



Board Meeting Agenda

February 8th, 2023 | 9:00am

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

I. Open Meeting

A. Roll Call — 9:00

B. Public Comment

C. Consent Agenda: *Action* — 9:05

a. Approval of Minutes: January 11th, 2023

b. Finance Report: December 2022

D. Regular Agenda

1. Old Business

a. Executive Report: Discussion — 9:10

b. Committee Reports: Discussion — 9:15

Application Revision

Elevate Big Sky

County Commission

Incorporation Exploration

Strategic Investments

c. Post Office Update: Discussion — 9:25

d. FY24-FY26 Strategic Plan: Action — 9:30

2. New Business

a. FY22 Annual Report: Discussion — 9:35

b. Capital Improvement Plan Bid Opening: Action — 9:40

c. Reserves Strategy: Action — 9:55

d. Government Services Annual Update: Action — 10:00

E. Public Comment

BSRAD BOARD & STAFF: Sarah Blechta, Chair | Ciara Wolfe, Vice Chair | Steve Johnson, Secretary & Treasurer | Kevin Germain, Director | Grace Young, Director | Daniel Bierschwale, Executive Director | Kristin Drain, Finance & Compliance Manager | Jenny Muscat, Deputy Director | Tammy Estensen, Communications & Community Engagement Manager | Sara Huger, Office Manager

** All Board Meetings are recorded and live streamed. Please visit ResortTax.org for more information.*

From: [M.G](#)
To: [Big Sky Resort Tax District Information](#)
Subject: Report a Business Submission from ResortTax.org
Date: Friday, February 3, 2023 12:04:05 PM

Business Name

Skyline Bus

Comments About the Business

The Skyline bus is maintaining a horrid appearance in Big Sky. The people and workers of Big Sky pay for the skyline bus to provide mobility to work and to the mountain. More often than not the bus is late or not coming to the Meadow Village stop, inciting tons of late to work employees. And when trying to contact the phone number about the bus we are receiving a very rude and useless person who is abrasive in his inability to help those in need when a bus does not come. On countless cases the bus will not arrive for an hour plus- and it is scary to consider the danger of what could happen to someone waiting out there for hours when the bus does not arrive. The bus is always overcrowded and we of Big Sky do not want to pay for a lawsuit

Confidentiality Preference

I will provide my contact information.

Your Name

M G

Email Address

Fakeemailjks@gmail.com

From: [R Winslow](#)
To: [Big Sky Resort Tax District Information](#)
Subject: Skyline Bus Budget
Date: Friday, February 3, 2023 2:36:43 PM

Hi,

*** Concerned as I don't see a bus system listed in the 2023 Resort Tax Funding Requests report. The bus system has decreased service exponentially, which is greatly effecting businesses in the meadow. (No late night services and 100's of J1s/ resort employees are stranded in the Mountain Village, every night... when they would be spending time and money in the meadow.)

Please elaborate on what is going on with this transport system that we pay A LOT towards, and please increase services back to what they were 10 - 17 years ago. We actually need YR consistent service here, not less.

Thank you for your time and best regards,
Rebekah Winslow
(Resident since 2006)



Meeting Minutes

January 11th, 2023 | 9:00am

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

I. Open Meeting

A. Roll Call

[00:01:05](#) Sarah Blechta called the meeting to order at 9:00 am. All board members present.

B. Public Comment

[00:01:32](#) Bill Todd, Madison County Commissioner introduced himself.

[00:01:49](#) Darren Brugman with the Transportation District responded to community comments regarding recent bus schedule/service changes. Darren also discussed new Big Sky Connect service and future expanded micro transit services.

[00:08:16](#) Katie Grice, on behalf of Wellness In Action, provided an update on new staff members and construction planning/budgeting. Katie shared that the number one concern seen by counselors is anxiety related to housing.

[00:13:38](#) Ciara Wolfe asked, and Katie Grice clarified that there are 6 counselors available through BigSkyWIA.org including telehealth options, and English and Spanish speaking counselors.

[00:14:54](#) Big Sky Skijoring discussed and invited everyone to the upcoming Best in the West Showdown.

C. Consent Agenda: *Action*

a. Approval of Minutes: November 9th, 2022

b. Finance Report: September, October, & November 2022

[00:16:28](#) **Motion**: to approve the Consent Agenda: Kevin Germain

Second: Ciara Wolfe

[00:16:50](#) Ciara Wolfe shared that the District is now debt free after paying off bonds and mortgage.

[00:17:15](#) **Vote**: Motion passed unanimously.

D. Regular Agenda

1. Old Business

a. Executive Report: *Discussion*

[00:17:30](#) Daniel Bierschwale gave updates related to business registration, Capital Improvement Plan, applications, and the FY22 annual report.

[00:20:03](#) Kevin Germain discussed the need for a Capital Improvement Plan for long-term strategic investment planning. Board members discussed and reiterated the importance of applicant and community involvement in the Capital Improvement Plan. Sarah Blechta expressed the need for accurate budgeting.

2. New Business

a. Public Notice of Non-Compliance Procedure Revision: Discussion

[00:23:55](#) Daniel Bierschwale explained the resolution and procedure for repeat non-compliant businesses. Board members discussed.

b. Opportunity Fund Procedure: Action

[00:28:32](#) Daniel Bierschwale discussed eligibility requirements and commitment of restricted funds for this procedure.

[00:30:42](#) Ciara Wolfe asked for examples of projects; Sarah Blechta shared the possibility of a community greenhouse with matching funds from foundations. Board members discussed projects that would possibly qualify for the opportunity fund.

[00:33:27](#) Sarah Blechta and Ciara Wolfe requested more clarity to avoid projects being broken apart into multiple projects in smaller request amounts to avoid the larger application process. Kevin Germain suggested quarterly review instead of monthly.

[00:38:36](#) Board agreed to create definitions for more clarity between what constitutes an emergency verses opportunity and a procedure for both. (Action will be deferred)

c. FY24 Forecast: Discussion

[00:40:25](#) Updates from applicants with changes in forecast from last year:

Morningstar Learning Center

[00:42:07](#) Mariel Butan from Morningstar Learning Center provided updates related to the campus expansion project and discussed the need for more childcare in the community and housing for staff.

[00:45:53](#) Board members asked about collaboration efforts with the Housing Trust and foundations. Kevin Germain requested to see plans and concepts next month.

Big Sky Chamber of Commerce & Visit Big Sky

[00:47:09](#) Brad Niva with the Big Sky Chamber and Visit Big Sky gave updates related to staffing, wayfinding signage project changes, and marketing.

Big Sky Community Housing Trust

[00:50:33](#) David O'Connor with the Big Sky Community Housing Trust explained "Future Development" line item was removed and feels confident there are resources and partners available if they need to act quickly on a future project.

[00:52:11](#) Daniel Bierschwale asked what the appropriate reserves would be, and David O'Connor discussed.

Big Sky Fire Department

[00:53:23](#) Greg Meegard with the Big Sky Fire Department discussed prioritization and grant funding for projects and explained their request will be less this year. Fire Training facility was discussed, and more information will be available next month at the February meeting.

Big Sky SNO

[00:57:20](#) Lizzy Peyton with SNO explained forecasting for solar projects increased.

d. Big Sky Community Organization (BSCO) Planning Update: Discussion

[00:59:04](#) Whitney Montgomery provided updates related to Community Engagement Workshops and Strategic Planning.

[01:05:05](#) BSCO will be celebrating 25 years of serving Big Sky.

[01:05:29](#) Whitney discussed BSCO and Parks District partnership and explained a draft of the Maintenance Funding Agreement with Gallatin County will be complete with the next few months. The Parks District will be applying for BSRAD funding in accordance with the Maintenance Funding Agreement for parks, trails, and BASE.

e. Introduction of 'Big Sky Local Governance, Inc.': Discussion

[01:10:41](#) Big Sky Local Governance, Inc was formed as a 501C-4 organization and is open to public engagement. Tallie Lancey shared what is being considered and was not prepared to answer questions.

[01:13:46](#) Sarah Blechta requested the opportunity to engage with the group and attend their meetings as a community member.

[01:14:44](#) Daniel Bierschwale discussed the need to prevent moving forward as a divided community and warned against creating rifts. Sarah Blechta requested invites and information when meetings are happening. Kevin Germain discussed state legislative opportunities.

[01:18:47](#) Ciara Wolfe asked and Tallie Lancey clarified that incorporation is only being considered in Gallatin County. Ciara suggested working with both Madison and Gallatin counties.

[01:21:26](#) Big Sky Local Governance, Inc can be contacted at: BigSkyLocalGov@gmail.com

[01:23:15](#) *Public Comment:* Whitney Montgomery offered space and support for community engagement at BASE.

[01:23:37](#) *Public Comment:* Katie Grice offered community engagement support from the Chamber of Commerce.

[01:24:21](#) *Public Comment:* Brad Niva suggested incorporation as a topic for Eggs & Issues in April/May.

E. Public Comment

[01:25:02](#) Kevin Germain shared subcommittee updates and invited Ennis community leaders to tour Resort Tax as they consider funding options.

[01:26:57](#) **Motion:** meeting adjourned at 10:26 am

II. Strategic Planning: Discussion

Location: BASE (285 Simkins Dr .)

BSRAD BOARD & STAFF: Sarah Blechta, Chair | Ciara Wolfe, Vice Chair | Steve Johnson, Secretary & Treasurer | Kevin Germain, Director | Grace Young, Director | Daniel Bierschwale, Executive Director | Kristin Drain, Finance & Compliance Manager | Jenny Muscat, Deputy Director | Tammy Estensen, Communications & Community Engagement Manager | Sara Huger, Office Manager

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Accountant's Summary
Month Ended December 31, 2022

Balance Sheet

- The reserve funds increased overall due to the 1% tax collections. However, fund was reduced by the bond reserve that was created as a result of the bond covenants from 2021 (Series A and B). This account was removed since the bonds were paid off in November and the covenant no longer applies.
- No other items to note related to the balance sheet.

