



## Board Meeting

Big Sky Resort Area District

11 Lone Peak Drive #204  
PO Box 160661  
Big Sky, MT 59716  
www.Resorttax.org  
info@resorttax.org  
406.995.3234

### FY21 (SPRING) Question & Answer Session AGENDA

*June 3rd, 2020 | 5:30-8:30 PM*

*Zoom Webinar*

[https://us02web.zoom.us/webinar/register/WN\\_cyOQ2jXYRz6lOcfvq4YHxw](https://us02web.zoom.us/webinar/register/WN_cyOQ2jXYRz6lOcfvq4YHxw)

#### I. Open Meeting

A. <b>Public Comment</b>	--	5:30
B. <u>Intros &amp; Chairman Statement</u> : <i>Discussion</i>	--	5:45
C. <u>Funds Available Estimate</u> : <i>Discussion</i>	--	5:50
D. <u>Scenario Forecasting</u> : <i>Discussion</i>	--	5:55
E. <u>Executive Recommendations</u> : <i>Discussion</i>	--	6:00
F. <u>Applicant Q&amp;A</u> : <i>Discussion</i>		
a. Government Entities	--	6:10
b. Applications under \$200,000	--	6:45
c. Applications over \$200,000	--	7:45
G. <b>Public Comment</b>		

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**BSRAD BOARD & STAFF:** Kevin Germain, Chair | Sarah Blechta, Vice Chair | Steve Johnson, Treasurer & Secretary | Ciara Wolfe, Director | Grace Young | Director | Daniel Bierschwale, Executive Director | Kristin Drain, Finance & Compliance Manager | Jenny Muscat, Operations Manager | Sara Huger, Administrative Assistant

**\* All Board Meetings are recorded and live streamed. Please visit [ResortTax.org](http://ResortTax.org) for more information.**

**From:** [Pr. Miriam Schmidt](#)  
**To:** [Big Sky Resort Area District Information](#)  
**Subject:** please support BBBS  
**Date:** Saturday, May 23, 2020 1:29:07 PM

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dear Resort Tax Board:

Of the many important organizations you help fund, Big Brothers and Big Sisters is certainly a worthy potential recipient. Mentoring continues to be written up as one of the more important ways we can encourage and empower young people (from elementary to high school). Fostering relationships between "bigs" and "littles" is an important gift that BBBS provides to our community.

I've watched my own 1st grade daughter grow, laugh and learn through the STEM Sisters program this year. She has loved the STEM activities that the littles and bigs of this pilot program did together. And she thinks her 8th grade "big" is funny.

Thanks for considering BBBS among the many important organizations that need tax resort support here in Big Sky.

Sincerely, Miriam Schmidt

--

**The Rev. Miriam Schmidt**  
Pastor/Priest of All Saints in Big Sky  
*A Shared Ministry of the Episcopal and Lutheran (ELCA) Churches*  
Big Sky, MT  
406.570.8632  
she/her/hers ([what's this?](#))

**From:** [Chris McMillan](#)  
**To:** [Big Sky Resort Area District Information](#)  
**Subject:** I support the Gallatin Invasive Species Alliance!  
**Date:** Friday, May 29, 2020 1:33:43 AM

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The Gallatin Invasive Species Alliance has helped me identify and eradicate most of the invasive flora species on my Big Sky property. I realize how lucky I am to own a home here and feel it's my duty to eradicate the "weeds" that exist as a direct result of the construction of my home.

The construction and development in the area over the last 35 years is staggering. Please keep supporting the Gallatin Invasive Species Alliance so we can responsibly maintain the natural beauty of this land.

Christine McMillan  
Homeowner

Sent from my iPhone

**From:** [Jody Dan](#)  
**To:** [Big Sky Resort Area District Information](#)  
**Subject:** I support the Gallatin Invasive Species Alliance!  
**Date:** Monday, June 1, 2020 1:58:19 PM

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Please continue your support of Gallatin Invasive Species Alliance. I've learned so much from their sponsored hikes and Jen has been to my house teaching me about the vegetation on my property.

Thanks you,  
Jody Dan

Sent from my iPhone

**From:** [garontfab](#)  
**To:** [Big Sky Resort Area District Information](#)  
**Subject:** WMPAC SUPPORT  
**Date:** Sunday, May 31, 2020 1:50:54 AM

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Many in the Big Sky community have enjoyed and loved WMPAC. They have provided some of the most amazing and diverse performances I have ever seen. I wanted to move away from Big Sky because of the lack of art, yet now I find myself wanting to stay because of the amazing art. Please support WMPAC, they have been such an important and vital part of our community.

**From:** [Dan Martin](#)  
**To:** [Big Sky Resort Area District Information](#)  
**Cc:** [Candace Carr Strauss](#)  
**Subject:** Big Sky Chamber and Visit Big Sky Resort Tax Allocations  
**Date:** Wednesday, June 3, 2020 9:03:54 AM

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Dear Board,

These two organizations are an essential ingredient to the Big Sky community, and are what will propel Big Sky out of the Covid crisis. The support the Chamber has lent throughout the crisis only highlights the work they do on a regular basis to bind the community together. Their work on governance, low income housing, transportation issues, development, and other key infrastructure issues is critical to the community.

Likewise, Visit Big Sky on an efficient budget promotes the community in order to bring in more Resort Tax making it a self-fulfilling prophecy. If you compare the budget of that organization to other CVB budgets in ski areas throughout the west, I think you will find it is a fraction of their spends. My business and many others are thankful for the promotion of the community as a whole, the information VBS provides for us to make solid business decisions, and that VBS coordinates those efforts with the other large private organizations marketing efforts.

There are many worthy organizations to fund, however, I cannot think of two organizations that have a more direct impact on funding and growing the community responsibly.

Thank you for your time,

Dan Martin  
Owner, Karst Stage  
Vice Chair, Visit Big Sky

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June 3, 2020

To whom it may concern,

I am writing this letter to voice my support for the Morningstar Learning Center request for Tax Resort dollars. This generous contribution has been a savior to my family. We all know that Big Sky is an expensive place to live and raise a family. Because of this, we choose to forfeit a lot of dinners out, expensive trips, and purchasing of items that we deem unnecessary in an attempt to stay within our means. Childcare is a huge part of our monthly budget and the Resort Tax funds have helped us immensely. We take pride in being a part of the Big Sky Community and cannot imagine raising our children anywhere else. Thank you for your consideration to this request that is invaluable to so many.

Kind regards,

Robbeye Samardich

**From:** [Paul Davis](#)  
**To:** [Daniel Bierschwale](#); [Sara Huger](#); [Jenny Muscat](#); [Sarah Blechta](#); [Steve Johnson](#); [Kevin Germain](#); [Ciara Wolfe](#); [Grace Young](#)  
**Cc:** [Jennifer Mohler](#)  
**Subject:** Letter supporting GISA to RTB June 20 signed.pdf  
**Date:** Wednesday, June 3, 2020 6:05:09 AM  
**Attachments:** [Letter supporting GISA to RTB June 20 signed.pdf](#)

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Hey Gang,

On behalf of Antler Ridge I am passing on our support for GISA. They have been instrumental in transforming our HOA from “Thistle Ridge” back to natural wild flowers. I know this is a tough year but this is worth sustaining.

Keep up the great work.  
Regards Buz

Buz Davis  
Consultant  
Davis & Associates, LLC  
[www.buzdavis.com](http://www.buzdavis.com)





June 2, 2020

Dear Resort Tax Board Members,

The residents of Antler Ridge Subdivision strongly encourage the Board to fully fund the Gallatin Invasive Species Alliance's modest request for \$26,000. Jennifer Mohler and her team are unique and major assets to the community.

The Alliance provides critical weed education, weed assessment, management assistance and resources to help landowners and entire neighborhoods meet the legal requirements to limit noxious weeds. Importantly, the alliance instructs and advocates for use of weed management techniques that spare native plants and flowers thereby adding to the beauty of the community and the health of our Elk and other wildlife that delight residents and tourists.

Jennifer and her team have generously spent time assessing and assisting Antler Ridge to develop and execute an economical resident weed management plan for vast areas of open space in our Antler Ridge Association. This past summer they educated and coordinated some 20 residents in management activities including treatment and planting native grasses and plants. There is no other like resource available in the community.

We are certainly cognizant of the impact COVID 19 has had on available resources. Nevertheless funding of the Alliance is a sound economic

investment. Neglect of weed management this season will predictably result in greater costs for homeowners, neighborhoods, associations, and Big Sky community properties in future years. We need to be good stewards of our environment particularly as the community continues to experience profound growth.

On behalf of the Antler Ridge Board, sincerely,

A handwritten signature in blue ink, appearing to read 'Michelle', with a long horizontal flourish extending to the right.

Michelle Kristula-Green - Secretary

Cc: Antler Ridge Board: John Bauchman, Joanna McCoy, Emilio Robau, Chuck Tufts

**From:** [Mel Crichton](#)  
**To:** [Big Sky Resort Area District Information](#)  
**Subject:** Resort tax for invasive species  
**Date:** Tuesday, June 2, 2020 9:22:00 AM

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As the tax board considers funding allocations with reduced revenue, please do not overlook the Invasive Species group. Although their priority does not seem to be critical, it is. The ongoing battle against invasive species in the Yellowstone ecosystem can not take a break, as these species would regain ground and create a setback in the work already done.

Not acting this year requires more work (and more funding need) next year and the years to follow

Thanks for listening

Mel Crichton

Big Sky

**From:** [Rich Addicks](#)  
**To:** [Big Sky Resort Area District Information](#)  
**Subject:** Support for the Arts in Big Sky  
**Date:** Tuesday, June 2, 2020 2:34:26 PM

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Dear Resort Tax Board:

I know you have some very tough decisions to make this year regarding allocation of resort tax monies, and I felt compelled to put in a good word for the arts in our town.

The fact that I am on the boards of both the Arts Council and WMPAC probably says all you need to know about where I'm coming from. I'm very proud that both organizations have shown strong creative, and strategic, thinking as they stay true to their missions while navigating these rough times.

Neither organization has gone dark the past several months, and for me, it is their offerings that have brought me joy and comforted me with a strong sense of community. I don't think I'm alone in that sentiment.

I know that Big Sky has more than its share of needs as so many strive to make our small community better, but I strongly believe that now more than ever, arts and culture are vital to us, both personally and as a community.

Thanks for your time.

R

RICH ADDICKS  
404-281-0694

**From:** Adrienne Fleckman <[afleckman@gmail.com](mailto:afleckman@gmail.com)>

**Sent:** Wednesday, June 3, 2020 9:09 AM

**To:** [info@bigskychamber.com](mailto:info@bigskychamber.com); Big Sky Resort Area District Information <[info@resorttax.org](mailto:info@resorttax.org)>

**Subject:** Re: ACTION REQUESTED: We Need YOU to Voice Your Support for the Big Sky Chamber's FY21 Resort Tax Application

I support the increase in Resort Tax which fairly spreads burden among all citizens. I support the chamber of commerce use of funds to help small businesses in the community, provide emergency funding to those who need it and enhance infrastructure. I particularly would like to see widening of Lone Mountain Trail up the mountain to provide more, and safer, bike paths, increased local affordable mixed use housing for employees around Big Sky and massively increased frequency and extent of local transportation with enhanced ventilation in the era of Covid-19.

Regards,

*Adrienne M Fleckman, Big Horn 33*

[afleckman@gmail.com](mailto:afleckman@gmail.com)

CELL (347) 446-1881

**From:** [Shannon Hanssler](#)  
**To:** [Big Sky Resort Area District Information](#)  
**Subject:** FY21 Letter of Support  
**Date:** Wednesday, June 3, 2020 10:48:53 AM  
**Attachments:** [image002.jpg](#)  
[BSRAD WMPAC FoodBank Letter of Support FY21.docx](#)

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Good morning,

Please find my letter of support attached for two organizations – WMPAC and the Big Sky Food Bank.

Thank you for your attention.

All the best,

Shannon Hanssler

**YC\_LOGO\_2019 small**



**Shannon Hanssler**

Membership Secretary and Executive Assistant

One Yellowstone Mountain Club Trail

PO Box 161097

Big Sky, MT 59716

e: [shannon.hanssler@yellowstoneclub.com](mailto:shannon.hanssler@yellowstoneclub.com)

o: 406.995.7909 ext. 2207

m: 406.220.3070

f: 877-691-8965

[www.yellowstoneclub.com](http://www.yellowstoneclub.com)

**From:** [Grice, Katie](#)  
**To:** [Big Sky Resort Area District Information](#)  
**Subject:** Letter of Support | Big Sky Chamber of Commerce  
**Date:** Wednesday, June 3, 2020 12:07:03 PM  
**Attachments:** [image001.png](#)

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Big Sky Resort Tax Board of Directors,

This letter is to advocate for the Big Sky Chamber of Commerce Resort Tax request.

The Big Sky Chamber has a proven track record of using funds allocated to serve this community. In the last 4 years alone:

- The Chamber initiated the **Tiger Grant**.
  - Result = \$10 Million dollars of road and transportation improvements in our community.
- The Chamber initiated the **Big Sky Housing Study**.
  - Result = The Big Sky Housing Trust that is now delivering roofs for our community instead of rhetoric.
  - Result = 52 affordable housing units either completed or in construction.
  - Result = A minimum of 24 stand alone homes at the Quarry.
- The Chamber initiated the **Gallatin Canyon Water Study**
  - Result = Advocated for the 1% collection to create and improve our existing sewer district and to create another serving the Gallatin Canyon, preserving the Gallatin River Corridor.
- The Chamber fosters our **local governmental** relationships.
  - Result = Advocating for the Big Sky Resort Tax and its initiatives.
  - Result = Eggs & Issues | Gallatin-Madison Joint County Commission Meeting program which educates both sets of County Commissioners and businesses and their employees, Big Sky residents and 2<sup>nd</sup> homeowners of the Big Sky about our unincorporated community.

As you can see, we are one of your best partners representing this community at large, advocating for not only our business's but your initiatives as well. We represent all of the business's that collect these funds and we have proven again and again that funds provided to the chamber are well managed and deliver back to this community as a whole.

Thank you for your 2020 support of the Big Sky Chamber of Commerce.

All the best,

Katie Grice  
Vice Chair, Big Sky Chamber of Commerce

**Katie Grice, CMP**

Director of Sales | Big Sky Resort

50 Big Sky Resort Road | PO Box 160001 | Big Sky, MT 59716

(D) 406-995-5753

(C) 406-579-9832

[www.bigskyresort.com](http://www.bigskyresort.com)





**From:** [erik morrison](#)  
**To:** [Big Sky Resort Area District Information](#)  
**Subject:** Letter Of Support: Visit Big Sky's FY21 Resort Tax Application  
**Date:** Wednesday, June 3, 2020 1:36:51 PM

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## Friends & Colleagues

No doubt you are busy doing the good work of preparing for the FY21 Resort Tax Allocations this evening, so I will keep this brief. On behalf of myself and the Town Center Owners' Association, Inc., I urge you to fully support Visit Big Sky's FY21 Resort Tax Application request. VBS has proven themselves time and time again as a true and valued community partner to Town Center's 60+ businesses, and works tirelessly on their behalf and that of our community to keep the visitation revenue stream flowing. Their work is not only admirable but tangible with their efforts directly correlating to increased visitation and Resort Tax collections, helping to fund the very organizations, services, and projects that make our community great. Thank you for your time and service .

Sincerely

**Erik Morrison**

Owner & Chief Motivator  
Love Street Media LLC.  
[erik@lovestreetmedia.com](mailto:erik@lovestreetmedia.com)  
C: (406)-570-6579

**From:** [Scott Johnson](#)  
**To:** [Big Sky Resort Area District Information](#)  
**Subject:** Support for the Big Sky Chamber of Commerce  
**Date:** Wednesday, June 3, 2020 12:37:58 PM

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Kevin, Ciara, Sarah, Steve, Grace and Danny:

Thank you for your efforts, it is much appreciated in our community. I will keep this letter of support for the **Big Sky Chamber of Commerce** request brief.

The Big Sky Chamber has a proven track record of using funds allocated to serve this community! In the last 4 years alone:

- The Chamber initiated the **Tiger Grant**.
  - Result = \$10 Million dollars of road and transportation improvements in our community.
- The Chamber initiated the **Big Sky Housing Study**.
  - Result = The Big Sky Housing Trust that is now delivering roofs for our community instead of rhetoric.
  - Result = 52 affordable housing units either completed or in construction.
  - Result = A minimum of 24 stand alone homes at the Quarry.
- The Chamber supported the **Gallatin Canyon Water Study**.
  - Result = Advocated for the 1% collection to create and improve our existing sewer district and to create another serving the Gallatin Canyon, preserving the Gallatin River Corridor.
- The Chamber fosters our **local governmental** & business support relationships.
  - Result = Advocating for the Big Sky Resort Tax Board and its initiatives.
  - Result = Eggs & Issues | Gallatin-Madison Joint County Commission Meeting program which educates both sets of County Commissioners, businesses, their employees, Big Sky residents and 2<sup>nd</sup> homeowners of Big Sky about our unincorporated community.

We are your partner representing this community. Advocating for our business's and your initiatives as well. We represent all of the business's that collect these funds and we have proven again and again that funds provided to the **Chamber** are well managed and deliver multiple returns back to this community.

Thank you for your 2020 support of the Big Sky Chamber of Commerce.

All the best,

Scott Johnson,  
Board Chair, Big Sky Chamber of Commerce

**From:** [Carolyn Cole](#)  
**To:** [Big Sky Resort Area District Information](#)  
**Subject:** Support for Visit Big Sky's FY21 Application  
**Date:** Wednesday, June 3, 2020 10:54:30 AM

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Hi All!

I can't be more supportive of the positive impact Visit Big Sky has had on our community. The services and resources they continue to provide our community has always been timely, effective and financially efficient as evidenced by -

Developing and providing the Save Small Business grant to local Big Sky business as an immediate response of support due to the economic crisis as fall out from COVID-19.

Gathering and distributing the Recovery Bundles to Big Sky businesses to help protect our residents and visitors as our state reopens. The quantity of masks, gloves, sanitizer, disinfectant wipes, signs, social distancing floor stickers was more than I had expected to receive. The bundle will have a significant positive impact on my ability to provide the safest transportation service as well as all other client services as I work closely with visitors.

The dedicated work and knowledge that Candace Carr Strauss has brought to our community is at the highest level. Her ability to gather the most significant information and then utilize that information in a timely and efficient manner to better our community is top notch.

Visit Big Sky has done an amazing job helping to develop tourism to Big Sky in a way in which we can still protect the environment. Currently they have a more than lean staff. I support their request for monies from the resort tax allocation for FY21. I believe Visit Big Sky is an integral part of our community and should be considered for the money they are requesting.

Thank you for taking the time to consider Visit Big Sky's application and request for the Resort Tax Allocation for FY21!

Warmest Regards,

Carolyn Cole

LonePeak Concierge

BIG SKY

406.551.0340

**Appropriations**

	<b>6/1/2020</b>
<b>Current Funds</b>	<b>Balance</b>
American Bank CDARS	\$ 5,761,920.50
American Bank Checking - 9714	\$ 16,812.24
American Bank Disbursements - 0429	\$ 26.43
American Bank ICS	\$ 2,780,500.62
FSB 3430 - Operating	\$ 22,853.21
FSB 3422 - Bonds	\$ 174,914.94
FSB 3547 - Office	\$ 2,621.06
MT STIP	\$ 10,876.10
<b>Total</b>	<b>\$ 8,770,525.10</b>

**Uncleared Outstanding Items**

Uncleared Checks (FSB 3430)	\$ -
Uncleared Checks (American Bank - 9714) Big Sky Relief	\$ -
<b>Total Available</b>	<b>\$ 8,770,525.10</b>

**RESTRICTED FUNDS by Use**

Bond funds (Community Center and Tower)	\$ (174,914.94)
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**ESTIMATES****Projected Expenses Remainder of FY20:**

Operating Expenses - June	\$ (80,000.00)
Remaining FY20 Appropriations	\$ (2,157,381.10)
Bond A - Debt Service due on 7/1/2020 & 1/1/2021 (total)	\$ (107,884.06)
Bond B - Debt Service due on 7/1/2020 & 1/1/2021 (total)	\$ (89,367.92)

**Projected Revenues Remainder of FY20:**

Returned Funds	\$ -
May and June Collections	\$ 150,000.00 <i>Estimation</i>
Interest income from CDARS and ICS Accounts	\$ 8,000.00

<b>Total available for Appropriation</b>	<b>\$ 6,318,977.08</b>
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## **BSRAD FY21-23 COVID-19 SCENARIO PLANNING SUMMARY**

### *Methodology:*

This summary is provided as a culmination of research from interviews and webinars stakeholders in the Big Sky Community, State of Montana, and Ski Community. The goal of the exercise was to create a framework for the BSRAD Board and Staff for decision making amidst the uncertainty of COVID-19 and its long-term impacts tax collections.

Each interview consisted of the following questions:

- How is your organization planning and reacting to COVID-19?
- What key indicators do you use to forecast and how far out do you forecast?
- Is there any additional data you use to guide decision making?
- What partners do you work with to understand the impacts on your industry?
- How are you prioritizing resources?
- What else is on your mind related to COVID-19?

### *Sources and Interviews:*

- Bozeman Yellowstone International Airport
- Colorado Association of Ski Towns
- Big Sky Chamber of Commerce
- The Wheeler Center for the Exploration of Montana Issues
- Teton Village Association
- Lone Mountain Land Company
- Big Sky Resort
- Town of West Yellowstone
- Town of Whitefish
- Xanterra Parks and Resorts
- Yellowstone Country
- Beaver Creek Resort Company
- Keystone Neighborhood Company
- Montana Office of Tourism and Business Development
- ADARA Webinar: COVID-19 Insight Series
- Non Profit Town Hall | US Census
- Non-profit Town Hall
- Non-profit Town Hall
- NFIB-How to Apply for a COVID-19 Small Business Loan
- Non Profit Town Hall with John Tester
- Coffee Talk: COVID-19 Concerns in Grant Making
- Coffee Talk: COVID-19 Concerns in Grant Making

### *Themes:*

- Consensus is in that forecasting is uncertainty with varied reports ranging from on average 50-80% in revenue reduction
- Travel (BZN) and tourism (VBS/Chamber) data most useful helping guide decisions
- Reserves are a high priority and "Cash is King"
- Anticipated impacts lasting 2-3 years with potential unforeseen needs moving into next year
- Priority adjustments include reduction in operational expenses and forgoing capital purchases
- Need for widespread testing to speed up the recovery
- Less air travel but more travel within Montana and drive markets
- Heavy Reliance on tourism either the National Parks or Ski Resort
- Community prioritization was emergency and health services

### **RECOMMENDATIONS**

- Establish ongoing reserve baseline that covers minimum needs of Big Sky
  - Develop Crisis Management Policy
- Host biannual allocation cycles for FY21 and FY22
  - Monthly allocation commitments for applicable organizations – like BSRAD holding to 6 month evaluation
- Create trigger points in collections that moderate release of funds
- Collaborate with philanthropy community to meet needs of Big Sky
- Establish Big Sky testing methodology in coordination with County
- Prioritize Emergency and Health Services
- Keep Relief fund available for a 2<sup>nd</sup> surge and reevaluate level of \$ each appropriation cycle

The worst-case scenario considered is for BSRAD to move into the FY22 allocations cycle with little to no collections in the prior year. In order to conservatively mitigate for this scenario, it is recommended that the District hold onto enough cash to cover FY22 "critical" services. That number seems to be somewhere between \$2-3 million in reserves. A bi-annual appropriations cycle will also help to adapt our community contribution based upon openings and possible COVID surges that impact collections and fluctuate our economy.

It is recommended that the Board prioritize what "critical" services would be needed to operate the community and use that as a baseline for reserves. As more collections are confirmed and economic activity begins to return to Big Sky additional services can be brought "online" and considered. By moving to a biannual allocation it allows for the "dust to settle" regarding the impact of COVID-19.

### **What to expect moving forward:**

- We will not get everything resolved today.
- This needs to be a monthly agenda item.
- Applicant communication is going to be important.
- Financial information will update upon FY21 Requests.

## 3 YEAR REVENUE FORECAST

	50% Summer 75% Winter		15% Increase	20% Increase
	2021	2022	2023	
July	\$ 346,229	\$ 398,164	\$ 477,796	
August	\$ 244,653	\$ 281,351	\$ 337,621	
September	\$ 184,293	\$ 211,937	\$ 254,324	
October	\$ 158,765	\$ 182,580	\$ 219,096	
November	\$ 83,145	\$ 95,617	\$ 114,740	
December	\$ 817,399	\$ 940,009	\$ 1,128,011	
January	\$ 921,978	\$ 1,060,275	\$ 1,272,330	
February	\$ 975,000	\$ 1,121,250	\$ 1,345,500	
March	\$ 600,000	\$ 690,000	\$ 828,000	
April	\$ 427,414	\$ 491,526	\$ 589,831	
May	\$ 72,632	\$ 83,526	\$ 100,232	
June	\$ 279,376	\$ 321,283	\$ 385,539	
	\$ 5,110,884	\$ 5,877,517	\$ 7,053,020	
	Allocation Cycle			

## 4 YEAR ALLOCATION FORECAST

	2021	2022	2023	2024
BSRAD Operating Expenses	\$ 797,590	\$ 837,470	\$ 879,343	\$ 923,310
Bonding	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000
Reserve Commitment	\$ 2,000,000	\$ 500,000	\$ 500,000	\$ -
Annual Commitment	\$ 2,905,590	\$ 1,445,470	\$ 1,487,343	\$ 1,031,310
Cash Available Spring FY 21	\$ 1,297,205			
Cash Available Fall FY21	\$ 2,231,145			
Cash Available Spring FY22		\$ 2,379,467		
Cash Available Fall FY22		\$ 1,426,039		
Cash Available FY22			\$ 2,911,334	\$ 5,940,748
Total Annual Allocation Opportunity	\$ 3,528,350	\$ 3,805,505	\$ 2,911,334	\$ 5,940,748
Reserve	\$ 2,000,000	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000

Thank you all for your due diligence in making fiscally responsible decisions for our community. Moving to a 6-month cycle will provide the District with up-to-date information helping us understand the long-term COVID-19 impacts on Big Sky. The following are recommendations are listed to ensure you have the highest impact possible with community dollars. There are exceptions to every rule and nothing outlined is intended to be considered as a rule without exception.

COVID-19: Applications that demonstrate addressing the impacts of COVID-19 should be taken under serious consideration and elevated in priority. This includes the following:

- Applying for State/Federal funds supplementing revenue and programmatic impacts.
- Appropriately funding Emergency and Health initiatives that meet community needs.
  - Reference applicable metrics to understand needs.
- CDC and Health Department requirements should be considered with all applications.
- Adjusted staffing volumes to meet community need and/or loss of tourism.
- Support efforts proactively adapting operations that address the impacts of COVID-19.
- Hold accountable organizations that choose to ignore the impacts of the pandemic.

Reserve Clarity: Establish a subcommittee to develop a systematic policy for:

- Emergency Funds
- Community-Wide Operating Reserves (Bare Minimum to Operate)
- Long-term Capital Investments (as identified in the Community Strategic Plan)

Capital Investments: Capital investments that do not require immediate action should be considered in FY22 allocations. These investments are intended to address long-term needs within the community. The scenario planning indicates we have a 2-3 year recovery before allocations will normalize.

Dependency on Resort Tax: Resort Tax is an extremely useful funding mechanism that addresses the impacts of tourism otherwise paid for by an overburdened community.

- The % of Resort Tax revenue dependency needs to be normalized. A subcommittee should be formed to establish a long-term informed recommendation of appropriate dependency.
- Projects not Organizations should be evaluated for impact and results. The current method of funding/defunding organizations does not demonstrate focus on actionable results.

Matching Funds: Board level support of helping projects match funds should happen with the following:

- Mill Levies
- Philanthropy
- Madison and Gallatin County

Fall Decisions: Decisions on the following should be taken during the fall decision:

- Conservation Projects
- Research Projects
- Winter Based Projects



## FY21 Spring Application Overview

Applicant/Organization	Total Funds Requested FY21	Projects/Programs		Description/Community Messaging
Big Sky Fire Department	\$1,001,480	Operational Support	\$841,425	We have seen the potential consequences of not being adequately prepared for large scale wildland fire events. We want to be proactive instead of reactive when it comes to our ability to adequately respond to the communities risk.
		Wildland Apparatus Replacement	\$160,000	
Big Sky Transportation District	\$900,000	BSTD Operations	\$650,000	Skyline continues to try and meet the public transportation needs of the community. This next fiscal year (FY21), the Transportation District hopes to initiate half-hour service between the Meadow Village Center, Town Center and Mountain Village Center during the winter season.
		BSTD Big Sky Bus Barn	\$250,000	
Gallatin County Sheriff's Office	\$311,327	Big Sky/Canyon Patrol Division	\$311,327	The Big Sky/Canyon Division Patrol will provide law enforcement services to all in and around Big Sky including but not limited to; emergency response, traffic control, criminal investigation, search and rescue coordination, coroner services, service of civil notices, and more.
Arts Council of Big Sky	\$185,500	2021 Summer Programming	\$185,500	The summer programming provided by the Arts Council has become integral to Big Sky's DNA, bringing locals and visitors together for high-quality, family friendly cultural activities. In 2019, Music in the Mountains was voted Best Annual Event by readers of Explore Big Sky.
Big Brothers Big Sisters of Big Sky Co	\$15,000	Youth Wellness	\$15,000	Big Brothers Big Sisters of Big Sky Country is asking for assistance to support the young people of Big Sky through mental health education and support, one-to-one mentoring opportunities in school, and summer mentoring programs.
Big Sky Community Food Bank	\$65,800	Case Management & Outreach	\$44,650	The Big Sky Community Food Bank has doubled our hours of operation in response to the needs of the Big Sky community as a result of the economic impacts of COVID 19. We now offer more services to households in need and are seeking funds to support these new staffing and operational costs.
		Operations/Admin & Food Purchase	\$21,150	
Big Sky Discovery Academy and Community Learning Center	\$89,320	Early Childhood Preschool Program Tuition Assistance	\$89,320	Big Sky Discovery Academy Early Childhood Preschool Program offers a robust preschool/childcare program for three through five year olds in the community with extended day and holiday/non-school day options. Discovery supports families with young children through a whole-child, Montessori approach.

<b>Color Key:</b>	Government Entities/Districts	Requests < \$200,000	Requests > \$200,000
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Applicant/Organization	Total Funds Requested FY21	Projects/Programs		Description/Community Messaging
The Big Sky Rotary Foundation	\$5,400	Community Recycling and Compost Removal	\$5,400	Big Sky is a destination community whose current attention to sustainability issues related to waste reduction does not match our inherent culture. This project addresses community recycling and composting, with respect to events, visitor impacts & resident accessibility.
Big Sky Search and Rescue	\$14,150	Training	\$12,200	BSSAR is applying for funds needed to maintain our current level of care, provide volunteers with technology to keep them safe, and tools to fix and protect the resources we have.
		Volunteer Safety	\$650	
		Shop tools/building infrastructure	\$1,300	
Big Sky Skating & Hockey Association, Inc.	\$40,227	Operating Assistance Project	\$40,227	The BSSHA requests some help with operating expenses for the ice rink they operate every Winter in the Town Center. The ice rink and programs are a vital part of the Winter activities of our Community, with wide participation by residents, visitors, seasonal workers, and especially local children.
Friends of Big Sky Education dba Warren Miller Performing Arts Center	\$176,350	FY21 Artist Fees	\$176,350	WMPAC continues to provide world-class and family-friendly programming at affordable prices for our entire community. Our events are carefully designed and planned to encourage individuals from all walks of life to connect through culture in a safe, inspiring space year-round.
Friends of the Big Sky Community Library	\$80,720	Library Operations	\$80,720	Serving the community for 20 years, the library provides a variety of resources and services to locals and visitors in the Big Sky area. It is our mission to promote a greater appreciation of literature and lifelong learning by providing special programs throughout the year.
Gallatin Invasive Species Alliance	\$26,068	Administration	\$9,118	Governed by a board of community members and natural resource experts, the Alliance is a not-for-profit organization that facilitates a comprehensive and cost-effective campaign to protect natural resources from the threats of invasive species in the upper Gallatin Watershed.
		Environmental Stewardship	\$6,500	
		Education & Awareness	\$5,500	
		Community Outreach	\$4,900	
Gallatin Valley Snowmobile Association	\$25,000	Two additional groomings of the Buck Ridge/Doe Creek Road snowmobile trail	\$25,000	GVSA provides grooming of the Buck Ridge snowmobile trail. The trail is typically groomed Monday, Wednesday and Friday. Grooming normally begins in December and runs through the end of March depending on snow conditions.

