. The board approved doing the same for Ms. Brunner. She stated with the board's approval medical benefits and HSA would continue through Ms. Brunner's leave. The board approved.

5. **Legal Opinion 20:** The board discussed the veto power of the unanimous required to use emergency funds. The board directed Ms. Brunner to include the documents an Opinion references, in this case, the Ordinance.
6. **Treasurer Report:** The board thanked Ms. Brunner for adding the interest rates on the balance sheet bank accounts.

The board directed Ms. Brunner to charge the fees from the bounced checks back to the Corral. Ms. Budd asked Ms. Brunner to work with Ms. Barndt to ensure the bounced checks are correctly entered in quick books.

Ms. Budd directed Ms. Brunner to work with Ms. Barndt on three unreconciled amounts in quick books from 2012 and 2013. She suggested it may be as simple as adding a deposit or credit.

The board directed Ms. Brunner to update quick books appropriations by separating TEDD from the Utility Line Project for the Chamber.

The board directed Ms. Brunner to add the previous year's budget to the income section of the Profit and Loss.

Motion by Mr. Scholz to approve the financial reports as amended. 2nd by Ms. Hermann. All in favor. Motion passed.

7. **Administrative Officer Report:** Mr. Kabisch directed Ms. Brunner to provide the cell phone numbers for himself, Mr. Scholz and Ms. Budd to the temp Wanda McCarthy.

The board discussed the prospect of an information session for area businesses once the administrative ordinance is in effect. It decided to revisit the idea in January or February.

Cleaning the slate floors was approved.

8. **Town Centerl Owners Association Meeting Recap:** Ms. Budd stated the following projects may be future resort tax funding requests. To solve traffic issues on Ousel Falls, the HOA may install stop signs on every corner or dips, which will not harm the snow plows. Lone Peak Mountain Drive would need to have three-times the traffic for the state to install turning lanes for the Medical Center or Roxy's Market. The RID is behind. The HOA uses drinking water to water landscaping and is looking into using gray water.

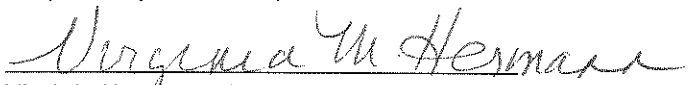
The board discussed the HOA debt to the Simkins family: \$315,000 with a 6% interest rate, the un plated land, the land going to plat: from Roxy's to East Slope including a 115 room Marriot Residence, the makeup of the HOA board, that each building is one vote and; therefore, each unit in a building has a percentage of a vote and the Medical Center may pay a reduced rate because the HOA does not provide the required maintenance that such a facility requires.

8. **Minutes:** The board directed Ms. Brunner to amend the Treasurer's Report, paragraph one, sentence two. It is to read, "...to ensure the banks posted rates' do not exceed the resort tax rates."

Motion by Mr. Kabisch to approve the September open minutes as amended. 2nd by Ms. Hermann. All in favor. Motion passed.

Chairperson Jamey Kabisch adjourned the open meeting at 11:35 a.m.

Respectfully Submitted,



Virginia Hermann, Secretary



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

November 12, 2014

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

Dr. Jeff Strickler
Wanda McCarthy, Administrative Officer

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

Secretary Ginna Hermann attended via telephone.

I. Open Meeting

A. Public Comment:

John Zirkle (WMPAC): Mr. Zirkle gave a power point presentation on upcoming events at the WMPAC that were partially funded by BSRAD. The board inquired about the selection process for performers. The BSRAD logo was not on the power point slides and the board verified with Mr. Zirkle that the BSRAD logo was to be on all public communication materials that the resort tax has funded. Mr. Zirkle informed the board that the power point slides sent earlier for distribution were only for the board. All other public documents have the BSRAD logo.

Lynn Milligan: Ms. Milligan stated her support for the new agreement between the Big Sky School District and homeowners in the area regarding the school sign.

B. New Business:

1. **Big Sky School District #72 & Warren Miller Performing Arts Center Sign:** Mr. Kabisch stated the school board will be putting together a new proposal for the entry sign and digital reader. Concerned citizens and the school district are working together to solve their differences and come to an agreement.

The board directed Ms. McCarthy to send a letter to the Big Sky School District requesting:

- the new plan for the sign/digital reader
- how does this plan deviate from the application (cost, design, location, etc.)
- the BSRAD would like to be copied on all correspondence with the county in respect to the new sign proposal
- provide information to the BSRAD office for review at the December 10 board meeting

The board expressed their disappointment that the community members who were concerned about the new sign proposal did not speak up at the time of Resort Tax appropriations. The community has two public meetings where the applications are discussed and public comments or concerns are welcomed.