Profit & Loss

- Interest income continues to exceed previous periods due to the increase in rates.
- The \$126,000 in appropriations this month is due to the contract amendment for Gallatin Canyon Water & Sewer District.
- As in previous months, the tax collections are down due to the timing of the month-end close procedures.
- The Budget vs Actual report appears reasonable.
- The total budgeted expenditures for FY23 are approx. \$1,221,350 and \$553,000 (45%) of the budget was expended as of December 31, 2022. The total expenditures of \$1,213,000 was reduced by the principal paid for the bonds and mortgage (\$660,000) since those were unbudgeted items.

BIG SKY RESORT AREA DISTRICT

Balance Sheet

As of December 31, 2022

	TOTAL	
	AS OF DEC 31, 2022	AS OF NOV 30, 2022 (PP)
ASSETS		
Current Assets		
Bank Accounts		
10000 Funds Available		
10100 Reserved Funds	-6,182,250.17	-6,079,339.85
10120 FSB-Checking #80073430	1,541.45	246,964.21
10121 FSB - Repurchase Checking	16,886,634.06	17,772,108.84
10125 FSB - Disbursements #1336	61.18	582.41
10140 FSB-MM #80073422 - .19	5,112.82	5,112.60
10150 FSB Office Acct #2200001403547	822.76	777.86
10160 Petty Cash	200.00	200.00
10170 STIP	11,100.77	11,063.16
Total 10000 Funds Available	10,723,222.87	11,957,469.23
10500 Funds Reserved		
10503 TIGER Project - Resolution 2022.01R	573,329.94	573,329.94
10505 Infrastructure Tax Collected, net	2,600,448.88	2,443,039.67
10510 Emergency reserve	593,248.35	593,248.35
10520 Operating reserve	305,338.00	305,338.00
10530 Capital reserve	2,109,885.00	2,109,885.00
10545 Bond Account	0.00	54,498.89
Total 10500 Funds Reserved	6,182,250.17	6,079,339.85
1072 Bill.com Money Out Clearing	682.86	682.86
Total Bank Accounts	\$16,906,155.90	\$18,037,491.94
Accounts Receivable		
12000 Accounts Receivable	430,026.46	771,579.98
Total Accounts Receivable	\$430,026.46	\$771,579.98
Other Current Assets		
13100 Prepaid expenses		
13100.2 Prepaid software	5,613.60	6,204.51
Total 13100 Prepaid expenses	5,613.60	6,204.51
Total Other Current Assets	\$5,613.60	\$6,204.51
Total Current Assets	\$17,341,795.96	\$18,815,276.43

BIG SKY RESORT AREA DISTRICT

Balance Sheet

As of December 31, 2022

	TOTAL	
	AS OF DEC 31, 2022	AS OF NOV 30, 2022 (PP)
Fixed Assets		
15030 Capital Furnishings & Fixtures	5,228.49	5,228.49
15040 Buildings & Improvements	546,655.80	546,655.80
16000 Accumulated Depreciation	-71,300.42	-71,300.42
Total Fixed Assets	\$480,583.87	\$480,583.87
Other Assets		
19010 Deferred outflows		
19011 Deferred Outflows - BSWs Agreement	21,695,625.00	21,695,625.00
19012 Deferred Outflows - Appropriations	2,349,893.00	2,349,893.00
Total 19010 Deferred outflows	24,045,518.00	24,045,518.00
Total Other Assets	\$24,045,518.00	\$24,045,518.00
TOTAL ASSETS	\$41,867,897.83	\$43,341,378.30
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
21000 General Accounts Payable	40,701.18	1,701.41
Total Accounts Payable	\$40,701.18	\$1,701.41
Other Current Liabilities		
23000 Payroll Liabilities	0.00	0.00
23020 Accrued Leave	7,681.68	7,681.68
23100 State Unemployment	76.04	59.69
23110 State Withholding	-316.91	713.09
23401 Health Insurance (company paid)	-54.29	306.02

BIG SKY RESORT AREA DISTRICT

Balance Sheet

As of December 31, 2022

	TOTAL	
	AS OF DEC 31, 2022	AS OF NOV 30, 2022 (PP)
Total 23000 Payroll Liabilities	7,386.52	8,760.48
23500 General Appropriations		
Arts Council	225,000.00	225,000.00
Big Sky Chamber of Commerce	211,273.45	225,837.55
Big Sky Community Housing Trust	896,154.18	2,218,510.03
Big Sky Community Organization	820,006.03	903,044.64
Big Sky Discovery Academy	7,561.08	9,561.08
Big Sky Fire Department	1,956,386.00	1,956,386.00
Big Sky Owners Association	262,000.00	262,000.00
Big Sky School District #72	55,000.00	55,000.00
Big Sky SNO, Inc.	117,979.79	117,979.79
Big Sky Trails, Recreation & Parks District	20,650.00	20,650.00
Big Sky Transportation District	1,925,000.00	1,925,000.00
Food Bank	35,377.65	35,377.65
Friends of the Comm. Library	106,871.67	128,534.96
Gallatin Canyon Water & Sewer District	271,736.23	145,736.23
Gallatin Invasive Spe. Alliance	85,577.14	85,577.14
Gallatin River Task Force	594,286.38	594,286.38
Montana Land Reliance	15,000.00	15,000.00
Morningstar	289,278.83	321,351.48
Sheriff's Office	725,243.05	725,243.05
Skating and Hockey Association	38,000.00	38,000.00
Snowmobile Association	27,000.00	27,000.00
Visit Big Sky	543,583.24	581,280.98
Warren Miller Performing Arts C	225,000.00	225,000.00
Women in Action	284,450.55	288,527.77
Total 23500 General Appropriations	9,738,415.27	11,129,884.73
Total Other Current Liabilities	\$9,745,801.79	\$11,138,645.21
Total Current Liabilities	\$9,786,502.97	\$11,140,346.62
Long-Term Liabilities		
23600 WRRF Phase I Project	21,695,625.00	21,695,625.00
Total Long-Term Liabilities	\$21,695,625.00	\$21,695,625.00
Total Liabilities	\$31,482,127.97	\$32,835,971.62
Equity		
30100 Retained Earnings	8,587,473.67	8,587,473.67
30200 Committed Fund Balance	1,752,883.94	1,752,883.94
30300 Fund Balance	5,482,842.14	5,482,842.14
30500 Investment in Fixed Assets	480,583.87	480,583.87
31000 Restricted Fund Balance	2,773,206.17	2,773,206.17

BIG SKY RESORT AREA DISTRICT

Balance Sheet

As of December 31, 2022

	TOTAL	
	AS OF DEC 31, 2022	AS OF NOV 30, 2022 (PP)
32000 Nonspendable Fund Balance	2,249.92	2,249.92
Net Income	-8,693,469.85	-8,573,833.03
Total Equity	\$10,385,769.86	\$10,505,406.68
TOTAL LIABILITIES AND EQUITY	\$41,867,897.83	\$43,341,378.30

BIG SKY RESORT AREA DISTRICT

Budget vs Actual - Month

December 2022

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
40010 Interest Earned	15,065.78	2,575.00	12,490.78	585.08 %
40020 Interest from Tax Collections	14.61	5,966.00	-5,951.39	0.24 %
40030 Late Fees from Tax Collections	157.70	34,295.00	-34,137.30	0.46 %
41000 Tax Collections	65,635.38	18,143,882.05	-18,078,246.67	0.36 %
Total Income	\$80,873.47	\$18,186,718.05	\$ -18,105,844.58	0.44 %
GROSS PROFIT	\$80,873.47	\$18,186,718.05	\$ -18,105,844.58	0.44 %
Expenses				
60000 Bad Debt		500.00	-500.00	
60010 Bank Charges		60.00	-60.00	
60080 Dues & Meeting Expenses	205.26	50,000.00	-49,794.74	0.41 %
60090 Public Information & Engagement	8,236.63	130,000.00	-121,763.37	6.34 %
61000 Facilities		15,018.00	-15,018.00	
62000 Insurance	63.70	7,367.00	-7,303.30	0.86 %
63000 Office Expenses	4,644.81	71,835.50	-67,190.69	6.47 %
64000 Professional Fees		241,390.00	-241,390.00	
65000 Travel	0.00	5,045.00	-5,045.00	0.00 %
66000 Utilities	604.73	7,209.00	-6,604.27	8.39 %
67000 Personnel Expenses	45,412.15	675,000.00	-629,587.85	6.73 %
68000 Debt service		17,926.36	-17,926.36	
Total Expenses	\$59,167.28	\$1,221,350.86	\$ -1,162,183.58	4.84 %
NET OPERATING INCOME	\$21,706.19	\$16,965,367.19	\$ -16,943,661.00	0.13 %
NET INCOME	\$21,706.19	\$16,965,367.19	\$ -16,943,661.00	0.13 %

BIG SKY RESORT AREA DISTRICT

Profit and Loss - Comparative by Month

December 2022

	TOTAL			
	DEC 2022	DEC 2021 (PY)	CHANGE	% CHANGE
Income				
40010 Interest Earned	15,065.78	1,556.41	13,509.37	867.98 %
40020 Interest from Tax Collections	14.61	201.17	-186.56	-92.74 %
40030 Late Fees from Tax Collections	157.70	476.13	-318.43	-66.88 %
40100 Intergovernmental		46,355.00	-46,355.00	-100.00 %
41000 Tax Collections	90,292.37	1,983,790.20	-1,893,497.83	-95.45 %
Total Income	\$105,530.46	\$2,032,378.91	\$ -1,926,848.45	-94.81 %
GROSS PROFIT	\$105,530.46	\$2,032,378.91	\$ -1,926,848.45	-94.81 %
Expenses				
60010 Bank Charges		4.20	-4.20	-100.00 %
60020 Current Appropriations	126,000.00		126,000.00	
60080 Dues & Meeting Expenses	205.26	928.63	-723.37	-77.90 %
60090 Public Information & Engagement	8,236.63	10,023.68	-1,787.05	-17.83 %
61000 Facilities		384.68	-384.68	-100.00 %
62000 Insurance	63.70	63.70	0.00	0.00 %
63000 Office Expenses	4,644.81	3,860.91	783.90	20.30 %
64000 Professional Fees	40,000.00	40,670.92	-670.92	-1.65 %
65000 Travel	0.00		0.00	
66000 Utilities	604.73	820.98	-216.25	-26.34 %
67000 Personnel Expenses	45,412.15	31,272.98	14,139.17	45.21 %
68000 Debt service		4,481.23	-4,481.23	-100.00 %
80000 Big Sky Relief		250,000.00	-250,000.00	-100.00 %
Total Expenses	\$225,167.28	\$342,511.91	\$ -117,344.63	-34.26 %
NET OPERATING INCOME	\$ -119,636.82	\$1,689,867.00	\$ -1,809,503.82	-107.08 %
Other Expenses				
79000 Other expenses		1,358,437.50	-1,358,437.50	-100.00 %
Total Other Expenses	\$0.00	\$1,358,437.50	\$ -1,358,437.50	-100.00 %
NET OTHER INCOME	\$0.00	\$ -1,358,437.50	\$1,358,437.50	100.00 %
NET INCOME	\$ -119,636.82	\$331,429.50	\$ -451,066.32	-136.10 %