Applicant/Organization	Total Funds Requested FY21	Projects/Programs		Description/Community Messaging
Habitat for Humanity of Gallatin Valley Inc	\$100,000	Big Sky School Teacher Housing Project	\$100,000	Habitat has maximized the resources from the community to achieve a lower cost of construction than what would be the cost on the open market. We have had active participation from the school employees, cost reductions from local contractors, and donations restricted to the Teaching.
Morningstar Learning Center	\$168,255	Tuition Reduction	\$168,255	Morningstar Learning Center is a non profit entity and Big Sky's only state-licensed child-care facility. Morningstar Learning Center's mission is to fill a critical void in Big Sky's basic community infrastructure by providing accessible, affordable childcare services.
Parkview West Homeowners Association	\$114,000	Karst Bridge Rehabilitation	\$114,000	Rehabilitation of the Gallatin River bridge at Karst. This bridge provides the sole access to residents living on the west side of the river as well as sportsmen and other visitors. The rehabilitation of this bridge makes it possible for fire trucks to cross the bridge fully loaded with water.
The Montana Land Reliance	\$20,000	Permanent Conservation of Big Sky's Fish and Wildlife Habitat and Open Space	\$20,000	The Montana Land Reliance (MLR) works with landowners to permanently protect fish and wildlife habitat and open space in the Big Sky community and throughout Montana. MLR has conserved over 11,500 acres in the Big Sky community.
The Post Office, LLC	\$80,000	Big Sky Post Office - Operations	\$80,000	The Post Office, LLC is requesting BSRAD funding to satisfy the gap between the cost to operate the Big Sky Post Office facility and the funding provided by the fixed-rate contract with the United States Postal Service.
Wildlife Conservation Society	\$48,136	Bear Smart Big Sky	\$48,136	WCS Bear Smart Big Sky is charting a new co-created path to a wilder Big Sky through a community culture of bear smart stewardship and as a model to our neighbors; we are working to ensure that people and lands remain connected and bears remain wild in growing communities anchored by the outdoors.
Women In Action	\$50,000	Direct Behavioral Healthcare Services	\$39,000	Women In Action works to provide the Big Sky community with access to affordable behavioral health care services.
		Indirect Behavioral Healthcare Services	\$11,000	
Big Sky Chamber of Commerce	\$379,511	Leadership, Staffing, & Operations	\$357,511	Our Community. Our Business. The Big Sky Chamber, in serving its 450+ member businesses, their thousands of employees and our Big Sky community at-large works every day to Elevate Big Sky in its continued evolution from a destination ski resort to a healthy and sustainable community.
		Local Governance Facilitation	\$11,000	
		Advocating for Our Community   Creating a Positive Business Climate	\$11,000	

Applicant/Organization	Total Funds Requested FY21	Projects/Programs		Description/Community Messaging
Big Sky Community Housing Trust (BSCHT), dba HRDC	\$1,850,000	BSCHT Operations Support	\$130,000	The mission of BSCHT is to provide a diversity of housing affordable for the community in order to grow and retain a strong base of residents and employees living in Big Sky. Strategies include deed restricted home ownership opportunities and additional long term rental options for workers.
		Down Payment Assistance	\$200,000	
		Future Property Development	\$1,500,000	
		Long Term Rental Program	\$20,000	
Big Sky Community Organization	\$604,402	Operations & Maintenance	\$553,735	BSCO is requesting funds to maintain and operate our community's public 97 acres of parkland and 23.25 miles of trails. The request also includes 50% of the costs to expand our trail system 4.25 miles to make high priority trail connections as outlined in our Master Trails Plan.
		Master Trail Plan Build Out	\$50,667	
Gallatin River Task Force	\$443,601	Operations	\$233,081	Big Sky depends on cold, clean and abundant water in the Gallatin River. With our FY2021 Resort Tax request, we recommit to protecting and restoring the Upper Gallatin for future generations, basing our actions on credible scientific data and relying on diverse partnerships for maximum impact.
		Education and Outreach	\$15,000	
		Watershed Monitoring	\$4,000	
		Watershed Restoration and Enhancement Projects	\$30,500	
		Water Supply Resiliency	\$61,020	
		Gallatin Canyon Groundwater Discharge Modeling, Planning, and District Formation Support	\$100,000	
Visit Big Sky	\$601,258	Team Big Sky - People and Place	\$154,558	VBS, the official Destination Marketing & Management Organization for the Big Sky destination leads the development/marketing of authentic tourism experiences, through research and stakeholder collaboration to grow Big Sky's economy while balancing the need to sustain quality of life for residents.
		Promote the Big Sky Destination	\$401,200	
		Develop and Steward the Destination	\$14,500	
		Lead the Destination	\$31,000	
<b>TOTAL FUNDS REQUESTED:</b>	<b>\$7,395,505</b>			

<b>Color Key:</b>	Government Entities/Districts	Requests < \$200,000	Requests > \$200,000
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## FY21 QUESTIONS: ROUND 1

**Organization:** Big Sky Fire Department

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?

If Big Sky Fire Department did not receive funding for our Operations request, it would have a significant impact on our Operational Emergency response capabilities. It would also impact our community outreach for public education, fire prevention, CPR instruction/certification, Wildland mitigation/Chipper days and possibly emergency response capabilities.

If our Capital request did not get funded for the Wildland engine replacement, we would miss a great opportunity to partner with DNRC and their Hybrid program to build one of the Type 5 Wildland engines at a significant reduced cost. This would affect our available resources to respond to any Wildland incidents.

2. Have you received any grants due to COVID-19?

As of May 18, 2020, Big Sky Fire Department has not received any financial grants. We continue to research all possibilities that may be out there from Federal, State and Local grants. COVID-19 has had a significant impact on our operational revenue due to the reduction in ambulance transports because of the early closure by the ski resort.

We also continue to work on finding any available resources that we can get for PPE supplies, currently we have been successful with surgical masks, N95 and gowns from the Gallatin County Incident management team along with a few community donations of PPE.

3. Which projects can be removed from this year's request or postponed?

The one area we could look at postponing would be our Capital request of \$160,000 for our Wildland Engine replacement.

4. Can you provide a more detailed month by month breakdown of your operations costs?

Our monthly operating expenses are \$224,883.75 for salary, wages, and benefits.

5. Can you provide a more detailed month by month breakdown for Project 2?

The goal of this project is to purchase appropriate fire apparatus to address the identified risk in our fire district. We have a great opportunity to partner with DNRC's hybrid engine program that will save approximately \$75,000. To take advantage of the DNRC Hybrid program we must provide the cab & chassis later this fall so they have time through the winter for the build out process.

6. Please share your full capital improvement plan

The Capital Improvement plan is included with this document.

a. Please explain any variances from previous years within this plan

The only variance in the first 5 years we made was moving the Wildland Engine replacement up to 2020-2021 and moving the ambulance remount to 2024-2025. In the remaining Capital improvement plan we have reprioritized the replacement of 2 command vehicles from 2024-2025 to 2025-2026.

7. How does the 60% reduce in call volume affect your operation?

a. Are there other projects or programs you could do to supplement the down time?

If the call volume continues to decline in the coming months Big Sky Fire Department does not have a lot of down time. As Emergency Responders we continue to respond to emergency calls for EMS, fire alarms, gas alarms, motor vehicle accidents, and fire incidents all while we continue to train and prepare for all emergencies. We continue to train for fireground operations, EMS, motor vehicle extrications, swift water rescue, hazardous materials, incident command and many other areas of responsibilities.

The shift personnel also conducts company business inspections, station tours, hosts ride a longs with firefighter applicants, participate in the Farmers Market, involved with public events (PBR, Fourth of July Fireworks, Bike races, Moonlight Music Festival, The Rut Run, Cystic Fibrosis Charity Run, Seattle Stair climb for Leukemia, Christmas stroll, Music in the Mountains and many more during the year).

Each year at this time we experience a reduced call volume during the shoulder season, this gives us an opportunity to conduct inspections and maintenance to

all of our apparatus and stations due to us not having the time to do so during the winter season.

Big Sky Fire continually looks at ways to supplement what we do and how we can meet the demands and requests of the community. Wildfire risk mitigation projects, wildland fuel chipping days, CPR classes and many other community outreach programs. We are currently looking at how BSFD can assist with the COVID-19 pandemic when it comes to testing in the Big Sky Community and any other gaps that we can fill to assist the community's COVID response.

8. What does your operation/staffing look like if call volume drops 50%?

We are currently scheduled to hire a minimum of 2 firefighters this fall, along with promoting 3 Captains, if our call volume continues to decrease over the summer, we would look at delaying the hiring and promotions until next year.

10. What did call volume look like from March 15-April 15, 2019 vs March 15-April 15, 2020 and what was the percentage change?

The call volume for March 15-April 15, 2019 was 119

The call volume for March 15-April 15, 2020 was 36

This is a 70% reduction in call volume

## 2020 - 2039 Big Sky Fire Department Capital Equipment / Replacement Schedule

STRATEGIC	Project Year	Capital Equipment Purchase	Anticipated Lifespan	Quantity	Estimated Cost Per/Unit	Total Cost
	2020-2021	Wildland Engine Replacements	15	2	\$80,000.00	\$160,000.00
	2021-2022	Engine 1241 / 1997 Pierce Replacement	20	1	\$850,000.00	\$850,000.00
		Ambulance 1214 Remount	10	1	\$160,000.00	\$160,000.00
	2022-2023	Self-Contained Breathing Apparatus	10	30	\$10,000.00	\$300,000.00
		Tender 1235 / 1997 Pierce Replacement	25	1	\$450,000.00	\$450,000.00
	2023-2024	Cardiac Monitors / Defibrillator Replacements	8	4	\$37,000.00	\$148,000.00
		Fixed Site Training Facility	30	1	\$300,000.00	\$300,000.00
	2024-2025	2016 Ambulance Replacement	10	1	\$300,000.00	\$300,000.00
PROJECTED	2025-2026	Ladder 1253 Replacement / 2001 Pierce Dash	25	1	\$1,400,000.00	\$1,400,000.00
		Firefighter Turnout Clothing & Helmets	5	35	\$4,000.00	\$140,000.00
	2026-2027	Command 1202 /1204 Replacements	7	2	\$45,000.00	\$90,000.00
	2027-2028	2007 Pierce Engine 1242 Replacement	20	1	\$800,000.00	\$800,000.00
		Command 1203 Replacement	7	1	\$60,000.00	\$60,000.00
	2028-2029	2018 Ambulance Remount	10	1	\$160,000.00	\$160,000.00
		Firefighter Turnout Clothing & Helmets	5	35	\$4,500.00	\$157,500.00
	2029-2030	Command 1201 Replacement	7	1	\$50,000.00	\$50,000.00
		Self-Contained Breathing Apparatus	10	35	\$10,000.00	\$350,000.00
	2030-2031	Tender 1232 Replacement/2002 Freightliner	25	1	\$400,000.00	\$400,000.00
	2031-2032	Wildland Engine Replacements	15	2	\$200,000.00	\$400,000.00
		Firefighter Turnout Clothing & Helmets	5	40	\$5,000.00	\$200,000.00
	2032-2033	Cardiac Monitors / Defibrillator Replacements	8	4	\$35,000.00	\$140,000.00
	2033-2034	Ambulance 1214 Replacement	10	1	\$400,000.00	\$400,000.00
	2034-2035	New Water Tender for Future Station	25	1	\$400,000.00	\$400,000.00
	2035-2036	Command Vehicles 1202/1203/1204	10	3	\$80,000.00	\$240,000.00
		New Ambulance	10	1	\$400,000.00	\$400,000.00
	2036-2037	Turnout Gear	5	42	\$5,000.00	\$210,000.00
	2037-2038	1217 Replacement	10	1	\$400,000.00	\$400,000.00
		Command 1201 Replacement	10	1	\$60,000.00	\$60,000.00
	2038-2039	Engine 1243 Replacement	20	1	\$800,000.00	\$800,000.00



## FY21 QUESTIONS: ROUND 2

**Organization:** Big Sky Fire Department

1. Do you have any funds from FY20 you are able to release?

BSFD does not have any FY20 funds remaining.

- a. If yes how much can you release?

2. Using the table below please provide us with a month by month budgetary breakdown of all projects you applied for:

Month	Predicted Resort Tax Request PROJECT 1 OPERATIONS SUPPORT	Predicted Resort Tax Request PROJECT 2 WILDLAND APPARATUS REPLACEMENT
July 2020	\$210,356.25	\$160,000.00
August 2020		
September 2020		
October 2020	\$210,356.25	
November 2020		
December 2020		
January 2021	\$210,356.25	
February 2021		
March 2021		
April 2021	\$210,365.25	
May 2021		
June 2021		
July 2021		

3. You have increased your operating budget \$743,158 from current to upcoming fiscal year. Where can you tighten your belt on your operating budget?

As we stated in FY21 Questions Round 1 if the declining trend in call volume continues, we would look at postponing hiring of the 3 FTE's this fall. BSFD does not plan to hire any FTE's until late fall or early winter which will give us a reasonable amount of time to evaluate the call volume throughout the summer months and the property tax assessments and collections to gauge our funding availability.

4. Please provide April 2019 vs April 2020 and May 2019 vs May 2020 call volume.

April 2017 Incidents 45

May 2017 Incidents 28

April 2018 Incidents 69

May 2018 Incidents 30

April 2019 Incidents 76

May 2019 Incidents 38

April 2020 Incidents 33

May 2020 Incidents 37

As you can see other than the initial drop in incidents in April of 2020, due to the COVID outbreak and subsequent decline in tourism, we are back to our normal call volume average consistent with the past four years.

5. Have you considered beginning to ask Resort Tax for a funding percentage for operations closer to your non-resident call percentage (68%)?

Big Sky Fire Department's operations request for FY21 is 15% of our overall operational budget. Considering that 68% of BSFD's operations are non-residents incidents, it would seem appropriate that 15% of the operational budget comes from Resort tax to offset the visitor impact on local property taxpayers.

6. Do you think adding an additional three staff members in the next fiscal year will be needed if the primary source of your calls (tourists) are down?

The additional staff for FY21 is to continue to increase our minimum shift staffing; this is consistent with our Mill Levy that passed in 2017. The National Fire Protection Agency (NFPA) rates incidents and our ability to respond with an effective response force (ERF). It recognized in both our Master Plan (2019 update) and our January 2020 Standard of Cover Report that we are understaffed to be able to handle mobilizing enough of an ERF without balancing our staffing. The additional staffing is to address this recommendation.

- a. What positions are they?

BSFD would be adding two firefighters and a Community Risk Reduction Coordinator position. The Community Risk Division handles all of our code enforcement, plans review, public outreach, wildfire planning, mitigation, and arson investigation. The division performed over four-hundred requests last year. The division is staffed with one FTE, and as development continues to increase, the division workload does as well. The position is will play a vital role in not only our organization, but also in advancing the BSRAD's Strategies 1 & 3 related to becoming a more sustainable and resilient community as well as protecting our natural resources. The Coordinator would be tasked with assisting the Deputy Chief with the division duties and responsibilities. These positions were slated to be funded out of our regular budget and were not tied to the operational support funds that are being asked for from Resort Tax.

7. In your application, you mention that you plan to add 3 staff over the next 3 years, but on the 3 year cash flow document you indicate you plan to go from 29 in current fiscal to 32 next year and 35 the following year. Can you clarify?

This is a typo – this should have stated 29 – 32 – 32. There is no intention to hire new firefighters in year three.

8. How much of the \$587,158 increase in payroll and benefits is related to the three new positions vs. raises?

The breakout is approximate but would be estimated with benefits:

- \$180,000.00 for 2-new firefighters
- \$120,000.00 for Community Risk Reduction Coordinator (Captain Wages)
- \$219,847.00 Expiring FEMA SAFER Staffing grant added wages (approximate)
- Wage increases make up the remainder

9. Are you applying for any federal or statewide grants to cover some of your operating costs?

BSFD has continuously applied for state and federal grants each year. We have been successful in many of our grant applications. A list of grants that we have applied for and or been successful in the last two years are:

- Assistance to Firefighter Grant
- Staffing for Adequate Fire and Emergency Response Grant
- Homeland Security grants
- Rural Fire capacity grants
- Fire Adaptive Montana Public outreach grant
- International Association of Fire Chiefs Ready Set Go Fuels reduction grant
- FEMA Fire Prevention & Safety grant (pending)
- Coalitions & Collaborations Action and Implementation for Mitigation Program
- The Western States Fuels Reduction program
- Firehouse Subs Foundation grant
- FM Global Insurance grant

10. What are "special events" in your Operating Budget?

In general, the budgetary line item "Special Events" is anything that is purchased towards holding any sort of special event. More specifically some examples are Farmers Markets, open house events, Big Sky Kids, Chipper Days, Fire Sprinkler Burn Trailer Demonstration, Fire Prevention Month Events, National Wildfire Preparedness Day Events, Building for Wildfire summit, Christmas Stroll and special ceremonies (i.e., promotion or retirement)

11. How often do you buy new vehicles for the Chief and BC roles?

Under the new administration, we have scheduled the replacement for the Fire Chief and Deputy Chief staff vehicles at ten years. Under our new plan, once the Battalion Chief vehicle is replaced it will be repurposed into a Chief or Deputy Chief vehicle due to the lower amount of miles, wear and tear that it will get by primarily being within Big Sky response area at all times. Our ten-year plan is a projection and will be dependent upon miles and condition of the vehicles.

12. What are the new vehicles you are purchasing for?

There is nothing in the budget this coming fiscal year for new vehicles. If you are referring to the wildland fire engines, they are to be able to adequately respond to our extreme wildland-urban interface fire risk that is only increasing every year with the number of homes we are building within these areas. This risk is the primary concern of our organization and that of the community. We feel up until now; we have not had the opportunity to position our organization to respond to wildland fires adequately. With the change in leadership, we are looking to improve our capability to meet the gap. The purchase of these engines is an essential step in the improvements.

13. Does the current wildland fire truck operate?

The current wildland fire engine operates in a good to fair condition. The reliability of a thirteen-year-old wildland engine is questionable. Our staff does an outstanding job keeping up on its maintenance and condition, but with any vehicle that old, it starts to show its age with various issues. With the level of risk that we have, having one Type 6 (the smallest) wildland engine is not adequate. Not having a frontline reliable engine seriously impairs us, and not having an equally reliable backup or secondary engine limits our abilities to not only respond in the district but also to help our neighbors. On numerous occasions, we have had to turn down helping our mutual aid requests due to either a wildland engine maintenance issue or because we could not send our only available wildland apparatus out of the district during high-fire danger times.

Another point to make about our current wildland engine is it only has space for two firefighters to ride. National standards recommend a wildland engine crew to be comprised of three personnel if possible, with two being a minimum permissible number if lack of staffing. These new engines will have four-door cabs with seating for up to five.

14. Can the capital purchase of a wildland vehicle be deferred?

We feel that with the reduced allocations this year that if asked, we can reduce our ask so that we can still be able to purchase the one engine that will be cost-share built with the DNRC assistance. If funded, this build out would at best be available in late summer 2021. We would also be covering any extra costs associated with outfitting the vehicle.

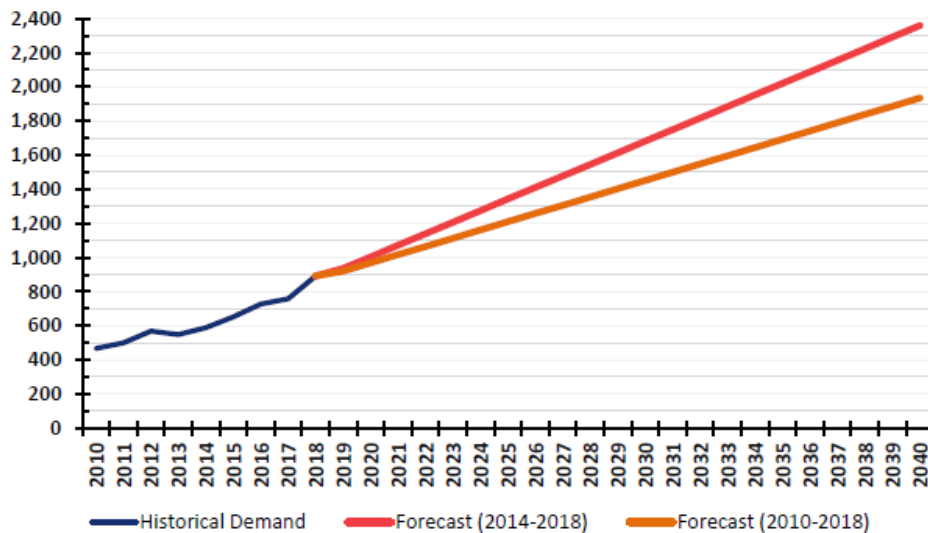
15. What is the average annual salary per FTE of BSFD staff with benefits?

The current average annual salary with our benefits package factored in is \$93,902.81. Our average wage without benefits is \$73,361.57, which is, on average, 20% higher than the national average, which reflects 20% above the average cost of living in Big Sky (bestplaces.net).

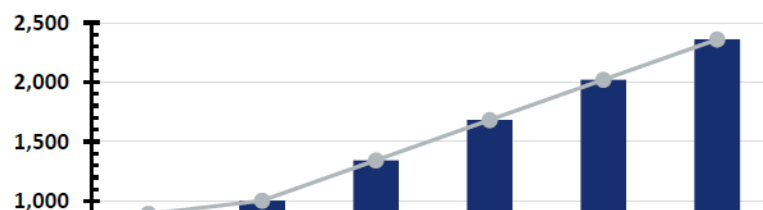
16. What is your anticipated year over year change in call volume for the next year?

Since 2010 BSFD has seen a 108% growth in emergency incidents (figure 1)

Figure 62: BSFD Service Demand Projection, 2018–2040



In 2017 we had already exceeded the forecasted 2020 incident levels identified in the BSFD Master plan. The new projection shown in our new Master Plan Update (2019) projects another 30% increase in demand over the next 4 ½ years:



17. You note in the COVID-19 section you are seeing a 60% decrease in call volume. Are you planning to postpone your staffing increase?

As we stated in question #4, the 60% decrease in call volume was a small window in our overall call volume that was a direct effect of the resort shutting down operations abruptly and the travel ban. As you can see in question #4, we are back on average, consistent with the previous four years May call volumes.

BSFD has seen a 108% growth in calls since 2010, and as you can see by our projections compounded with the rapid rate of development and increase in overall tourism, there is no slowdown in sight. COVID has been a small bump in the road for us, but it will not get us off of our track. Our staffing decisions are driven by data and metrics, for example, BSFD responds to two or more incidents at the same time, on average of 14% of the time and well over 25% of the time during peak periods. For example, if we have an ambulance at the resort on a call and an accident comes in on HWY 191, we have now exhausted all of our response personnel and would have to rely on our mutual aid partners for assistance, which could be well over an hour away.

BSFD will continue to track call volume throughout the coming months to see what impact the summer season will have on our overall call volume. With current projections, we have adequate funds to be able to absorb the loss in transport revenue. In our worst-case scenario, we would postpone hiring for this year as well as hold off on hiring vacant positions. Those cost-saving measures compounded with increased property tax values would more than make up for any losses we may experience.

18. Regarding project #2, would this result in 2 new wildland fire engines?

The plan was to purchase two new wildland engines. The cost to purchase the two engines would be somewhere in the ballpark of \$300,000.00. The DNRC would build out the pump, tank, and firefighting components on the one at a value of \$75,000.00 the resort tax funds would pay for the cab & chassis for that engine at an estimated completed cost of \$80,000.00 Our second engine

would cost approximately \$180,000.00. We are planning on using the remainder of the resort tax funding of \$80,000.00 and \$100,000.00 that we are anticipating from the reimbursement for our assistance for deploying to the wildfires in California. We are expecting this reimbursement in the upcoming fiscal year.

- a. What would be the cost just to pursue one using the DNRC matching funds?

This cost would be around \$80,000.00 to purchase and outfit the cab & chassis.

19. Explain the \$1.8 million overage on budget to actual for last fiscal year?

We need clarification on this question. We actually have operated with a surplus year-after-year

20. Why the 20% increase between previous year fiscal budget and current fiscal year budget in the context of an anticipated decrease in call volumes?

Our revenue side of the budget increases, on average, conservatively 6% per year off of the added property tax values. We also anticipate increased ambulance revenue from year to year but also budget conservatively in revenues. On the expense side, our employee pay raises are set by the collective bargaining agreement between Big Sky Fire and the Big Sky Local 4732 and cannot be negotiated mid-contract. The other increase in budget is going to be to offset the expiration of the FEMA SAFER Grant that we had in place for staffing at an amount of \$219,847.00 that we now are budgeting for. We also are planning to utilize large amounts of funding to aggressively pay off the InterCap loan that we used to fund our station remodels so that we can again be debt-free.

21. What amount of your reserves, if any, is the Board willing to utilize this next season to support operational funding shortfalls?

We would utilize whatever amount would be necessary to continue to provide the same highest level of service possible for the community. We think that when you look at the COVID pandemic as a whole and the resort taxes place in all of it, you see that the community has essential services that without, the community does not operate. The BSRAD board has done a good job at identifying these critical mission organizations in its Vision Statement. More than ever our organization plays a critical role in many of these strategies and their implementation that are not just limited to call volumes or operations.

22. Where have you cut costs in your budget to address funding shortfalls due to the COVID-19 pandemic?

We have taken numerous measures to address the budget shortfalls we are projecting. We have not begun the process to fill the Deputy Chief of Operations position, thus creating vacancy savings. We have put off the Community Risk Reduction Coordinator position slated to hire in July. Which will have

an impact of our ability to begin to more aggressively address Strategy 2 of the BSRAD Vision of Building a more Sustainable and Resilient Community. We are opting to hold off on the hiring of the other two firefighter positions until at the earliest this late fall or early winter putting us well into the second quarter of our government fiscal year to gauge the impacts and funding availability. On a smaller measure, we have suspended all training travel and conferences, and with the new leadership, gone through the budget in detail to cut out any sort of frivolous or non-essential expenses.



## **FY21 QUESTIONS: ROUND 1**

### **Organization:** Big Sky Transportation District

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding? If we receive no to a significantly reduced amount of funding from the Resort Tax Board, we would have to significantly reduce our service, as the Resort Tax funds are the majority of the “local match” funding we need to operate our system. Any reduction in funding will be tied directly to a reduction in service.
2. Have you received any grants due to COVID-19? We have received CARES Act funding through the Montana Department of Transportation. This funding has meant that we have saved at least \$200,000 in the need for local match, which is why the Transportation District requested only \$750,000 of its \$800,000 allocation in FY20 and reduced its FY21 request from \$850,000 for operations down to \$650,000. The Transportation District may be able to reduce its request even further, but there is not enough information at this time to know what that reduction may be.
3. Which projects can be removed from this year’s request or postponed? The only project beyond the annual service provided by Skyline is the request for \$250,000 for match to purchase a bus barn. However, that project is moving ahead. If, however, Federal funds are not received for the purchase of the bus barn, the local match would not be needed. As previously noted, if the Resort Tax funds are significantly reduced from what has been requested, Skyline’s service levels will have to be adjusted.
4. How would charging fares affect your budget? We currently charge fares on the Link Express (intercity) service between Big Sky and Bozeman. If we charged fares on the local service within Big Sky, it would reduce the amount of Federal funding we receive. We “net” only 45.89% of the fares we receive. We would also have to modify our service model to figure out how to charge fares for the local service, and it would have impacts on the service, such as accounting for the time it takes to collect fares from those riding the bus. It would likely lead to a decline in ridership, as those who could drive within Big Sky would likely drive as opposed to taking the bus.

5. What portion of your budget comes from Madison County vs Gallatin County? Just about 4% of our budget comes from Madison County, which provides \$80,000 per year in support. Gallatin County provides about \$50,000 per year, which is about 2.4% of our budget.
  - a. Do you have any agreements with the counties? No, we request funding on an annual basis.
6. Where is the bus barn location if you are able to disclose? It is in the Lazy J South area, with an approximate address of 202 Running Iron Road.
7. Will you lose grant money without the bus barn? The bus barn is a separate item from our operations, so we would not lose money to operate the system if we do not move ahead with the bus barn. It is our understanding that the facility will be built regardless of our purchase of it. So, we have the opportunity to take advantage of the facility, or not.

## FY21 QUESTIONS: ROUND 2

**Organization:** Big Sky Transportation District

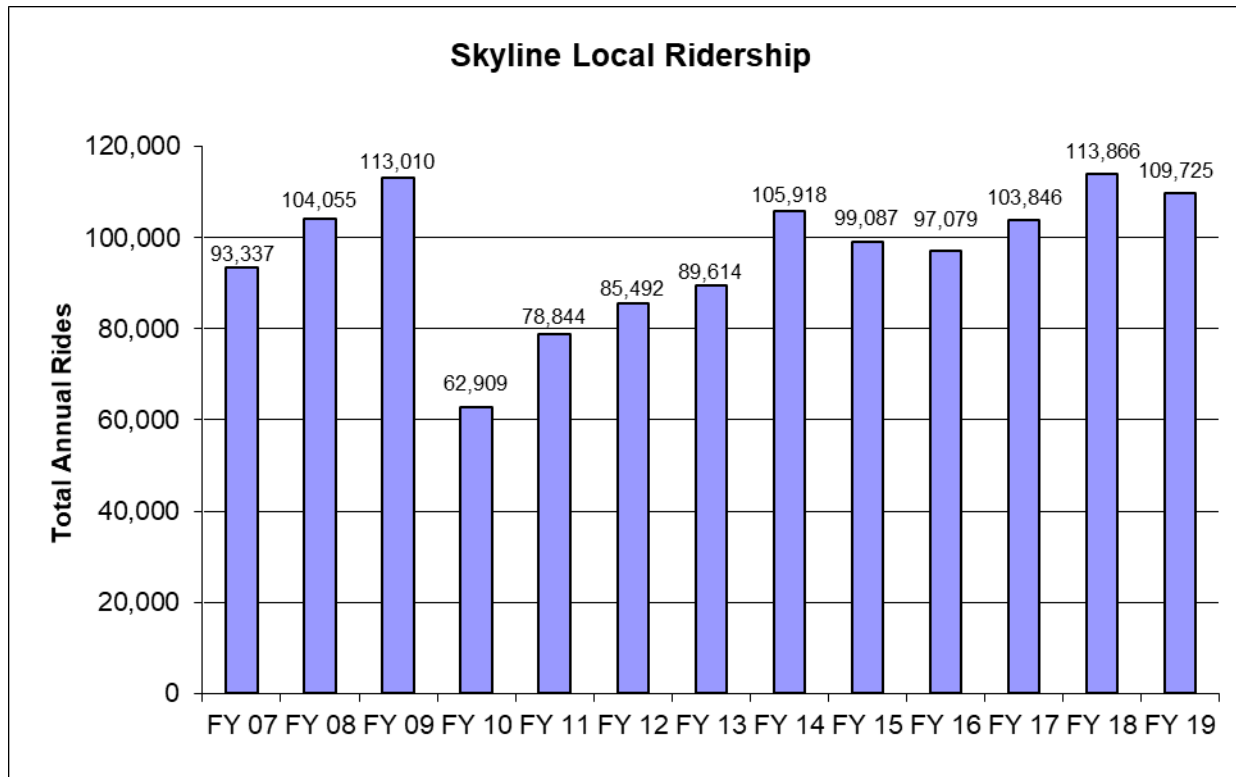
1. Do you have any funds from FY20 you are able to release? We were able to already release funds.
  - a. If yes how much can you release? We did release \$50,000
2. Using the table below please provide us with a month by month budgetary breakdown of all projects you applied for:

Month	Predicted Resort Tax Request PROJECT 1 OPERATIONS	Predicted Resort Tax Request PROJECT 2 BIG SKY BUS BARN
July 2020		
August 2020	\$65,000	
September 2020	\$65,000	
October 2020	\$65,000	
November 2020	\$65,000	
December 2020	\$65,000	
January 2021	\$65,000	
February 2021	\$65,000	
March 2021	\$65,000	
April 2021	\$65,000	
May 2021	\$65,000	\$250,000
June 2021		
July 2021		

3. Because visitation is expected to be down significantly this year, what is the reasoning to pursue adding the half-hour service between meadow and mountain? It is likely that if things don't look much better by October than they do now, in terms of projected visitation, the ½ hour service would not be implemented.
4. If the proposed expanded service does not move forward, how much could your request be lowered? Approximately \$65,000. This is because MDT/Federal funds would pay about half of the cost, and local monies would pay half. The entire service was to cost about \$130,000 to implement, so the local savings is half of that.
5. Is the Federal Funding available for Project 2- Bus Barn a onetime opportunity or has this been an ongoing opportunity each year? In general, the funding is available each year, although it is a competitive process, so we are never guaranteed to receive the funds. We did apply for the Federal funding for this year, however. If we were granted the Federal funding, then we would need to find the local match, as we would want to take advantage of the funding while it was available.
6. When will you know about the CARES act for the bus barn? Probably not until August at the earliest.

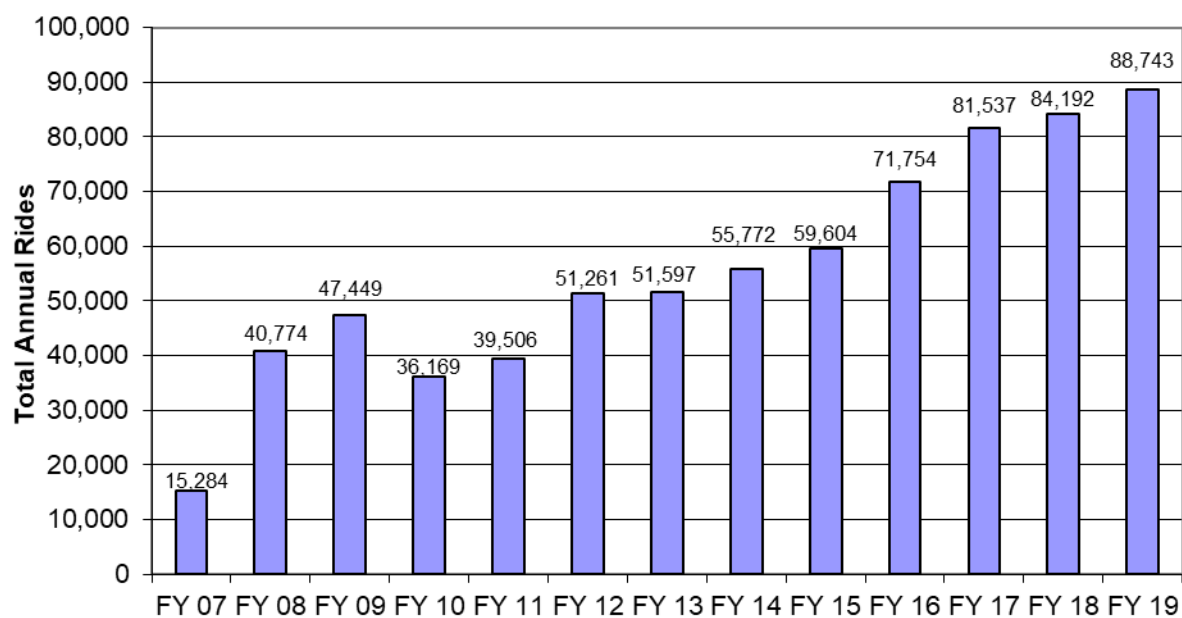
7. Is the 11% fare revenue comparable to other similar transportation districts? States that have a farebox recovery requirement typically set it at 10% for rural systems. So, in that regard, we are comparable to other rural transit systems/districts.
8. Where have you trimmed your costs to deal with the community impact of COVID-19?
- a. Office Answered (Please Verify): Based on the Big Sky Resort and Yellowstone Club closing, BSTD modified its operations as of March 23 for the remainder of the 2019-20 winter season, reducing service. Service was to switch to the Shoulder Season schedule on April 19, so less than 30 days of service was affected. It is anticipated that the Summer Season schedule will begin as scheduled on May 26.*
- The COVID-19 situation changed BSTD's request for FY20 funds. BSTD requested \$750,000 of its \$800,000 of FY20 allocation and notified BSRAD that it would not request the remaining \$50,000.*
- Further, due to CARES Act funding that is coming to BSTD, it reduced its FY21 request for operational funding from \$850,000 to \$650,000, and a further reduction may be possible. Finally, the \$250,000 request for the bus barn (capital) may not be needed, as CARES Act funding, which does not require local match, may be available for the bus barn. However, a decision on the use of the CARES Act funding for the bus barn may not be made until September or October of 2020. BSTD will keep BSRAD as up to date as possible on any changes to requests for funds for FY21.*
9. What amount of your reserves, if any is the Board willing to utilize this next season to support operational funding shortfalls? We were planning to use a significant portion of the reserves for the bus barn, and not operational shortfalls. As the bus barn is going to be constructed, it is an opportunity that is difficult to pass up. If necessary, we could probably use another \$50,000 of reserves to cover operational issues in addition to the \$140,000 we were going to use for the bus barn.
10. How do you think operations will be affected by COVID-19 in terms of ridership and amount of people you can put on a bus? We will try and maintain social distancing as much as possible on buses, but we cannot add buses onto routes to accommodate the same number of people, as that will add to our costs. Ridership will likely be down in the coming year, but fewer people on the bus should be able to help riders maintain a distance from one another.
11. Are you adding additional routes to Bozeman or is the primary increase in service related to services within Big Sky? We were planning the same number of routes between Big Sky and Bozeman this year. The ½ hour service within Big Sky was the only “new” service that was considered for the winter of 2020-21 season.
12. Is the District still considering increasing the boundaries to match that of BSRAD? Yes. We are starting a new petition campaign and hope to have a vote on the issue in May 2021.
13. Do you track number of riders? Yes.
- a. If yes can you provide number of riders on the Bozeman to Big Sky route year over year and the internal Big Sky riders year over year? See attached ridership graphs.*
- b. If no, why?*

14. When will you pursue and implement mill levy funding? If we get a positive vote on expanding the boundaries of the Transportation District, we would likely begin an effort to implement mill levy funding within a year of that, with a possible vote in May 2022.