2. **Brian Hurlbut, Arts Council of Big Sky (ACBS):** In 2008 BSRAD funded \$100,000 to the ACBS for headliner events. Several years ago the ACBS decided to not continue producing large-scale events. In the years following the

cancellation of these events the ACBS has depleted that fund for other events with the approval of the BSRAD board. Mr. Hurlbut requested that the remaining funds in the headliner-only account (\$31,111.38) be used by the ACBS as seed money for the winter programming only. Mr. Hurlbut does not anticipate he will need to request more funds as the account will be replenished with ticket sales.

Motion by Mr. Scholz to transfer \$31,111.38 from headliner account to winter programming as seed money to help keep winter events on-going with details of events to be reported in the annual progress report to BSRAD. 2nd by Dr. Strickler. Absent: Ms. Budd. All in favor. Motion passed.

3. **Application and Agreement for Better Together:** *Motion by Mr. Kabisch to approve the Application and Agreement for Better Together. 2nd by Ms. Hermann. Absent: Ms. Budd. All in favor. Motion passed.*

C. Old Business

1. **Administrative Ordinance:** Mr. Scholz researched and provided the board with "Streamlined Sales and Use Tax Interpretation: Prepared Food Definition of 'Food Sold with Eating Utensils Provided by the Seller.'" Mr. Scholz report 40 states are currently using this language. Mr. Kabisch request Mr. Scholz to work with Ms. Jamison to get the correct wordage amended or added into the Administrative Ordinance. Mr. Kabisch would like the amended Administrative Ordinance available for the December 10, 2014 board meeting for review with the first and second readings to follow on January 14, 2015 and February 11, 2015 respectively.
2. **Bonding Ordinance:** The board discussed the prospect of multiple projects in one year and the need for a process. Mr. Kabisch spoke in length with Ms. Jamison regarding the bonding capacity. According to Ms. Jamison the bonding counsel must approve all ballots and ballots cannot be created to contain more than one project. However, the board can combine more than one qualifying project under one bond issue as long as they stay under the bonding capacity.
3. **Final Office Audit: Management Letter, Holmes and Turner:** *Motion by Mr. Scholz to approve and have the board chairman sign the management letter from Holmes and Turner. 2nd by Ms. Hermann. Absent: Ms. Budd. All in favor. Motion passed.*

4. **Legal Opinion 44:** The board discussed the goods and services provided by outfitters. This legal opinion is obsolete. New language is reflected in the Amended Ordinance No. 98-01-ORD which was passed on March 12, 2014 and went into effect on April 11, 2014.
5. **Treasurer Report:** *Motion by Mr. Scholz to approve the treasurer's reports as written. 2nd by Mr. Kabisch. All in favor. Absent: Ms. Budd. Motion passed.*
6. **Financial and Tax Collection Reports:** *Motion by Mr. Kabisch to approve the financial and collection reports. 2nd by Mr. Scholz. All in favor. Absent: Ms. Budd. Motion passed.*
7. **Administrative Officer Report:** The board selected Monday, December 15 to have their group photo taken for the Chamber of Commerce Official Visitor Guide. The board directed Ms. McCarthy to make the arrangements.
8. **Other:** The board discussed the letter received by Jessie Wiese with the Big Sky Community Corporation (BSCC) regarding a change in the use of their funds. According to the letter BSCC plans to outsource snow removal and not purchase snow grooming equipment as suggested in their appropriation application. The board directed Ms. McCarthy to send a letter to Ms. Wiese requesting the difference in funds needed and the savings. The board would like this information before the December meeting so it can be reviewed.

D. Minutes: The board directed Ms. McCarthy to replace "super majority" with "unanimous" (page 3, #5) and "Town Hall Owners" should read "Town Center Owners" (page 4, #8).

Motion by Mr. Kabisch to approve the October open minutes as amended. 2nd by Mr. Scholz. All in favor. Absent: Ms. Budd. Motion passed.

Chairperson Jamey Kabisch adjourned the open meeting at 10:35 a.m.

Respectfully Submitted,



Virginia Hermann, Secretary



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

December 10, 2014

Present: Jamey Kabisch, Chairperson
Mike Scholz, Vice Chairperson
Ginna Hermann, Secretary
Heather Budd, Treasurer
Dr. Jeff Strickler, Director
Wanda McCarthy, 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. **Big Sky Community Corporation (BSCC):** Herb Davis, a BSCC board member, was in attendance. BSCC is requesting allocated funds for snow grooming equipment purchase be used for contractual snow removal. Mr. Kabisch asked Mr. Davis to explain the request for reallocation of funds. Mr. Davis stated the BSCC does not have facilities to store such equipment, currently BSCC has no employees to operate the equipment, and it is more cost effective to subcontract the trail snow plowing. Without the plowing the trails could be a hazard to pedestrians. Lone Mountain Ranch is currently maintaining some of the trails pro bono but does not have the equipment to maintain all the trails.