BIG SKY RESORT AREA DISTRICT

Budget vs Actual: YTD

July 2022 - June 2023

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
40010 Interest Earned	102,042.44	2,575.00	99,467.44	3,962.81 %
40020 Interest from Tax Collections	3,476.59	5,966.00	-2,489.41	58.27 %
40030 Late Fees from Tax Collections	7,846.72	34,295.00	-26,448.28	22.88 %
41000 Tax Collections	3,397,853.28	18,143,882.05	-14,746,028.77	18.73 %
Total Income	\$3,511,219.03	\$18,186,718.05	\$ -14,675,499.02	19.31 %
GROSS PROFIT	\$3,511,219.03	\$18,186,718.05	\$ -14,675,499.02	19.31 %
Expenses				
60000 Bad Debt		500.00	-500.00	
60010 Bank Charges	53.20	60.00	-6.80	88.67 %
60080 Dues & Meeting Expenses	3,563.72	50,000.00	-46,436.28	7.13 %
60090 Public Information & Engagement	47,430.13	130,000.00	-82,569.87	36.48 %
61000 Facilities	11,879.89	15,018.00	-3,138.11	79.10 %
62000 Insurance	1,853.46	7,367.00	-5,513.54	25.16 %
63000 Office Expenses	31,717.74	71,835.50	-40,117.76	44.15 %
64000 Professional Fees	45,991.84	241,390.00	-195,398.16	19.05 %
65000 Travel	76.81	5,045.00	-4,968.19	1.52 %
66000 Utilities	3,571.36	7,209.00	-3,637.64	49.54 %
67000 Personnel Expenses	301,120.31	675,000.00	-373,879.69	44.61 %
68000 Debt service	768,003.29	17,926.36	750,076.93	4,284.21 %
Total Expenses	\$1,215,261.75	\$1,221,350.86	\$ -6,089.11	99.50 %
NET OPERATING INCOME	\$2,295,957.28	\$16,965,367.19	\$ -14,669,409.91	13.53 %
NET INCOME	\$2,295,957.28	\$16,965,367.19	\$ -14,669,409.91	13.53 %

Big Sky Resort Area District Strategic Plan FY24-FY26



OUR VISION

Big Sky is **BETTER TOGETHER** as a result of wise investments, an engaged community, and the pursuit of excellence

STRATEGIC PILLARS



CULTURE OF UNITY

- Align Resort Tax with Other Public Funds & Philanthropy
- Establish Baseline Indicators of a Healthy Community
- Incentivize Partnership & Collaboration



ENGAGE OUR COMMUNITY

- Facilitate Community Dialogue on Current Priorities
 - Foster Business Advocacy of Resort Tax
- Strengthen Public Understanding of Local Governance & Public Funds



STRATEGIC INVESTMENTS

- Create a Long-Term Capital Investment Roadmap
 - Develop a Tax Retention Strategy
- Proactively Solicit Projects that Target Specific Priorities

OUR MISSION

Fairly collect tax for strategic investments to ensure the well-being of the Big Sky Community.

CORE VALUES:

ACCOUNTABILITY: We keep our word, follow through with commitments, and hold partners to the same standard.

COLLABORATION: We seek partnership in all endeavors and believe it results in the best possible outcomes.

ENGAGEMENT: We recognize the power civic engagement plays in a healthy community.

INCLUSION: We strive to create opportunities for community involvement for all who reside in Big Sky.

STEWARDSHIP: We lead by example, taking care of Big Sky's people, economy, and natural environment.

TRANSPARENCY: We provide objective public process, actively seek community engagement and operate openly.

PRINCIPLES OF OPERATION:

FAIRNESS: We speak honestly, directly, and kindly within and about our community.

LEGAL: We operate only within the constraints of the law.

PROACTIVE: We are forward thinking and will lead and follow as necessary.

RESPONSIBLE: We operate strategically in order to maximize the resources within our community.

THOROUGH: We are detail oriented and evaluate all perspectives.

(406) 995-3234 | resorttax.org | info@resorttax.org



BIG SKY RESORT AREA DISTRICT

FY22 Annual Report

July 2021-June 2022



Board

SARAH BLECHTA

Chair

CIARA WOLFE

Vice Chair

STEVE JOHNSON

Secretary & Treasurer

KEVIN GERMAIN

Director

GRACE YOUNG

Director

Staff

DANIEL BIRSCHWALE

Executive Director

JENNY MUSCAT

Deputy Director

KRISTIN DRAIN

Finance & Compliance Manager

TAMMY ESTENSEN

*Communications & Community
Engagement Manager*

SARA HUGER

Office Manager

The District is governed by a five-member, elected Board of Directors. Board Members live within the Big Sky Resort Area District (BSRAD) and serve a four-year term. Registered voters who live in the District vote for Board Members in May general elections in even-numbered years. The next election will be in 2024.

A large, stylized graphic celebrating 30 years. The number '30' is rendered in a large, bold, orange font with a slight shadow. Below it, the word 'years' is written in a smaller, orange, cursive script font.

Big Sky Resort Area District would like to thank all former members that have been a part of Resort Tax throughout the years.

Board of Advisors Appointed by the County
Commissions in 1992:

**Lindy Adelman, Bob Biggerstaff, Carol Collins,
Taylor Middleton, Becky Pape, Michael Richards,
Dave Traylor, Richard Wambsgans**

Board Members (1998-2021):

**Paul 'Buz' Davis, Mike Scholz, Jamey Kabisch,
Ginna Hermann, Heather Budd, Jeff Strickler,
Les Loble, Al Malinowski, Lance Child, Loren Bough,
Rena Schumacher, Carol Collins, Jim Muscat,
Walter Ainsworth, Heidi Peacock, Bob Stober,
Becky Pape, Richard Wambsgans, Michael Richards**

Friends & Neighbors

1992 was a year of significant milestones ranging from the formal ending of the Cold War to the signing of the North American Free Trade Agreement. It also happens to be the year that here, locally, the general electorate voted in favor of implementing a new public funding source – the Resort Tax. This year marks 30 years of Resort Tax. We invite you to reflect with us on how Big Sky has been shaped over those 30 years to become a world-class community.

Big Sky has time and time again demonstrated that we are BETTER TOGETHER. We have seen our fair share of challenges over the decades but it's you, friends and neighbors, that embody the spirit of community pride and ingenuity, helping move us through those challenges and laying the foundation for who we are. Change is inevitable, this is especially evident throughout Southwest Montana. Our collective ability to adapt and influence change is at the essence of community. Let's make the next three decades as special as the last and work diligently to preserve Big Sky for future generations.

We truly are BETTER TOGETHER,

Sarah Blechta



Sarah Blechta

Board Chair

&

D. Bierschwale

Executive Director

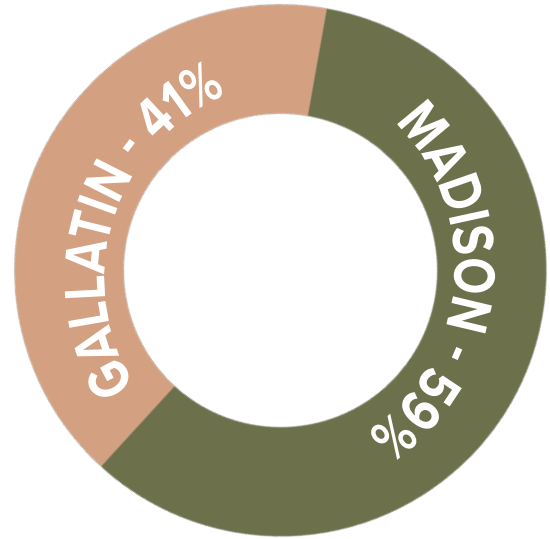
Daniel Bierschwale



LOCAL GOVERNMENT AT WORK IN FY22

Financials

In FY22, Big Sky experienced record-breaking collections, once again. Revenues increased 41% from FY21, topping off at over \$18 million. This can be attributed to a recovering local economy, continued growth within the District's boundary, and increased compliance.