These are the number of rides, or “unlinked passenger trips” that are provided within Big Sky.

### Skyline Link Ridership



The Link or Link Express service is the service operating between Big Sky and the Bozeman area, including Gallatin Gateway and Four Corners.

## **FY21 QUESTIONS: ROUND 1**

**Organization:** Gallatin County Sheriff's Office

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?
  - a. We could possibly have to lay two deputy sheriffs off negatively affecting law enforcement coverage in Big Sky.
2. Why do you choose not to have your financials audited?
  - a. State law requires that Gallatin County, as with all general-purpose local governments, publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Gallatin County Sheriff's Office is included in this audit, which most recently was completed by Anderson ZurMuehlen and Company P.C., a firm of licensed certified public accountants.
3. Have you received any grants due to COVID-19?
  - a. The Gallatin County Sheriff's Office has applied for \$40,829 in Coronavirus Emergency Supplemental Funding from the Office of Justice Programs at the Department of Justice (DOJ). This funding is limited to cover response related overtime, PPE, cleaning and sanitizing products, and other prevention supplies and materials.
4. Which projects can be removed from this year's request or postponed?
  - a. The Big Sky Patrol is not a project but an ongoing emergency service provided to all residents, businesses, and visitors to Big Sky.
5. Please provide more explanation on how the COVID-19 crisis has affected your operations:
  - a. It hasn't.

6. What did call volume look like from March 15-April 15, 2019 vs March 15-April 15, 2020 and what was the percentage change?

March 15, 2019 to April 15, 2019

Total Canyon – 598 CFS

North – 406

West – 159

South – 33

20 cases for that time period

March 15, 2020 to April 15, 2020

Total Canyon – 475 CFS

North – 352

West – 67

South – 56

27 cases for that time period.

This represents a total decrease in call volume of 20.6%; however, there was an increase in cases of 35%.

7. What does your operation/staffing look like if call volume drops 50%?

- a. Call volume is only part of what we do. If it goes down, it allows us to do more community policing, be proactive and gives us time to follow-up on investigations.



## FY21 QUESTIONS: ROUND 2

**Organization:** Gallatin County Sheriff's Office

1. Do you have any funds from FY20 you are able to release?
  - a. If yes how much can you release?

No, the majority of the shared costs for the Big Sky Patrol are personnel costs for the Deputies assigned to that area. Other included costs are gas, phone, vehicle replacement costs, and vehicle insurance.

2. What is your quarter to quarter comparison on call volume from FY19 to FY20?

While calls for service are an important indicator of work, case numbers (more involved cases) are also an indicator of law enforcement activities occurring in Big Sky. Calls for service will be similar for the year but Case numbers generated have increased. As Case numbers increase, our self-generated calls for service (traffic stops etc.) will decrease, as case investigations take more time to complete. Call Volumes:

FY19: 7486	FY20: 6336 (to date)
1st quarter: 2074	1st quarter: 1821
2nd quarter: 1844	2nd quarter: 1547
3rd quarter: 2026	3rd quarter: 2507
4th quarter: 1542	4th quarter: 461 (through Mid-May)

3. With current decreases in available public funding, where can cost savings be found in your budget?

Over 95% of the Budgeted expenses are for personnel, insurance, rent, communication devices, vehicle gas, maintenance, and replacement. The remaining expenses include uniforms, office supplies, equipment, and training. It is unlikely any material savings can be found without significantly impacting operations.

4. Your response related to COVID-19 impacts seemed lacking. Can you tell us if you anticipate increased calls if you anticipate additional work enforcing etc.?

We do anticipate our domestic violence, behavioral health, and theft calls to rise as unemployment continues and people stop receiving assistance.

5. What areas do you think you could work on in your budget to create some potential savings?

Please see questions 2, 3, and 4.

6. Please fill out and submit the 3-year forecast document we requested. You input your entire budget rather than the document we requested.
  - a. Please complete attached file.

The file originally submitted was the three (3) year forecast for Big Sky/Canyon Patrol. The total forecasted budget was \$933,980 and represents the total costs of the cost of the Patrol, although some costs such as dispatch, supervision, and backup personnel are not included. Gallatin County, Madison County, and BSRAD are each asked to fund 1/3 of those annual costs, or \$311,327 in FY 21. The file attached shows that there is very little variance from year to year and from Budget to Actual. The only significant annual variance is when replacement vehicles are ordered, but may come in and get expensed in the following Fiscal Year. In that situation. Gallatin County will “rollover” those capital funds to cover the delayed expense.

7. Are there any federal funds you can apply for to reduce costs for BSRAD and perhaps even the counties?

The federal funding opportunities that may be applied for are specific to covering the emergency response and prevention costs, such as PPE and additional overtime, none of which were requested in the BSRAD funding request. Requesting that grant funds be used to supplant funds in the operating budget is against the conditions of federal grants.

8. In the budget you uploaded please describe what Indirect cost is?

The indirect cost is the allocated amount of central service costs, such as the cost that the county incurs to manage facilities, human resources, legal services, etc... and is approved by the cognizant agent of Gallatin County, the Montana State DPHHS. This is a standard from the Code of Federal Regulations through the Office of Management and Budget 2 CFR Part 200.415 and 200.416.

9. Is Sheriff Gootkin's personal view that Big Sky is overstaffed or understaffed with deputies?

Sheriff Gootkin believes Big Sky is adequately funded. The Sheriff’s Office has not asked for additional deputies since 2013 despite the unprecedented growth. We work on a very fiscally conservative budget respecting all of the important funding requests made to the resort tax board. Many of the calls we respond to involve visitors and seasonal workers which is why we have asked Gallatin, Madison and the RTB to equally fund law enforcement needs for Big Sky.

10. Do you anticipate your call volumes are going to increase or decrease this year?

Please see Question #3

**\* Please be sure to complete both the "Itemized Expenses & Revenues" AND "Reserves & Cash Flow" Worksheets.**

ITEMIZED EXPENSES AND REVENUES <i>(Include all organization projects and programs, not only those requesting resort tax funding)</i>					Please enter the dates of your Organization's Current Fiscal Year below: <i>July 1st through June 30th</i>			
		Previous Fiscal Year (Budgeted)	Previous Fiscal Year (Actual)	Current Fiscal Year (Budgeted)	Next Fiscal Year Anticipated	% Change From Previous Fiscal Year	% of Total Revenue (Current Fiscal Year)	
Revenue	Resort Tax	\$ 286,382.00	\$ 286,382.00	\$ 300,154.00	\$ 311,327.00	5%	33%	
	Madison County	\$ 286,382.00	\$ 286,382.00	\$ 300,154.00	\$ 311,327.00	5%	33%	
	Private Donations (not including In-Kind)					#DIV/0!	0%	
	Fundraising Events (Net Amount)					#DIV/0!	0%	
	Dues & Fees					#DIV/0!	0%	
	Gallatin County	\$ 286,382.00	\$ 286,382.00	\$ 300,154.00	\$ 311,327.00	5%	33%	
	Total	\$ 859,146.00	\$ 859,146.00	\$ 900,462.00	\$ 933,981.00	5%	100%	
Expenses	Administration	Payroll				#DIV/0!	0%	
		Fundraising				#DIV/0!	0%	
		Marketing				#DIV/0!	0%	
	Operations/ Programming	Payroll	\$ 687,123.00	\$ 679,840.00	\$ 730,013.00	\$ 750,590.00	6%	88%
		Other	\$ 96,937.00	\$ 100,979.00	\$ 104,165.00	\$ 107,340.00	7%	12%
	Other**						#DIV/0!	0%
	Total		\$ 784,060.00	\$ 780,819.00	\$ 834,178.00	\$ 857,930.00	6%	100%
Capital Expenditures	Total	\$ 116,492.00	\$ 35,000.00	\$ 110,000.00	\$ 76,050.00	-6%	N/A	
Income	Net Income	\$ (41,406.00)	\$ 43,327.00	\$ (43,716.00)	\$ 1.00	5%	N/A	

\* Revenue Other:

\*\*Expenses Other:

Variances are generally minimal, the exception being when a vehicle or replacement is ordered, but not received in that FY and must move to the following FY.

**\* Please be sure to complete both the  
"Itemized Expenses & Revenues" AND "Reserves & Cash Flow" Worksheets.**

### 3-YEAR CASH FLOW

*(Include all organization projects and programs, not only those requesting resort tax funding)*

	Current <i>(*please enter your fiscal year dates)</i>	Year 2 <i>(*please enter your fiscal year dates)</i>	Year 3 <i>(*please enter your fiscal year dates)</i>	TOTAL
Payroll	\$ 750,590.00	\$ 779,433.00	\$ 800,217.00	\$ 2,330,240.00
Total # of FTE Personnel	\$ 6.00	\$ 6.00	\$ 6.00	N/A
Operations/Programming	\$ 107,340.00	\$ 111,626.00	\$ 115,841.00	\$ 334,807.00
Capital Expenditures	\$ 76,050.00	\$ 88,621.00	\$ 101,443.00	\$ 266,114.00
Total	\$ 933,980.00	\$ 979,680.00	\$ 1,017,501.00	\$ 2,931,161.00

### RESERVES: Capital, Programming, and/or Operating

On Hand Restricted**	\$	56,200.00
On Hand Unrestricted**	\$	-
Goal (if currently no reserves)	\$	65,000.00

is replaced, with 1/6th of the replacement cost being held aside for replacement every 6th year. Like all Big Sky Pa



## FY21 QUESTIONS: ROUND 1

**Organization:** Arts Council of Big Sky

- 1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?** The ACBS programs funded by Resort Tax include our summer events: Music in the Mountains (MITM), Bravo! Big Sky (formerly called the Classical Music Festival) and Mountainfilm. Of the three, MITM would be impacted the most. Resort Tax funding makes up 55% of the total MITM budget, including staff and administrative expenses. If we do not receive Resort Tax funding, we would have to rely entirely on sponsorships, vendor income, and merchandise sales, and this would not be enough to produce the same high-quality event that the community has grown to expect. Losing 55% of MITM funding would likely force us to host fewer concerts and present artists of lesser quality. Having to change the program that way would not represent the character and trajectory of Big Sky – a community growing in size and renown. In fact, the free concerts have come to represent what is best about Big Sky. Since we started them in 2008 they’ve become one of Big Sky’s favorite events. Thursday night has become a gathering place for all segments of our community throughout the summer season – last season we hosted more than 35,000 people. The Music in the Mountains series has also won Best of Big Sky awards in 2015 and 2019, and the ACBS won Best Nonprofit in 2013 and 2017, in large part because of the success of the summer series.

The concerts are not only popular, but they are an important part of Big Sky’s financial success. They are frequently used to market Big Sky as a desirable destination by entities including the Big Sky Town Center, Big Sky Resort, local private clubs, and many local businesses, all of whom frequently request photos of the concerts to use for marketing. Visit Big Sky even put a photo of one of the events on the side of the Skyline bus. The summer series is also an economic engine that drives business in Big Sky. A 2018 Economic Impact Study completed by Circle Analytics revealed that ACBS events have a Gross Economic Output of \$3.7 million, with \$2.2 million of that retained in the local economy. Our events support 56 total full-time and part-time jobs—including sound and lighting engineers, musicians, food vendors, maintenance personnel and security staff.

It’s hard to imagine summer in Big Sky without free music—but that could be the case without Resort Tax funding. Our other programs (art workshops, school outreach, public art, etc.) are not funded in any way by Resort Tax and would continue uninterrupted. However, without the visibility of our summer concert series, it’s conceivable that our donation income could decrease, putting those other programs in jeopardy.



As for Mountainfilm, we feel that we can keep this program going in some fashion if we don't receive any Resort Tax funding, since it's only a small amount and this program is relatively affordable to present. However, losing funding for Bravo! Big Sky festival would definitely have a negative impact. Without Resort Tax support, we could not present the high-quality orchestra that we have spent many years developing. While we would still be able to present some type of classical music, the overall quality would decrease, disappointing a donor base and constituency that has invested a lot of time, energy and funds into making it what it is today.

Finally, we recently revised our 2019-20 annual operating budget after we cancelled the concert series and now project a loss of \$47,492 for the year. While our original budget planned for a loss as well because our investment in a full-time Development Director, the new budget projects an even greater overall loss.

2. **Why do you choose not to have your financials audited?** The ACBS has done a few outside audits over the years, and was audited by the IRS in 2014 for the 2011 fiscal year, but we don't otherwise do annual audits for several reasons. For one, Montana has no state audit requirement for nonprofits. Second, we do not meet the \$750,000 in Federal funding that would require a financial audit. Third, our accounting firm, Andersen ZurMuehlen, does not recommended that we invest in a full audit now (they do suggest a compilation or review at some point in the future, which our board is planning). Fourth, our bookkeeper is a former CPA, and several of our board members have held senior financial management positions throughout their careers. Finally, audits are expensive—estimated by our accounting firm at \$10,000-\$12,000. Overall, the ACBS board feels confident in our expertise and in our financial documents, procedures and presentation, so we are therefore taking a more financially conservative approach regarding audits.
1. **Have you received any grants due to COVID-19?** We received a Payroll Protection Program loan for \$26,300, which will be forgiven if we meet the federal guidelines. However, this is not for any programs and can only be used for salary, payroll and operations. We also received an EIDL grant for \$3,000 and a Montana CARES grant for \$10,000, both of which will replace other lost income that we use to pay staff and operational costs. In other words, any relief funding we receive will not replace Resort Tax funding that we might lose.



2. **Which projects can be removed from this year's request or postponed?** We can remove Projects 2 and 3 from our request, for a total reduction of \$47,500. Project 1 (\$185,500) is for the 2021 concert season, which could possibly be postponed to the new allocation cycle. One downside of postponing the allocation is that since our fiscal year runs November 1 to October 31 we typically complete our budget in October, well after we have been allocated Resort Tax funds. In addition, our Executive Director often starts booking for the summer season as early as October. If the second allocation cycle is later in the year, we would not be able to confirm bands until we know how much money we will receive.
3. **Who handles fundraising in the absence of the Development Coordinator (DC)?** The DC position is an administrative position that works with our Development Director. The DC supports fundraising by handling donor communications, data entry, appeal letters, email correspondence, etc. Our DC left in September of 2019 for maternity leave, but informed us in January 2020 that she would not be returning. We hired a full-time Development Director for fundraising in November of 2019. We were planning on hiring a new DC this spring but shelved that plan as the COVID crisis ensued. Currently the Development Director is also handling the DC duties as well, which gives her less time to focus on the fundraising activities we need to be doing right now. We do plan on hiring a DC as soon as we're confident that our finances can absorb the cost of the part-time position.
4. **Have you considered a fee-based program as a stop gap for revenue declines?** As you may know, our Thursday night Music in the Mountains (MITM) series started with a fee-based system, which was eliminated in 2008 to make it free. This decision, along with our move to the Town Center in 2010, enabled the series to expand and grow with our community. One goal of MITM is to not have any barriers for entry and to offer a live music experience that is accessible to all. The ACBS has had many fee-based concerts over the years, and that model has not proved successful, especially for a nonprofit community organization. Our board and staff are continually evaluating the Music in the Mountains program. We will be in a "new" park when the series starts in 2021, and we will be paying close attention to the series with regard to crowd size, audience and artist experience, alcohol sales, etc. In fact, in our recent organizational strategic plan update, one of our Key Findings was that we needed to develop a long-term plan for Music in the Mountains. This includes evaluating growth, park capacity, infrastructure, location, and vendor policies. Outside of the Thursday night concerts, we do charge a fee for our Mountainfilm program, and for one night of the Bravo! Big Sky festival. Both ticketed events bring in a small amount of income.



5. **How much of your “other” revenue is sponsorships?** In 2018-19, our total sponsorship income was \$73,300, which includes all ACBS events. Total sponsorship for the 2019 summer events was \$65,500.



## FY21 QUESTIONS: ROUND 2

**Organization:** Arts Council of Big Sky

1. **Do you have any funds from FY20 you are able to release?** We will have some funds to release, and worked with BSRAD staff to determine the amount. As of now there is **\$160,396** left out of our original allocation of **\$173,750** that was designated for Music in the Mountains and the Classical Music Festival that will not be used for that purpose. *This includes funds that have already been allocated and can be returned, as well as funds yet to be allocated.* Here is a summary of what has been allocated so far:

- \$19,500 has been already received for the CMF, which the ACBS can return to Resort Tax immediately.
- \$20,500 has already been received for 2020 MITM artists, which the ACBS can return once band deposits have been returned.
- \$13,195 has already been received for 2020 MITM Operations, which the ACBS will retain since this was for work done November-April.

**Proposal:** We would like to roll over \$30,000 from our FY20 Allocation to cover anticipated expenses for *free* programming this summer. This could include pop-up concerts, outdoor movie nights, virtual/online programming, etc. We also remain hopeful that we could produce some type of concert experience later this summer that will benefit the community. If we receive this rollover, we could immediately relinquish **\$130,396** from our FY20 Allocation back to Resort Tax. We also could relinquish any unused funds from the rollover allocation by October 1.

- a. If yes how much can you release?
    - i. How much is from Music in the Mountains?
  - b. If this was reallocated could it fund your FY21 request? It would help fund the majority of our FY21 request, but it would fall short of our full requested amount of \$185,500.
2. Using the table below please provide us with an updated month by month budgetary breakdown for you 2021 Summer Programming Project:

### Project 1:2021 Summer Programming

Month	Predicted Resort Tax Request
July 2020	\$0
August 2020	\$0
September 2020	\$0
October 2020	\$0
November 2020	\$0
December 2020	\$10,000
January 2021	\$10,000
February 2021	\$30,000

March 2021	\$30,000
April 2021	\$20,000
May 2021	\$30,000
June 2021	\$50,000
July 2021	\$5,500

3. Is there any COVID safe way to still do fireworks for the 4th of July? At this time the ACBS board and staff feel there is not a suitable way for the Arts Council to host a community fireworks display in a safe, legal and healthy manner. Though we could light them off and people could gather where they want and celebrate on their own, we don't feel we should encourage gathering of large groups of people at this time. We've thought about doing something like a drive-in fireworks display and trying to limit group size to pods of 50 people, but this may be beyond what our volunteers and staff are capable of handling—especially without a suitable location. The other thing we took into consideration when removing this from our FY20 request is the fiduciary aspect of it—does it make sense to spend \$15,000 on fireworks when overall tax collections are down? Perhaps another entity could fund the fireworks if that is something the community wants.
4. Has the development coordinator position been effective?
  - a. What is the magnitude of money raised by this position? As mentioned previously, the Development Coordinator is not tasked with raising funds. The DC supports fundraising by handling donor communications, data entry, appeal letters, email correspondence, etc. The DC position has been very effective when filled, as it provides critical support to not only the Development Director but to the rest of the staff as well. The DC is also in charge of staffing our tent at the summer concerts, selling merchandise, collecting donations, etc. Having a point person each week has resulted in more income at our events. The DC is also our volunteer coordinator, which helps streamline our events and make them more successful. If you are referring to our Development Director, we invested in a full-time DD on December 1, and that person has been extremely effective in this short period of time. For example, our recent Give Big campaign raised more than \$13,000—nearly four times more than we have raised in the past. We also have applied for almost \$200,000 in grants so far this fiscal year, which is more than we've ever done—a direct result of having staff to spend time writing the grants. Our DD is

also currently juggling three public art capital campaigns to install more sculptures in the Town Center in the coming years.

5. Does the ACBS try to target "family friendly" artists? Fundamental to our mission and vision is providing accessible programming for our entire community. About 85% of our 2018-19 budget of \$564,138 was spent on family friendly events—meaning all ages are welcome, with many being free. The only event that is not specifically geared toward younger audiences is our Auction for the Arts fundraiser. As for selecting the artists themselves, we try very hard to make sure they are considered family friendly. Obviously, audiences have different tastes, and some artists may appeal to a certain demographic more than others.
6. How much funding did you receive from BSRAD in FY20 for the 2020 Music in the Mountains series?  
*Office Answered (Please Verify): \$153,750 was their Project Budget for 2020 Music in the Mountains but there was not an amount specified in the contract for just Music in the Mountains. We also were allocated \$20,000 for the classical music festival, bringing the total to \$173,750. For our FY21 Request, we lumped the two projects together under "Summer Programming" for a total of \$185,500.*
7. Have you considered requiring no alcohol to be brought in from outside for both safety and potential revenue source? The ACBS staff and board are continually monitoring the situation with regards to alcohol sales and the growth of the concerts. Since our move to the Town Center, we have had very few alcohol-related incidents, all of them minor to our knowledge. Banning outside alcohol would be a tremendous undertaking, as it would require a barrier around the venue to completely control access and additional crowd management personnel to man entry/exit points. Big Sky also has no open container law, which creates another layer of complexity to the issue. The financial cost of doing all of this might offset any additional income generated. However, we are working with our new landlords—the BSCO—to determine the best course of action as the concerts continue to grow each year. The ACBS also is in contact with the Gallatin Country Health Department on a regular basis to ensure proper cooperation when selling alcohol at large events. Finally, changing the alcohol policy would dramatically change the feel of the concerts (for better or worse, one could argue), something that could be difficult for the community to accept. One thing we've tried to maintain over the years is the "loose" feel of the concerts—which is rare, I think, and separates our series from many in the country. And we have done that successfully so far.
8. Do you have any plans to seek funding from Big Sky Town Center, or its merchants who benefit from your concerts? We've been partnering with Town Center businesses since we moved the concerts to that location in 2010. In 2018-19, TC businesses contributed \$47,000 in sponsorship income for our events, making up more than 64% of total annual sponsorships. We also seek out new relationships for other events when it makes sense. For example, we gained three new Town Center business sponsors when we hosted our first Artist Studio Tour in December of 2019. We also added two Town Center businesses as new sponsors for our 2020 Auction for the Arts fundraiser.



## **FY21 QUESTIONS: ROUND 1**

**Organization:** Big Brothers Big Sisters of Big Sky Country

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?  
We are working to restructure our budget to account for a 40% reduction in fundraiser funds. In the event that Resort Tax funds do not arrive, we will need to trim our school offerings, and cap student involvement.

2. Have you received any grants due to COVID-19?

We have received PPE from the US Government and \$10,000 of Covid-Emergency funds for mental health development in Livingston.

3. Which projects can be removed from this year's request or postponed?

None of our projects will be removed, but we are able to postpone Teen Mental Health First Aid implementation, although removing mental health support and education during this particular collective experience in human history is not ideal.

4. Further explain your volunteer count: Does this number reflect all volunteers or just those in Big Sky?

We have 56 volunteers in the Big Sky program (including our Middle School Little Bigs) We have 180 volunteers across our service area.

5. How will your programming change if school continues to be virtual and social distancing guidelines are still in place?

BBBS works closely with BSSD #72 to develop a safe plan for interaction, including virtual options. Virtual meetings can include group projects, speakers for STEM sisters and distanced activities. Beyond School can utilize MentorU--a Nationally recognized virtual mentoring platform to facilitate meaningful connections and support.

## **FY21 QUESTIONS: ROUND 2**

**Organization:** Big Brothers Big Sisters of Big Sky Country

1. How much do you raise locally from the Golf Tournament, local Community Foundation Grants, and Big Sky donors?

In a typical year, golf and community donations net around \$78,000 a year. This year, with adjustments for player and community member safety we are expecting to net around 40K combined.



#### Local Community Foundation Grants

YCCF: \$5,000 (2019 Grant)

SPCF: \$2,100 (2019 Grant + 2020 Give Big Donation)

MCF: \$5,000 (2019 Grant)

WIA: \$1,376

2. How many kids are served in Big Sky directly each year?

100 kids from K-12 during the 2019-2020 school year

#### 2020-2021 Projections

- We anticipate 45 Bigs and Littles matches = 90 students + 10 Little Bigs = 100 students
- STEM Sisters - 5 current matches continuing and then 5 more matches = 20 students
- Beyond School - 5 current matches continuing and then 5 more matches = 10 students (5 overlap with Bigs and Littles) = 5 students

Anticipate 125 in 2020-2021 school year minimum

3. How does the cost per kid in Big Sky compare to the other communities that you provide programs for?

Overall Approximate Big Sky program cost = \$99k

Average Approximate Cost Per Match (For all Communities Served) = 2,800

Average Approximate Cost Per Child Served (All communities) = 2,600

Big Sky Approximate Cost Per Child Served = \$1,018

Big Sky Approximate Cost Per Match = \$2200

4. It seems like there are really two separate projects here. The Bigs/Littles and then the Mental Health First Aid Training. What is the cost for each?

Mentoring Program: \$1018 per child served (45 Bigs, 10 Little Bigs and 45 Littles) = \$2200 per match

Youth Mental Health First Aid: \$28 per person/ per manual (12 people per class = 336) \$207 per course  
instructor time = \$443 per course taught.

Teen Mental Health First Aid (if approved by school district): \$3,000 for Facilitator Training + 8.95 per instruction manual per student. Teen Mental Health requires that 10% of the teaching staff be trained in Youth Mental Health First Aid, and an entire grade of students. Have attached TMHFA powerpoint to this email. The Big Sky specific costs would be \$8.95 per student + \$1000 of instructor time

**FY21 QUESTIONS: ROUND 1**

**Organization:** Big Sky Community Foodbank

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?

Should we not receive Resort Tax funding, we would be faced with decisions to cut our service hours and/or support staff. Fewer service hours makes social distancing difficult, as all our customers are vying for space to receive their food boxes within the same timeframe. Without our support staff, we would be vulnerable should primary staff become ill (or have a mental breakdown from the stress of it).

With reduced hours and/or support staff, we become less safe for our customers and community. Because the food bank primarily supports the Big Sky workforce, who have regular contact with our tourists, it is imperative that we operate with the highest safety precautions so we do not become a site of transmission within our Big Sky community.

2. Have you received any grants due to COVID-19?

Yes, we received emergency Big Sky Relief Funds end of March.

We've applied for the MT social services/food bank Relief Fund Grant, but as of end-of-day 5/21 our application is still pending.

3. Which projects can be removed from this year's request or postponed?

Should we receive the MT social services relief grant, we will probably be able to decrease our ask by \$21,150 and eliminate our "Project 2 – Operations/Admin & Food Purchase".



## FY21 QUESTIONS: ROUND 2

**Organization:** Big Sky Community Food Bank

1. Do you have any funds from FY20 you are able to release?
  - a. If yes how much can you release?

We have just been approved to receive \$15,000 through the MT Food Bank Assistance Grant through DPHHS. Therefore, BSCFB would like to reduce our ask accordingly.

Instead of requesting 50% of our expenses for Project 1 “Case Management & Outreach” come from Resort Tax, we are able to reduce that to 1/3 of our expenses.

That is a decrease from \$44,650 to \$29,766 for that project. Bringing our total request down from \$65,800 to \$50,916.

2. Using the table below please provide us with a month by month budgetary breakdown of all projects you applied for:

Month	Predicted Resort Tax Request PROJECT 1 CASE MANAGEMENT & OUTREACH	Predicted Resort Tax Request PROJECT 2 OPERATIONS/ADMIN & FOOD PURCHASE
July 2020	2480.5	1762.5
August 2020	2480.5	1762.5
September 2020	2480.5	1762.5
October 2020	2480.5	1762.5
November 2020	2480.5	1762.5
December 2020	2480.5	1762.5
January 2021	2480.5	1762.5
February 2021	2480.5	1762.5
March 2021	2480.5	1762.5
April 2021	2480.5	1762.5
May 2021	2480.5	1762.5
June 2021	2480.5	1762.5
July 2021	2480.5	1762.5



3. What is the year over year increase in people visiting the Food Bank?

Measured by food boxes going out the door (1 per HH shopping unit):

FY 2014

FY 2015 = + 35.5 %

FY 2016 = + 24 %

FY 2017 = + 6.5 %

FY 2018 = - 2 %

FY 2019 = - 20 %

FY 2020 = + 14 % (projected)

Measured by total people served:

FY 2014

FY 2015 = + 46 %

FY 2016 = + 24 %

FY 2017 = + 14 %

FY 2018 = - 2 %

FY 2019 = - 19 %

FY 2020 = + 21 % (projected)

Our interpretation of these two numbers (14% increase in food boxes vs. 21% increase in total people served) can be explained by the fact that, in general, people are shopping for a greater number of household members. The pandemic has certainly hit Big Sky families with children and those larger households are reflected here. Additionally, in keeping with social distancing, it seems reasonable that households would send





one person to do the shopping for their entire household, whereas before individual roommates might shop separately.

4. What has been the effect of the virus on demand for your services?

a. *Office Answered (Verified): To help to slow the transmission of COVID-19, the Big Sky Community Food Bank has changed several aspects of our day-to-day operations:*

*PRE-PACKED FOOD BOXES: we have altered the service delivery model to increase social distancing for the health and safety of customers, volunteers, and staff. Beginning on Tuesday, March 17th we implemented a pickup for pre-packed food boxes which includes a set menu for at least a week's supply for the household. Households will now be allowed to pick up TWICE each month, as opposed to one per month in past years. The lobby will be closed to the public.*

*EXPANDED HOURS: Until such a time as it becomes unnecessary, we have doubled our service hours adding two additional days.*

*DRIVE-UP SERVICE: Clients now accept their food box by driving up to the patio area in front of the food bank. Check-in/intake and case management is a part of the drive-through service.*

*HOME DELIVERY FRIDAYS: Those quarantined or of suspicious health status are encouraged to order a food box dropped off to their home.*

*VOUCHERS: We now can offer vouchers for produce, dairy and household necessities at local grocery stores.*

*VOLUNTEERS: We have largely moved away from utilizing volunteers to stop the spread to our group of volunteers who are mostly older adults. We have maintained a small, healthy group to help pack our food boxes and will gladly welcome back our volunteer force when it becomes safe to do so.*

*ADDITIONAL STAFFING: These operational changes result in a much more time-consuming process than our prior service model. In addition to needing additional hours to prepare food boxes, clean surfaces, do food deliveries/pickups, and provide case management, we've found it necessary to create redundancy within our operations, in the event that primary staff falls ill. Prior to these changes, we were maintained by one part-time staff who maintained all aspects of the food bank. This is no longer feasible, or advisable. As a result of doubling our hours of operation, expanding services, and changing our food delivery model, we have also nearly tripled our need for staff hours.*

5. Does the current utilization of the food bank validate the need for a request to BSRAD that is 205% of what you asked for last year?

Our ask of \$65,800 was a 99.4% increase from the \$33,000 we asked last year.

Our new ask of \$50,916 is a 54.3% increase from last year.



Our significant % increase is due, not necessarily to the increased utilization of the food bank, but to the new service model we have moved to in cooperation with CDC guidelines. To achieve greater social distancing we have chosen to limit access to our store, by utilizing a drive up, pre-packed food box model. These services take more time to prepare and execute, as we're thoughtfully and carefully preparing meals for clients and spending longer talking households through their other needs. Our customers certainly appreciate this extra effort, in an uncertain and tumultuous time. Estimated service time has increased from 20 hours to 55 hours per week (a 175% increase).

Food Bank utilization at 4 days per week, as opposed to 2 days per week (a 100% increase), also requires a significant % increase in spending. As our customers schedules have abruptly changed, we find it necessary to be open more days per week. Customers struggling to find hours at work are, in fact, less flexible with their schedules and appreciate the greater number of hours available to access food. Our increased request in funding reflects minimizing volunteer assistance (to maximize social distancing) and using paid staff to ensure a continuity of service (increase in hours) and the ability to cross train in the event one staff member becomes ill.

6. With this increase in funds, how many more individuals do you expect to serve during FY21?
  - a. At what point do you make changes if this increase is not needed?

We're on track for a 21% increase in total customers served this year. With the anticipated decline in summer hiring at the major employers in town, we don't know how to anticipate household needs. People may be feeling secure in their employment and we'll see a decrease in need to use the food bank, or we may simply maintain our elevated service numbers through the summer serving those households who have remained in Big Sky but have seen changes in employment.