The board's concern is the funds were allocated specifically for the purchase of equipment as a long-term solution and those restricted funds will be used in a different manner without the board's approval.

Mr. Scholz questions whose responsibility is the trail maintenance – BSCC or the property owner. The trails in question are an asset to the Town Center. Therefore, the question arose, should not the Town Center Owners Association (TCOA) be responsible for the maintenance. Mr. Davis stated they did meet with the TCOA. They do not have the equipment to maintain the trails nor did they feel they had any responsibility of the maintenance of those trails. Mr. Kabisch pointed out that just because the BSCC has an easement for the trails does not mean TCOA has no responsibility in the maintenance of those trails which benefit their businesses.

Ms. Budd stated the BSRAD supported the building of the trails and should help maintain them in the winter. The safety of pedestrians is a concern. If the trails are plowed then pedestrians will be off the roads.

Ms. Hermann asked Mr. Davis how he thought the dialog with the TCOA would continue. Mr. Davis believes

as the building of parking lots are completed the maintenance issue would take care of itself. Mr. Strickler would like the BSCC to include Roxy's, the Big Sky Medical Center and other incoming business in the trail maintenance discussion along with TCOA.

Mr. Davis assured the board that he will take the information discussed back to the BSCC board and staff. For the future they will plan on purchasing equipment, building a storage facility for that equipment and hiring an employee(s) to operate the equipment.

Motion by Dr. Strickler to transfer \$8,500 of allocated fund for snow grooming equipment purchase to hiring subcontractor Delzer Diversified for select trail maintenance with the contingency that: (1) this is a one-time payment and that a plan needs to be put into place beginning next year and (2) future BSCC appropriation requests are more detailed. Second by Ms. Hermann. In favor: Mr. Kabisch, Ms. Hermann, Ms. Budd and Dr. Strickler. Opposed: Mr. Scholz. Motion passed.

Motion by Mr. Kabisch to not allow the remaining funds, \$2,696, to be reallocated. These funds will remain at year end as unused. Second by Ms. Hermann. All in favor. Motion passes.

Chairperson Jamey Kabisch temporarily adjourned the open meeting at 9:30 a.m.

Chairperson Jamey Kabisch called the open meeting back to order at 9:45 a.m.

2. **Appropriation Entities Progress Report I:** Board has some concerns that some entities are not as sustainable as they once were and that the BSRAD is funding a large portion of operations for many entities.

The board would like to include in the appropriation application a statement regarding the submittal of required permits for projects that receive BSRAD funding.

3. **Other:** None.

C. **Old Business**

1. **Administrative Ordinance:** Mr. Scholz reviewed the key elements under (7) "Prepared food" section of the ordinance. The board directed Mr. Scholz and Ms. McCarthy to make changes to the ordinance per the discussion. First reading of the revised administrative ordinance will be on Wednesday, January 14, 2015.

The board also discussed adding florists under Section 9, #6 as a taxable item.

2. **Legal Opinion 23:** Mr. Kabisch elected to skip the legal opinion review to allow time for other agenda items.
3. **Treasurer Report:** Ms. Budd notified the board that the BSRAD funds are adequately pledged, the monthly Quickbooks back up for outside storage will be completed today. The remainder of the items she reviewed were all satisfactory.
4. **Financial and Tax Collection Reports:** The board discussed the possible sale of the property located at 77 Aspen Leaf Drive #A and currently occupied by BSCC. The board directed Ms. McCarthy to compile a list of local realtors and draft a letter for Mr. Kabisch's review.

Motion by Mr. Kabisch to approve the financial and collection reports as presented. 2nd by Mr. Scholz. All in favor. Motion passed.

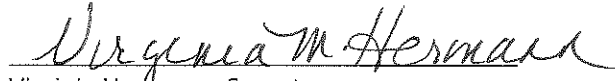
5. **Administrative Officer Report:** Board was reminded of group photo shoot on Monday, December 15.

6. Other: None.

D. Minutes: *Motion by Mr. Scholz to approve the November open minutes. 2nd by Dr. Strickler. All in favor. Motion passed.*

Chairperson Jamey Kabisch adjourned the open meeting at 10:50 a.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Virginia M. Hermann". The signature is written in dark ink and is positioned above the printed name.

Virginia Hermann, Secretary