Collections by County

\$18,260,053

FY22 Revenue

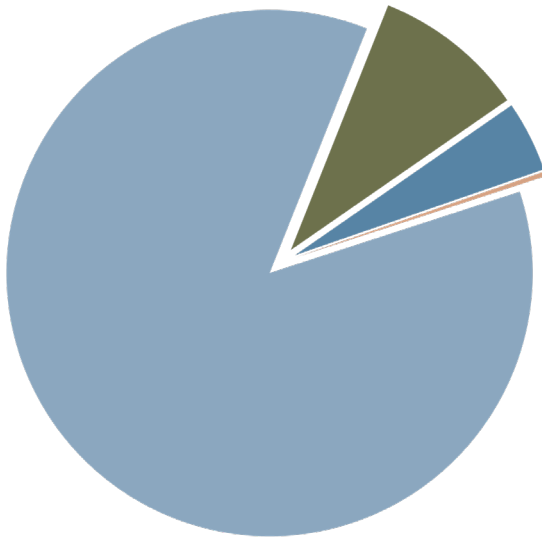
Resort Tax Collections:	\$18,089,374
COVID Reimbursements:	\$134,524
Investment Income:	\$22,224
Interest & Penalties:	\$13,931

FY22 Collections are allocated in FY23

FY22 Expenses

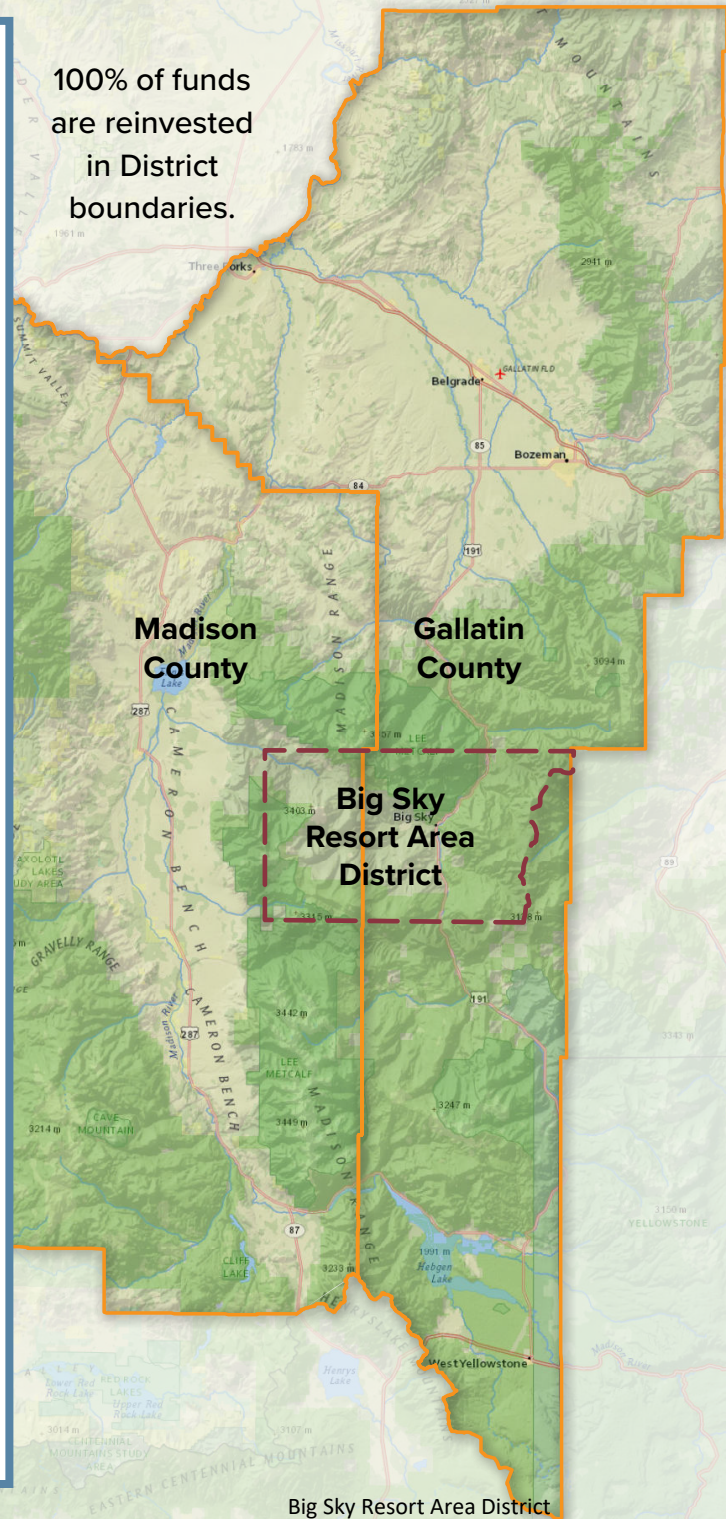
\$9,453,957

The District's largest expense is directly attributed to Community Investments. These investments are typically made using funds collected over the previous Fiscal Year.



Community Investments: \$8,133,351
District Administration: \$882,628
Big Sky Relief: \$411,177
Interest Paid: \$26,801

100% of funds are reinvested in District boundaries.



RESORT TAX & ITS VITAL IMPACT ON OUR COMMUNITY

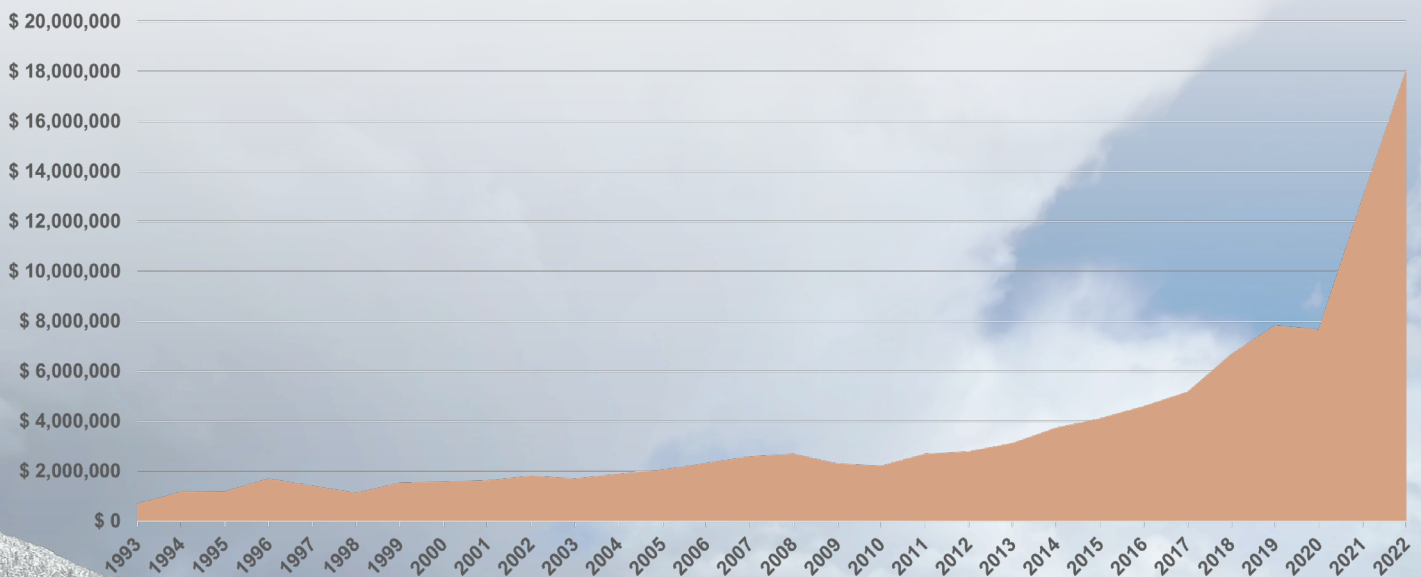
In the 1980s, the influx of tourists to the Big Sky area was straining local infrastructure and emergency services. The Big Sky sewer system reached capacity resulting in a building moratorium on new construction until necessary repairs and upgrades were made. Big Sky's visitation continued to increase and the community needed more funds than the resident property tax base could provide.

House Bill 826 was passed in 1985, giving resort communities in Montana the authority to impose a resort tax on luxury items so visitors would help fund the services and programs that would otherwise fall on the shoulders of residents through property taxes.

Today, there are 11 communities in Montana that collect a resort tax.

In 1992, the general electorate of Big Sky voted in favor to impose a 3% resort tax on luxury goods and services sold within the boundaries of the Big Sky Resort Area. In 2020, voters approved an additional 1% for critical infrastructure. Over the past 30 years, approximately \$110 million in collections are important in funding Big Sky's priorities.

Over 30 years, Resort Tax has collected a total of \$110,880,775





30
years

OF AWARDS

Everywhere you look in our community you will see the impacts of Resort Tax. In the past 30 years, nearly \$94 million of awards have played a significant role in funding priority programs and projects throughout Big Sky.

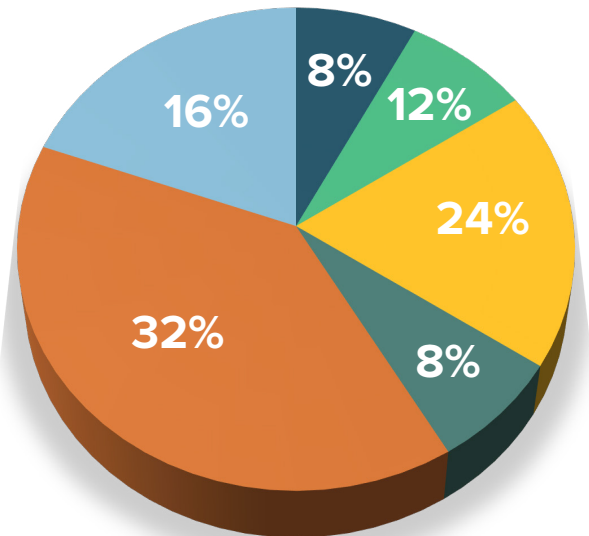
The six Impact Areas are:

- Arts & Education
- Economic Development
- Health & Safety
- Housing
- Public Works
- Recreation & Conservation

Total Awarded Over 30 Years:

\$93,846,339

Arts & Education	\$7,930,227
Economic Development	\$11,017,699
Health & Safety	\$22,953,171
Housing	\$7,715,986
Public Works	\$29,563,490
Recreation & Conservation	\$14,665,766

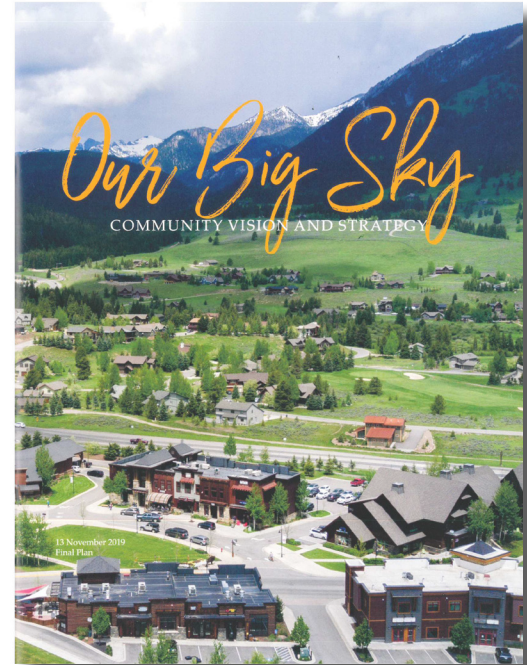


Funds collected from the previous year are invested in initiatives and projects that address critical community needs.