#### Typical Seasonal Changes (FOOD BOXES):

Using 5 months of Winter Season as the average (Dec-April):

Spring off-seasons (May, June) = 0.7% increase

Summer seasons (Jul-Sept) = 60% decrease

Fall off-seasons (Oct, Nov) = 35% increase

#### FY20 Seasonal Fluctuation (FOOD BOXES):

Using Fall off-season (Oct, Nov 2019) as base:

Winter season (Dec - Feb 2019-2020) = 35% decrease

Spring off-season (March-June 2020) = 104% increase



In addition to individuals served, we must take into account the lbs. of food managed when considering this increase in funds. Our monthly lbs. of food managed in the time of COVID has gone from an average of 2888 lbs/month to 7520 lbs./month (160% increase). Managing this food takes time. We've had to increase our food backstock in order to maintain inventory as a reaction to ups and downs in the supply chain. Procuring, checking, and sorting our food can be a lengthy process. We're now managing a backstock which is approximately double our typical backstock, in the event of supply chain disruptions. Additionally, managing donations of produce and dairy has become a challenge, as we hope to move those items before spoilage and our storage capacity is limited. We've been accepting a huge increase in fresh items, as restaurants try to off-load goods, as a service to the community food network. But this service takes a great deal of effort to manage, as we try to creatively think through ways to utilize, store, and distribute these items to our households.

Our two new part-time staff (15 hours per week total) are currently on 6-month contracts. This contract gets us through September, when we will hope to know much more about how this pandemic might continue. If and when the risk of community spread passes (ie. mass community testing or immunity) we can talk about returning to fewer hours of operation (days open) which may include primary staff for 40 hours back to 20.

7. What data are you utilizing to justify the need for the additional cost of Project 1- Case Management & Outreach?

We are using several data points to account for Project 1- Case Management and Outreach:

- 1) Hours open: has gone from 8 to 16 hours per week to allow for maximum physical distancing between customers, and provide easier access for all.
- 2) Hours needed to complete customer food services: We've increased staff time from 20 to 55 hours per week to give us time to build meals (food boxes) for customers, do more thorough intake and case management and to manage inventory.
- 3) Our partnerships with other Big Sky nonprofits, grocers, restaurants: has increased our outreach needs. Managing calls from restaurants and grocers to off-load unneeded produce, dairy and other comestibles has taken time and planning that were previously unnecessary.
- 4) Additional services: In addition to providing our regular food boxes, we are now fielding a wide variety of other calls for help - for example, in just the past week (5/20-5/27) requests have included: housing (help finding a rental), tax assistance, flip phone/phone cards, diapers, food box delivery, unemployment filing/stimulus (spanish) outside of hotline hours, emergency housing (hotel for several nights), helping a client obtain a COVID test, helping a client obtain an ID card, a ride to Bozeman, a



clothing purchase, crockpots/cookware, assistance with intake at a rehabilitation facility, and coordination for transportation to Nevada.

8. What does the funding model look like at BSCFB "sister" Food Bank's in Gallatin County? Do those entities receive funds from their local public tax dollars?

The Gallatin Valley Food Bank has historically received \$10,500 from Gallatin County for senior services. Outside of this the GVFB is funded completely by local donations. There are a few instances that the HRDC Food and Nutrition Program Director applies for funds for all three Food Banks (Big Sky, Gallatin Valley Food Bank in Bozeman and Headwaters Area Food Bank in Three Forks). As a side, food donations are often shared between the GVFB to the BSCFB and HAFB to help reduce food costs.

## Jenny Muscat

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**From:** Sarah Gaither <sgaither@thehrdc.org>  
**Sent:** Monday, June 1, 2020 11:49 AM  
**To:** Jenny Muscat; Daniel Bierschwale; Jill Holder  
**Subject:** Supplementary Questions Round #2  
**Attachments:** BSCFB Resort Tax 20-21 Q & A Supplementary Questions.docx.pdf

Hi Danny & Jenny,

I've attached round 2 question/answers here. We're able to decrease our original request from 1/2 to 1/3 of case management expenses to be covered by Resort Tax (a decrease of around \$15K).

Additionally, we'd like to yield back to Resort Tax the remainder of our FY20 request (\$6,704) because we've been granted other COVID-related funds to cover our Q4 expenses. Please let me know if I need to do any sort of documentation to relinquish these funds back to Resort Tax.

See you Wednesday,

Sarah

--

**Sarah Gaither Bivins**

Operations Manager & Services Navigator

995-3088 . [bigskyfoodbank.org](http://bigskyfoodbank.org) . [facebook.com/bigskyfoodbank](https://facebook.com/bigskyfoodbank) . [Sign Up for our Monthly Newsletter!](#)



## FY21 QUESTIONS: ROUND 1

**Organization:** Big Sky Discovery Academy and Community Learning Center

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding? Our Early Childhood Education Preschool Program (EC), historically plans for 35% of its tuition income to be subsidized by Resort Tax in order to provide affordable, educational childcare for families with children ages 3-5. While we work hard to diversify our fundraising to support our entire organization, the loss of BSRAD funding would result in little to no needs-based tuition assistance for this demographic resulting in half of our families being unable to attend. Given that childcare options are limited to two programs in this community, it could result in a lack of adequate child care in Big Sky, as it would lead to the closure of our program.
2. Why do you choose not to have your financials audited? As a relatively new non-profit preschool through high school and community learning center in its 5th year, we have worked to build comprehensive staffing, board development, strategic planning, and infrastructure in our non-profit while experiencing rapid growth. Each year, we have added a new program based on identified community need or interest, stretching staffing and resources. During our first 4 ½ years we have established a diverse board, put the policies and procedures in place to create sustainability, both programmatic and financial, added staff, and developed programming, and just this year developed and approved our first three year strategic plan: as we take our strategic plan to an operational plan an audit will be included as part of financial management.
3. Have you received any grants due to COVID-19? We received a PPP loan to sustain two months of payroll, rent, and utilities impacted by school and program closure. We received BSRAD relief funds helping to support the organization for the two months following the PPP loan, bringing us through the end of our fiscal year (July 31, 2020). We applied for Montana Coronavirus Relief, but have received no further information at this time.
4. Which projects can be removed from this year's request or postponed? Our request is a single project request. While we increased the anticipated need for assistance from 35% to 40% of EC tuition income, due to the anticipated impact on area families' incomes related to the pandemic, we already removed the second project request in light of the COVID-19 community-wide impacts- funding towards our Community Learning Center program and operations.
5. Can you provide us with results of Give Big and how does this compare to last year? Our goal this year was to double our number of participants, in lieu of setting a dollar amount goal. We more than doubled our participants in the event, from 96 donors in



2019 to 230 donors in 2020. In addition, we successfully raised \$85,835 during this year's event, as compared to \$109,418 in 2019. This is a reduction of 22% in donations . We work hard to achieve our overall tuition assistance goals for our preK through high school programming through Give Big, individual donor cultivation, Holiday Home Tour and other events, and utilizing additional resources such as Resort Tax and ACE Scholarships. Our overall tuition assistance fundraising target for the 2020-2021 school year is \$290,000. These diverse fundraising efforts are integral to our spring 2020 tuition assistance allocations in order to inform all families, who demonstrate need, of their assistance during our critical enrollment window from March through June for the coming school year. Without these funds, we anticipate losing up to 50% of our current enrollment, effectively closing our school year, academic, summer, and community learning center programs.



## FY21 QUESTIONS: ROUND 2

**Organization:** Big Sky Discovery Academy and Community Learning Center

1. Do you have any funds from FY20 you are able to release? **No**
  - a. If yes how much can you release? **We do not have reserves from FY20.**
2. Is the tuition assistance for all students or is it needs based? **Our tuition assistance is needs based.**
  - a. If the tuition assistance is not applied to all students, what qualifies a family for this program? **We utilize School and Student Services (SSS), a third party reviewer of family financials. From the SSS website: "SSS provides a comprehensive need-based financial aid solution for you to collect the data you need with a time-tested fair and equitable approach, so you can reach the families that most need your help."**
3. If all students benefit equally from tuition assistance from BSRAD, what percentage per child per day is covered from the BSRAD tuition assistance? **N/A**
4. What is the cost/child/day for early childhood preschool program?  
**Five days: \$71.18. Four days: \$83.11. Three days: \$86.30. This reflects an extended day, 8:15am to 5:15pm**
5. If the tuition assistance is not applied to all students, what qualifies a family for this program? **See number two.**
6. Are you a licensed childcare provider? **We are not a licensed childcare provider; before school, drop-in, after school and preschool programs are not required to be licensed in the state of Montana. The definition of "preschooler" as defined by the State of Montana DPHHS is a child between 36 months of age and the age the child will be when he or she initially enters a public or private school system. However, as an academically focused preschool program that also offers extended day childcare, we have begun the process of determining the steps and timelines for licensure. One of our major challenges is our location and facility, which is a shared space which we do not own.**
7. Do you receive funds from DPHHS for families that are income eligible for state childcare assistance?
  - a. If not, why? **Our non-profit is not eligible to receive state or federal funding.**
8. How much money on average are you funding per kid a school year through your scholarship program?  
**Per eligible family, we are currently funding: \$6383 on average or 50% of five day tuition.**
9. How many families are currently receiving scholarship funding through BSRAD funding? **Currently, 10 Early Childhood preschool students (ages three through school age) out of 20.**
10. How many students comprise your Early Childhood program? **20 preschoolers**
11. What will be your average enrollment in this period? **On average, 16 students per day. However, we have three, four, and five day options and therefore serve up to 25 students ages three through school age.**
12. Why are private donations decreasing? What will you do about this? **In 2018-19 we received a one-time and unanticipated \$100,000 donation. Outside of that we raised \$183,804 through fundraising events including Give Big which targets private donors, and through other donor cultivation**





efforts. In 2019-2020, we raised \$198,622 through fundraising events including Give Big, and other donor cultivation efforts. We lost a significant spring donation at the onset of the global pandemic. We continue to broaden our outreach, and our community programs to maximize our visibility. We have created a three year strategic plan specifically targeting financial sustainability and expanding our donor base and grant-writing efforts.



## **FY21 QUESTIONS: ROUND 1**

**Organization:** The Big Sky Rotary Foundation

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?
  - a. If Resort Tax is unable to provide funding for this project, it would be put on hold. We would not be able to remove recyclable materials, and therefore would not be able to provide this service to the community.
2. Have you received any grants due to COVID-19?
  - a. No, the additional grants we have received – or that are pending – are not a result of COVID-19.
3. Which projects can be removed from this year's request or postponed?
  - a. The collective requests, from Resort Tax as well as from the other entities and foundations identified, are all necessary to make the full scope of this project successful. Each funding source contributes a critical piece to the big picture of a successful recycling and composting operation, from on-site collection, to the holding bins, to the removal of the materials out of Big Sky. If one piece is omitted, the full project does not work.
4. Is there a difference in the cost to remove recycling vs compost?
  - a. Yes; the cost to remove composting is more than the cost to remove recycling. The annual cost for removal of recycling fees is \$1200 and the annual compost servicing fees is \$2835.



## FY21 QUESTIONS: ROUND 2

**Organization:** The Big Sky Rotary Foundation

1. Do you have any funds from FY20 you are able to release?
  - a. No, we have no funds from FY20; no funds were requested.
2. Why do you think the current canyon recycling station is not adequate for our community?
  - a. There are multiple inadequacies with the canyon site we found in researching this project. The location is not suitable to the larger community; many people expressed the challenge of it being too far to make recycling habits convenient. The location is posted for non-commercial use. In addition, the receptacles become full and inaccessible quite frequently, especially during high seasons. The site is adequate for smaller amounts of residential recycling, but does not accommodate the commercial recycling opportunities of associations in and around the Town Center, and does not offer the composting that we hope to introduce through these new bins as well.
3. Is composting going to be a bear attractant?
  - a. We don't believe that these new bins will be any more of a bear attractant than current recycling and garbage bins that are currently located throughout Town Center and in the Community Park. The bins are bear proof, and we don't believe they pose any greater risk than current receptacles or any residential garbage that currently present an even greater risk than these commercial units we are proposing.
4. Are you talking with the BSSWD about utilizing their existing composting facility?
  - a. We have reached out to the BSSWD about their composting, and have confirmed that their composting is solely for the repurposing of their water treatment sludge, and is not an option for food and compostable container waste composting, as we are recommending.
5. Is this a onetime ask for this project?
  - a. The cost for removing communal waste is typically born by a municipality. In our case, and as an unincorporated community, we believe the BSRAD is the logical source for funding of this low cost necessity. Given the high priority shown in resident surveys for Sustainability in Big Sky plus the expectations of visitors who typically arrive from areas with easy recycling, this is a project aligned with the stated priorities of the BSRAD. Further, this project dovetails with other current projects focused on sustainability such as reducing/eliminating single use plastics by replacing water bottled in plastic with reusable and easily recyclable metal cans, switching food and beverage takeout containers to compostable materials, the addition of water bottle filling stations in the Town Center, and the long term plan development of a community carbon footprint reduction (the baseline measurement project is underway) and Mountain IDEAL green



destination certification. We see these sustainability measures as ongoing in the Big Sky Community, some of which will require funding that we believe falls under priorities stated through BSRAD's community visioning process.

Organization: Big Sky Search and Rescue

What happens to your projects/programs or organization if you do not receive Resort Tax funding?

--In the event we do not receive funding we will attempt to utilize our reserve funds to subsidize a recertification course so that we may maintain our basic level of service of providing a certified Wilderness First Responder on every call.

Why do you choose not to have your financials audited?

--We choose not to have our financials audited because as a 501 c (3) org. with gross receipts under \$50,000 each year we are not required to file a tax return or have an audit performed.

Have you received any grants due to COVID-19?-- We have not received any grants or proper PPE for that matter.

Which projects can be removed from this year's request or postponed?

-- None, we have already drastically reduced our ask for this year.

How has COVID affected your call volume?

--According to Gallatin Cty, SAR call volume has decreased since April 1st throughout the county.

How much of your revenue is supplemented through Gallatin County & Madison Counties?

--Big Sky SAR's revenue last year from donations, service for events (Biggie, Rut, ski-joring) was under \$5,000. Gallatin county budget for Big Sky SAR was \$15,270 which covered costs associated with our building, utilities, fuel, medical supplies, vehicle licensing, etc.

What is your agreement with Madison County? -- Big Sky SAR does not have an independent agreement with Madison county. The Gallatin County Sheriffs office has a mutual aid agreement with Madison county, much like how Gallatin county deputys will respond inside Madison county (Big Sky resort area)

What is your service area? -- Our general service area is the north end of Gallatin canyon to the Yellowstone park boundary (going south along hwy 191) and and east/west along Hwy 191 as they stretch into wilderness areas best accessible from the Gallatin River side.



## FY21 QUESTIONS: ROUND 1

**Organization:** Big Sky Skating and Hockey Association

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?

**We do not know for sure because more than 50% of our funds come from sources other than Resort Tax and we do not yet know what we will receive from these sources. We do believe, however, that the funds we will receive from these other sources are likely to be much less than normal and, as a result, we believe that not receiving full funding of our Resort Tax request could severely impact our organization and our ability to serve the Community and our stakeholders, both this year and in the future. It is important to note that use of our rink and our programming is made available at very little cost to those who use it and, as a result, our projected program revenues, even if increased over last year, will provide less than 15% of our budgeted expenses. Since we do not see any way to cut our expenses without seriously impacting the extent and quality of what we provide, our only alternative to shutting down would be to dip into our financial reserves. Unfortunately, much of that reserve has been set aside for future improvements that we believe are needed in the future. Also, as we learned last year when we had nearly \$20,000 of unanticipated expenses, diminishing our reserves could possibly prevent us from being able to operate in the future, especially in years where our fundraising falls short. For example, a combination of not receiving our request monies from Resort Tax (\$42,052), a \$15,000 reduction in donations/board sponsorship revenues, and having only \$10,000 of unexpected expenses (a total of \$67,053), would nearly eliminate our cash reserves, potentially could jeopardize our operations in future years. We do see a possibility, however, of helping Resort Tax in this unusual year by postponing our funding, if done in a way that will avoid diminishing our reserves long-term, as we will explain.**

2. Have you received any grants due to COVID-19? **No.**
3. Which projects can be removed from this year's request or postponed? **As for removal, none. We operate on a shoestring as it is, depending heavily upon volunteers. Because we have already anticipated that our financial support could be reduced this year because of the effects of COVID 19, we did not include in our budget any non-essential items or new purchases. Of the amounts we have budgeted, our two largest expenses are for contract labor and energy costs to refrigerate the rink and cutting either of them would seriously compromise what we have to offer and likely reduce**



revenues. Eliminating refrigeration, though it could reduce expense for the Season by \$25,000, is not a good option for several reasons: First, based on past experience, not having refrigeration will likely result in us losing over 30 days of operation. Second, the expense savings will likely be offset by reduced revenues. This is because not having the ice quality and consistency which comes from refrigeration, will likely cause us to cancel our curling program, which eliminates our largest program revenue producer by far. Cutting the number of days we operate also will likely alienate some of our best private financial supporters, who have been very generous because they very much want a refrigerated rink. As for contract labor, we believe all of the \$42,999 budgeted is essential if we are to keep the rink operating in a proper way (we hire these people to clear snow and ice, operate our Zamboni, provide a rink manager at key times, do clean-up, etc.). We see no way that we can operate without using the budgeted amount for those purposes. As to Postponement, we do believe that Resort Tax could postpone our funding by asking us to temporarily use some of our financial reserves until they can be replenished by Resort Tax once they have more funds, either at a second funding cycle for FY21 or in early FY22. Though a significant portion of our reserves are intended for future projects, including long-term improvements, we believe we can postpone those projects and temporarily “borrow” a portion of these allocated funds for FY21 without impacting our organization.

4. When are you merging with BSCO? That is not known nor is merger a certainty. We have engaged in several meetings with BSCO to discuss possibilities and I believe both sides have been encouraged by the results, but merger will depend upon finalizing the details in a manner which is acceptable to the Boards of both organizations and which will result in approval by the Attorney General of the State of Montana. BSCO did ask us to talk with our Board and confirm their interest in a merger based upon preliminary assumptions as to terms. Our Board did confirm their interest and BSCO was so notified. It is also our understanding that BSCO Board similarly confirmed an interest from their Board. As we understand it, the next step is for BSCO’s counsel to put into writing the specifics of a merger proposal, consistent with the discussions in our meetings, but we have not yet received that document, although we believe that will occur by the end of the Summer. The parties believe that, if negotiations go well and the parties are satisfied with the terms of an agreement, a merger could take place within a year, but that is not a certainty.
5. Can the Parks & Trails District fund your operation? Assuming you are asking about the Big Sky Trails, Recreation & Parks Special District, we assume that this is a question about



possibilities for the more distant future. This is because we understand, from reviewing their minutes and talking with others, the District to date has not yet created a mechanism for consistent public funding of their entity and their mission. If a tax or other funding mechanism is created in the future, however, and the use of those funds can include regular support of operating expenses for organizations such as the BSSHA, the BSCO, etc, then it would make logical sense for them to provide organizations such as BSSHA with regular and consistent funding for the operation of their facilities and programs. Ice rinks, especially those providing a consistent, high quality ice surface through refrigeration and consistent maintenance, typically cannot survive without some form of consistent tax based financial support (private donations normally can cover only part of the costs).

6. If you were to merge with BSCO how much costs savings would there be? **This is unclear. We believe both organizations would agree that a potential for a merger is less about saving money and more about being better able to fulfill the missions of our respective organizations and stakeholders over the long-term. We do believe that, initially, there could be some minor cost savings, but at this point we have no reason to believe that they will be very significant. Also, such savings could be offset if a merger somehow reduces our private donations and other funding. We do see that, after the Community Center is completed and staffed, there is a possibility of more significant financial savings if some of the Community Center staff can be used during the Winter to perform tasks for which we currently pay contract labor. At this point, however, the parties are still evaluating the likely financial effects of a merger and whether BSCO, without negatively impacting their finances, can maintain at least the level of facilities and programming currently being provided by the BSSHA. The BSSHA is optimistic that there will be a favorable answer to these financial concerns, but it is currently premature to know this.**





## FY21 QUESTIONS: ROUND 2

**Organization:** Big Sky Skating and Hockey Association, Inc.

1. Do you have any funds from FY20 you are able to release? **No. We used all of the allocated funds. In fact, because of a number of unexpected expenses, we ended up going well beyond our budget.**
  - a. If yes how much can you release? **N/A**
2. Using the table below please provide us with a month by month budgetary breakdown of all projects you applied for:

**\*\* Note: We for "Project 2 Replacement", anticipate with our FY22 Assuming we those funds in anticipate \$30,000 to we anticipate of the purchase quality set of (probably \$80,000 upon**

Month	Predicted Resort Tax Request PROJECT 1 OPERATIONS ASSISTANCE	Predicted Resort Tax Request ** PROJECT 2 BOARD REPLACEMENT
July 2020		N/A—see note to the
August 2020		Right
September 2020		
October 2020		
November 2020		
December 2020		
January 2021	5,000	
February 2021	10,000	
March 2021	10,000	
April 2021	15,227	
May 2021		
June 2021		
July 2021		

**did not apply Board but do applying for it application. do apply for FY22, we asking for \$40,000, which will be one half price for a used board \$60,000 and depending availability).**

**We will fund the remaining half of the costs. Assuming we receive the requested funds, we would likely need the money by September of October of 2021.**

3. Do you expect next winter use to decrease? **We do not expect a decrease in participants in our youth programs, open hockey, broomball, or curling, although the numbers for our youth hockey program could be down a little because of a probable conflict with the scheduling of boys' basketball at Ophir (which will change after next year). We do believe there could be a decrease in our open skating participation if there is a decrease in the number of Winter visitors to Big Sky. Because we are an outdoor activity, however, the numbers might even increase because we believe that skating,**



hockey, etc. , as an outdoor activity, would likely be attractive to those who want to maintain social distancing.

- a. Does a decrease in visitors change your application request? **No. The costs to operate our facility will be the same. That is because the need for snow removal, trash pickup, operators for our Zamboni, rink management, etc. utility costs, and people to set-up and take down our rink, generally will be the same irrespective of how many people show up to use our rink.**
4. Will the existing refrigeration system work with the permanent solution you are contemplating? **We are not sure what you mean by “the permanent solution you are contemplating” but, if you are asking about the plan to install a concrete slab upon which our rink can be placed, the answer is Yes. The pipes for our refrigeration system were designed to create an option for encasing the plastic pipes in concrete, although there may be some special fittings which will need to be added. Assuming a concrete slab is to be built by BSCO, our current intention is to have the pipes encased in that slab as part of that process. That is because of the following benefits that are likely to occur: (1) it will reduce the labor spent each year putting up and taking down the system, (2) it will likely reduce maintenance costs (the pipes are less likely to tear, spring leaks once in concrete), and (3) it will likely reduce the amount of energy used to refrigerate the ice surface.**
5. What is the minimum BSRAD funds you need now to set you up for success next winter?
  - a. *Noting there will be a FY21 Fall Allocation* **Because our Season does not began until roughly December 1, and most bills to us will not be received until after the first of the year, we can get along without any funds until February 2021. As previously indicated, if it will help BSRAD, we can use some of our allocated reserves to pay our early expenses—so long as we have reason to believe that these will eventually be replenished with a grant from BSRAD. If that cannot happen, however, then we have to consider the possibility of cancelling our entire Season, which we believe would be a major setback for our programs and a deep disappointment to many in the Big Sky Community.**
6. How many participants do you have in your programs? **Unfortunately, we do not know the total number of participants because, mostly due to operating cost concerns, we do not keep records regarding our informal programs, especially “open skating”, which we believe accounts for the heaviest use of our rink. We know our open skate sessions are regularly used by locals and there is also substantial usage by visitors to Big Sky. We do keep information about the number of participants in our formal programs (curling, youth hockey, broomball, 3-on-3 adult hockey) which we will provide. Anyone who goes by our rink during most days and evenings, however, cannot help but observe that our rink is in constant use all day and evening.**
  - a. *Office Answered (Please Verify): 5000 people served answered on LOI.*
7. Approximately how many hours of service do you provide to the community of rink operations each season? **We usually operate from Noon until 11:00 each day, seven days a week, which means people are using our rink around 70 hours a week. Our typical season lasts between 16-18 weeks, which means that our rink operations are likely available to the community 1120-1260 hours a year.**



8. What amount of your reserves, if any is the Board willing to utilize this next season to support operational funding shortfalls? **As previously indicated, we could probably use around \$40,000 of our reserves, but only if we have a strong likelihood of having them being replenished once the COVID19 situation is over. The problem for us is that the greatest portion of our operating budget is paid for by private donations/foundation grants and, if the amount of those donations decrease significantly in any one year, which we believe is more likely this year because of the impact of COVID-19, and we also experience unexpected expenses coupled with no operating expense funding from BSRAD, it could wipe our operating reserve and jeopardize our ability to operate in future years.**
9. Please provide a list of your programs and the amount of people that participated per program over the last 2 years.

**Open skating and hockey:** We estimate thousands of participants each year.

**Youth Ice Hockey:** FY 20: 58 FY 19: 52

**3 on 3 Adult Hockey:** FY 20: 72 FY 19: 40

**Adult Drop-in Hockey:** We do not have statistics on this because there is no formal registration and money collected from players is dropped into our donation box. We estimate 120 players each in FY 20 and FY 19.

**Curling League:** FY 20: 100 players (only one season b/c early rink closing).  
FY 19: 195 (we had two seasons)

**Learn-to-Curl:** FY 20: None this year (because our Curling League was overbooked)  
FY 19: 40 participants

**Budah Youth Hockey Camp:** FY 20: 30 participants (75% from Bozeman, 25% from Big Sky)  
FY 19: N/A (FY 20 was the first year for the camp)

**Exhibition Games:**

--Junior A hockey game (Bozeman Stingers vs. Sun Valley, Idaho)  
FY 20: 40 players, 200 spectators  
FY 19: N/A

--Pavelich Invitational  
FY 20: 36 players, 120 spectators  
FY 19: 32 players 100 spectators

Do you anticipate a decrease in your programming numbers due to COVID-19? **If you are asking about our formal programs, the answer is No. We believe that, because we provide outdoor activities, COVID-19**



is unlikely to affect our numbers with one possible exception: If COVID-19 results in a reduction of visitors to Big Sky this Winter, it could result in a corresponding reduction in the number of participants in our open skating sessions. Also, since most participants in our broomball program are temporary Winter employees of the Mountain, the number of participants in that program could decrease if the Resort decides to hire less people.

10. What are your plans for fundraising and private donations? **We plan to pursue several avenues to raise funds. First, we will do our usual board sponsorship campaign, which is targeted at businesses and accounts for the largest amount of our regular funding. Second, we plan to approach some individuals who have been very generous in the past and see whether they will consider making a special donation to help us with our operating expense. Third, we are investigating whether some of the local foundations will consider helping us with our operating expenses—although, in the past, they typically do not provide grants for operations expense. Last, we will do our golf tournament, which typically nets three to five thousand dollars.**

11. Considering BSRAD is having a second allocation process in November. Are you able to withdraw your June application?

**We will strongly consider doing that if Resort Tax requests that we do that. That is because BSRAD has indicated that we could reapply for an allocation in November. We believe it is important to note, however, that if operations funding does not occur in the November allocation, we may find it necessary to cancel our entire 2020-21 season. This is because we think it would be a bad idea to permanently dissipate the cash reserve we currently have for operating expenses and for our board replacement. By the time of the November process, however, we should have a better idea as to the success of our 2020-21 fundraising results and, depending upon that outcome, it is possible that we will ask for a lesser (or greater) amount than we are now requesting. If BSRAD suggests we withdraw our current application, let us know, and we come to a prompt decision.**

## **FY21 QUESTIONS: ROUND 1**

**Organization:** Warren Miller Performing Arts Center

**1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?**

It would be a substantial loss for us. We have developed a model that balances contributed revenue from resort tax, individual donors, community foundations, earned income from ticket sales, and in-kind contributions. With no resort tax funding, we would have to redesign our entire year of programming, and the quality and consistency of the programming would be reduced. Ultimately, it affects our brand promise of delivering excellent, world-class content to our entire community. In order to respond, we would most likely diversify our cuts into marketing expenses and production fees. Our largest line item year-over-year is artist fees, which ensures that we provide our community with the best possible programming. Since we are competing in a national marketplace, we would essentially need to move into a different style of presenting, which would happen less often.

**2. Have you received any grants due to COVID-19?**

We are still waiting to hear back from the National Endowment for the Arts, the Western States Arts Federation, and the Montana Department of Commerce for emergency relief for arts funding. We know that all of these grants are highly competitive, with limited funds in each. While we are optimistic, we are not counting on receiving any of these grants, as the presenting and producing arm of the arts have been widely affected across thousands of organizations across the U.S.

**3. Which projects can be removed from this year's request or postponed?**

As decisions are made daily surrounding the safety of crowds and gatherings in Montana, we are focusing on adapting relationships to move into parallel paths for presentation. In an ideal world, we would maintain all of our programming, and focus on alternate plans across the board for virtual proxies in place of in-person performances. The good news is that virtual programming is much more affordable than in-person programming. So while we will likely transition most, if not all, of our summer programming to a virtual format, we would prefer not to remove anything from the schedule in order to continue serving our audiences. Since this question can be assumed to be related to financial implications, we can answer affirmatively that with virtual adaptations, our ask from Resort Tax will be considerably less for summer artist fees.

**4. What will your winter season look like if large group gatherings are still prohibited?**

We are working on building up inventory and a skill-set to present and produce shows virtually to an audience that tunes into the broadcast. We have already made major strides in this arena, engaging over 1,200 people for a meaningful amount of time (40 minutes on average) these last six weeks. If we needed to continue to limit gatherings of individuals, we would still commit to programming as we laid out in our application, and build out our digital infrastructure to watch shows live from the safety of our audience's homes. We believe this is entirely achievable with the available technology. A challenge we'll have to address is the changing nature of how artists present themselves, and whether or not they are comfortable with virtual presentations and digital broadcasting. That is going to take some time, but we remain optimistic, as many artists have already agreed to do virtual presentations with us.

**5. What are your commitments for the winter season? Are refunds possible?**

We have not signed a single contract for the year ahead, and we are taking this day by day, project by project. We do have our Winter Season tentatively lined out with artists and their representatives. That being said, engaging in a contract with an artist is difficult due to the logistics and refunds surrounding the COVID-19 pandemic. There will come a time in the next six months in which we must begin signing legally binding agreements.

As the pandemic is now a known event, the FORCE MAJEURE clause in the contracts likely won't hold water in litigation were we to cancel events after executing a contract. The standard contract policy is to put down a non-refundable deposit of 50% of the artist fee. We will work with agencies to negotiate more flexible policies that allow for postponements and specific clauses related to COVID-19, wherein if we're unable to postpone, the non-refundable portion of the fee will be a lower percentage of the total fee.

Ultimately, this is an ongoing discussion with many unknowns and a complete lack of precedent. At this time, we are merely making offers and engaging in conversations across the board with artists and their representatives. While we assume that artists will be relatively flexible in signing contractual agreements, we won't know until we actually cross that bridge.

## **FY21 QUESTIONS: ROUND 2**

**Organization:** Friends of Big Sky Education dba Warren Miller Performing Arts Center

- 1. Do you have any funds from FY20 you are able to release?**
  - a. If yes how much can you release?**

Per conversation and exchange with Resort Tax Staff from late March and early April, WMPAC has agreed not to request any remaining funds from its FY20 allocation of \$211,191. To date, we have received \$184,100, and we can hold off on remaining capital needs for the time being.

- 2. What amount of your reserves, if any, is the Board willing to utilize this next season to support operational funding shortfalls?**

The leadership team at WMPAC has agreed not to spend more than 1/3<sup>rd</sup> (just over \$30,000) of our current reserves to support operational funding shortfalls in the coming year.

- 3. How much on average does each of your virtual events cost you to provide to the community?**

In the initial phase, our events ranged from \$500 - \$2,500 to produce from a strict artist fee perspective. This does not take into account the amount of labor and volunteer time it took to promote and produce the events. Moving forward, this number will likely be more in the range of \$3,000 - \$7,500 per event to produce, as audience expectations will grow and our continuing needs to innovate. Again, however, this is a big unknown, so we are hesitant to put an exact number on this. This also depends on the type of virtual programming we use. The possibilities for virtual programming are vast. These numbers represent what we have learned thus far, but the technology and demand for it is growing across presenters and organizations around America and the world right now. We anticipate next month to look different than this month.

- 4. How do you anticipate adjusting based on current social distancing requirements?**

To get right to the point, it means that our audiences must be limited, both in number, and the way in which they can engage at WMPAC. While we do believe that our audiences will still be excited about programming at WMPAC, we simply cannot assume that the theater will be able to fill up responsibly for the near future. That means less earned revenue, a likely drop in corporate sponsorship, and, pending grants and donor/patron buy-in, a scaling up of differentiated virtual programming. We are optimistic about the latter. From our initial experiences with virtual programming, we had a very positive response that has warranted further exploration of possibilities in that arena. But as we move forward, we need to be clear in saying that the virtual experience will **never** replace an in-person experience at WMPAC. People will accommodate in the short-term because of the immediacy and shock of the public health emergency, but it is not a long-term solution. Virtual programming, if done well, could have supplementary benefits down the road, but it will still be very much ancillary to our live, in-person programming. As Montana responds and learns more about the COVID-19 pandemic, we will slowly get back to the way things were with audience sizes and expectations. That could happen as early as this fall, or not.

**5. Is there an opportunity to run each show twice (matinee and then evening) without any major cost increase for you if you need to stay at less than full capacity?**

This will depend on contracts and artists. We anticipate flexibility in this regard, and it is something that we have considered. But again, it is something that we would have to take on a case by case basis. Thank you for the suggestion. Typically, to add a second show, the artist expects an additional 50% of their previously negotiated fee. Sometimes there is no discount (with more famous individuals for example), and a second show costs the same as the first. Since we are in new territory, there is a possibility that this is something we can explore. Again, this is a case by case basis, and it is not something that we can assume will apply across the board.

**6. What is your long-term goal for percentage funding by BSRAD?**

To maintain a program of world-class programming that continues to put WMPAC on the map in the State of Montana and the greater Rocky Mountain territory, we will always need to balance our earned income, private and corporate donations, foundation funding, and Resort Tax. Based on analyses of over 200 programs, we find that the best route forward is to maintain a percentage of between 25% - 30% of our funding to come from Resort Tax. In recent years, we have noticed a really wonderful uptick in our ticketing potential, but with the COVID pandemic, that number is now very difficult to track and predict.