INVESTING IN BIG SKY

Most residents are familiar with the June allocations where nonprofits request funding for BSRAD to consider. However, this is just one part of the annual budgeting process of public funds. February kicks-off this process with an annual review of funding for Government Services.

Funding requests are scored by a rubric that uses points to incentivize efficiency, planning, and collaboration. 25 points are attributed to the sponsoring organization and 75 points to the project. Projects must have a measurable impact on community needs and ultimately address Initiatives and Strategies outlined in the community-guided 'Our Big Sky' plan.



INVESTMENT TYPES



Administration

Overhead supporting day-to-day operations not solely contributing to direct delivery of a service.

- Life span: 0-1 year



Government Services

Investments offsetting property taxes and assessments through multi-year government-to-government interlocal agreements.

- Life span: ongoing



Capital

Acquisition, improvement, or maintenance of physical assets or real property including large-scale infrastructure.

- Life span: 1+ year



Programming

Direct costs supporting a measurable service in which mission delivery occurs toward a specific goal.

- Life span: 0-1 year or ongoing

The District strives to prioritize the use of Big Sky’s public funds for long-term community success.

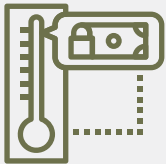
We utilize a three-year framework to forecast future expenses and save money for capital investments. The four areas of District investment are **Administration**, **Capital**, **Government Services**, and **Programming**.

To have a comprehensive funding strategy, long-term investment tools such as bonds and reserves are considered annually based on forecasts provided to BSRAD from nonprofits and local government entities.

Bonds

Bonding is a government’s ability to borrow against future tax collections to address current needs.

BSRAD’s bonding capacity is derived from an average collection over 5 years of the remaining term of the Resort Tax. To increase bonding capacity voters will need to renew Resort Tax for another term (generally 20 years).



% of Collections	5-yr Average of Collections	Annual Principal & Interest	Estimated Interest Rate	Years	Available Bonding Capacity
25%	\$8,933,076	\$2,233,269	4%	10	\$18,113,811

Reserves

Budgeting for reserves takes place in March/April. Over the past few years, COVID-19 strengthened BSRAD’s understanding of the need for reserve funds. Reserves play an important role in preparing for operational needs, community emergencies, and long-term capital investments.



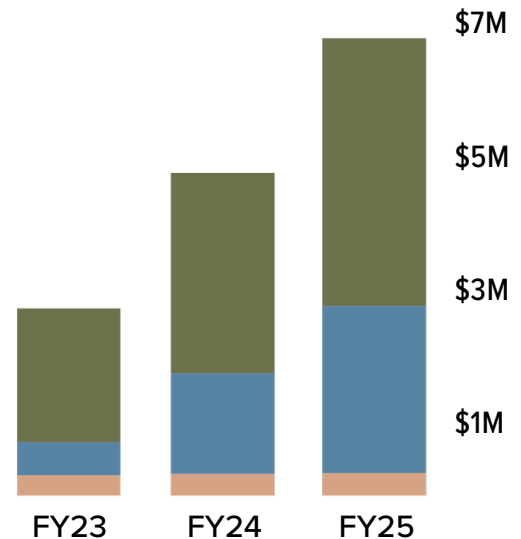
Capital Reserve Goal



Emergency Reserve Goal



Operating Reserve Goal



ARTS &

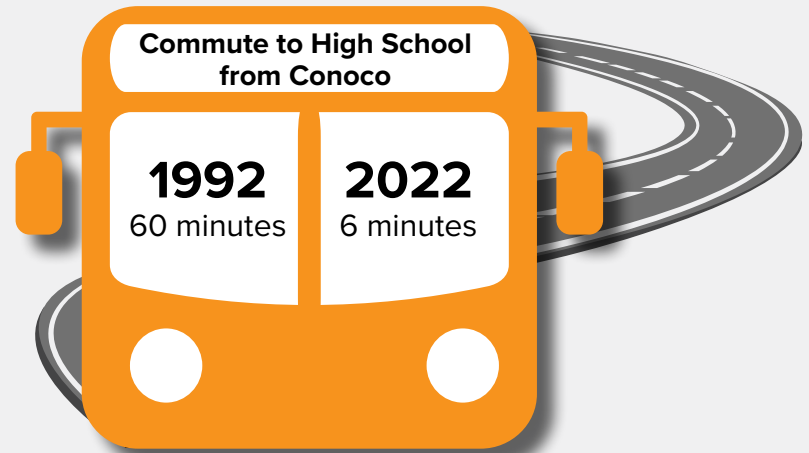
EDUCATION

Addresses multi-disciplinary, inclusive education, stewarding awareness and understanding of cross-cultural ideas and values.



When Resort Tax started, there was no high school, no performing arts center, and little early childhood programming.

For nearly 30 years Resort Tax has provided funding for organizations supporting Arts and Education in our community. You can see the impacts throughout Big Sky: take in a free Music in the Mountains concert; attend an art class; or see a world-class show at Warren Miller Performing Arts Center.



FY22 Arts & Education Awards:

\$833,025

Projects:

- Music in the Mountains - \$215,000 | *Arts Council of Big Sky*
- Cultural Programming - \$210,000 | *Warren Miller Performing Arts Center*
- Tuition Assistance Program - \$200,000 | *Morningstar Learning Center*
- Big Sky Community Library - \$87,825 | *Friends of the Big Sky Community Library*
- Operating Budget - \$75,000 | *Morningstar Learning Center*
- Montessori Early Childhood Program - \$45,200 | *Big Sky Discovery Academy*

Economic Development

Addresses balancing a tourism-driven economy by sustainably growing prosperity and ensuring a high quality of life for Big Sky workers.



There is little doubt about the incredible economic growth of Big Sky in the past three decades. From the construction of the Lone Peak Tram, to the creation of Town Center, our community has become a world-class, year-round destination. As of January 2023, there are 937 registered businesses in Big Sky.

\$350,951
FY93

\$6,660,953
FY22



\$682,551
FY93

\$18,103,305
FY22

Annual State Lodging Tax Revenues
Collected in Big Sky

Annual Resort Tax Collections

FY22 Economic Development Awards:

\$771,783

Projects:

Staffing & Operations - \$321,507
Big Sky Chamber of Commerce

Destination Marketing - \$225,000
Visit Big Sky

Staffing & Operations - \$199,279
Visit Big Sky

Education - Market Research - \$25,997
Visit Big Sky

“ To make sure we don’t love our community to death, tourism efforts have moved away from ‘visitor marketing’ to ‘visitor management’.”

- Brad Niva, CEO
Visit Big Sky & Big Sky Chamber of Commerce





Health & Safety

Investments made in Big Sky’s Health and Safety have been critical in responding to the needs of the community. The health and safety landscape has changed significantly over the past 30 years. Whereas residents had to travel to other communities for even the most basic services, they now can access services locally at the hospital, food bank, or counseling center.

Addresses emergency, medical, and social services essential to the well-being of Big Sky, in many cases, resulting in property tax or fee reduction.

FY22 Health & Safety Awards:
\$1,809,874

Projects:

Operations - \$883,496
Big Sky Fire Department

Capital Request - \$450,000
Big Sky Fire Department

Operations - \$323,378
Gallatin County Sheriff’s Office

Training & Equipment - \$53,500
Big Sky Search & Rescue

Behavioral Health - \$51,500
Wellness In Action

Emergency Food & Social Services - \$48,000
Big Sky Community Food Bank



The Big Sky Fire Department was one of the first recipients to receive Resort Tax funds.

68
FY93



1,288
FY22

Number of Incidents

HOUSING

Addresses long-term rental and ownership opportunities for Big Sky workers.



58

Condos Built



72

Short-term Rentals Converted



2

Homes Deed Restricted



291+

Locals Housed

This burgeoning impact area has received significant focus as housing prices have increased and available inventory (rental and ownership) has decreased. Strong collaboration has been exhibited among the private and public sectors, making Big Sky a national example for rapid response to this issue.

FY22 Housing Awards:

\$705,000

Projects:

RiverView Apartments - \$500,000
Big Sky Community Housing Trust

Operations - \$140,000
Big Sky Community Housing Trust

Rent Local Incentive - \$65,000
Big Sky Community Housing Trust

Addresses core utilities and services used broadly by the community, in many cases, resulting in property tax or fee reduction.

Public Works



**1992
3 seasonal
buses**

**2022
12 year-round
buses**



FY22 Public Works Awards:

\$3,771,875

Projects:

1% for Infrastructure (WRRF) - \$2,716,875
Big Sky Water & Sewer District

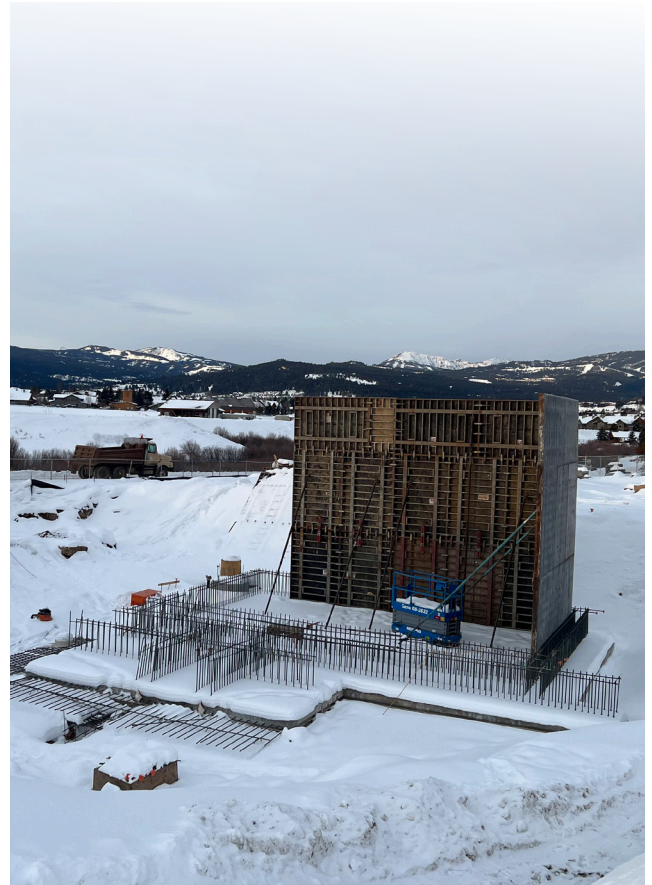
Operations - \$850,000
Big Sky Transportation District

Big Sky Post Office Operations - \$131,000
The Post Office, LLC

Operations - \$74,000
Gallatin Canyon Water & Sewer District

Systems and facilities that keep Big Sky going, Public Works have always been a staple in the Resort Tax budget. From transportation to water and sewer, these investments have directly offset property taxes, fees, and assessments.

Resort Tax was established as a 3% tax. In 2020, voters passed a 1% increase to fund the much-needed upgrade to the Big Sky County Water & Sewer District's Water Resource Recovery Facility (WRRF).





Recreation & Conservation

Addresses sustainable efforts for current and future generations to live and play in Big Sky through thoughtful mitigation of human impact on the natural environment.

Over the course of 30 years, Resort Tax has supported organizations and initiatives that have built and groomed our trails, protected our natural resources, and created a community center that provides year-round recreational facilities, classes, programs, and events to everyone in Big Sky.



100
Acres
of Park Land

24
Miles
of Trails



13,786
Acres
of Conservation Easements



FY22 Recreation & Conservation Awards:

\$1,885,174

Projects:

Operations & Maintenance - \$675,243 | *Big Sky Community Organization*

Maintenance Facility - \$267,339 | *Big Sky Community Organization*

Water Supply Resiliency Projects - \$240,567 | *Gallatin River Task Force*

Upper Gallatin Nutrient Reduction Plan Implementation Projects - \$86,567 | *Gallatin River Task Force*

Operations - \$76,201 | *Gallatin River Task Force*

US-191 Wildlife & Transportation Conflict Assessment - \$50,000 | *Center for Large Landscape Conservation*

Gallatin River Access Restoration Projects - \$46,377 | *Gallatin River Task Force*

Equipment - \$42,000 | *Big Sky Ski Education Foundation*

Big Sky Water Conservation Program - \$41,077 | *Gallatin River Task Force*

Board Replacement Project - \$39,750 | *Big Sky Skating & Hockey Association*

Watershed Monitoring & Analysis - \$38,008 | *Gallatin River Task Force*

Operating Funds Assistance Project - \$34,980 | *Big Sky Skating & Hockey Association*

Middle Fork Restoration Projects - \$34,765 | *Gallatin River Task Force*

Education & Outreach - \$32,900 | *Gallatin Invasive Species Alliance*

Buck Ridge/Doe Creek Snowmobile Trail Groomings - \$27,000 | *Gallatin Valley Snowmobile Association*

FY22 County Agreement - \$25,000 | *Big Sky Trails, Recreation & Parks District*

Parks & Trails Maintenance Equipment - \$22,400 | *Big Sky Community Organization*

Environmental Stewardship - \$21,600 | *Gallatin Invasive Species Alliance*

Administration - \$20,750 | *Gallatin Invasive Species Alliance*

Event Coordinator - \$20,000 | *Big Sky Ski Education Foundation*

Big Sky Land Conservation - \$20,000 | *The Montana Land Reliance*

Tennis Court Resurfacing - \$13,200 | *Big Sky Community Organization*

Recycling/Compost Service - \$5,400 | *Big Sky SNO*

Equipment Storage Trailer - \$2,300 | *Big Sky Skating & Hockey Association*

Glycol Tank - \$1,750 | *Big Sky Skating & Hockey Association*

30 years

THIS BALLOT SHOULD BE MARKED WITH AN "X" IN THE SQUARE BEFORE THE QUESTION SUBMITTED TO A VOTE OF THE PEOPLE.

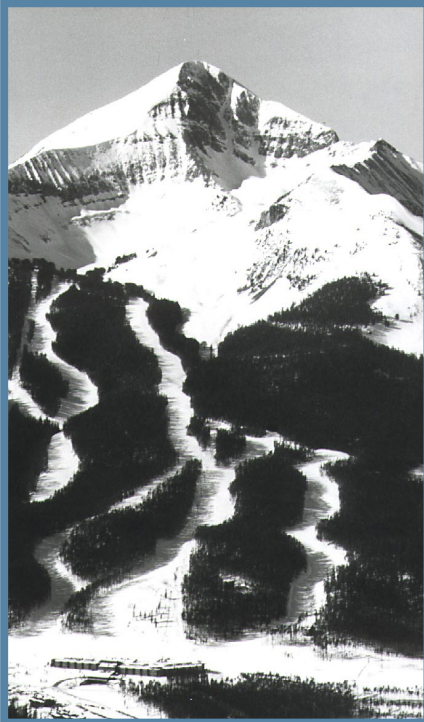
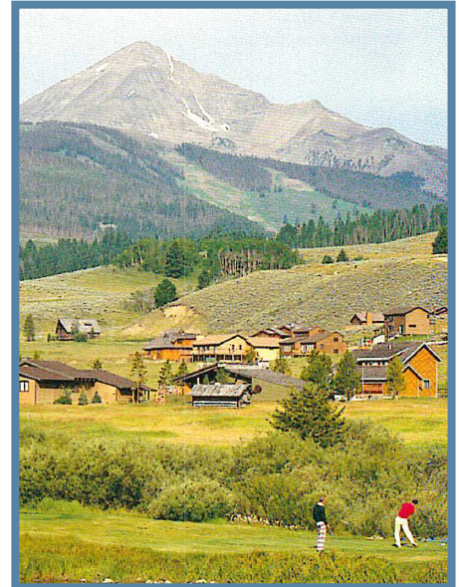
SPECIAL DISTRICT BALLOT
Gallatin County Segment of the Big Sky Resort Area
April 13, 1992

BALLOT ISSUE

To impose a resort tax of three percent (3%) on the retail value of goods and services sold in the Big Sky Resort Area by hotels, motels, other lodging or camping facilities, restaurants, fast food stores, other food service establishments, taverns, bars, night clubs, lounges, other public establishments that serve beer, wine, liquor, or other alcoholic beverages by the drink, destination ski resorts and other destination recreational facilities and on all luxuries to become effective on June 1, 1992, for twenty (20) years to fund infrastructure facilities, public transportation, tourism development and other public services and facilities within the Area.

FOR the resort tax in the Gallatin County segment of the Big Sky Resort Area.

AGAINST the resort tax in the Gallatin County segment of the Big Sky Resort Area.



Resort Tax Advisory Meets for last time

by **Aaron Brock**

In their last meeting as members of a temporary board, the Resort Tax Board candidates met May 27th and examined various petitions for funding from local causes.

A total of \$1,728,979.20 has been requested, a total that includes almost \$70,000.00 in rollovers. The total amount collected from the taxes has not yet been totalled, but the board candidates estimate that it will be close to \$1,200,000, meaning that over \$500,000 in requests will have to be denied.

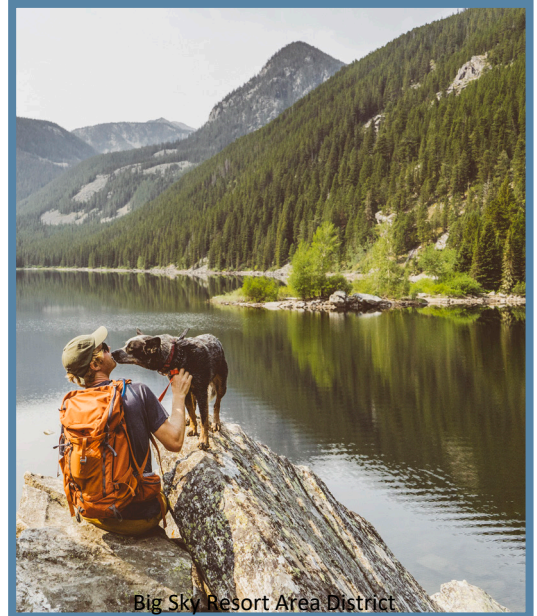
According to Mike Richards, the requested total does not reflect the needs of the board itself. "The thing that's not in this number (\$1,728,979) is the \$60,000 to \$80,000 that it takes to run this district," he said.

Some of the most noteworthy requests include \$16,155 by Ophir School, \$327,762 by the

Fire District, \$217,500 by Snow Express (for its role in maintaining winter transportation), \$16,735 by Big Sky Search and Rescue. The Big Sky Owners Association had a total of eight different petitions and requested a total of \$164,087.20. Big Sky Water and Sewer is guaranteed \$500,000, and they have requested an additional \$197,068.

The candidates also discussed how frequently the newly elected board should meet. While no final decision was made, it was clear that the members would have to meet regularly during their first season of service. "The first couple of months will be pretty intense," Richards said.

Elections for the board will be held June 2nd at Ophir School. A meeting featuring elected officials will be held in the Meadow Village Fire Hall on June 3rd at 1:00.



Big Sky Resort Area District



Resort Area District Approved in Big Sky

by Kevin Kelleher

The dream of local administration, control, and allocation of resort tax dollars in Big Sky took a giant leap forward on Tuesday when voters in both Gallatin and Madison counties approved the formation of a new Resort Area District. The new RAD will replace the original Resort Tax District. The latter having been in place since 1992 and administered by the county commissions of Gallatin and Madison counties.

In Gallatin county the RAD passed by a vote of 165 to 33, while in Madison county it passed

by a vote of 92. The crucial votes in this election were the RAD issue had to be approved in BOTH counties by majority vote. Even a tie would have killed the RAD so securing the Madison county vote was crucial.

At the polls on Tuesday Mike Richards was asked about the Madison county votes after casting his ballots. He said, "I think it has a good chance of passing. Becky (Pape) helped secure votes and I drove some of the ballots over to Virginia City today so we

are confident it will pass."

Becky Pape was thrilled when she learned of the Madison county affirmative vote. "I figured it would be 92 and I'm glad we got out and hustled these ballots or it could have been a 2/2 tie and the issue would have failed." She added, "Now the voters will have a chance to pick their representatives to serve on the new RAD board and that is exciting." Pape is one of twelve candidates vying for a seat on the RAD board of trustees. The election will be held on June 2.