**7. How do you intend to implement social distancing in your operations?**

Please see our attached seating charts and our COVID response. In addition to limited audiences, we are highly engaged in developing infrastructure for digital participation in our events. The basic strategies are as follows while we remain in Phase II of Governor Bullock's reopening the Big Sky Plan. These plans are pending Department of Health approval and best practices among theater managers in Montana, which are still in development.

A. Audiences will be limited to 50 people, which will likely be smaller in order to accommodate event staff and artists. Everybody will be required to sit according to a strict seating chart that allows flexibility with congregates (immediate family and household members) to sit in assigned spots.

B. Audience members will be required to wear a mask anytime they are standing and moving around WMPAC. Once they get to their seats, they will be allowed to remove their masks. We will provide masks to individuals and families who do not have them.

C. Ingress and Egress will take place at the side door of WMPAC instead of the lobbies, so audience members will be able to go directly to their seats. Additionally, we will keep all doors open in the facility to best avoid bottlenecks at doors.

D. No intermissions.

E. Shorter performances (averaging between 40 – 70 minutes rather than 80-120).



F. To the best of our abilities, communication around and encouragement to avoid using the restrooms while at our facilities. While obviously we can't control this, we can communicate policy in advance and encourage social distancing and best practices.

G. Enhanced sanitation protocols in collaboration with the Big Sky School District.

**8. Considering BSRAD is having a second allocation process in November. Are you able to withdraw your June application?**

The short answer to this is no. We must have a clear sense of what our funding by July so that we can negotiate and contract with artists for this coming season. We are already behind (like everybody is), and because artist tours must be negotiated across large regions with other collaborators, there must be months of advanced notice and planning. If we were to wait until November without a clear sense of our funding, we would not be able to successfully plan and implement a Winter Season. It would simply be too late.

**9. How much funding do you need in the next 6 months to book next winters talent?**

**a. How much would be refundable if performances get canceled due to COVID-19?**

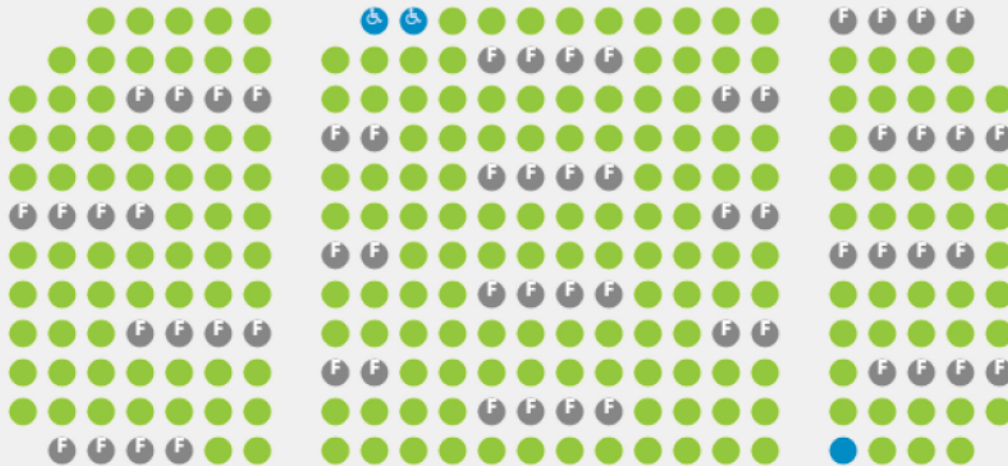
At a bare minimum, we would need \$57,500 to book next winter's talent, which is an estimated 50% of our reduced budgeted season artist fees. Given so many unknowns at this point, and a chicken/egg dilemma, this is our best guess. What will be refundable will be a case by case basis again. Some groups will work to keep the entire 50% deposit typical of an engagement, while others might be more lenient. However, it should be said that within our ask this season, we need at least \$100,000 to securely book the Winter Season. If we were to receive only \$57,500 to book these acts in this June session, booked the contracts, and then did not receive anything else in November, we would be left with a hole that would be nearly impossible to fill based on previous year baselines. That level of risk makes us extremely uncomfortable. Lastly, I should also say that this question only refers to our Winter Season, and we have answered as such. As we outlined in our application, we ask for support for our year-round engagements, which include winter, summer, fall, and now an ongoing exploration of virtual programming, which each have their own associated costs.

# REDUCED SEATING CAPACITY AT WMPAC



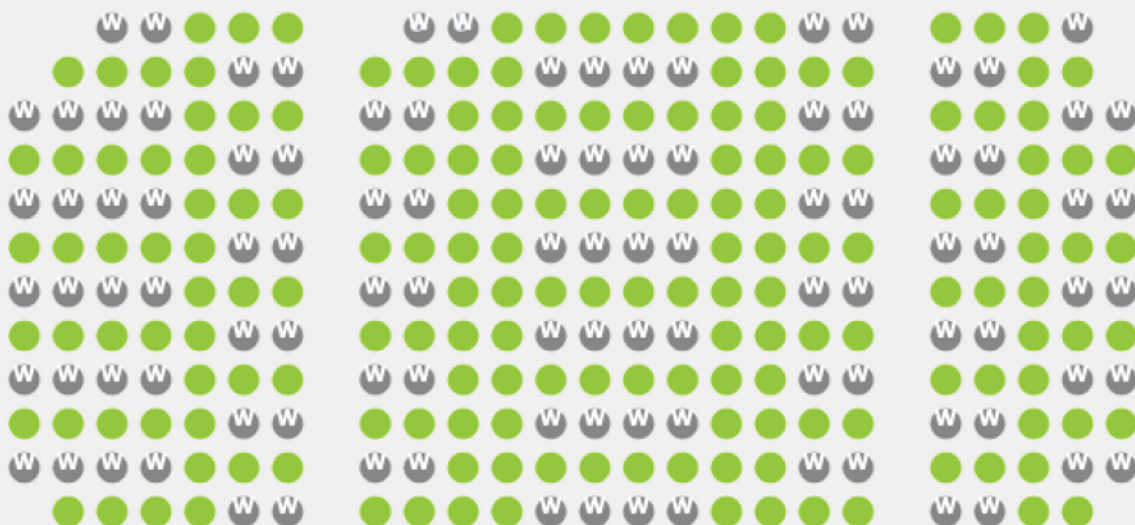
FALL '20 - 20% Capacity - 60 Seats

STAGE



WINTER '21 - 35% Capacity - 100 Seats

STAGE



## FY21 QUESTIONS: ROUND 1

**Organization:** Friends of the Library

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding? The Library relies on 85% of funding from Resort Tax dollars for basic operations, therefore we could not manage to keep our doors open without RT dollars.
2. Why do you choose not to have your financials audited? Our Board is of the opinion that the size of our organization doesn't justify the \$\$\$ thousand(s) in expense for an independent audit. We track income and expenses carefully through QuickBooks and maintain solid segregation of duties procedures. We use the services of a bookkeeper for payroll and tax filings. A CPA prepares our annual 990 and assists us with any accounting issues we have.
3. Have you received any grants due to COVID-19? No
4. Which projects can be removed from this year's request or postponed? Our request is for the basic operation cost of running the library. We would have to make cuts from the individual line items.
5. How has COVID-19 affected your hours of operation? We closed our doors to the public on March 15th. The librarians have used this time to cull obsolete and outdated books and resources, completed inventory on the collection, and have transferred our weekly story times to virtual format. We are answering multiple emails regarding online resources as we have seen a large increase in usage of our databases and eBooks.
6. What are the roles & responsibilities of your 3 PTE's?

### Library Director

Oversees all aspects of the library: Budget, programming, databases, ordering of all materials, public relations, website, grant writing, collection maintenance, inventory, liaison with school and community and Friends of the Library, donations, implementation of new programs, training and employee hiring.

### Assistant Librarian

Automates and catalogs all materials and shelves all returned items. Works the 20 hours the library is open to the public. Assists patrons in all aspects of the library: circulation checking in and out, computer use, Adult and YA reading programs, database and e-book questions, printing, repairing books, story time coordinator, 1,000 Books before Kindergarten, inventory, and reading advisor.

### New Hire

Intern and train with Kathy House for a smooth transition when she retires June 2021. Community outreach for virtual programming: story times, book clubs, and development of educational zoom videos for using on-line resources and databases.

Establish a social media presence for the library, coordinate Books for Babies program, assist in developing stronger STEM (Science Technology, Engineering and Math) story times, educate parents and patrons in using iPad and Kindles. Outreach to Morningstar for story time visits. \_\_

7. What will the roles & responsibilities of the additional PTE be? Interning with Kathy House. See above for additional responsibilities.
8. What is the justification of hiring an additional PTE, when COVID is limiting operations? Throughout the 20 years, as the library has grown and the technology world has changed drastically, we have not added any additional employees, yet the responsibilities and job duties have greatly increased. Kathy House is retiring in June 2021 and in order to have a smooth transition period and to ensure that current programs are sustainable and continue to grow, we believe it is essential to make this positive addition to our staff. In this COVID crisis more than ever, we have seen a need for more community outreach to educate the public on using the on-line resources as well as the importance of communication through virtual and social media. It is our goal to develop a greater presence in the community and increase awareness of the services available. To accomplish this, extra hours are needed to help us achieve this objective.

On June 1st, we will begin curbside pickup for library materials and we are assuming that by July 1st, the new fiscal year, the library will be operating with regular hours. Extra time will be needed to sanitize all returned materials, computers, counters etc. to ensure the safety of all. As mentioned in our application this is a one-year transition position and the FOL is paying the additional PTE hours, and obviously if we do not fully open we will make adjustments to the hours.

9. Does your people served include virtual visits? If not, what would the new total be? We tallied 4,607 patron visits to the library, not virtual visits. It is difficult to determine the actual virtual visits with several of the databases but we do know all the usage has grown significantly because of the emails regarding log in passwords to Kanopy (our streaming movie service), New York Times, Rosetta Stone, and the amount of books checked out from OverDrive.

## FY21 QUESTIONS: ROUND 2

**Organization:** Friends of the Big Sky Community Library

1. Do you have any funds from FY20 you are able to release? No, we have used all the funds that we were allocated for this fiscal year.

- a. If yes how much can you release?

2. Can you please provide year over year usage data? Patron visits have increase over the past three years. 2017: 4,360 patrons, 2018: 4,400 patrons, 2019: 4,594 patrons, does not include virtual visits..

Materials circulated have remained consistent over the years. In 2017, a total 21,749 items were circulated through the library. In 2018, a total of 22,738 items were circulated through the library and finally in 2019, a total of 21,868 materials were circulated through the library. This data includes the circulation of our books, eBooks, music, audiobooks and video. This data does not include the amount of database use.

3. What is the need for additional staffing this year? Intern and train with Kathy House for a smooth transition when she retires June 2021. In addition, we will use this year to plan and develop additional digital services including community outreach for virtual programming: story times, book clubs, and development of educational zoom videos for using on-line resources and databases. Establish a social media presence for the library, coordinate Books for Babies program, assist in developing stronger STEM (Science Technology, Engineering and Math) story times, educate parents and patrons in using iPad and Kindles. Outreach to Morningstar for story time visits.

4. How many hours are you open weekly? 20 hours to the community

5. What is your FTE when you combine your 3 PT staff? 8 hours for Library Director, 20 hours for Assistant Librarian (works the hours we are open) and 8 hours for Intern for a total of 36 hours for an FTE = .9

6. Have you ever asked Gallatin County for funding? No, because we are a 501c3 not-for-profit organization funded through Friends of the Library. We are not a legal public library.

7. Please describe your sources and plans for Private Donations and Other Revenue. We are funded through membership dues, used book sales, shelf dedications and resort tax funds.

\*Just recently we were granted a \$15,000.00 grant from Three Rivers Coop and will receive funds after July 1<sup>st</sup>. An option is to reduce our Resort Tax request by \$15,000.00 if need be.

8. While your additional staff do not affect your request for this year, is it safe to say that it will affect future year requests? No, this is a one-year transition job as Dani Kabisch will take over as Library Director next fiscal year.

9. Did you have to furlough any employees due to not being open? No, fortunately the librarians have used this time to cull obsolete and outdated books and resources, completed inventory on the collection, and have transferred our weekly story times to virtual format. We are answering multiple emails and telephone calls regarding online resources as we have seen a large increase in usage of our databases and eBooks.
10. If the library must shut its doors again how will you adjust your funding needs based on not being open to the public? Obviously hours will be cut for our employees but the wonderful thing about the library is so many resources can be accessed through our website, hence the need for community outreach and social media presence. We will continue with doing our curbside pick-up (starts June 1<sup>st</sup>), our virtual story times and Book Club. As mentioned before, sanitizing books and vestibule will also take additional time. We also have a 6-week virtual summer reading program planned for the children and students in the area. All programs are free and open to the public and funded by the Friends of the Library. A few of these include Birds of Prey, a Puppet show, and Maker Day. If we find that there is a need to reduce hours for librarians, we will make those adjustments and payroll would decrease.

## **FY21 QUESTIONS: ROUND 1**

**Organization:** Gallatin Invasive Species Alliance

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?

The Alliance will utilize half of our reserve funds (approximately \$11,000) to pay for one year of necessary expenses to keep the organization solvent (insurance, website, cell phone, etc.) and using remaining funds to ensure existing grant commitments are honored (which will consume most of the remaining reserves). At that point, the board will have to furlough our contracted staff so she may apply for unemployment insurance.

Without staff, the Alliance will not be able to pursue additional grant funding and existing annual projects will be terminated. Without reserves, the Alliance may have to close permanently. To be clear, most grants related to invasive species pay for little to no staff time, thus resort tax funding is essential to our operations. We are a local organization addressing the area's natural resource issues to the benefit of the entire community.

2. Why do you choose not to have your financials audited?

GISA does not conduct an annual audit as neither the state nor any prior funders have required it. Given our small size and staff, the cost of an audit would be quite prohibitive and limit our programming. We do endeavor to maintain accurate and transparent financial statements, which are attached and can be made available at any time upon request. These statements are regularly reviewed by the board and recently reviewed by Jennifer Lammers of the Philanthropy Hub.

3. Have you received any grants due to COVID-19?

We have received \$1,000 from the Economic Injury Disaster Loan.

4. Which projects can be removed from this year's request or postponed?

We have proactively removed all unessential funding requests from our application. The request from the Alliance represents the bare bones for our organization's survival and execution of ongoing projects.

## FY21 QUESTIONS: ROUND 2

**Organization:** Gallatin Invasive Species Alliance

1. Do you have any funds from FY20 you are able to release? No, we do not. But in recognition of current conditions, we requested less than a fifth of what we requested last year.
  - a. If yes how much can you release?
2. Using the table below please provide us with a month by month budgetary breakdown of all projects you applied for:

Month	Predicted Resort Tax Request PROJECT 1 ADMINISTRATION	Predicted Resort Tax Request PROJECT 2 ENVIRONMENTAL STEWARDSHIP	Predicted Resort Tax Request PROJECT 3 EDUCATION & AWARENESS	Predicted Resort Tax Request PROJECT 4 COMMUNITY OUTREACH
July 2020	\$2,342	\$1,400	\$775	\$925
August 2020	\$372	\$1,250	\$750	\$925
September 2020	\$322	\$500	\$300	\$650
October 2020	\$1,134	\$400	\$0	\$300
November 2020	\$294	\$150	\$0	\$0
December 2020	\$594	\$75	\$0	\$0
January 2021	\$1,505	\$75	\$0	\$0
February 2021	\$294	\$150	\$0	\$0
March 2021	\$750	\$200	\$250	\$100
April 2021	\$844	\$500	\$2,200	\$200
May 2021	\$320	\$500	\$500	\$650
June 2021	\$347	\$1,300	\$775	\$1,150
July 2021	NA	NA	NA	NA

3. How would you describe “survival funding?”

“Survival funding” is the minimum amount needed for this organization to keep the “lights on” (e.g. insurance, cell phone, website, state registration, etc). It does not include any funding for staff or programs (whereas “survival +” funding does).

4. What existing grant requirements must you meet this year beyond your "survival" mode of operations?

Requirements are specific to each grant and agreement and include execution of the project, accurate accounting, record keeping and submission of reports. Some of our projects are cooperative partnerships



(not technically grants) which still require accounting, record keeping and reporting for successful execution. The Alliance has commitments or existing/awarded grants with the following:

Community Outreach Projects:

- Native Demonstration Garden at Crail Ranch: Yellowstone Club Community Foundation, Moonlight Community Foundation, Spanish Peaks Community Foundation, Big Sky Rotary, Big Sky Owners Association, Big Sky Water & Sewer, Gallatin River Task Force, Gallatin Canyon Women's Club, and Gallatin Conservation District
- Community Weed Pulls: Gallatin National Forest, Gallatin County Weed District, Madison-Gallatin Trout Unlimited, Big Sky Community Organization, Yellowstone Club, and Big Sky Owners Association

Education & Outreach Projects:

- CleanDrainDry: Department of Natural Resources and Conservation, Gallatin County Weed District, Gallatin County, Yellowstone Club Community Foundation, Moonlight Community Foundation, and Spanish Peaks Community Foundation
- PlayCleanGo: Moonlight Community Foundation, Big Sky Owners Association, and Big Sky Community Organization

Environmental Stewardship Projects:

- Bighorn Sheep Habitat Improvement: Gallatin County Weed District, Gallatin National Forest, Montana Department of Transportation, Montana Fish, Wildlife, and Parks, Montana State University, and Natural Resources Conservation Service
- Conserve Our Canyon: Gallatin Conservation District, Gallatin Resource Advisory Committee, Gallatin County, Yellowstone Club Community Foundation, Moonlight Community Foundation, and Spanish Peaks Community Foundation
- Cooperative Treatment Efforts: Gallatin County Weed District, Madison County Weed District, Big Sky Resort, and HOA's participating in the effort

5. How are you using your partners to find additional funding sources to better diversify?

The Alliance has been successful in leveraging partnerships to bring resources (both funding and actual on the ground weed management) to this community. Since 2004, when we first began our work, the Alliance has received the following funding:

- 1- Resort Tax: \$481,960
- 2- Other grants and public support: \$253,416
- 3- In-kind: \$597,152

\* A good portion of in-kind represents on the ground management of noxious weeds (e.g., \$72,835 in cooperative treatment efforts in public parks and HOA open space and \$138,505 in bighorn sheep habitat treatments) that would *not* have happened without the Alliance's efforts.

For every \$1 of resort tax funding received, the Alliance has matched that with \$1.75.

The Alliance has always worked diligently to source funding for our programs with the resources we have. We exploit every opportunity, including taking advantage of free courses and workshops, like those of the Bozeman Area Community Foundation. Our list of partners is diverse and numerous. Three points for your consideration:

1. Leveraging partnerships (networking, developing partnerships, attending meetings, etc.) and the pursuit of additional funding requires staff time. Resort Tax funding has allowed us to support one *less* than 0.5 FTE.
2. Funding specific to “invasive species” is very limited (both in sources and dollars) and highly competitive. To be blunt, the Alliance often scores low or is rejected as our competitors are more in need (i.e., ranching/agricultural communities) and our project area is a well-known affluent community.
3. Funding available for invasive species projects does not provide much, if any, support for staff. While the Alliance has been successful in getting grant awards, a limited amount can be used for staff. Without adequate funding for staff, the Alliance is constrained in the pursuit of other funding.

6. How many properties and acres did you treat through your program last year?

Important points to understand:

1. The Alliance does not “treat” private property, as only the landowner or private contractor they hire can legally do so.
2. The Alliance is an educational not-for-profit organization that provides free on-site assistance to landowners related to weed identification, management recommendations and follow-up support. Site visits are at the request of the landowner, and all successful weed management starts with education.
3. The Alliance facilitates noxious weed management on public lands and HOA open space for the public and resource’s benefit, but it is those landowners (i.e., Gallatin National Forest or Antler Ridge HOA) that conduct the actual treatment (often with us physically assisting).

In 2019, the Alliance assisted 20 landowners via on-site assessments, which represents 143 acres. Since 2008, we’ve helped 761 landowners, representing 10,089 acres. These numbers *do not* include the hundreds of calls, emails, or in-person questions / follow up conversations that we field. Noxious weed management is complicated and dynamic, thus having a trusted independent source available for assistance is critical for success.

In addition, the Alliance:

- Facilitated treatment of approximately 317 acres annually of heavily used recreation sites in the Gallatin Canyon in 2017-2019 via our Conserve Our Canyon project (funding is secured for a repeat effort in 2020)

- Removed 17,900 pounds of noxious weeds from the banks of the Gallatin River, Big Sky Community Park, and other public lands (2008-2019)
- Facilitated annual treatment of approximately 36 acres of critical bighorn sheep (a threatened species) winter range for the past 9 years
- Coordinated cooperative treatment of approximately 20 acres of HOA open space in Antler Ridge and Ramshorn (2018 & 2019) while educating those residents.

Our recent survey showed that 97% of landowners we've assisted actively manage noxious weeds on their property, 71% do it themselves, and only 14% think this community does enough to address the threats of invasive species.

## FY21 QUESTIONS: ROUND 1

**Organization:** Gallatin Valley Snowmobile Association

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?

GVSA grooms 10-11 snowmobile trails in the Gallatin, Madison and Bridger Mountains. Funds are mainly provided by the Montana State Grooming program grant. Resort tax funds allow the Buck Ridge trail to be groomed two additional times per week. Without Resort Tax funding, the Buck Ridge trail will be groomed once per week using State funding.

2. Why do you choose not to have your financials audited?

It was never viewed as something necessary. We do have an independent accountant that looks at our financials and does our taxes every year.

3. Have you received any grants due to COVID-19?

No.

4. Which projects can be removed from this year's request or postponed?

None. GVSA grooms the Buck Ridge trail as a service to the Big Sky community. A reduction or elimination of Resort Tax funds for the grooming program will see a commensurate decrease in the number of times the Buck Ridge trail will be groomed during the snowmobile season.

5. How did the avalanche impact your operation?

This past season, after the accident, most grooming of our trails ceased. The exception was Buck Ridge trail. Because of our relationship with Canyon Adventures (and their groomer), the Buck Ridge trail was groomed twice per week through the end of the season.

We are currently working with the State to either repair the machine or find another groomer. Our expectation is to be up and running by next season.

## FY21 QUESTIONS: ROUND 2

**Organization:** Gallatin Valley Snowmobile Association

1. Do you have any funds from FY20 you are able to release? Yes.
  - a. If yes how much can you release?
    - i. We did not use about \$110 of our allotted funds.
2. Considering BSRAD is having a second allocation process in November. Are you able to withdraw your June application?
  - i. The majority of our funding is spent from December – March of each year. It would be possible to delay our application.
3. Please provide the last 5 years, by year, of trail usage data:
  - i. 2016 – 13799
  - ii. 2017 – 11433
  - iii. 2018 – 20523
  - iv. 2019 – 15383
  - v. 2020 – 20889
  - vi. 5 yr avg – 16405
4. How much funding could potentially come out of the state snowmobile association to Big Sky from the groomed trail pass sticker program?
  - i. None. The revenue from the pass sticker program goes directly into the State snowmobile trail grooming program. The snowmobile clubs in the State do not request a specific amount of money in the State grant application. The State has predetermined how much funding each club will receive. And it is about the same amount every year.
5. "How many hours of time does it take to groom this trail each time?"
  - i. It typically takes 9 – 10 hours to groom Buck Ridge trail. This includes transportation time, unloading/loading and time on the trail.
6. BSRAD funds provide an additional approx. 25-30 grooming laps each year, correct?
  - a. If so, what does the \$1,000 per groom pay for?
    - i. These funds pay groomer operators, fuel, equipment usage, repair cost, parts, etc
7. What is the year over year data on number of riders?
  - i. See #3 above.
8. Please clarify, in the application you indicated that this would allow for 2 additional groomings of the trail. Later in the Goals you mentioned that this would allow for the trail to be groomed 26-30 times more than it would have. Can you explain?
  - i. If the only funding we received for grooming was from the State, we would groom Buck Ridge one time per week. Big Sky funding provides 2 additional groomings per week, which works out to 25 – 30 in total additional groomings over the entire season.
9. What funding do you receive from the State?

- i. Annual state funding for our club is around \$25,000. Specifically for this year, we should receive \$25,434.

## FY21 QUESTIONS: ROUND 1

**Organization:** Habitat for Humanity Gallatin Valley

1. **What happens to your projects/programs or organization if you do not receive Resort Tax funding?** *If we do not receive funding, we would have to seek an outside loan to cover completion of the project. Habitat would have to engage in conversation with the School Board to find alternative funding sources.*
2. **Have you received any grants due to COVID-19?** *Habitat has received a PPP loan to cover the cost of staff payroll and benefits only.*
3. **Which projects can be removed from this year's request or postponed?** *This remains uncertain. We need to request an extension for completion of the project according to the terms of the HOA. We had one year to complete the construction. Due to COVID-19 we are behind our original timetable due to a loss of volunteer labor. This volunteer labor force had signed up beginning late May and had been committed through September. However, these volunteers have been postponed this year, again because of COVID-19. If an extension can be obtained, we would delay the completion of landscaping and the creation of the berms. However, that also might add to the cost since we would be pushing that expense into late 2021*
4. **What portion of your extra costs were unbudgeted vs how many were project overages?**  
*Overages items experienced were in two areas. One, the infrastructure cost of a second well and pump (\$15,000) and the cost of rental equipment (\$8,000). Unbudgeted costs were in the cost of labor and equipment to fly the trusses (\$25,000) and the loss of volunteer labor which accounts for \$53,760.00. We have had to secure an additional outside (local) contractor to replace the loss of our core volunteer labor.*

## FY21 QUESTIONS: ROUND 2

**Organization:** Habitat for Humanity Gallatin Valley INC

- 1. Do you have any funds from FY20 you are able to release?**
  - a. If yes how much can you release? *We do not anticipate any funds going unused from our FY 20 request. Our original plan was to begin using the balance from the Resort Tax Board late March early April of 2020 and complete the request for funds by the end of June. Due to COVID-19 our construction schedule changed dramatically. We anticipate using the remaining funds; however they may not be requested by the end of June 2020.*
- 2. What is the completion schedule and when will final costs be known?** *We are looking for a completion date of early 2021 for the second triplex. The first triplex is scheduled to be completed for occupancy by the end of August 2020. Depending on funding, there may be some aspects of the project that may be completed by June of 2021. Landscaping and the building of the berms are two that come to mind.*
- 3. What portion of the additional costs about budget is your others funding partners in this project covering?** *Big Sky School District is projected to cover approximately 70% of the additional funds needed to complete the project as planned.*
- 4. What percent of the overall budget are you over on the project as a whole?** *Our calculations show approximately an 8-10% overage at this time. One has to consider the portion of the School District funds were required to cover the cost of the bond and were not available for direct payment of construction activities when we did our initial planning.*
- 5. What other sources have you looked at to help fund this overage in budget?** *We have looked at various fundraising activities from the local community. However, with the business community only beginning to recover from COVID-19, we see this as a limited resource at this time. We are requesting an extension from the HOA to postpone some aspects of the total project, (i.e. landscaping and berms.) so those costs might be able to be paid for by rental income. We have reached out to NorthWestern Energy for additional funds for solar panels, however, that has been limited in their response. We have reached out to the Habitat Building community for volunteers for the remainder of this year and into 2021 to contribute their building skills to help with any construction activities. The Habitat Building community and teachers/school employees continue to provide support and we hope to use these groups to cover the majority of labor that we missed out on between the months of March and June of this year. We have also looked at the possibility of obtaining a loan to cover the additional anticipated costs.*



6. **How much of the request do you guess is related to COVID-19 vs higher cost of construction due to the wells and Big Sky?** *Our request represents 80% of the loss of labor due to COVID-19. We had volunteers scheduled from May through October, coming from around the country to work on this project. The loss of this labor force between May and June alone amounts to \$65,00.00.*

## **Organization: Morningstar Learning Center**

### **1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?**

Resort Tax allows Morningstar to remain affordable to our local families while still paying our overhead. If Morningstar does not receive funding (which goes directly to offset the cost of our service), local Big Sky families may no longer be able to afford Morningstar's childcare due to financial constraints. In some cases, one parent may be forced to quit their local jobs to stay home to care for their children. In other cases, families that cannot afford Morningstar may have only one income and could be forced to relocate. This could result in a reduction in the number of available employees in Big Sky.

Morningstar would also be forced to look at ways to lower the cost of tuition if it did not receive funding. This would include cutting staff wages and benefits to reduce tuition. However, Morningstar historically has had a difficult time retaining staff due to already low wages. It would be even more challenging to retain staff if Morningstar had to drop wages lower than they already are.

### **2. Why do you choose not to have your financials audited?**

Morningstar doesn't need to get an audit because they are not subject to audit requirements. Audits can be required when the assets are at a certain level or a non-profit expends a certain amount of federal funding, which doesn't apply at all to Morningstar.

### **3. Have you received any grants due to COVID-19?**

Yes. Morningstar received a Paycheck Protection Program loan, which we are hoping will be turned into a grant.

### **4. Which projects can be removed from this year's request or postponed?**

None. Our only project is tuition reduction. Morningstar continues to charge tuition monthly.

### **5. Have you seen a change in demand for the Resort Tax scholarships with COVID?**

There were fewer enrollments in March, April, and May this year than there were in 2019. However, Morningstar is on track to be close to 2019's enrollment numbers for the summer quarter (June, July, and August).

**6. Your growth is outpacing Resort Tax collections (enrollment has increased by 3% but your request grew by 20%), please explain:**

Morningstar is facing difficulty retaining staff. We currently need 14 full time staff. In the last year, we saw a 114% turn over from staff. Morningstar employed an average of 14 people per month between March 2019 and March 2020. In that time, 16 staff left Morningstar. Our exit interviews show that the main reason for leaving is that the employees could make more elsewhere, including stocking shelves at the local grocery stores. In order to retain our staff, we must increase their wages. If the request is funded, Morningstar plans to raise tuition if we are granted the full request. The funds received from Resort Tax will offset the tuition raised, so that our parents will not see a change in tuition (we raised tuition for them already by \$2.00 per day per child on June 1, 2019). If we raise tuition, we will be able to pay staff better. If we pay staff better, we hope they will stay longer. Parents will not be affected by the increased tuition if Resort Tax offsets the cost.

## FY21 QUESTIONS: ROUND 2

**Organization:** Morningstar Learning Center

- 1. Do you have any funds from FY20 you are able to release?**
  - a. If yes how much can you release?**

Morningstar operated at a loss during the Coronavirus pandemic to serve the needs of first responders in our community. Morningstar lost around \$17,000 in April. Morningstar applied for Relief Funds from Resort Tax. Resort Tax discussed reallocating funds designated for Tuition Reduction to the Morningstar Relief Funds. Morningstar will use all the money allocated to it for the Financial Year 2020.

- 2. What is the expansion plan when/if you meet maximum capacity in 2023?**

Morningstar plans to build staff housing prior to expanding our childcare facility. We plan to build staff housing within the next five years. If/when we meet maximum capacity in 2023, Morningstar would cap attendance and serve families on a first come, first serve basis and then look at the next phase of build out for the Morningstar Center.

- 3. Has your board discussed going to a ""needs based"" scholarship program rather than providing everyone a 20% reduction with BSRAD funds?**

The board has not considered a “needs based” scholarship. Morningstar offers the Tuition Reduction Scholarship to locally employed families. Based on the best information that we have, everyone who has a child in Morningstar “needs” the tuition help.

- 4. Would the increase in BSRAD per child per day decrease the cost to parents per day?**

No

- a. If not, are you also raising the parent daily fee the same percentage as your request to BSRAD outlines?**

Yes. Morningstar would in turn raise staff wages to provide competitive wages. By providing competitive wages, Morningstar hopes to hire and retain employees more easily. Last year, Morningstar had a 114% turnover rate in staff.

- 5. Do you receive funds from DPPHS for families that are eligible for state childcare assistance?**
  - a. If not, why?**

I believe that you are asking about the Best Beginnings Child Care Scholarship program. If so, it is not the childcare facility that applies for the funds, but the parents. The scholarships are available to families that are at or below 150% of the Federal Poverty Guidelines and families who get cash assistance through the TANF program. At this time, none of the Morningstar families have this scholarship, but we are aware of the program and have the information of it available for our families.

**6. Are you expecting to serve the same number of children as last year?**

No.

**a. If not what will your number of children served be this year?**

Morningstar will have had approximately 9,912 enrollments from July 2019-June 2020. We serve approximately 70 families throughout the year.

**7. What was the amount per day you ended up receiving last year?**

Morningstar received \$13/day in 2020.

**8. How do you ensure that only Big Sky residents receive this funding?**

Morningstar asks parents for their address at enrollment.

## FY21 QUESTIONS: ROUND 1

**Organization:** Parkview West Homeowners Association

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding? **We will have no choice but to shoulder the total burden.**
2. Why do you choose not to have your financials audited? **We are a small organization, and this has just never been an issue.**
3. Have you received any grants due to COVID-19? **No**
4. Which projects can be removed from this year's request or postponed? **There are no component parts that can be separated. If we are to reduce the size of the bond it is best done at the time of creation which is this fall according to the county treasurer.**
5. How many "non-members" live in the area? **Approximately 10. The greater canyon neighborhood on the 191 corridor 1 mile north and south would all greatly benefit from fire truck accessibility to hydrants for refilling. There are approx. 37 properties along in this corridor who are not part of Parkview West HOA. Many of these properties have multiple homes/families on each property for a total of approx. 150-200 residents.**
6. Please quantify how the general public is served by this project? **This is a public bridge on a public road used by the general public to access a public trail, and everyone living here and in the region is a member of the general public.**
7. How does the general public benefit from fire trucks with water being able to cross the bridge? **We have installed hydrants on the western side of the river for the fire department to draft water directly from the river. This benefits the homeowners on both sides of the bridge for some distance up and down the canyon. Prior to strengthening the bridge, the fire trucks used by Big Sky Fire had to empty their tanks prior to crossing the bridge, and then refill on the other side. This is a critical time delay of a minimum of 20-30 minutes to dump and fill. A house fire or wildland fire anywhere in this canyon corridor is threatening for many homes and can easily get blown north or south toward Big Sky quickly. The ability to fight fires immediately is imperative to saving homes and lives and for the safety of the Big Sky community.**

**The hydrants were used several years ago when a home burned across 191 from Parkview West. At that time, they were filling trucks only partially so they could cross the bridge with some water. Luckily, that evening was calm winds and only one home burned.**

8. Why are dues and fees decreasing? **Because of the RID, the burden has shifted from annual dues to increased property taxes.**

## NFY21 QUESTIONS: ROUND 2

**Organization:** Parkview West Homeowners Association

1. Do you have any funds from FY20 you are able to release?
  - a. If yes how much can you release? **No FY20 Resort Tax funds granted**
2. Can cars cross the bridge without it being rebuilt? **Yes**
3. How is non-resident crossing affected by not having the ability for a fire truck to cross? **Not affected in the short-term; had the bridge not been rehabilitated, non-residents would've been affected, if the bridge could no longer pass inspection.**
4. Why would the Resort Tax pay for a bridge to access a specific homeowners association?