8 April 23, 1998 — LONE PEAK LOOKOUT

ON WEDNESDAY, APRIL 29
7:00PM AT OPHIR SCHOOL
The Lone Peak Lookout and the Big Sky
Owners Association are co-sponsoring a
"Meet the Candidates"
forum in order to provide an opportunity for
voters to get to know who is running for the new
Resort Area Board of Directors and what their
views are for the Resort District. The forum will
be moderated by State Senator Hargrove.

In addition to statements by candidates, citizens will have the opportunity to ask specific questions of individual candidates and will hear more details about the new Resort Area District from Mona Jamison, attorney for the current Resort Tax Advisory Board. If you have any questions please call either Russ DeRemer at the BSOA office 995-4169 or Kevin Kelleher at the Lone Peak Lookout 995-4133.



Patrick Cronin



Lynn Davis



Edward Hulke



Chris Jude



Taylor Middletton



Becky Pape



Michael Richards



Steve Schwamacher



Bob Stober



Dick Wambegane



Carol Collins

BIG SKY RESORT TAX AREA DISTRICT INFRASTRUCTURE PROJECTS

Whether the Big Sky Resort Area District, in accordance with Section 7-6-1504, Montana Code Annotated, should be authorized to increase the District's resort tax by one percent (1%) to fund two infrastructure projects. The additional 1% resort tax shall be effective on July 1, 2020 and shall expire on the earlier of the date the debts and project costs for the projects are paid, or the date the term of the District expires, June 1, 2032, unless the term of the District is later extended by the electorate and the approved infrastructure project costs have not yet been paid in full.

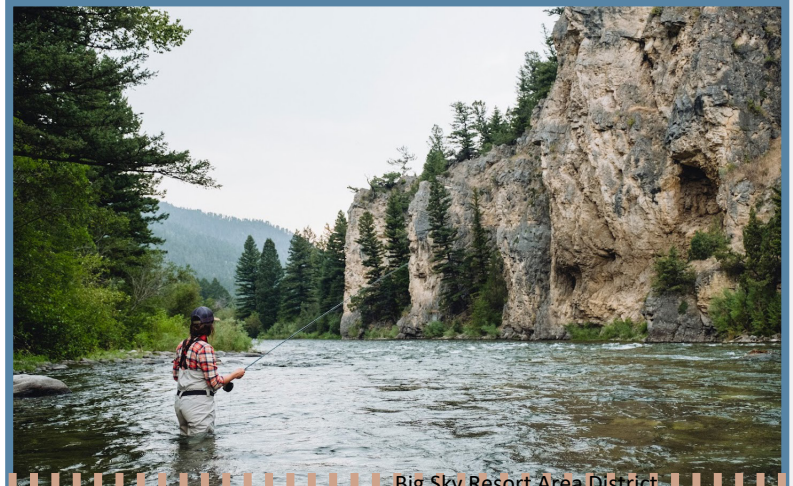
Approving this ballot measure authorizes the District to increase the existing 3% resort tax by an additional 1% to fund the two projects. The infrastructure projects are (1) funding approximately 60% (but not to exceed \$27,000,000) of the total project costs for the Big Sky County Water & Sewer District No. 363's Water Resource Recovery Facility Expansion and Upgrade project and (2) funding an amount not to exceed \$12,000,000 for the Big Sky County Water & Sewer District No. 363's Canyon Area Lift Station and Foremain and Reuse Pipeline project.

732

FOR increasing the resort tax 1% for the purpose of funding (1) the Water Resource Recovery Facility Expansion and Upgrade project and (2) the Canyon Area Lift Station and Foremain and Reuse Pipeline.

321

AGAINST increasing the resort tax 1% for the purpose of funding (1) the Water Resource Recovery Facility Expansion and Upgrade project and (2) the Canyon Area Lift Station and Foremain and Reuse Pipeline project.



10 Sioux Road, LLC
120 Firelight Dr Unit C6
13 Moose Ridge Rd #35
18 Jakes Lane
21 Sitting Bull 1333
406 Agave, LLC
406 Woodcrafters
41 Upper Beehive - Rasmussen
435 Big Pine, LLC
Airbnb, Inc
Alderton Rental
Allgood Enterprises
Alpenglow Condo 33A
Alpenglow Health Enterprises, Inc
Alpine Dogs of Big Sky
Altitude Pet Supplies
American Spirits Yurt, LLC
An Artistic Adventure
Andrews - 713 Antler Ridge Rd
Annie McCoy Art, LLC
Antler Creek Wildlife Creations
Antlers Clothing Company, LLC
Ari O

Big Sky F&B 2
Big Sky Fitness Fusion & Pilates, LLC
Big Sky Flies, LLC
Big Sky Food Works, Inc
Big Sky Landscaping and Irrigation, LLC
Big Sky Orthopaedics and Spine
Big Sky Print And Ship, LLC
Big Sky Ranch Partners, LLC
Big Sky Shuttle dba Discovery Yellowstone Tours
Big Sky Skin Care
Big Sky Trout, LLC
Big Sky Vacation Rentals
Birchpoint, Inc
Black Diamond Retail
Black Tie Ski Rentals, LLC
Blackstone Property Management, Inc
Blue Moon Bakery
Blue Moose BBQ
Body & Soul Massage Therapy
Bowl and Arrow, LLC
Boyne USA, INC
Bozeman On Main, LLC
Bozeman Tropical Sno

Christian - 54860 Gallatin Rd
Christy Sports, LLC
Consignment Cabin
Corral Restaurant and Bar, Inc
Cosmic Cookie Creations
Country Market of Big Sky
Courtney Collins Fine Art, LLC
Cox Creations, LLC
Crafted in Montana
Crazy Woman Quills
Crepe Diem
Crystal Images
Dave Pecunies Media, LLC
David Reeves Photography
Dean's Zesty Beverages, LLC
Deuces by Taylor Thomas
Double Dogs, LLC
Double U, LLC
E&M Crystals and Beads
East Slope Outdoors
Eggemeyer Fine Art
Erika & Company
Erin Johnson

Headwaters HLL, Inc
Heart and Hand Built, LLC
Heartland Timbers
Heather Rapp Art & Design
Herbaceous Inc
HF Buck's T4, LLC
High Altitude Property Management
HighEnd Montana, LLC
Holden Mountain Designs
Hollace McPhillips
Homeaway.com, Inc.
Homestead Big Sky
Hope Vickers
Horse Crazy
Hungry Moose in the Meadow
Hungry Moose on the Mountain
Ideal Services Incorporated
Inland Venice, LLC
Inspire Photo Art
J.D. Bingman
Jake Mosher
Jake's Horses, Inc
James and Suzanne Albano

Thank you, FY22 RESORT TAX COLLECTORS

Arts Council of Big Sky
Ascend Properties
Asian Taste Food Services, LLC
Aspen Chic Designs, LLC
B&K Spirits, LLC
Backcountry Safaris
Bailey's Ventures, LLC
Bar Down Lodge, LLC
Base Lodge Lounge
Beanpod Jewelry
Bee & Sobee
Beehive Basin Brewery
Best of 52, LLC
Bettin Holdings, LLC
BFC Big Sky, LLC
Big Sky Adventures & Tours
Big Sky Artists Collective
Big Sky Balls
Big Sky Biscuits
Big Sky Burro, LLC
Big Sky Conoco
Big Sky Event Rentals, LLC
Big Sky Events
Big Sky F&B 1

BratCat Pottery
Brick Bound, LLC
Brothel Bikes, LLC
Brown - 33 Black Eagle #1666
Buck's T4 Restaurant, LLC
Building 1 Cafe, LLC
Bunker Bar & Grill
By Word of Mouth, Inc
C&S, Inc
CafeBiz, LLC
Caliber Cafe
Caliber Coffee
Camino Spice, LLC
Camp Sac Spirits, LLC
Canyon Adventures
Carlson Rental
Carol Barmore Original Oils
Casa Moonlight, LLC
Chef Greg Montana
Chef Sarah Duncan, LLC
Chenovick Rental
Chet's Bar, Inc
China Cafe
Choppers, Inc

Evolve Vacation Rental Network, Inc
Faherty Brand, LLC
First Friends, Inc
Forage & Fire, LLC
Fort Omotse Leather
Freedom West Properties, LLC
Furrow & Fly, LLP
Gallatin Alpine Sports
Gallatin Gourmet, Inc
Gallatin Petrified Wood
Gallatin River Gallery
Gallatin River Guest Cabin
Gallatin Riverhouse Grill
Georgia Baker ArtWorks, LLC
Geyser Whitewater Expeditions
Glove Love
Golden Mountain Girls Bakery
Golf Spirits, LLC
Gray Mountain Leather Co.
GRG, LLC
Grizzly Outfitters
Gus & Dukes, LLC
Hatched Concepts, LLC
Headwall Sports

James R. Eaton
Janai_P.art
JanEATS Catering
Jennifer McClellan Fine Art
Jill Jackson Bodywork and Yoga
Jill Zeidler Ceramic Art
Josi Severson Home Fashion Fabrics
JTwist, LLC
Just A Taste Catering, LLC
Kaster Rental
Katie White, LLC
Kazalone Design
Keller Collection
Kelly Jean Snacks
Kevin Kelleher
Kirsten Kainz, LLC
Kokoro Flowers
Kristen Bykowski
Lakota, LLC
Lazy Daisy Soap
LB Design, LLC
LC Wrapper Creations
Less, Inc
Lester Lou's Designs

Big Sky Resort Area District
02.09.2023 Board Meeting Packet
Page 35 of 88

Lilly & Lopker, LLC
Lone Mountain Creations
Lone Peak Arts, LLC
Lone Peak Caregivers
Lone Peak Concierge
Lone Peak Physical Therapy
Lone Peak Taphouse, LLC
Lost Head Investments
Lotus Pad Big Sky, LLC
Love Bug Designs
Love Street Media, LLC
M Shepard Artistry, LLC
Made Beautiful Studio
Man Of The Woods, LLC
March Family Enterprises, LLC
McNeal Montana, Inc
Melanie Turner Home Mountain, LLC
Meltzer Donald & Shelley Burr
MHMVR, LLC
Mia Baskets
MiAmor Collections
Michael Haring Photography
Michaelangelo's Restaurant
Milkie's Pizza & Pub
Montana Backcountry Adventures
Montana Chef
Montana Healing Arts, LLC
Montana Leather Designs
Montana On My Mind
Montana Whitewater, Inc
Moonlight Basin
Moonlight Golf Spirits, LLC
Moonlight Lake Lodge Spirits, LLC
Moonlight Tavern Spirits, LLC
Moonlight Vacation Rentals, LLC
Moonstone Clay
Mountain Fox Kitchen
Mountain Vacation Lodging
Mountain View Mercantile, Inc
Moving Mountains, LLC
Ms. Sippi's, LLC
Mutiarra, LLC
Natural Retreats
Natural Yellowstone Photography
Nini's Lodge
Niseko Big Sky, LLC
Noble Creative, LLC
NRCR Real Estate, LLC
Olets, Inc
ONeill Rental