**First, the founding charter of the Resort Tax Board states that resort tax is to be used for infrastructure and public safety, among other things.**

**Second, Big Sky is made up of individual HOAs. Resort tax funds benefit many HOAs. For example, large sums are rightly given to the Big Sky Fire Department which benefits many HOAs, but not the people living in Karst--if fire trucks cannot cross the bridge--even though we pay resort taxes.**

**Third, the reason this request for funding is in the name of an HOA is because Parkview West is the only entity in the area able to be held legally responsible, as required for receiving tax funds. This request is made on behalf of everyone using the bridge, not just those in the HOA--homeowners not belonging to the HOA, as well as the public in general.**

**Forth, people living in this area pay resort tax and are part of the resort tax district. Our infrastructure is just as important.**

**Fifth, resort tax is used to fund many recreational activities which are nice to have but not as important as the saving of lives and property, which we believe should be the highest priority.**

5. How many non-residents cross the bridge for the trails, dog walking, fishing access, etc.? **There is no feasible means of measuring this, but residents observe hikers, dog-walkers, fishers, hunters, etc. on a daily basis.**
6. If it is access to a National Forest trail, why wouldn't you request funding from them? **We have requested their assistance but were told no funds are available. We also asked Gallatin County for assistance, but they stated they because they do not maintain the road, the bridge is not their responsibility.**

## FY21 QUESTIONS: ROUND 1

**Organization:** Montana Land Reliance

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?

If MLR's efforts are not funded it will affect the ability of the organization to focus conservation efforts in the Big Sky community.

2. Have you received any grants due to COVID-19?

MLR has received a federal PPP loan. MLR also received an increase in funding from one foundation in response to the Covid emergency.

3. Which projects can be removed from this year's request or postponed?

MLR only has applied for one project and that project cannot be removed or postponed.

4. Will a decrease in tourism affect your operation?

A decrease in tourism should not affect MLR's operations.



## FY21 QUESTIONS: ROUND 2

**Organization:** The Montana Land Reliance

1. Do you have any funds from FY20 you are able to release?
  - a. If yes how much can you release?

MLR does not have funds to release. Most of the \$19,500 has been spent and it is anticipated that the remainder will be spent by year-end.

2. Why do you project increases in expenses yet decreases in revenues in your application?

Since the application was submitted, MLR has reduced budgeted expenses by over 10% to balance expected reductions in revenue. Due to the timing of the application, MLR was not able to include these budget expense reductions in the original application as the discussions and decisions on what expenses would be reduced was still in progress. MLR has now completed these budget expense reductions to prudently and responsibly manage for sustainability.

3. Does MLR receive any other public tax dollars for operations, other than BSRAD?

MLR does not received any other public tax dollars for operations.

4. Are there examples of other land trusts across the country that receive public tax dollars for operations?

MLR is not aware of other land trusts that receive public tax dollars for operations. However, much like MLR is requesting from the BSRAD, a number of public funders provide capacity grants to land trusts to develop and complete new conservation projects. For example, the [California Department of Conservation](#) uses bond funds to provide capacity grants of up to \$75,000 to land trusts to increase agricultural land conservation around the state. Eligible costs include staff time, travel, outreach/engagement, and overhead. Similarly, the [New York State Conservation Partnership Program](#) uses funds from real estate transfer taxes to provide “capacity and excellence” grants to land trusts to build organizational capacity to increase impact. Eligible costs include staff time, travel, materials and supplies, etc. Capacity funding like this is an efficient way for public funders to partner with nonprofits to conserve the natural amenities that support jobs and drive economies in places like Big Sky.

5. What percentage of the Big Sky MLR office operating funds would this request fund?

This request would fund 13.9% of MLR’s Southwest Montana budget.

6. What percentage of your local SW Montana Region budget comes directly from Big Sky events, community foundations, donors, and BSRAD?

Using 2019 income information:

15% came from full time residents;

6.6% came from resort tax;

10% came from community foundations; and,

32% came from part time residents whose primary address is out of state, and/or own farms or ranches in other parts of MT.

7. How much of your time is spent securing easements in the BSRAD District?

MLR opened an office in Big Sky specifically to pursue conservation opportunities due to the incredible ecological values of the area. The time spent securing easements depends on the number of active projects that are current in Big Sky. Right now MLR is working on three easements in the Resort Tax boundary, taking approximately 30% of staff time. Over the last four years between 25% and 40% of staff time has been spent in Big Sky. Some of these conservation projects take longer to come to fruition due to complexity. Big Sky is a major focus of MLR's efforts and is a hub and home of many folks who are moving the needle for conservation in Montana.

8. Are there other organizations doing land conservation within the District?

Gallatin Valley Land Trust (GVLT) is the only other organization that MLR knows of that currently works in the Resort Tax boundary. GVLT has conserved approximately 800 acres in Big Sky. MLR has conserved over 11,927 acres. The breakdown of the acreage and management within the Resort Tax parcel are below.

#### **TAX PARCEL BREAKDOWN**

**Total Resort Tax acreage: 168,552 acres**

**Private Land Total: 62,305 acres**

MLR Easement Total: 11,927 acres (19% of all private land)

Other CE Total: 814 acres (1.3% of all private land)

Designated Parklands Total: 867 acres (1.4% of all private land)

**Public Lands Total: 106,247 acres**

US Forest Service Total: 104,663 acres (98.5% of all public land)

State of Montana Total: 2 acres (<1% of all public land)

Montana FWP Total: 1,577 acres (1.5% of all public land)

Local Government Total: 5 acres (<1% of all public land)

9. What amount of your organizations reserves, if any, is the Board willing to utilize this next season to support operational funding shortfalls?

MLR is willing to use reserves, as the mission demands it, up to 75% of MLR's total current reserves.

## FY21 QUESTIONS: ROUND 1

**Organization:** The Post Office LLC

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?

If we do not receive Resort Tax funding we would be forced to submit our 60-day notice to the USPS to cancel our contract to provide postal services in Big Sky. Currently the USPS does not provide adequate funding to satisfy the operating costs of the Big Sky Post Office. For example, in 2019 the USPS provided 87.5% of the funding for operations and BSRAD provided 12.5%.

2. Why do you choose not to have your financials audited?

To date we have not been asked nor required by either of our funding entities to provide any audited financial statements. We are neither a 501c3 nor a publically traded entity. However, we do have our bookkeeping and income tax returns prepared by a third party, Lindell and Associates, who also prepares the 6-month Profit and Loss Statements that are provided as backup with our allocation requests. With a fairly simple budget, of which nearly 85% is payroll, payroll related expenses and rent, our financial detail data would be fairly easy to review if BSRAD would like supplemental data for the budget to actual reporting provided.

An audit would add additional expense to our annual budget, which we would need to increase our Resort Tax ask to absorb. In my opinion, the added cost to perform this service is not worth the any potential added confidence that BSRAD would gain in the financial information.

3. Have you received any grants due to COVID-19?

The Post Office, LLC did receive a PPP loan in the amount of \$44,100.00. Since the rules for forgiveness are still being established, we do not know whether any portion of this loan will be forgiven.

4. Which projects can be removed from this year's request or postponed?

Our request is only for operations which have continued through the COVID-19 pandemic – if fact, we are busier than we would normally be at this time of year. None of our request can be removed or postponed.

5. What are the future plans for expansion, if any?

I believe there is dissention within the USPS as to the future direction of postal delivery in Big Sky. For this reason, and our shortage of staff, I have not made much progress on the issue of a larger facility and what services it may provide. However, I do believe it will require a community effort to get the attention of the USPS to provide an analysis and long-term plan for mail delivery in Big Sky.

## FY21 QUESTIONS: ROUND 2

**Organization:** The Post Office LLC

1. Do you have any funds from FY20 you are able to release?
  - a. If yes how much can you release?

At this time I do not anticipate releasing any additional funds besides the \$30,000.00 that was previously released to the Big Sky Relief Fund

2. Hours are being reduced at the PO. Does that affect your funding request?

No. The 5 hour per week reduction in retail hours is a temporary measure in response to a shortage of experienced labor. On May 10, 2020, our longest tenured employee resigned with no notice citing a concern of contracting COVID-19. In response to that resignation, we have reduced the retail hours by one hour per weekday, which allows our remaining staff to process more incoming mail, and train new staff. We anticipate returning to our regular retail hours once we have adequate trained employees. Any unlikely cost savings would likely be realized in the 2019-20 funding cycle.

3. What is the status of relocating to a larger facility?
4. What is the status of annexing the canyon area of Big Sky into the 59716-zip code?
5. What is the status of having a federally operated facility?

The answers to questions 3-5 are related. Without first knowing what the future operations will look like, it is difficult to design a new facility. The decisions to absorb the canyon into the 59716 zip code, to potentially implement home delivery in other portions of Big Sky, and establishing a federally operated post office would all impact the size and design of a new facility, or whether a new location was even necessary. The authority to make changes to the operations of the Big Sky postal service area belongs solely to the USPS. To date, besides our local Bozeman contacts, USPS administration has shown little interest in addressing any of these concerns. They have also not provided a plausible reply to my concern that the deficit between the cost to operate the current facility and the amount of funding provided by the USPS (which is the amount funded by BSRAD), continues to grow substantially.

In my opinion it will take pressure from the Big Sky community to motivate the USPS administrators in South Dakota and Colorado to consider some of these changes to improve the service provided in Big Sky. As a long- time partner in the funding of the Big Sky Post Office, I believe it may be time for the BSRAD to express conditions by which it would be willing to provide future funding. Without these conditions, I believe the USPS is willing to continue operating under the current arrangement.

6. Do you have year over year package numbers you can share?

We are not provided that data by the USPS and prior efforts to “count” packages manually have been both labor intensive and unreliable. However, we are provided retail revenue figures on a monthly basis. Both March and April 2020 retail lobby sales were historical records for those months.

## FY21 QUESTIONS: ROUND 1

**Organization:** Wildlife Conservation Society

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?

If we do not receive Resort Tax funding, our Rocky Mountain Program overall will continue with our planned activities, but the Bear Smart Big Sky (BSBS) project would be on hold. Seventy-two percent of our coexistence funding comes from sources outside of Big Sky and these funding sources like to see a community commitment to leveraging their funds. With an active BSBS presence we have seen a steady decline in conflict trends even as visitation has increased in Big Sky. Currently, we fulfill a role as a liaison between trash companies and residents, Montana, Fish, Wildlife and Parks (FWP) and those experiencing conflict. We also coordinate and implement the work of the Bear Smart Big Council (BSC) including messaging via an active social media presence, ads, and signs. The work of the BSC is also to explore and implement innovative ideas like neighborhood watch groups to increase uptake and aid in enforcement. We also will share the BSBS model with other neighboring communities, as part of a regional working group, to ensure other communities are not food conditioning bears whose territories may include Big Sky. Representatives on the BSC include, Big Sky Community Organization, Big Sky Owners Association, Big Sky Resort, Lone Mountain Land, Montana Land Reliance, Moonlight Basin, Spanish Peaks Mountain Club, Town Center, and Yellowstone Club. Technical advisors include FWP, US Forest Service, and L&L Site Services.

2. Have you received any grants due to COVID-19?

No, this project has not received any grants due to COVID-19.

3. Which projects can be removed from this year's request or postponed?

WCS submitted only one project proposal. If we removed our request or postponed the BSBS program, our lack of presence as described in question #1 could result in a shift from declining trends in conflict to one of increasing trends, especially as the human footprint increases with new construction.



4. Do you subsidize for the extra cost of Bear Proof trash cans in Big Sky?

In past years, the Council did spend some time investigating a subsidy program. We came up with these constraints: 1. It would require a long-term mechanism to fund subsidies and someone to manage the program, and 2. The stigma of subsidies may result in poor participation. As a result, we chose not to pursue a subsidy process.

Instead, BSBS worked with the trash companies to make the cost to change to a bear-resistant trash can affordable. The current price to switch from a bear-resistant trash can is only \$5-\$6/mo by both L&L Site Services and Republic Services a 23-26% discount had we not negotiated this rate.

5. Have you considered working with the County to enforce people are compliant and are being “Bear Safe” with their dumpster?

Yes, it is one of the activities the Council will primarily cover this year. We recently re-engaged with Madison County to discuss adopting a regulation (ordinance) to require bear-resistant trash. This ordinance would be the first in the County. They also see a growing need for this ordinance as other communities, including Virginia City and Sheridan, are experiencing trash-related conflicts with bears. We are providing the County with information on conflict rates and ordinance and enforcement strategies other communities have used as a guide to develop a County ordinance. This regulation would give more teeth to enforcement officers including Montana, Fish, Wildlife and Parks (FWP) bear specialists, game wardens, and the sheriff’s department when they respond to conflicts involving trash. You are correct that the cost of enforcement is a hurdle. The regional working group that we seek BSBS representation on will be working to identify innovative ways to build capacity to enforce regulations to reduce attractants and conflicts.

## **FY21 QUESTIONS: ROUND 2**

**Organization:** Wildlife Conservation Society

- 1. Do you have any funds from FY20 you are able to release?**
  - a. If yes how much can you release?**

The funds that we have remaining are allocated for salary and office expenses, graphic design needs, printing, and installing of a bear activity sign in Town Center and at Kiosks at trailheads. We would still request support in FY21 to ensure we continue to meet Bear Smart Big Sky (BSBS) project deliverables and our goal to keep people safer and bears wild.

- 2. What specific actions, outcomes and results do you plan to achieve with this funding?**

In light of Memorial Day's unfortunate encounter between a grizzly bear and mountain biker, the Bear Smart Council (BSC) has had early discussions and agreed to focus our work on increased messaging on how to stay safe while recreating and managing trails to minimize conflict. We are planning to reach out to and partner with recreational groups, e.g., southwest Montana Mountain Bike Association, to share and increase messaging. In Big Sky, we will develop bear safe outreach materials, including ads, signs, and social media posts. We will look to offer viable solutions to improve the noise made by the quiet activity of biking. BSBS has also discussed developing maps. These maps will "light up" areas, at a spatial and temporal scale, where there is an increased risk of encountering a bear, e.g., natural foods (berries), vegetation cover, proximity to elk calving areas, etc. to guide decisions that increase the safety of recreationists. Also, because this trail is not far from several subdivisions, we feel it is especially critical to continue messaging proper storage of trash and other bear smart actions you can take at your home (e.g., keeping garage doors closed, vehicles locked, etc.) to ensure we are not habituating bears presence to people.

This year, we also plan to wrap up efforts to work with the County to secure ordinances that make bear-resistant trash the only option in Big Sky, ensuring the consistent use of bear-resistant trash cans and overcoming issues of trash company turnover that can result in spikes in conflicts.

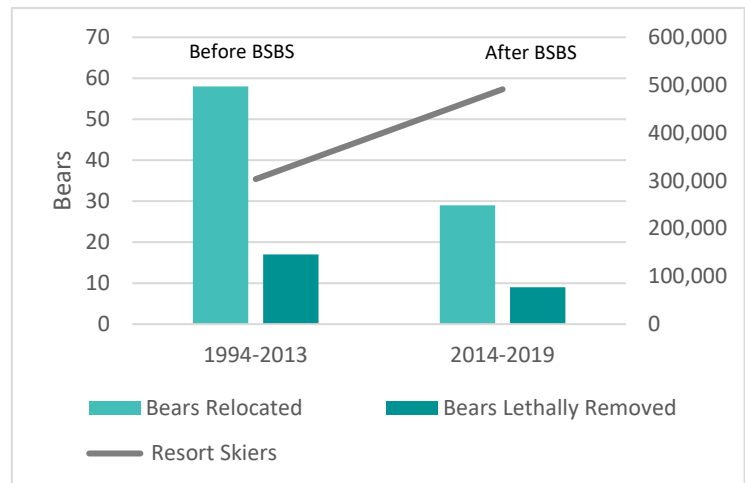
We also plan to have a representative from BSBS participate in a newly formed working group. This group makes up local stakeholders and agencies working to find innovative practices, policies, and market solutions that reflect and address local situations as grizzly bears recover and expand beyond Yellowstone into communities. One of the aims of this group is to find innovative ways to sustain the costs of proactive strategies to reduce conflicts because this need will not go away, as people and bears continue to increasingly share our most wild places.

It is our aim that recreationists, homeowners, and workers are more informed and empowered to change behaviors at home, work, and play to keep the community safer while living in bear country. If successful, we expect to see a continued and steeper decline in conflicts even as visitors and construction grows. We will also have a County ordinance in place capturing those HOAs that have held

out in HOA-level requirements for bear-resistant trash and streamlining trash companies' work and increasing their efficiencies through only allowing bear-resistant trash cans.

**3. Please provide the last 5 years, by year, of FWP data on bear conflicts in Big Sky.**

Year	Bears Relocated	Bears Lethally Removed
2015	3	3
2016	1	0
2017	10	2
2018	6	2
2019	5	1



Conflict trends help BSBS to understand issues, adaptively manage our activities, and measure progress. The peak in 2017 conflicts reflects a few things that guided adapting activities and priorities. Quick staff turnover at Republic Services resulted in no succession training, and new staff on the frontlines were unaware of Big Sky HOA ordinances. WCS delivered maps and a list of subdivisions that require bear-resistant trash cans to their frontline staff to reference when speaking with customers. A further complication was the exponential increase in visitation and new residents, which Council members indicated was seen in resident turnover with the sales of homes, a more substantial VRBO presence, new construction, and increased visitation as Big Sky moved towards offering year-round recreational opportunities. In response, BSC members increased messaging bear-resistant ordinances through HOA newsletters, and BSBS launched the Bernadette Bear outreach campaign with the tag line for visitors, new residents, and the workforce to "Do Their Part and Be Bear Smart." As seen, these efforts to inform and empower the community is working. To facilitate quicker change in these numbers, we are strengthening our presence in Big Sky – our AmeriCorps member's sole function will be on this program and will not be shared with other projects as our AmeriCorps members have done in the past. We are also increasing messages to reach the recreation community, as described in question 2. We will do this *not* by increasing our ask to BSRAD, but by restructuring our team's priorities. Coexistence is WCS's primary goal in this region of the Rockies.

**4. How does BSBS engage the construction industry?**

The BSBS framework is about educating and empowering those in the position of authority over the contractors. With this in mind, representatives on the BSC include the six major developments where new construction is occurring, Big Sky Resort, Moonlight Basin, Yellowstone Club, Spanish Peaks, Town Center, and Big Sky Owners Association. Each of the BSC representatives shares the issues that they see on-the-ground. As a team, we collectively develop strategies to overcome challenges. Plans include adding bear-resistant trash requirements to the design review process with contractors. In the best-

case scenarios, contractors are required to bring trash home with them, removing this attractant from Big Sky. Other good options require separate bear-resistant trash for disposing of food waste.

**5. What is the progress on county ordinance revisions for requiring bear proof trash containers?**

BSBS program has pulled together information from other resort towns, including ordinance, penalty, and enforcement language, and recently submitted it to the County planner, recommending preferred language to incorporate. We are working with the planner to introduce an ordinance to the planning board at their June 2020 meeting. Because this is the first ordinance in the County, we anticipate this will cover a few planning board meetings before it can go to the Commissioners for approval. Thus far, in our initial conversations with the planner and Big Sky's Commissioner, Jim Hart, they are supportive of this process.

**6. What percentage of the Rocky Mountain team budget is expended directly in the BSRAD District?**

Approximately three percent of the WCS Rocky Mountain Program budget is expended in the BSRAD district. This distribution of funds reflects the Rockies team's scale. We work from the Canada border to the Mexican border, and our projects include bear coexistence, a grasslands initiative, an Indigenous-led conservation initiative, bison and jaguar restoration effort, and a riparian restoration program.

**7. Are the funds being requested for new activity or continued programming from the years prior?**  
**a. If for continued programming what success indicators do you have from FY20 to justify continued support?**

In the coming year, we aim to strengthen our existing program, building on our platform, which utilizes the proven bear smart model developed in Canmore Alberta. In Canmore, it is not unusual to see a grizzly bear in town. They are keeping people safer through a three-prong approach: education and outreach, attractant management, and regulations and enforcement. The bear smart model recognizes that negative interactions need all of these components. Reducing negative interactions requires an informed and empowered community of visitors, residents, workforce, and businesses that are using the tools available to manage attractants. Regulations guide changes in behaviors and provides enforceable language. We are also meeting new deliverables, as discussed in question 2, focusing on informing recreationists that Big Sky is surrounded by bear habitat, and you can expect to and need to be prepared to encounter grizzly bears.

**8. Are there any additional funding sources you can utilize for this project?**

Yes, we have raised 70% of the funds needed for this project from funding sources outside of Big Sky, allowing us to allocate more of BSRAD funds towards implementing work and our other sources of funds towards operating expenses. We have also focused our AmeriCorps Members' time solely on this project so we can deliver stronger outcomes quicker and keep people safer. Only 25% of her contract is paid from BSRAD funds. We are able to secure these outside funding sources because they see a local

commitment from BSRAD that supports a plan they can get behind - Our Big Sky Plan's interest in creating a sustainable community that takes stewardship actions to protect wildlife and our natural resources as visitation and construction grows.

**9. Should this project move under another local group that can fund it from fees?**

While BSBS is not formally under another local group, HOAs that receive fees are represented on the BSC and contribute to the work of BSBS. For example, Moonlight's new bear-resistant trash site and Town Center's compacted trash are outcomes of their engagement on the BSC. The BSBS model is a decentralized one, in which we empower people to make good decisions. WCS is an integral part of the success of the BSBS program. WCS facilitates and coordinates the Council, where they collectively formulate ideas to address conflict. WCS then implements the plans of the Council. WCS is responsible for increasing outreach and education to inform and empower visitors and new and residents to take actions that keep people safe. An informed community becomes especially critical as we begin to see an increase in grizzly bears as they continue to spill out from Yellowstone. WCS is also the point of contact for working with the County for ordinance changes and partnering and engaging with trash companies to honor their commitment to make bear-resistant trash cans an affordable option in Big Sky. WCS also is a trusted broker of information by agencies. When the agencies are busy responding to conflicts across SW Montana, it impacts their capacity to meet with the community to share information. An excellent example of how WCS works with agencies to meet this capacity gap is the upcoming Explore Big Sky Town Hall on June 1, 2020, where WCS is working with agencies to message bear-safe behaviors for mountain bikers.

## FY21 QUESTIONS: ROUND 1

Organization: Women In Action

What happens to your projects/programs or organization if you do not receive Resort Tax funding?

*WIA's programming will be funded through existing relationships with individual donors, family, and community foundations. WIA also has a healthy cash reserve, which we maintained for organizational security. However, in these unprecedented times, WIA can rely on those funds to ensure the continuance of the vital behavioral health programming we support.*

Why do you choose not to have your financials audited?

*The WIA Board believes the cost of an independent audit outweighs the benefit to our small organization. We make excellent use of QuickBooks to track expenses and income, including rigorous segregation of restricted contributions, and to compile our financial statements. We use the services of a CPA for consulting on financial questions and the preparation of our annual 990. We have a Finance Committee of the Board that prepares and presents financial reports, including the check register, for review and approval by the full Board on a quarterly basis. Finally, we produce and distribute an annual report for our donors in which we summarize the impact and identify sources and uses of funds for the prior year.*

Have you received any grants due to COVID-19?

*The Big Sky Relief Fund pledged up to \$10,000 to provide free counseling to any Big Sky resident seeking care through the month of April. WIA provided \$3,915 of free counseling, and will be submitting a request from the fund for around \$2,000 once all of the invoices have been processed.*

*WIA received a \$5,000 grant from the Morgridge Family Foundation to extend free counseling services through the month of May.*

4. Which projects can be removed from this year's request or postponed?

*Unfortunately, none of the programming that we are requesting BSRAD fund can be postponed. WIA's partner practitioners have seen a significant increase in demand for behavioral health services. This increase will likely continue as Big Sky residents cope with the emotional and financial strain brought on by the COVID -19 pandemic.*

## FY21 QUESTIONS: ROUND 2

**Organization:** Women In Action

1. Do you have any funds from FY20 you are able to release?
  - a. If yes how much can you release?  
WIA has \$2,808 remaining from our FY20 allocation. Due to the increased need for behavioral health services brought on by the COVID-19 pandemic, WIA is unable to release any funding.
2. Using the table below please provide us with a month by month budgetary breakdown of all projects you applied for:

Month	Predicted Resort Tax Request PROJECT 1 DIRECT BEHAVIORAL HEALTHCARE SERVICES	Predicted Resort Tax Request PROJECT 2 INDIRECT BEHAVIORAL HEALTHCARE SERVICES
July 2020	\$3,250	\$916.67
August 2020	\$3,250	\$916.67
September 2020	\$3,250	\$916.67
October 2020	\$3,250	\$916.67
November 2020	\$3,250	\$916.67
December 2020	\$3,250	\$916.67
January 2021	\$3,250	\$916.67
February 2021	\$3,250	\$916.67
March 2021	\$3,250	\$916.67
April 2021	\$3,250	\$916.66
May 2021	\$3,250	\$916.66
June 2021	\$3,250	\$916.66
July 2021	\$3,250	\$916.66

3. What amount of your reserves, if any is the Board willing to utilize this next season to support operational funding shortfalls?

\$36,150 of WIA's cash reserves was approved by the board to cover operating expenses in CY20.

4. Is there a reason you are budgeting a loss?

The decision was made to use cash reserves that was dedicated grant and individual funding from previous years to cover behavioral health expenses, rather than seeking that amount in new grant funding. This may change depending on the increased need for behavioral healthcare, and the number of people who are eligible for WIA's sliding fee scale due to job loss and the economic downturn.

5. How many people utilized the services paid for by BSRAD last year?

WIA's partner practitioners provided 554 client hours to 110 Big Sky residents

6. What do you anticipate for number of people in the upcoming year to be served?

WIA has expanded behavioral health services in 2020 by adding two new partner practitioners who are providing care to 32 additional Big Sky residents. Later this year, one more mental health practitioner will offer up to 24 client hours/week.

WIA is estimating providing close to 1,000 hours of behavioral healthcare to around 200 Big Sky residents in need.



## **FY21 QUESTIONS: ROUND 1**

**Organization:** Big Sky Chamber of Commerce

**1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?**

Under normal circumstances, as a 501(c)(6) nonprofit business membership organization, the Big Sky Chamber would have private funds raised via dues paying member businesses to help support its projects/programs and the organization. However, having just issued almost \$200,000 in microgrants to 57 small businesses through the Big Sky Save Small Business Relief Fund in partnership with Resort Tax, the Big Sky Chamber Board projects a 35% decrease in collections in FY21 budget which may be low based on when that was decided and where we are now. The decision to indefinitely suspend the organization's 60-day collection policy with drop notification within 30 days was made at the April board meeting having recognized the inability of many of our businesses to pay dues at this time. Again, 83% of our members businesses are nonprofits, sole proprietors, and small businesses paying \$350 or less annually. Further, our two major annual fundraising events, the Black Diamond Business Awards Dinner held in June was just cancelled, and the Fore-O-Six Golf Tournament in September is on hold. So private monies raised via sponsorship of these events are not expected. With that said, if the Big Sky Chamber does not receive Resort Tax funding, the organization will have to cut projects/programs and staff.

**2. Why do you choose not to have your financials audited?**

The IRS does not require nonprofits to obtain audits, but federal and state government agencies do, depending on a nonprofit's size or spending. Independent audits are very expensive, costing upwards of \$5,000-\$10,000. Considering that the Big Sky Chamber's budget excluding Resort Tax funding is in the range of \$200,000-\$250,000, it does not make financial sense to do so. The monies received from Resort Tax which have ranged from \$21,000 in 1992 to \$595,000 more recently are allocated only after submitting receipts directly related to purpose for which they were requested and funded.

**3. Have you received any grants due to COVID-19?**

As a 501(c)(6) the Big Sky Chamber is not typically eligible to apply for and receive grants. Governor Bullock's newly announced \$123 million in emergency grants includes a Social Services Nonprofit Grant for up to \$10,000. The Big Sky Chamber applied on the day the grant portal opened, May 8<sup>th</sup>, and is awaiting response to its request.

**4. Which projects can be removed from this year's request or postponed?**

The Big Sky Chamber already went through the process of removing all projects and programs that are not essential at this time of a public health pandemic to it meeting its

mission and in service to the Big Sky community at-large. The events that remain include the bi-annual *Eggs&Issues* | Gallatin-Madison Joint County Commission Meetings (JCCM), Coordinating Council of Big Sky meeting of the group convened to ensure the implementation of the Our Big Sky Community Strategic Plan, the Montana Chamber Business Days at the Capital leading into the 67<sup>th</sup> Legislative Session and the Bureau of Business and Economic Research's 2021 Economic Outlook Seminar as part of the statewide, 10-city tour.

Another attempt at cost savings is related to rent. The Big Sky Chamber and Visit Big Sky will be moving in mid-June having signed a 5-year lease with the new landlord at our current monthly rent amount. At our current location, rent has gone from \$3,000/month to \$4,500/month and was slated to go to \$5,500/month with no lease in place. The ability to ensure our financial commitment for our tenancy was a priority of the two organization's Boards, and we believe we have successfully done that.

**5. Have you considered the potential impacts to your budget if events/ conferences/ trainings etc. were to go virtual?**

If the Big Sky Chamber's events go virtual, obviously there will be no expenses incurred related to facility rental, food and beverage, or sponsorship fees. Virtual events do require technology and staff time to orchestrate, and advertising expense to promote them. However, advocacy and networking are huge components of the Big Sky Chamber's in-person events. The events detailed in response to the previous question provide opportunity for civic engagement for our Big Sky residents and facilitate relationship building between and among government officials, nonprofits, businesses, employees, and residents. The JCCM specifically brings our two local governing entities – Madison and Gallatin County Commissioners – physically to the Big Sky community to hear from us what we need from them. Normally County Commission meetings are held in Virginia City and Bozeman so the opportunity to have our Commissioners in market twice a year to see for themselves Big Sky's continued development is invaluable. If it is an option to host our events in-person we would hope to be able to do so.

**6. What impact will travel restrictions/social distancing guidelines have on your operations budget?**

Travel restrictions/social distancing guidelines will not really impact the Big Sky Chamber's business directly, but rather indirectly, by negatively impacting many of our members' businesses operations. This will present itself in a drop in private support via their inability to pay membership dues.

**7. Please explain the Visit Big Sky management fee and other revenue with more detail:**

The Visit Big Sky management fee is the amount reimbursed to the Big Sky Chamber for the organization's salaries for VBS staff. VBS has no employees. It also includes VBS' half

of the rent, utilities, and insurance expense for the shared offices. All contracts including the lease, and utilities are in the name of the Big Sky Chamber. The Big Sky Chamber birthed out VBS as a separate organization in 2013. This is an important point. Each organization has its own 501(c)(6) designation, articles of incorporation, bylaws, 11-member boards, budgets with different funding sources, and file separate tax returns. They try to leverage the interrelated missions to reduce costs, but each is its own organization.

Other revenue comes from sponsorship of our two major fundraising events that we produce annually, again the Black Diamond Business Awards Dinner (June) which was just cancelled, and our Fore-O-Six Golf Tournament (September) that is on hold.

Philanthropy – be it donations from individuals, or grants from corporate and private foundations – is not a funding tool for the Big Sky Chamber since it is not a 501(c)(3) like all the other nonprofits who apply to Resort Tax.

## FY21 QUESTIONS: ROUND 2

**Organization:** Big Sky Chamber of Commerce

1. Do you have any funds from FY20 you are able to release?
  - a. If yes how much can you release?

The Big Sky Chamber in partnership with Visit Big Sky worked with Resort Tax to repurpose \$210,000 of their combined FY20 Allocations with \$90,000 specifically coming from the Big Sky Chamber. These monies were utilized to create the Big Sky Save Small Business Relief Fund which granted out \$192,500 to 57 local small businesses: \$2,500 to those with 1-5 employees including sole proprietors and \$5,000 for those with 6-20 employees. Additionally, 80 Reopening bundles were purchased which included PPE of masks and gloves, hand sanitizer, and Open for Business and other social distancing signage, and delivered to local businesses on the Friday morning leading into Memorial Day Weekend. These programs evoked expressions of sincere thanks from business owners and even caused some of them to tear up with gratitude for the Big Sky Chamber's vital assistance in such a difficult time. The remaining funds are being used to purchase plexiglass shields for consumer-facing retailers and to print additional materials for businesses to communicate expected behavior by our visitors when coming to Big Sky. With that being said, we have no additional monies to release.

2. Using the table below please provide us with a month by month budgetary breakdown of all projects you applied for:

Month	Predicted Resort Tax Request PROJECT 1 LEADERSHIP, STAFFING & OPERATIONS	Predicted Resort Tax Request PROJECT 2 LOCAL GOVERNANCE FACILITATION	Predicted Resort Tax Request PROJECT 3 ADVOCATING FOR OUR COMMUNITY	
July 2020	26,725	875		
August 2020	31,600			
September 2020	31,600			
October 2020	29,725	875		
November 2020	26,850	3,750		
December 2020	29,600			
January 2021	27,225	875	3,500	
February 2021	24,100		7,500	
March 2021	30,600			
April 2021	26,975	4,625		
May 2021	32,600			
June 2021	39,911			
July 2021				

**3. Given your recent suspension of membership dues, why do you need this funding?**

Membership dues have NOT been suspended. The Big Sky Chamber Board at its April Board meeting made the decision to suspend its Membership Dues Collections Policy for those businesses unable to make payment. Typically, businesses have 60 days to pay once signing up for membership. If they have not paid by that time, they then receive a letter stating they have 30 days to make payment or they will be dropped and no longer receive membership benefits. With 83% of the Big Sky Chamber's membership comprised of sole proprietors and small businesses, coupled with the organization working with Visit Big Sky to put forth a micro grant program to help support small businesses that weren't able to make payroll or pay their rent, it seemed counter-intuitive and disrespectful to expect them to turn around and make payment to us for membership dues with that money, all at a time when they need the Big Sky Chamber's services now more than ever. Below is the actual language that went out in an email to the membership on May 13<sup>th</sup> that included how we ourselves as the Big Sky Chamber are a small business and depend on membership dues and other private support to fund our operations so if able, to please continue to make payment.

***UPDATE: Membership Dues Collection Policy Suspension***

*The Big Sky Chamber's number one priority is always to Advocate for YOU - our member businesses and thousands of employees. We understand the financial burden the COVID-19 pandemic has put on every Big Sky business, and we are dedicated to helping you through this economic downturn.*

*As a result, the Big Sky Chamber Board of Directors has decided to relax the organization's membership dues collection policy. If you are not financially capable of paying your annual dues at this time, we will not revoke your membership status. This gesture, coupled with the recently launched EMPLOYEE | EMPLOYER Assistance Hotline and the Big Sky Save Small Business Relief Fund which awarded \$192,500 in micro grants to 57 small businesses, demonstrate our commitment to seeing your business survive and eventually thrive.*

*However, please recognize that the Big Sky Chamber is itself a small business and dependent on your private support to operate. So, if you are able to pay your membership dues, please do so by check or credit card.*

*Additional funding for Chamber operations comes from Resort Tax. As we begin the FY 21 Resort Tax Allocation process, we hope that you will voice your support for our organization which has been working on your behalf, and on behalf of the Big Sky community at large.*

**4. In Program 2, how much of the \$11k is just for the joint county commission meetings?** Typically, an Eggs&Issues | Joint County Commission Meeting event costs \$3,500-\$4,500 depending on venue rental rates and amount of advertising and promotion done in advance along with meeting materials. It equates to \$8,375 for the two meetings in FY21.

**5. How will your services to businesses change with the change in tourism climate for our community this year?**

**The Big Sky Chamber's Mission** is to serve as the **VOICE** of Business, as it **CHAMPIONS** a healthy economy and works collaboratively with community stakeholders as a **CONVENER** and a **CATALYST** to improve the overall quality of life in the region. Through *Elevate Big Sky 2023*, the Big Sky Chamber's Strategic Plan, it works to deliver on this mission by 1) Advocating for our Member Businesses and their Employees, 2) Creating a Positive Business Climate 3) Encouraging Community Infrastructure Investment, and 4) Facilitating Local Governance. Our services provided under these strategic pillars will not change. They constitute our value to our membership and feed the membership benefits provided in our private dues structure. Significant additional services in response to COVID-19 have been provided by the Big Sky Chamber already within its existing structure to include establishing a Business Assistance Hotline, disseminating vital timely information to access federal/state funding, developing a Save Small Business micro-grant program which could be duplicated should the need arise now that the operating framework is in place, and deploying resources i.e. Reopening Bundles with PPE and signage to deal with doing business in the "new normal." These activities fall within our strategic pillars. So ultimately, we will address our businesses' pain points due to the change in tourism climate as necessary. These continue to evolve on a daily basis so it is difficult to predict future needs outside of additional PPE and signage, information on how to keep their workplace and employees safe with the virus living among us, and recruitment of workforce which has always been an issue addressed by the Big Sky Chamber. Construction and real estate are actually two verticals that are "benefitting" from the pandemic, and knowing that, the Big Sky Chamber will more actively solicit their investment in our organization and look to provide some additional programming for these industry partners.

**6. What amount of your reserves, if any is the Board willing to utilize this next season to support operational funding shortfalls?**

The Big Sky Chamber's designated reserves are from the sale of the property that formerly housed its operations, along with that of Visit Big Sky/Big Sky CVB including the Big Sky & Greater Yellowstone Visitor Information Center. They are still needed for this original purpose, and in light of COVID-19 driving up real estate prices in desirable, rural states like Montana, now more than ever, it is crucial that the organization try to preserve and build upon these reserves in its attempt to purchase something in the future. To be fiscally responsible, the Big Sky Chamber and VBS are moving to Big Sky Town Center where a 5-year lease has been secured, maintaining rent at its current level for the first 3-years and then small increases tied to the cost of living index for years 4-5. During this time, the goal is to fundraise and secure a permanent location for the organization that will allow for more financial sustainability over the long term. The Big Sky Chamber is prepared to adjust its operating budget based on the level of funding received.

**7. Dan Clark had previously mentioned a shift in Local Governance Facilitation to BSRAD, how would you ensure a cooperative hand off to another entity so you can focus on supporting creation of healthy businesses?**

In Dan Clark's report, he did not mention a shift in Local Governance FACILITATION to BSRAD, he recommended that the BSRAD take on more of a "government entity" mindset since it oversees the distribution of upwards of \$8 million annually to organizations serving the Big Sky community much like a municipality budgeting and allocating to its departments. During the Big Sky Chamber's 9-month strategic planning process, it heard repeatedly from Big Sky community members and businesses alike that it needed to conduct strategic planning on behalf of the greater Big Sky community in its entirety. The Big Sky Chamber felt this was better suited for BSRAD to undertake as the primary funder of the Big Sky community's evolution from a destination ski resort to a sustainable community, and hired Dan Clark with the Montana State University Local Government Center to do some research into the local governance tools available to Big Sky as an unincorporated, Census-Designated Place (CDP) straddling two counties, to better manage itself, although recognizing how much has already been accomplished via the Power of Partnership time and time again. This excluded incorporation, and instead focused efforts on how to fully utilize tools already in the toolbox. As a result, Dan recommended that the BSRAD conduct the community strategic visioning process, which you as a Board and staff did. Further, the Big Sky Chamber in its role of Facilitating Local Governance also hosts the biannual *Eggs&Issues* and Gallatin-Madison Joint County Commission Meeting. In its role of Convener and Catalyst, the Big Sky Chamber's ability to bring together our two governing counties in market to educate, inform and request assistance on critical issues is a vital and valuable service to not only our member businesses, but the Big Sky community at-large. As part of the *Elevate Big Sky 2023* Strategic Plan, this pillar was identified as core to the Big Sky Chamber's work, and during the past three years this program has grown from what was an ad hoc Joint County Commission Meeting called by the Chamber when the need arose to much-anticipated and highly successful events held twice a year that was expanded to include *Eggs&Issues*, providing even greater opportunity to address community issues with our counties along with more than 100 participants which is a BIG turnout for a business event in Big Sky. The Big Sky Chamber has repeatedly taken on issues, for example affordable workforce housing, and birthed out new entities, in this case the Big Sky Community Housing Trust, to benefit the greater good. Although the Big Sky Chamber Board feels strongly that these signature events are part of its core program offering, and benefits related to it are fully integrated into its membership offering, it is always willing to discuss what is best for greater good of the bigger community. After all Our Community. Our Business.

## FY21 QUESTIONS: ROUND 1

**Organization:** Big Sky Community Housing Trust

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?

Without Resort Tax funds BSCHT will not be able to operate, as currently 90% of our operations costs are covered with Resort Tax funds. The significant portion of our request is for investing in future Workforce Housing developments. Without funding, those efforts will be put on hold.

2. Why do you choose not to have your financials audited?

Our financials will certainly be audited at the end of our first fiscal year, Dec 31, 2020. As a new entity which was incorporated on December 18, 2019 and had no funds of its own until receiving 501©3 status on April 17, 2020, thus we had nothing to audit. HRDC, our previous parent organization has an audit of the entire organization, which we are happy to share.

3. Have you received any grants due to COVID-19?

No. We did not apply for any grants as COVID 19 did not impact our operations.

4. Which projects can be removed from this year's request or postponed?

Some of the \$1,500,000 requested for future Workforce Housing Development could be reduced or postponed. See below for explanation for how this money is planned to be used. The Down Payment Assistance funds (\$200,000) are critical for the households planning to purchase MeadowView units this Fall and Winter. The Long Term Rental Funds (\$20,000) will greatly enhance this program which is finally getting traction.

5. What properties are you looking at for future development and what is the planned offer amount(s)?

BSCHT has had preliminary discussions with Scott Maybee and his "sliver" property along Lone Mountain Trail (east of American Bank). The asking price for the 4.4 acre property is \$2.25M though BSCHT is not willing to pay that price for this limited buildable property. We have not negotiated in earnest without having a commitment for Resort Tax Funds. The plan is to build a 48 unit apartment complex on the property if setbacks can be sufficiently relaxed. As with the MeadowView project, Resort Tax Funds would be used to purchase the land and the construction costs would be financed through a loan.



We also are working to partner with Big Sky Rocks, LLC and their Quarry project along 191, to provide deed-restricted single family condominium homes at attainable prices. Our hope is to

purchase 2 of every 12 homes produced and place them into the Community Land Trust, at a buy down rate of approximately \$50-60,000 per home. The homes would be deed restricted and sold for about 25-35% below the cost of the other homes produced in this development. This subsidy per unit amount is based on the subsidy amount per square foot of home spent at Meadowview. The Quarry project would be spread over several years, with BSCHT desiring to buy into 16 homes in phase 1 at a cost of approximately \$880,000

Several other possible locations for Apartment Buildings have been discussed with property owners, but those deals would be in future years.

6. Do you foresee more short-term rentals converting to long term rentals as a result of COVID-19?

Yes, in fact we are pleased to have 4 new listings up on our recently launched LandingLocals website as of May 20. We are watching Craigslist and FaceBook for Short Term listings and are reaching out to owners about renting long term to locals instead. We are also contacting all target HOAs to reach more owners. Funding for the program will used to incentivize owners to list long term, by providing them with alternate accommodations when they visit Big Sky.

## FY21 QUESTIONS: ROUND 2

**Organization:** Big Sky Community Housing Trust

1. Do you have any funds from FY20 you are able to release?  
NO. The approximate \$390,000 we will have left over after our 4<sup>th</sup> quarter operations draw is needed for future development projects. BSCHT already gave \$100,000 from our FY20 award to the COVID Response Fund.
2. Using the table below please provide us with a month by month budgetary breakdown of all projects you applied for:

Month	Predicted Resort Tax Request PROJECT 1 OPERATIONS SUPPORT	Predicted Resort Tax Request PROJECT 2 DOWN PAYMENT ASSISTANCE	Predicted Resort Tax Request PROJECT 3 FUTURE PROPERTY DEVELOPMENT	Predicted Resort Tax Request PROJECT 4 LONG TERM RENTAL PROGRAM
July 2020	10,000			
August 2020	10,000			5,000
September 2020	11,000	100,000		
October 2020	11,000	100,000		5,000
November 2020	11,000			
December 2020	11,000		500,000	
January 2021	11,000			5,000
February 2021	11,000			
March 2021	11,000		500,000	
April 2021	11,000			5,000
May 2021	11,000		500,000	
June 2021	11,000			
July 2021	11,000			

3. What have you learned from your first project that you can carry forward for the future?  
The Overrun on the MeadowView Project taught us to better forecast for construction cost increases and delays. In this environment, these are likely occurrences.
4. How can you work with developers and/or contractors to ensure they have some accountability after Meadowview went over budget and was delayed?  
The MeadowView project was not mismanaged, though bureaucracy may have caused some project slowdowns. The developer fee at 2% allowed very little room for penalties. Future contracts will include higher development fees which will be at risk if cost and performance targets are missed. This unfortunately drives higher costs to the eventual buyers, which is what we are trying to avoid.

5.

What are you doing to work toward having more of your operations funded outside of BSRAD so we can focus our dollars on more projects for the Housing Trust?

BSCHT continues to look at available State and Federal program funding and affordable housing grants. Unfortunately, our community has not qualified for any of these to date, as our unincorporated status make us ineligible to apply, or Big Sky income rates and building costs are too high. The LIHTC (Low Income Housing Tax Credit) program can provide viable financing for a rental property project which has land cost contributed. That is why we seek Resort Tax Funding to help us purchase land and then plan to cover the construction costs with other funding. Philanthropic and investment support from the community is planned, but with the recent large asks (BSCO and COVID help) the timing for us to make a major appeal has been delayed.

6. How many applicants utilized the Down Payment Assistance program last year?

Of the 18 households which have already closed on MeadowView Units, 11 used Down Payment Assistance totaling \$475,750. Of the 34 remaining units which will start closing in September 2020, it is forecasted that at least 30 of them will need Down Payment assistance for a total of over \$500,000. The cap amount provided to each household will be lowered from \$55,000 to \$20,000. Federal Loans requiring only 5% down are being aggressively explored.

7. The property request is a very large amount in a year where funds are tight. What happens if we are unable to fund?

a. Can the development begin without the Housing Trust?

Lack of committed funding prevented BSCHT from making an offer on the Maybee Sliver Property and that property is now under contract to another buyer. This is the concern, we are not able to move quickly and make offers without a committed award amount, and yet forecasting timing of available property availability is not a sure thing.

b. Does Project 3- Future development need to proceed this year? The funds for our second proposed project investment can be delayed until the second half of the year. We are exploring other properties for purchase, but due to the sensitivity of real estate transactions and competition for land, we are unwilling to share details. Delaying land purchases just delays the addressing of the #1 critical community need.

8. Are there any opportunities for matching funds on the property?

None that we have found. Incorporated communities outside of Montana have other options for funding available including assessing all new developers with an allocation which goes to Workforce Housing and Real Estate Transfer Taxes. These are not allowed to be dictated here, but could be approached on a voluntary basis, which is being explored. Resort Tax IS our current funding source to solve this most critical community problem, given the structure of our community.

9. Are you partnering with any developers or other non-profits?

We work with Montana Non Profit Association to explore Grant opportunities, and Neighborworks Montana for funding and training information. We have met numerous times with BlueLine Development who has extensive background in workforce housing projects throughout mountain communities. We have met with three local developers, with varying success, to see how we can partner with them on projects.

10. What details can you provide for specific project opportunities under consideration for this funding?  
Please refer to details already shared in Round 1 answers.

11. Regarding Program 3, what additional funding do you anticipate needing from BSRAD to complete the 52 Apartments?

The expectation is that the funds requested would be sufficient to cover land and basic infrastructure costs, so no additional funds were anticipated. As mentioned, the desired property has recently gone under contract to another buyer, so the situation has changed greatly. We have approached the developer and have a meeting set up to discuss possible partnership but there are no details available at this time. If this opportunity is lost, funds will be used on another project. Without funding we cannot make offers. This is a fast moving and fluid environment. It does not fall in the same level of predictability of a typical Resort Tax organizational request.

- a. Who will be the developer and how is it being structured so that the developer has the risk of cost over runs?      See above

12. "What deliverables are you providing to the community from the almost \$2.5M allocation your received FY20 from BSRAD?"

The FY20 allocation allowed 52 perpetually affordable housing units to be added to the community, a first for Big Sky. The total (across several years) Resort Tax subsidy amount per unit was \$51,000. This is a very competitive investment amount for mountain town housing projects. The Resort Tax award also allowed us to make significant progress in the development and launch of a robust Long Term Rental program and on line tool for converting short term rentals into properties available for rent to local workers. In the past year a new independent 501c3 organization was established to continue to meet these community needs.

13. When do you expect to start seeing a return from Project 2- down-payment assistance, investments?

The households borrowing Down Payment Assistance funds are not obliged to repay until they sell their units, so it is unlikely we will see any payback for at least 3-5 years.

- a. How will those re-payments be utilized? Repayments will remain in the DPA fund and be used for additional loans to other qualified households attempting to buy affordable homes.

## FY21 QUESTIONS: ROUND 1

**Organization:** Big Sky Community Organization

1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?

If BSCO does not receive funds from BSRAD for FY21, we have enough reserves to keep our parks and trails open for the summer months, but would then close all public parks and trails to the community until funding could be secured to properly maintain and operate these incredibly valuable and highly utilized assets to our community.

2. Have you received any grants due to COVID-19?

BSCO received a PPL Loan as well as a Social Services grant from Montana Department of Public Health & Human Services through state COVID-19 relief funds.

We plan to utilize the \$10k grant from the State of Montana to cover the additional expenses we are incurring to meet the Phase 2 state guidelines for operating our public facilities and summer camp program. This includes extra cleaning of facilities, additional cleaning and sanitizing supplies, and PPE for our staff. None of these expenses are included in our FY21 budget, so these funds will go directly to cover the additional costs related directly to the COVID-19 pandemic.

We received a \$91,900 PPP Loan. We will be applying for forgiveness of this loan, once we are able to. Once we understand how much of the loan is forgiven we plan to decrease our allocation request for the second half of FY21 to reflect the portion of this additional revenue that would normally been requested of BSRAD.

3. Which projects can be removed from this year's request or postponed?

Project 2 The Master Trail Plan build out can be removed from our request for a total reduction of \$50,667.00. Our board has chosen to utilize some of our reserves to self-fund the majority of these projects to ensure their completion, allowing us to prioritize our request to BSRAD for only our essential needs. This change includes the following capital projects and how we are addressing them:

- A. Resort Connection: We will be delaying this as Big Sky Resort is not able to build a section of trail that provides a necessary connection.

- B. Spruce Cone Trail: We have begun work on the trail and are able to self-fund the remainder of this trail project.
- C. South Fork Trails: We are currently securing the easements needed for the project. Additionally, we plan on reducing the number of trash and dog waste stations to be installed on the project to reduce the cost so that we can self-fund the improvements.
- D. Andesite Road Safety Improvements: We are currently, self-funding and working to improve safety for pedestrians and cyclists on Andesite Road. Improvements include installation of road signs and painting of center lane and shoulders for cyclists.

4. Why is your forecasted FY22 request so large?

- A. FY22 includes 50% for trail projects based on our trails master plan 10-year projections. Total projects are estimated to be \$471,311 with the BSRAD portion of \$235,656.
- B. BSCO is also estimating requesting 100% of our Park Project of a new maintenance building \$206,900 and a professional mower \$25,000. We had anticipated asking for these in FY21 but due to the COVID-19 crisis, we pushed the project back a year, but will need this project completed in order to properly maintain the new trails that will be completed through the TIGER grant funds.
- C. BSCO anticipates asking BSRAD for \$75,000 to help with the facility maintenance and operations for BASE and Len Hill Park, which was estimated to be open for 9 months of FY22.
- D. BSCO Operations & Maintenance only increased by 3% which is an estimate based on prior years' cost increases. Estimated ask is \$590,791.
- E. BSCO is not asking for any of the BASE staff wages in this year and the current programming staff is moved to BASE as well.

5. When will the Parks & Trail District seek a levy?

The Parks & Trails District is currently not structured to be able to seek a levy. The following process needs to occur before voters could approve a levy. The soonest we believe this process could be complete is end of 2021 or 2022.

- 1) Expand current District boundary in Gallatin County to include all of Big Sky through a resolution. On track to be completed summer of 2020.

- 2) Rewrite interlocal agreement to allow District to put a vote forward to residents for a property tax levy or parcel assessment. A new resolution and interlocal agreement would need to be passed by both Gallatin & Madison County. Expected timeline 6-12 months after boundary re-alignment.
- 3) Put a levy on the ballot for voter approval. Expected timeline 6 months after updated resolution and interlocal agreement is complete.

6. What are the Dues & Fees for BASE?

FY21 does not have any BASE dues and fees as it will not be open by June 30, 2021. In FY22 BASE will have 9 months of collected dues and fees. BSCO is anticipating \$338,100 in earned revenue each year to cover the staffing and programming expenses along with some of the maintenance and operational expenses associated with the facility.

7. How much of next year's request is for operations expenses of BASE?

BSCO anticipates asking BSRAD for \$75,000 to help with the facility operations and maintenance of BASE and Len Hill Park which is estimated to be open for 9 months of FY22.

BSCO anticipates asking BSRAD for \$100,000 annually to help with the facility operations and maintenance of BASE and Len Hill Park for the future years when open year-round.

8. Can the Parks & Trails District fund BASE?

The District can only fund the direct expenses of maintaining the facility and park.



## FY21 QUESTIONS: ROUND 2

**Organization:** Big Sky Community Organization

1. Do you have any funds from FY20 you are able to release? Yes.
  - a. If yes how much can you release? The \$29,088 that we already released to the Big Sky Relief Fund.
2. Using the table below please provide us with a month by month budgetary breakdown of all projects you applied for:

Month	Predicted Resort Tax Request PROJECT 1 OPERATIONS & MAINTENANCE	Predicted Resort Tax Request PROJECT 2 MASTER TRAIL PLAN BUILD OUT
July 2020	100,645	0
August 2020	42,532	0
September 2020	45,032	
October 2020	43,747	
November 2020	31,565	
December 2020	50,960	
January 2021	42,660	
February 2021	37,833	
March 2021	30,982	
April 2021	37,505	
May 2021	39,316	
June 2021	50,961	
July 2021		

3. What is the status of working with the Parks District to form a taxing district to cover operating costs of the parks and trails?

The Parks District Board of Directors voted to move forward a resolution to Gallatin County to re-align the District boundaries at their May 27<sup>th</sup>, 2020 Board meeting. This is the first step to re-forming the current District to allow future taxing to property owners within the District to cover parks, trails and recreation operating costs. The next step is to update the BSCO Board of Directors and ask for their collaboration and support from staff at the BSCO board meeting June 25<sup>th</sup>. From there, the two entities will work together to follow the steps we outlined previously:

- 1) Expand current District boundary in Gallatin County to include all of Big Sky through a resolution. On track to be completed summer of 2020.

- 2) Rewrite interlocal agreement to allow District to put a vote forward to residents for a property tax levy or parcel assessment. A new resolution and interlocal agreement would need to be passed by both Gallatin & Madison County. Expected timeline 6-12 months after boundary re-alignment.
  - 3) Put a levy on the ballot for voter approval. Expected timeline; potentially as early as May 2021 or no later than November 2021.
4. What percentage of BSCO's annual operating costs are proposed to be covered by BSRAD funds? BSRAD request is 43% of predicted revenue and covers 44% of predicted expenses.
  5. Can the trail projects in Program 2 be pushed to next year? Yes. We have removed this from our FY21 application. Please see update below on our plan to complete some of these projects this year with reserve funds and postpone the most expensive one until next year.
    - A. Resort Connection: We will be delaying this as Big Sky Resort is not able to build a section of trail that provides a necessary connection.
    - B. Spruce Cone Trail: We have begun work on the trail and are able to self-fund the remainder of this trail project.
    - C. South Fork Trails: We are currently securing the easements needed for the project. Additionally, we plan on reducing the number of trash and dog waste stations to be installed on the project to reduce the cost so that we can self-fund the improvements.
    - D. Andesite Road Safety Improvements: We are currently, self-funding and working to improve safety for pedestrians and cyclists on Andesite Road. Improvements include installation of road signs and painting of center lane and shoulders for cyclists.
      - a. If not, why? N/A
  6. Is there a way to proceed with the trail plan without this funding and depending on summer income potentially receive funding later?

We are proceeding with 3 of the 4 projects as outlined in the plan using our own reserve funds to address the highest priority safety concerns and trail connections outlined in our Master Trails Plan. We do not plan to ask for any trail construction funds in our Jan-June FY21 application, however plan to ask for the M2M connection we put off this year in our FY22 application. We will reassess in the Spring of 2021, and prioritize projects with the funds available before we make our request. We will update our Master Trails Plan timeline accordingly to ensure these projects do not get abandoned but instead are executed as funds are available in the order of highest priority.

## FY21 QUESTIONS: ROUND 1

**Organization:** Gallatin River Task Force

### **1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?**

If the Task Force does not receive Resort Tax funding, we would strive to achieve our proposed FY2021 budget goals through increasing the percent time spent on development for each staff member. With the reallocation of staff time, we would have less forward progress and impact in our programmatic areas and ultimately watershed health, as described in detail below.

If we were unable to meet our FY2021 budget goals with the reallocation of staff time, then we would reduce program/project activity or potentially eliminate projects, with the following potential impacts:

Operations (\$233,081 Request): Our FY2019 operational request augments other revenue to fund the minimal operational expenses required to move forward FY2021 projects we feel are critical to watershed health. These include withholding new staff benefits or raises, limited training and travel, remaining in our current office space which is inadequate for our current staff size and meeting needs, and utilizing AmeriCorps and interns as much as possible. Further reduction in operations would result in:

- Employee salary cuts, reduction in hours or release of employees.
- Reduced impact on watershed health from resort tax requested projects, projects funded through other revenue streams or projects, which costs are primarily associated with staff time (watershed monitoring, communications, and education).

Education and Outreach (\$15K Request of which 100% is for communications): We have requested Resort Tax funds to support half of our communications budget so that we can leverage resort tax dollars to acquire other funding. Reduction in the communications budget would result in:

- Incorrect messaging from ill informed sources that could be detrimental and hinder forward progress of water and wastewater management in Big Sky. The community needs to have a sound scientific local organization representing all relevant information related to water and water management.
- Reduced engagement in our project work and landowner activities to protect watershed health, critical to implement now with community growth.
- Reduced success in development efforts.

Watershed Monitoring (\$4K): Our community leans heavily on our 20 years of monitoring data to develop restoration projects and guide water management decisions and that would be compromised with a lapse or inaccurate data collection. Aside from the staff time required for data collection, analysis, management and sharing, we would be unable to measure spring runoff streamflow. Without these data points, our streamflow calculations for the rest of the year at our four streamflow gauges on the West Fork, Middle Fork, and South Fork would be less accurate because they are computed by a statistical relationship between measured streamflow and continuously recorded water level.

Watershed Restoration and Enhancements (\$30,500 Request):

- Deer Creek & Porcupine Creek Restoration Projects: the impact would be reduced forward motion on Porcupine/Beaver Creek project creating potential loss of interest from the Forest Service and prioritization in the NEPA process which could delay project start indefinitely or permanently. The \$10,000 requested for Porcupine is intended to be used as a match to secure other funding for the full cost of the next phase at \$39,000.
- Nutrient Abatement Project Feasibility Studies: The Middle Fork, West Fork, and South Fork streams draining the Big Sky community are all on the state impaired list for nutrients, which greatly limits the potential options for our community's wastewater reuse. These studies will help address nutrient loading and aim to lift state impairments on these streams. We have the opportunity with a \$9,000 investment for one project to leverage \$25,000 in pro bono engineering to design additional nutrient abatement projects. Without funding, we would lose this opportunity to leverage funding.
- River Cleanup: Each year our cleanup removes significant trash from the river (1.2 tons in 2019), which would remain along the streambanks and likely enter the river impacting river health.

Water Supply Resiliency Projects (\$61,020 Request):

- Water Supply Resiliency Planning (\$35,000): We would risk losing the opportunity to receive the largest grant ever awarded from the Montana Department of Natural Resources and Conservation (MT DNRC) Watershed Management grant program of \$35,000 towards a \$105,000 project to prepare our community for water shortages created by growth, infrastructure failure, wildfire, and climate change by assessing and coordinating action amongst the 25 public water systems in Big Sky. This project will perform water audits of each of the public water systems, develop scientifically based trigger values that prompt a coordinated response for the 25 public water systems to water shortages, and allow us to strategically develop our water conservation program. As part of the contract to receive this MT DNRC grant we need to raise an additional \$35,000 in matching funds and another \$35,000 to complete the project.

- **Water Conservation Program:** The impact would be that our community delays addressing, what we believe is one of the biggest potential threats facing our community, which is not having adequate water supplies to sustain our growing community and a healthy river exacerbated by the predicted impacts from climate change. Our Resort Tax request is for \$10,000 to use as match in securing additional funding for this program.
- **Town Center Purple Pipe:** With the paving of a parking lot in Town Center this summer, we would lose the opportunity for a private/public partnership to link purple pipe infrastructure that would add a beneficial wastewater reuse option for the Big Sky Water and Sewer District while providing irrigation water to Town Center without using groundwater that augments community water supplies and streamflow of the Middle Fork.

Gallatin Canyon Groundwater Discharge Modeling, Planning, and District Formation Support (\$100K Request): This proposed project is the next step to move forward wastewater management for both the Canyon and the Big Sky Water and Sewer District by determining the potential amount and locations for wastewater effluent discharge into the groundwater in Gallatin Canyon. This assessment will provide answers as to which landowners may benefit from retiring their septic drain fields for this purpose and how these be negotiated with the Big Sky Water and Sewer District and future Canyon District to lower hook up costs, which are the main driver for most landowners in the Canyon to upgrade their wastewater treatment systems. These answers are critical to forward momentum and assistance in district formation in Gallatin Canyon, which needs to happen within the next three years to receive the benefit from the 1%.

## **2. Have you received any grants due to COVID-19?**

We received a PPP loan on April 20 for \$47,200.00, which will be spent by June 15. These funds allowed us keep operations and programming we sacrificed for our FY2020 Resort Tax released for COVID relief and reallocate funds restricted for development that we will need in light of the economic downturn. We were able to make these changes and stay in alignment with our Resort Tax contract and PPP requirements for loan forgiveness.

## **3. Which projects can be removed from this year's request or postponed?:**

In light of the projected loss in Resort Tax collections and priorities to assist the Big Sky community with COVID relief, we carefully scrutinized which projects we requested for resort tax funding in FY2021. We could eliminate \$10,000 request for our Upper Deer Creek

restoration project without impact to the success of project completion. We included this \$10,000 request so that the Resort Tax could contribute to the construction of this project (total cost = \$280,000), which will be a tremendous asset for the Big Sky community with improved river access for recreation, including an accessible fishing platform.

**4. Our understanding was that donations would increase with the funding of a development director, why have donations decreased?**

With all respect and gratitude to the Resort Tax Board and Team, and in deference to our actual and audited financial data--our donations have in no way decreased but have increased significantly since our Director of Development (DOD) began in November of 2018. FY2019 (closing June 30) was the first year on record for the Task Force to ever log more than 1 million in revenue, and FY2020 will be in line with sustaining that growth, even in the midst of a global pandemic. In closing FY 2019 with our new DOD, we finished approximately \$60k over FY2018 in general fundraising and memberships. We additionally closed for auditing purposes our Gallatin River Forever Campaign, with total revenue over the next four years (through 2023) being a gross of over 1.4 million to allocated and contracted conservation and restoration projects and organizational sustainability. From the time period of our DOD joining our team, from November of 2018 to the close of the Capital Campaign, we raised over \$600,000 new dollars from many new donors for capital projects and pledges to close the campaign fund, using the excess to cover our Capital Campaign costs. As required by our auditors, our FY2019 numbers included in total 2019 revenue, the next 4 years of pledged, allocated/staggered revenue, which may give the appearance of a decrease in revenue from FY2019 to FY2020, at first glance. But, as of this writing our FY2020 fundraising numbers for our general fund and membership program are more than \$54,000 dollars total over FY2019 (more than double those programs in 2019) and our banquet which was initially planned for the end of FY2020 is being rescheduled to Q1 of FY2021. We have more FY2020 Friend of the Gallatin members than ever before, with over 215 community supporters. The Hooked on the Gallatin Banquet this year already has as much cash revenue PLEDGES for sponsors as in 2019, with much of that received, a few uncertain to make payment due to COVID, and a few lost outright due to COVID (and made up for in other areas). The uncertainty in revenue with our banquet lies in a.) the ability to hold that in person in August and b.) the resulting success of the silent and live auctions which last year brought in over \$75,000 dollars. To date--we have no data reflecting in either FY2019 or FY2020 any loss of donations that have not been made up for greatly in other areas. Our goal is to continue to lessen our Resort Tax burden and change our organizational culture to reflect that. Huge steps have been taken and progress made in doing that in the last 19 months, and we will continue to do this in what amounts to a year's long strategic process

for any organization seeing the growth in fundraising and project work that the Task Force has had since 2018, and plans to continue. In summary, our last two years have had 100% non-resort tax revenue growth in every development/fundraising area over FY2018, a number which we are proud of and feel emboldens us to continue growing and diversifying our revenue sources.

#### **5. Why do your Resort Tax requests continue to grow?**

Our Resort Tax requests have not continued to grow. Our FY2021 request of \$433,601 is less than the last two years – our FY2020 request was \$690,803 and our FY2019 request was \$599,709. Furthermore, our FY2021 Resort Tax request is the lowest percentage of our total budget (33%) in our entire history of Resort Tax requests. For example, in recent years, FY2020 was 48% and FY2019 was 53% of our total budget. Prior to these years, our requests have generally hovered between 50 and 60% of our total budget. The percent of our budget funded through resort tax has declined in light of significant growth in our project work and overall impact. Our budget has had an average 64% growth rate over the past five years in order to address water issues and priorities outlined most recently in the Resort Tax funded Big Sky Sustainable Watershed Stewardship Plan. All of these changes are direct result of the effectiveness of our Director of Development, which is not funded through resort tax.

## FY21 QUESTIONS: ROUND 2

**Organization:** Gallatin River Task Force

1. Do you have any funds from FY20 you are able to release? We have released \$24,989.61 from FY2020. We may be able to release a small amount of funding from FY20 but are uncertain at this time.
2. Using the table below please provide us with a month by month budgetary breakdown of all projects you applied for: The table reflects when we would spend the proposed funding, although we would aim to invoice the Resort Tax the month following.

Month	Predicted Resort Tax Request PROJECT 1 OPERATIONS	Predicted Resort Tax Request PROJECT 2 EDUCATION & OUTREACH	Predicted Resort Tax Request PROJECT 3 WATERSHED MONITORING	Predicted Resort Tax Request PROJECT 4 WATERSHED RESTORATION & ENHANCEMENT PROJECTS	Predicted Resort Tax Request PROJECT 5 WATER SUPPLY RESILIENCY PROJECTS	Predicted Resort Tax Request PROJECT 6 GALLATIN CANYON GROUNDWATER...
Jul 20	\$19,423.45	\$1,250.00		\$2,250	\$9,090	\$8,333
Aug 20	\$19,423.45	\$1,250.00		\$2,250	\$9,090	\$8,333
Sep 20	\$19,423.45	\$1,250.00		\$3,250	\$9,090	\$8,333
Oct 20	\$19,423.45	\$1,250.00		\$2,250	\$3,750	\$8,333
Nov 20	\$19,423.45	\$1,250.00		\$10,000	\$3,750	\$8,333
Dec 20	\$19,423.45	\$1,250.00			\$3,750	\$8,333
Jan 21	\$19,423.45	\$1,250.00			\$3,750	\$8,333
Feb 21	\$19,423.45	\$1,250.00		\$5,000	\$3,750	\$8,333
Mar 21	\$19,423.45	\$1,250.00		\$5,000	\$3,750	\$8,333
Apr 21	\$19,423.45	\$1,250.00		\$500	\$3,750	\$8,333
May 21	\$19,423.45	\$1,250.00			\$3,750	\$8,333
June 21	\$19,423.45	\$1,250.00	\$4,000		\$3,750	\$8,333
Jul 21						

3. What percentage of your annual operating costs would your BSRAD request cover? 45.67%
4. Comparing Gallatin River Task Force to the Gallatin Watershed Council:

The Gallatin Watershed Council has struggled with long term stability, funding and impact-- and consequently has had very limited impact on watershed health in the Gallatin Valley. We have modeled our strategic initiatives and growth after other successful watershed groups in Montana, like the Big Hole Watershed Committee, Clark Fork Coalition, and the Blackfoot Challenge, and in the region, like Henry's Fork Foundation and Friends of the Teton. We would still be very much needing to



grow our work and expand our financial and fundraising capacity to be at the level of work, staffing and funding that these groups are at---and to be able to impact our watershed in the way that these groups do and that our community has continued to ask of us.

Furthermore, different from the Gallatin Watershed Council, the Task Force has stepped up to tackle projects that would typically be executed by municipal government, like our water conservation program, drought and water supply resiliency planning, and the more recent Gallatin Canyon Wastewater Upgrade assessment.

- a. How many river miles does GRTF oversee versus GWC?: The GWC oversees approximately 2000 river miles, which runs through four municipalities that can fund watershed related activities; while, the Task Force oversees approximately 800 river miles running through the Big Sky area or land managed primarily by the Forest Service, with essentially no budget to fund watershed related activities. In addition, many of the river miles overseen by the Task Force are an iconic nationally treasured resource that will likely be designated as Wild and Scenic in the near future, deserving a higher level of protection.
  - b. How many staff does GWC have? .75FTE contracted staff and an AmeriCorps
  - c. What is GWC annual budget? \$75,975.93
  - d. Operations Budget (Admin, Overhead and Contracted Work): \$51,030.75
  - e. How is GWC funded? GWC is primarily funded through state and federal grants followed by foundations and limited individual and business donations
5. Regarding the projects in Program 4, why can they not be pushed out a year or two?
- a. What constraints dictate they need to happen this year?
    - i. Our Upper Deer Creek restoration project (10K) which is almost entirely funded through legally restricted and contracted committed campaign dollars was intended to start in the fall of 2019 at the Deer Creek access site. We were forced to delay construction because of the unexpected need to replace the Green bridge. Consequently, we moved up the timeline for our next river access project, just upstream at Baetis Alley (Upper Deer), which is linked to the Deer Creek project through the re-routing of boat traffic. With already being delayed a year, we feel obligated to show impact and success on the ground to our donors or we may risk requests for future support. We are now under contract for construction and have all of our official state and government permits to start construction in late August. Meanwhile, river use continues to increase threatening to do further damage to the river and the cost of restoration far exceeds the cost of protection. Furthermore, any deferment of this campaign project would result in increased construction and overall project costs. As stated in the first round of questions, we can pull the \$10K request for this project and still complete this project

- ii. Porcupine/Beaver Creek (10K): Similar to our prior answer, increasing threats to further damage streamside areas will result in a more expensive project. Our resort tax request is for 25% of the total cost to further design to use as a match. As stated in the first round of questions, momentum with the Forest Service is needed to ensure we do not lose priority in the NEPA process, which could delay the project indefinitely.
- iii. Nutrient Abatement Projects (9K): We feel these projects are critical to avoid another environmental crisis, like the 2018 algae bloom, and open up potential wastewater reuse options in the West Fork Watershed that would be beneficial to watershed health. Three streams draining the Big Sky area are listed as impaired for nutrients. If we can reduce nutrient inputs into the West Fork Watershed and remove these stream impairments, we will lessen the threat of nuisance algae which threatens our fisheries and open up more hydrologically beneficial options for wastewater reuse in the West Fork Watershed.

6. Regarding Program 5, what portion of the purple pipe project is GRTF funding? 26%
  - a. Why isn't program 5 100% funded by the BSSWD and the Town Center entities?

The BSWSD has not historically installed reuse lines for developments. We view this project as providing greater community benefit, outside of the BSWSD and Town Center, towards watershed health addressing goals outlined in the Big Sky Sustainable Watershed Stewardship Plan that was funded through Resort Tax and Gallatin and Madison counties.

7. Regarding Program 6, could this be funded and overseen by the BSSWD utilizing the recently passed 1% for infrastructure initiative?

This project is outside of the scope of interlocal agreement between the Resort Tax and the BSWSD; however, according to Ron Edwards, the interlocal agreement could be amended with an increased budget to include this project.

8. What amount of your reserves or excess from FY19, if any, is the Board willing to utilize this next season to support operational funding shortfalls?

Prior to submitting our resort tax application, we took a hard look at our projects and were able to return funds allocated last year to support the Big Sky Relief effort and the local community needs. We applied for and received a PPP loan to support our operations in the interim. When thinking about our resort tax application this year we utilized this same lens. We took a hard look at our funding streams and existing reserves when preparing the application and tightened our belts on projects, both on timing and cost, on the front end as part of our commitment to the community and while striving to maintain our mission. As such, we have already allocated our reserves in our fiscal year 20 planning.

9. How do you plan to sustain your organization long-term with such a drastic variance in decrease of revenue to increase in expenses?

The premise of this question is incorrect, our revenue has increased while we have taken on more community needs. Organizations like the Task Force throughout the American West and in Mountain Towns like Big Sky are nearly all, (apart from the Task Force) funded by lucrative municipal fees, impact fees and dedicated conservation programs supported by municipalities and government (see Bozeman's Water Conservation program and St George, or Park City, Utah's impact fees that go to watershed health.) Even as our work has increased in scope to meet community growth, demands and water supply/condition combined with river health---we have increased our revenue apart from Resort Tax far beyond our asks to Resort Tax, which has decreased by \$247,202 in this application over last year. The Task Force's revenue apart from the Resort Tax has continued to increase while organizational demands sought by our community (to increase our capacity to take on more governmental and watershed conservation functions) have also increased. It is our intention and belief that this will level off and sustain minimal growth in coming years as the community and individuals continue to step up, engage and support us in greater numbers and in larger sums. There will however remain a need and growing intention of the community to continue our project and watershed work (as aligned with our mission) throughout the watershed as we did in the Capital Campaign, at such areas as Porcupine, Beaver Creek and more (which could go beyond the scope of basic annual revenue generation and be on the scale of another, larger Capital Campaign). An integral part of our Gallatin River Forever campaign has been and is allocated to organizational sustainability, something that is a top priority for the Task Force, with already established success (documented in the first round of this questioning). We are continually working towards this sustainability with the aforementioned revenue growth (apart from BSRT) in the version 1 of RT questions we received. We intend to continue this growth in support from private foundations (nationally and locally), individual donors and public-private partnerships (outlined in below questions) while diversifying our funding in as many ways as possible to increase the health of our financial position annually. Again, as noted in the previous set of questions--we have had NO decrease in revenue--our 2019 numbers were inflated at the direction of our auditors, to include all of our campaign pledges that will occur over the next five years as being realized in 2019. **It is very important to the Task Force staff and board that the Big Sky Resort Tax Board understands this point: our revenue has not decreased, and our donors and donations have grown exponentially while our Resort Tax asks have decreased. Since this has been brought up multiple times in this questioning process, we wanted to make that as clear as we can. If necessary, we would be happy to reach out to our auditors and ask for comment or documentation on this question and the related question asked previously.**

10. When do you anticipate decreasing need from BSRAD on your Operational Budget to allow for more project-based funding for your organization?

We have significantly decreased the need for BSRAD to fund operations in this request, in which we are requesting 45.67%, compared to 69% in FY2020, 65% in FY2019 and 65% in FY2018. We also want to make clear that project-based funding also requires operational expenses, that in some cases can be the significant portion of a project budget.

11. The community sees clear deliverables in your projects, what will they see from your operations vs projects?

The community has made clear that a priority in the Our Big Sky: Community Visioning process was protection of our natural resources. The continuance of our operations is what most guarantees that. Operations are absolutely critical to complete projects - without operations we would not be able to fundraise for, plan, coordinate, execute, and track projects. Staff time that the Resort Tax application classifies as operations is the primary or only expense of some of our projects that move forward goals and strategies within the Our Big Sky Vision and Strategy. Without operations, we will not have project deliverables. As was noted by the Big Sky Resort Tax board itself, during last year's allocation, without our operational functions--as is the case for all Big Sky nonprofits: our mission, goals, projects and strategic plan would not be able to forward. With the threats facing the Upper Gallatin in water scarcity, changing climate and growing development, growing every day--our work only becomes more important. Additionally, with the operational staffing of our organization over the last 24 months, we have finally reached close-to average staffing for an organization of our size and breadth to maximize impact and efficiency.

12. What active role will you play in forming a Gallatin Canyon Water Sewer District? We foresee this being a vital role that we should take on and one that we would love to play an active role in; however, our role will depend on whether or not our operations are fully funded. This is an example of one of the projects that we oversee which without staffing and operational costs, would not be possible for us to continue to take on and execute as these are its primary expenses.
13. Please describe your sources and plans for Other Public Grants, Private Donations and Fundraising.

The Task Force has begun ambitious efforts beyond our already strong growth plans and actualities in this area to cover all bases outlined in the above question and any others, such as planned giving, peer to peer fundraising, an endowment and water fund to help perpetually support our work on an annual basis, and other options for public and private funding.

Our team has been working on and will be submitting a large number of grant requests (more than ever before) to private foundations, many that we are engaging with for the first time or re-engaging with to further grow our relationships and grant funding. We have invested, as allocated by our capital campaign-- in time and resources being used to research national, state and local foundations that would support our work and to begin reaching out regarding letters of inquiry and grant application processes. This outreach has already resulted in a \$2,100 grant from REI in Bozeman, which is a new source for us that can be grown and cultivated in the coming years, amongst other small but encouraging successes. This was already planned but has been accelerated with the threats of, and

actual donor/sponsor attrition due to the COVID public health and economic crisis. Recently, we have also engaged Gallatin County, Trout Unlimited and the National Forest Foundation.

We have continued to engage the donors that supported our capital campaign and increased our membership over the last 18 months, and to great results. These donors will be our continued focus along with major donor cultivation programs and relationship building, something that was lacking prior to 2019. We will be over in our general fund/membership goals for this FY year, even as we are “all hands-on deck” to try to make up the difference from a deferred Hooked on the Gallatin Banquet and uncertainty around the pandemic and applicable legal guidelines our organization must adhere to. Our general fund donation goals from individuals and memberships will continue to grow each fiscal year, to ensure organizational sustainability and revenue diversification. We continue to also look to approach new individuals and sponsors that have not been approached before but have an interest in watershed conservation and have weathered well, the financial and health storm around COVID. We are looking forward to success in engagement and casting our net ever wider in order to meet our goals across the board. We will also be/have been engaging more than ever our Board of Directors to establish new cultivation and networking opportunities to inform our greater community of our existence, work and to ask for support. We will be having private home events this year as allowed and engaging supporters in new areas that we haven't before. We have a thorough calendar and strategic planning document for revenue growth that guides us every year and though postponed and switched up somewhat in 2020 because of COVID, we have continued to be dynamic and flexible in our ability to diversify and seek new types and sources of funding, while sustaining those that have gotten our organization, projects and work to this point. Additionally, we are looking at a new fall golfing event that is being discussed and led by community leaders and would help to continue diversification of funding.

We will be announcing soon the creation of a new and local Peer to Peer--socially distant fundraising event (in the lead up to our Summer 2020 Banquet) that will amplify our sponsors and create additional ways to crowdsource funding in a socially distant way that also funds our most important work. This watershed-wide activity and event will be amplified through social media and communications and engage the community in new and exciting ways, while helping educate our present community about the importance of the watershed to our health and well-being.

Late this winter, we rolled out our License Plate Revenue Project officially with a new “Friend of the Gallatin” license plate that once promoted and purchased by people across Montana, can and will be a steady stream of revenue and marketing for our work and mission. Additionally--we are collaborating and planning extensively with the Nature Conservancy of Montana to formally roll out and establish a Water Fund that would most likely include an endowment and corporate support for the Upper Gallatin Watershed and the main focal points of the Task Force’s work and mission. The goal of this fund would also be to grow our revenue diversity and donor pool, and further our programmatic and conservation work throughout the watershed as threats increase and must be mitigated sustainably.

Lastly--we will continue to focus on the sustenance and growth of our established efforts to achieve sustainable growth through donor retention, acquisition of new donors, board members and supporters and to more than make up for any natural or unexpected COVID attrition. We have increased our ability to use data and database management to track these metrics and numbers and be able to regularly measure where we are at so that we can meet and exceed given goals and objectives in fundraising in development.

## **FY21 QUESTIONS: ROUND 1**

**Organization:** Visit Big Sky

**1. What happens to your projects/programs or organization if you do not receive Resort Tax funding?**

Visit Big Sky is almost entirely publicly funded excluding monies received from lodging partners to underwrite the publication and printing of the Official Visitor Guide. The original FY21 budget projection of \$350,000 from the Montana Office of Tourism and Business Development based on the Big Sky Resort Area District's percentage of the 4% Montana Facility Use Lodging Tax was lowered by the VBS Board to \$250,000 for budgeting purposes. If Resort Tax funding to VBS was to be cut, projects/programs and staff would be cut to reflect what the budgeted Big Sky Convention and Visitor Bureau bed tax monies coupled with the Resort Tax amount allocated. The decision was made to not print the OVG at this time, thus saving nearly \$25,000 in printing and distribution costs.

**2. Why do you choose not to have your financials audited?**

The IRS does not require nonprofits to obtain audits, but federal and state government agencies do, depending on a nonprofit's size or spending. Visit Big Sky is a state-designated Convention and Visitor Bureaus (CVB) and fiscal sponsor for a percentage of the 4% Montana Lodging Facility Use Tax or "bed tax" designated for tourism promotion per Montana Annotated Code. These funds are distributed by the Montana Office of Tourism and Business Development under the Department of Commerce and require VBS to undergo an audit of these funds only which is conducted by the state on an annual basis. VBS has been a model held up to the other 19 state-designated and 7 Tourism Regions for its exemplary compliance. Resort Tax funding has constituted the majority of VBS' budget with allocations ranging from \$450,000 in 2014 when the organization was created to \$640,000 more recently. These monies are allocated only after submitting receipts directly related to purpose for which they were requested and funded. Being that independent audits are very expensive, costing upwards of \$5,000-\$10,000, it does not make financial sense to undergo a second audit.

**3. Have you received any grants due to COVID-19?**

As a 501(c)(6), Visit Big Sky is not typically eligible to apply for and receive grants. The PPP Loan which forgiveness is another instance of ineligibility for VBS. Governor Bullock's newly announced \$123 million in emergency grants includes a Social Services Nonprofit Grant for up to \$10,000. Eligibility was expanded beyond 501(c)(3)s to include 501(c)(6) nonprofit organizations so VBS applied on the day the grant portal opened, May 8<sup>th</sup>, and is awaiting response to its application.

**4. Which projects can be removed from this year's request or postponed?**

PROMOTE the Destination: VBS's primary focus is to market the Big Sky destination to bring visitors back in the wake of the COVID-19 pandemic once the Governor's mandated 14-day self-quarantine is lifted as of June 1. These marketing dollars designated to support this effort are not "optional" in our opinion, but rather were dependent on moving into Phase II of Montana's reopening which has been announced.

DEVELOP/STEWARD the Destination: – Sustainability initiatives slated for spring 2021 in the amount of \$10,000 could be postponed.

LEAD the Destination: – Continuing professional education for staff in the amount of \$10,000 could be removed from this program.

**5. What portion of your "Team Big Sky-People and Place" budget is conferences/events that may be affected by travel and social distancing restrictions?**

TEAM Big Sky-People and Place is comprised solely of salaries, benefits, rent, utilities, and insurance expense. There are no conference/events expenses in this program that may be affected by travel and social distancing restrictions.

**6. What are your decision points to stagger marketing to increase and cut-back on marketing based on surges?**

Marketing at present consists of a PPC (Pay-Per-Click) and retargeting campaign which was initiated on March 1, totally demand driven by people actively searching for lodging in and around Yellowstone National Park. As of May 1 it was expanded to include Montana residents as well with the 14-day self-quarantine in effect. There is a monthly budget cap in place due to the limited marketing dollars remaining in FY20 with VBS' repurposing of \$110,000 of its allocated funds to underwrite the Big Sky Save Small Business Relief Fund microgrant program that distributed \$192,500 to 57 small businesses. Demand is far outpacing what this campaign has been able to serve, and it is our intent to increase those dollars to meet it with future funding.

A retro fenced, geo-targeted campaign designed to reach individuals who visited the Big Sky destination during the Winter 19/20 season was scheduled to begin May 1<sup>st</sup>.

According to summer '19 consumer research conducted by Destination Analysts, 83% of summer visitors were repeat visitors to the destination. VBS was going to serve up summer offerings to those who had come this past winter. Trigger points to move forward with this campaign are the expiration of the 14-day self-quarantine for non-residents entering the state, coupled with the opening of the three Montana entrances to Yellowstone National Park. We are awaiting the Governor's recommendation to Superintendent Cam Sholly of Yellowstone on the latter.



In-state marketing to reach Montana residents is underway with a Yellowstone Country Tourism Region coop placing digital ads with Lee Enterprises' Montana newspapers including the Billings Gazette, Helena Independent Record, The Missoulian, The Montana Standard in Butte and Hamilton's Ravalli Republic. Further, regionally a AAA campaign encompassing Montana and other drive market states is also being negotiated with tourism sentiment research by Destination Analysts showing significant intent by prospective travelers to drive to destinations within a 539-mile radius rather than fly, once travel opens up again.

Yellowstone specific National Parks Trip media lead-generating campaigns continue targeting people specifically looking to travel to the park. The names of individuals garnered via this placement provide for customized email marketing campaigns. In addition, an ad placed in USA Today's National Park specific magazine insert this summer continues to position Big Sky as a Gateway Community to Yellowstone. Summer '19 research conducted in Big Sky by Destination Analysts showed 33% of visitors to Big Sky were also visiting Yellowstone as a part of their vacation.

Owned media including VBS' website continues to see traffic with requests for Official Visitor Guides to assist with trip planning. Social media channels including VBS' Facebook and Instagram pages support inspirational messaging to plan today for #TravelTomorrow and direct prospective visitors to the website to learn more. With the Governor's announcement of the 14-day self-quarantine being lifted as of June 1, VBS will be more direct in its marketing message inviting visitors back to Big Sky.

## FY21 QUESTIONS: ROUND 2

**Organization:** Visit Big Sky

1. Do you have any funds from FY20 you are able to release?
  - a. If yes how much can you release?

Visit Big Sky in partnership with the Big Sky Chamber worked with Resort Tax to repurpose \$210,000 of their combined FY20 Allocations with \$110,000 specifically coming from VBS. These monies were utilized to create the Big Sky Save Small Business Relief Fund which granted out \$192,500 to 57 local small businesses: \$2,500 to those with 1-5 employees including sole proprietors and \$5,000 for those with 6-20 employees. Additionally, 80 Reopening bundles were purchased which included PPE of masks and gloves, hand sanitizer, and Open for Business and other social distancing signage, and delivered to local businesses on the Friday morning leading into Memorial Day Weekend. These programs evoked expressions of sincere thanks from business owners and even caused some of them to tear up with gratitude for Visit Big Sky's vital assistance in such a difficult time. The remaining funds are being used to purchase plexiglass shields for consumer-facing retailers and to print additional materials for businesses to communicate expected behavior by our visitors when coming to Big Sky. With that being said, we have no additional monies to release.

2. Using the table below please provide us with a month by month budgetary breakdown of all projects you applied for:

Month	Predicted Resort Tax Request PROJECT 1 TEAM BIG SKY	Predicted Resort Tax Request PROJECT 2 PROMOTE THE BIG SKY DESTINATION	Predicted Resort Tax Request PROJECT 3 DEVELOP & STEWARD THE DESTINATION	Predicted Resort Tax Request PROJECT 4 LEAD THE DESTINATION
July 2020	6,326	25,533	3,000	2,141
August 2020	11,144	14,215		4,641
September 2020	13,220	86,139		641
October 2020	13,220	15,889		891
November 2020	13,220	12,389		3,391
December 2020	13,220	168,389		1,041
January 2021	13,220	15,739	10,000	1,291
February 2021	13,220	5,489		3,641
March 2021	13,220	13,139		1,641
April 2021	13,220	11,389		10,391
May 2021	13,220	15,639	1,500	641
June 2021	18,108	16,501		649
July 2021				

**3. What are you able to accomplish as outlined in your plan of work for FY21 with your restricted CVB funding already in hand?**

It is very important to note that FY21 projected Montana Lodging Facility Use Tax collections are just that, projected, and do not get dispersed to Visit Big Sky until the third month of the current quarter for which it they are being collected. They are not automatically “in hand” with the start of the fiscal year. VBS will receive its 1<sup>st</sup> Quarter (July-September) allocation for FY21 in September based on actual monies collected from July-September which at the moment is completely unknown with the current environment due to the COVID-19 pandemic, economic recession and protesting/rioting go on nationwide. CVB monies are utilized to maintain the core underlying operating framework required to run a destination marketing and management organization from fully funding our Visitor Services Manager and Tourism Stakeholder Manager staffer, a portion of our .5 Compliance Manager and .5 CEO, as well as website hosting and development, technology platforms to manage email marketing and social media, and content sourcing and storage. Finally, monies also fund the DestiMetrics lodging platform that provides critical data upon which marketing decisions are made in collaboration with 9 lodging partners along with other consumer research. Finally, they include monies for summer/YNP specific marketing campaigns, and air route development marketing support to promote the Big Sky destination, but very limited monies of roughly \$130,000 compared Jackson Hole for example has a \$3 million budget.

**4. What is included in the contract paid to the Big Sky Chamber annually from the VBS budget?**

*Reiteration of the Response to the Big Sky Chamber’s Round 1, Question #7: Please explain the Visit Big Sky management fee and other revenue with more detail.*

Visit Big Sky and the Big Sky Chamber leverage their interrelated missions to reduce costs, but each is its own organization. The management fee contract is a statement of the transfer of funds from VBS to the Big Sky Chamber for the organization’s salaries for VBS specific staff. VBS has no employees. It also includes VBS’ half of the rent, utilities, and insurance expense for the shared offices. All contracts including the lease, and utilities are in the name of the Big Sky Chamber. The Big Sky Chamber birthed out VBS as a separate organization in 2013. This is an important point. Each organization has its own 501(c)(6) designation, articles of incorporation, bylaws, 11-member boards, budgets with different funding sources, and file separate tax returns.

**5. Are you promoting locally or nationally or both?** *Reiteration of Round 1, Question #6: What are your decision points to stagger marketing to increase and cut-back on marketing based on surges?*

Marketing at present consists of a PPC (Pay-Per-Click) and retargeting campaign, which was initiated on March 1, totally demand driven by people actively searching for lodging in and around Yellowstone National Park, so nationally. As of May 1, it was expanded to include more local market efforts meaning Montana residents, with the 14-day self-quarantine in effect. There is a monthly budget cap in place due to the limited marketing dollars remaining in FY20 with VBS’ repurposing of \$110,000 of its allocated funds to underwrite the Big Sky Save Small Business Relief Fund microgrant program that

distributed \$192,500 to 57 small businesses. Demand is far outpacing what this campaign has been able to serve, and it is our intent to increase those dollars to meet it with future funding.

A retro fenced, geo-targeted campaign designed to reach individuals who visited the Big Sky destination during the Winter 19/20 season was scheduled to begin May 1<sup>st</sup>. According to summer '19 consumer research conducted by Destination Analysts, 83% of summer visitors were repeat visitors to the destination. VBS was going to serve up summer offerings to those who had come this past winter. Trigger points to move forward with this campaign are the expiration of the 14-day self-quarantine for non-residents entering the state, coupled with the opening of the three Montana entrances to Yellowstone National Park which Governor Bullock has done effective June 1, so with that this campaign is scheduled to begin immediately.

In-state marketing to reach Montana residents is underway with a Yellowstone Country Tourism Region coop placing digital ads with Lee Enterprises' Montana newspapers including the Billings Gazette, Helena Independent Record, The Missoulian, The Montana Standard in Butte and Hamilton's Ravalli Republic. Further, regionally a AAA campaign encompassing Montana and other drive market states is also being negotiated with tourism sentiment research by Destination Analysts showing significant intent by prospective travelers to drive to destinations within a 539-mile radius rather than fly, once travel opens up again.

Yellowstone specific National Parks Trip media lead-generating campaigns continue targeting people specifically looking to travel to the park. The names of individuals garnered via this placement provide for customized email marketing campaigns. In addition, an ad placed in USA Today's National Park specific magazine insert this summer continues to position Big Sky as a Gateway Community to Yellowstone. Summer '19 research conducted in Big Sky by Destination Analysts showed 33% of visitors to Big Sky were also visiting Yellowstone as a part of their vacation.

Owned media including VBS' website continues to see traffic with requests for Official Visitor Guides to assist with trip planning. Social media channels including VBS' Facebook and Instagram pages previously supporting inspirational messaging to plan today for #TravelTomorrow and direct prospective visitors to the website to learn more will now communicate that Montana, and Big Sky in particular is welcoming visitors back with the Governor's announcement of the 14-day self-quarantine being lifted and the 3 Montana entrances to YNP open as of June 1.

**6. What areas can you trim in your budget?** *Reiteration of Round 1, Question #4: Which projects can be removed from this year's request or postponed?*

PROMOTE the Destination: VBS's primary focus is to market the Big Sky destination to bring visitors back in the wake of the COVID-19 pandemic once the Governor's mandated 14-day self-quarantine is lifted as of June 1. These marketing dollars designated to support this effort are not "optional" in our opinion, but rather were dependent on moving into Phase II of Montana's reopening which has been

announced. The marketing efforts of VBS support the Big Sky destination as a whole, taking the state tourism offices' messages from top of funnel to get people to choose Montana, Yellowstone Country's messages to choose our region, and then finally our organization's messages to specifically choose Big Sky for their trip. Local businesses then market their specific goods and services to visitors once they have made their decision to come here. Again, the return to Resort Tax for their investment in Visit Big Sky is additional Resort Tax collections from our tourism business stakeholders collecting the luxury tax, primarily from our visitors to continue to build the Big Sky economy.

DEVELOP/STEWARD the Destination: – Sustainability initiatives slated for spring 2021 in the amount of \$10,000 could be postponed.

LEAD the Destination: – Continuing professional education for staff in the amount of \$10,000 could be removed from this program.

**7. Does travel seem realistic for your team right now considering everything happening?**

There are no travel plans for staff at present other than the state-mandated participation in the quarterly Tourism Advisory Council (TAC) meetings should they revert to in-person meetings in Helena. The only other potential travel is that of the CEO as a sitting board director of the U.S. Travel Association for quarterly board meetings and programs should they revert to in-person meetings. At a time when the travel and tourism industry has been decimated by the COVID-19 pandemic and resulting economic decline, the need for the industry to gather, and to collaborate on the road to recovery is critical. To have a Montana tourism industry representative with a seat at the national table where policy and programming are being created as part of the solution is a true asset not only for the Big Sky community, but for the state of Montana.

**8. With the Montana Office of Tourism's adoption of the tag line "Montana is Worth the Wait" how do you plan to adjust the scope of your activities in these uncertain economic times?**

The MOTBD tag line was being utilized while Governor Steve Bullock's mandated 14-day self-quarantine for out-of-state travelers was in effect. It expired as of June 1. Marketing to attract visitors back to Montana is set to begin immediately and to include messaging around traveling and recreating responsibly, meaning the need for frequent hand washing, wearing a mask, and practicing safe social distancing. VBS will transition its previous inspirational messaging that encouraged potential visitors to Keep the Dream Alive and Plan Today for #Travel Tomorrow to a proactive visit Big Sky marketing message beginning June 1.

**9. Why does the Expenses and Revenues section of your application show nothing in terms of Private Donations, Fundraising and Other Revenue? *Reiteration of Background Information Responses from FY21 Application (some much abbreviated due to word count limitation on the response)***

Under the Revenue category in the FY21 Application there is Other Revenue of \$33,500 which includes private dollars raised from lodging partners for advertising in the Official Visitor Guide, as well as sponsorship of VBS' annual events like the Marketing Outlook Luncheon and other programs. As stated in various responses in the FY21 Application to a number of questions, it was explained that philanthropy – be it donations from individuals, or grants from corporate and/or private foundations such as the Yellowstone Club Community Foundation, Spanish Peaks Community Foundation and Moonlight Basin Community Foundation – are not funding options for VBS since it is a 501(c)(6) nonprofit, not a 501(c)(3) charitable nonprofit like all the other nonprofits who apply to Resort Tax for

funding with the exception of the Big Sky Chamber. Another current example of this difference in VBS' ineligibility for philanthropic funding versus other Big Sky nonprofits is that of the COVID-19 CARES Act PPP Loan program – (c)(3)s are eligible and (c)(6)s are not. VBS is a 501(c)(6) nonprofit membership organization, however a typical membership dues structure is not leveraged to raise private support so to not cannibalize membership in the Big Sky Chamber which was established in 1986, and was the original fiscal sponsor for the Big Sky Convention and Visitor Bureau. Instead lodging partners contribute confidential occupancy and rate data for the destination's collective benefit to help guide decision-making on how to market and manage the destination. With 83% of the 450 member businesses of the Big Sky Chamber paying \$350 or less annually, the proposition to make them pay dues to Visit Big Sky as well would lead most small businesses to choosing membership in one organization over the other.

**10. "Is VBS considering changing the goals of Program 2 in light of COVID-19? i.e. the goal discusses year-round, but is VBS considering helping ""jump start"" our winter visitation?"**

As referenced in a previous response, VBS will begin a retro fenced, geo-targeted campaign designed to reach individuals who visited the Big Sky destination during the Winter 19/20 season be it on a pass product or a day-pass. It will allow VBS to begin to build a targeted email list for future winter marketing campaigns. Additional winter marketing efforts with Yellowstone Country Tourism Region. For the first 2 months, it will serve up a summer marketing message, and then switch to winter one as we enter August. Being that Big Sky Resort owns the names of all season passholders of their eponymous Season Pass, IKON or Mountain Collective pass products and VBS does not have access to that customer list, it only makes sense that BSR lead that invitation to return for Winter 20/21, again with VBS playing a supporting role with its owned media for the time being.

**11. Are the marketing efforts in Program 2 working in unison with the large private business marketing campaigns (i.e. BSR and LMLC) to have larger, well-coordinated marketing campaigns leveraging VBS dollars with the private dollars?**

Visit Big Sky strives to work collaboratively with all private tourism stakeholders within its defined geographic footprint of the Big Sky Resort Area District boundary and 20 miles both north and south from the intersections of U.S. Hwy 191 and MT Hwy 64. There are 5 VBS Board-designated committees in addition to the Board of Directors, for businesses to engage with directly throughout the year, in addition to the daily engagement by TEAM Big Sky staff, and frequent electronic communications to keep everyone informed. Further, a reason for creating the VBS Annual Marketing Outlook Meeting three years ago was to provide a vehicle to continually engage the Big Sky community in VBS' current research, destination experience development, destination management and marketing efforts. Both Big Sky Resort and Lone Mountain Land Company have representatives on the VBS Board and have participated in the annual industry events since their inception 3 years ago. There is a difference however with VBS' relationship with these two private partners.

To begin, Big Sky Resort (BSR) is a destination ski-resort and golf course open to the public, and highly dependent on the visitor economy. BSR is owned by Boyne Resorts, a privately held, Michigan-based

company with 10 ski resorts and 11 golf courses across the country. BSR's positioning as *The Biggest Skiing in America*® and its corporate participation in the IKON and Mountain Collective pass product offerings have cemented their reputation for providing a world-class winter experience. Many of BSR's *Big Sky 2025 Plan* capital improvements, including the recent Ramcharger-8 which was the first 8-seat D-line chairlift in North America, are designated to enhance that positioning. Being part of a privately owned company, however, often prohibits BSR from sharing information or from participating in destination-wide programs. Further, as part of a larger portfolio of ski resorts, BSR is required to work within corporate brand standards, and its priorities are part of a larger portfolio, so from a timing perspective, not always aligned with that of the Big Sky destination as a whole. VBS does its very best to work with and support BSR's marketing messages within the boundaries created by their corporate operating structure. However, with the massive differential between winter and summer revenue generation, VBS with its limited resources and following a 9-month Tourism Master Planning process with its board, staff and community, adopted *Imagine Big Sky 2023*, to turn its focus on building summer and shoulder seasons to provide greater financial sustainability to the local economy, Big Sky business owners, employees and residents while playing a supporting role to BSR's lead in marketing winter.

Lone Mountain Land Company (LMLCo), until the opening of The Wilson – Residence Inn by Marriott, has been a land development and commercial and residential real estate company focused on commercial properties like the Big Sky Real Estate/MT Supply/Toast Building and Building 4 going up now in Town Center and the private residential club developments of Spanish Peaks Mountain Club and Moonlight Basin which are not open to the traveling public. There is a slight exception via a limited number of property rentals that come with that privilege for an additional fee. This means that for the time being, until the hotel properties including Montage Big Sky at Spanish Peaks and *One&Only* at Moonlight Basin are built, that the destination is unable to promote the world-class golf courses, hiking, mountain biking, water activities on Ulrey's Lake, and other outdoor recreational assets built and maintained for private property owners. They are private and not consumer facing. There have been incredible opportunities created by LMLCo to attract purchasers of real estate in these private clubs, that are not always in alignment with the mission of VBS, the tourism-based organization catering to the needs of our visitors. VBS however does work hand in hand with LMLCo's Marriott property, Big Sky's first branded lodging entity. The Wilson is a participant in the VBS DestiMetrics lodging partner program with the destination and 8 other lodging properties, providing involved parties with vital data to better manage their businesses, and the community at-large with a monthly 60-day Retail Report to help better manage theirs from a staffing and operations perspective.

VBS works with approximately 120+ tourism businesses directly on a weekly basis, many daily, that are represented in the Official Visitor Guide, on the [visitbigsky.com](http://visitbigsky.com) website and social media, including event producers and other related nonprofit community organizations, to ensure they are on

destination message with their own marketing efforts. This leverages very limited marketing dollars from the perspective of these small businesses.