Orders Up Delivery, LLC
Ottoman Elegance, LLC
Outlaw Partners, LLC
Ozment Art
Ozssage
Paparazzi, Inc
Patrick McClellan Fine Art
Pauling Rental
PGP Big Sky, LLC
Phillip Dillavou
Pine Creek Bakery, LLC
Pinnacle LL Inc
PK Threads
Rad Foods MT
Rainbow Lodge Lounge
Rainbow Ranch Holdings, LLC
Rancho Picante Bison, LLC

Sanook
Santosha Wellness Center
Savahge, LLC
Scissorbills Events
Scissorbills Saloon
Seaside Properties III, LLC
Seasonal Montana
Second Friends, Inc
Sentinel Ranch Operations, LLC
Sew Sustainable
Shalison, LLC
Shelly Bermont Fine Jewelry
Shelter Interiors, LLC
Shoshone 1970
Shoshone Condo Owners' Association
Sinclair's Bakery
Sister's Gluten Free Bakery

Sweet Ventures, LLC
Taco Bus 1, Inc
Tarpon Dreams, LLC
Tatom Design, LLC
TC Hotel 1, LLC
The Barn Spirits, LLC
The Dinner Biz
The Gourmet Gals
The Graphic Divide, LLC
The Independent Theater
The Lodge at Big Sky
The Rockies Wild Beauty
Thomas Cook
Thorn Apple Baking Co, LLC
THP Big Sky, LLC
Three Bibbs, Inc
Timberline Lounge
Tori Pintar Photography
Totally Tasty Catering, LLP
Toto Enterprises, LLC
Town Center Investment Holdings, LLC
Travis Graham
TRIBE Salon
Two Pines Properties, LLC
Ugly Onion
V&K Spirits, LLC
V&K Ulerys
Vacasa Vacation Rentals
Variable Conditions
Village Spirits 1, LLC
Village Spirits 2, LLC
Vouna Robert & Jacqueline
VS1, LLC
Waterhorse Bronze
Where the Bear Lives
Wild Chef Co
Wildwood Nursery, Inc
Wilson Peak Properties
Windy Raven
Woerner
World Designs, LLC
Y.A.R., Inc
Yellowstone Foods, LLC
Yellowstone Luxury Tours
Yellowstone Mountain Club
Yellowstone Safari Company, LLC
Yellowstone Scenic Tours, Inc
Yellowstone Tour Guides
Yeti Dogs, Inc

Thanks to *ALL* the businesses
who have collected Resort
Tax over the past 30 years.
You have helped **build** our
community and showed that
we are truly
BETTER TOGETHER.

Red Hen Jams
Resort Rental, LLC
Rhinestone Cowgirl
River Estate Properties, LLC
Robert & Lisa Kaufman
Rock'n'Roll
Rocks Tasting Room and Liquor Store, LLC
Rocky Mountain Connections, Inc
Root Cellar Foods, LLC
Roxy's Market
Roza, LLC
RTS Consulting, LLC
Russell Mace
Rutledge Jewelers/RJ Montana
Ryan Lafoley Private Chef, Inc
Ryan Turner Photography
Sage Home Services

Sky Boutique, LLC
Sky Canyon Massage
Small Batch Bags
Snowday Leather
SP Hotel Owner, LLC
SP Hotel Spirits, LLC
Spanish Peaks Alpacas, LLC
Spanish Peaks Mountain Club
Spirit of the North Sled Dog
Stacy M & Errol Rice
Stay Montana, LLC
Steamboat Dry Goods, Inc
Steele Pressed Juice and Java
Summit Condo Owners' Association
Summit Motor Sports All Terrain Rentals
Superpumper 80206
Sweet Tomato Chef ,LLC



IN THE KNOW

Visit our website **ResortTax.org** to learn more about the Big Sky Resort Area District, the local government agency that administers Resort Tax's public funds.



BSRAD STRATEGIC PLAN

Defining the organization, its vision, goals, and objectives

ResortTax.org/about/governing-documents

OUR BIG SKY PLAN

The community created vision for the future of Big Sky

ResortTax.org/about/community-vision-strategy



CAPITAL IMPROVEMENT PLAN

The most recent plan for capital improvements as they relate to Big Sky

ResortTax.org/about/governing-documents

TAX EDUCATION

A quick guide to understanding taxes in Big Sky, who pays them, and what they fund

ResortTax.org/tax-ed



FUNDING & APPLICATIONS

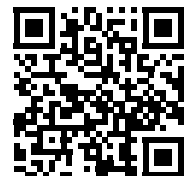
Key dates and resources for the FY24 Funding Cycle

ResortTax.org/funding

BUSINESS RESOURCES

Information regarding collections and registration processes for businesses

ResortTax.org/business-resources



Big Sky Resort Area District

11 Lone Peak Drive, Suite #204
P.O. Box 160661
Big Sky, MT 59716

406 • 995 • 3234

Info@ResortTax.org

ResortTax.org

@BSRADMT

@bsrad_mt

Administered by the Big Sky Resort Area District, a local government agency, Resort Tax is a 4% tax on luxury goods & services. The District has an obligation to openly communicate information on the use of public funds. As such, this mailing is shared within the District.



2024-2028 CIP FINANCIAL SUMMARY

This five-year plan has \$349 million in scheduled projects and \$330 million unscheduled.

Fund	FY24	FY25	FY26	FY27	FY28	Total Scheduled Projects	Unscheduled
General Fund	\$ 83,532,500	\$ 18,515,610	\$ 1,437,110	\$ 1,514,000	\$ 833,000	\$ 105,832,220	\$ 19,552,500
Planning	25,000	-	-	60,000	-	85,000	-
Street Maintenance	3,083,150	3,767,538	3,676,564	2,980,042	3,566,194	17,073,488	1,841,500
Forestry	55,000	50,000	45,000	-	-	150,000	4,880,000
Fire Impact Fee	5,300,000	-	-	-	-	5,300,000	-
Street Impact Fee	4,400,000	22,576,800	19,534,492	2,000,000	6,110,000	54,621,292	23,020,000
Building Inspection	75,000	50,000	50,000	60,000	-	235,000	-
Arterial & Collector District	2,085,000	5,350,000	6,492,308	1,450,000	3,040,000	18,417,308	21,550,000
Fire Capital & Equipment	43,000	224,250	45,600	2,399,000	675,400	3,387,250	3,274,600
Parks & Trails District	1,385,000	2,210,000	1,933,000	1,923,000	1,938,000	9,389,000	47,888,000
Street Reconstruction	507,000	1,011,800	969,400	1,483,200	1,075,000	5,046,400	14,650,404
Library Depreciation	60,000	131,000	-	200,000	-	391,000	-
Water	3,848,748	6,700,827	6,766,950	26,018,000	6,189,894	49,524,419	17,170,500
Water Impact Fee	685,000	360,000	1,500,000	10,511,000	1,737,500	14,793,500	67,500,000
Wastewater	9,233,993	13,813,652	4,062,140	15,463,458	4,639,850	47,213,093	63,670,500
Wastewater Impact Fee	1,420,000	2,520,000	2,000,000	-	1,936,000	7,876,000	20,000,000
Solid Waste	745,000	425,000	425,000	850,000	-	2,445,000	2,750,000
Landfill Post-Closure	640,000	50,000	-	-	-	690,000	-
Parking	350,000	350,000	-	50,000	-	750,000	710,000
Stormwater	699,600	927,000	933,600	700,300	651,850	3,912,350	865,210
Vehicle Maintenance	120,000	-	-	-	-	120,000	40,000
Public Works	195,000	130,000	130,000	795,000	130,000	1,380,000	20,800,000
Total	\$ 118,487,991	\$ 79,163,477	\$ 50,001,164	\$ 68,457,000	\$ 32,522,688	\$ 348,632,320	\$ 330,163,214

Capital Improvement Plan Sample Scenario

Reserve Funds	Current FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32 (LAST YEAR OF RESORT TAX)	Scheduled Capital Investments	Unscheduled Capital Investments	Notes
Operating Target	\$ 305,338	\$ 329,017	\$ 340,785	\$ 352,712	\$ 365,057	\$ 377,834	\$ 391,058	\$ 404,745	\$ 418,911	\$ 433,573			
Emergency Target	\$ 593,248	\$ 1,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000			
Capital Target	\$ 2,109,885	\$ 890,115	\$ 3,000,000	\$ 3,500,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 5,000,000	\$ 2,000,000	\$ 3,000,000			
Capital Project 1 - Water 2.6 million												-	(2,600,000)
Capital Project 2 - Water & Sewer 44.7 million												(22,350,000)	
Capital Project 3 - Fire 1.4 million												(1,400,000)	
Running Capital Balance	\$ 2,109,885	\$ 3,000,000	\$ 2,275,000	\$ 2,050,000	\$ 2,325,000	\$ 2,600,000	\$ 2,175,000	\$ 2,750,000	\$ 4,750,000	\$ 7,750,000		(23,750,000)	
Total Reserve Balance	\$ 3,008,471	\$ 4,829,017	\$ 5,115,785	\$ 4,902,712	\$ 5,190,057	\$ 5,477,834	\$ 5,066,058	\$ 5,654,745	\$ 7,668,911	\$ 10,683,573	\$ (47,500,000)	\$ (2,600,000)	

Other half of project needs matching funds

Reserve Funds Strategy

For Discussion During Annual Allocations

Purpose: The following will serve as an outline for the District investment in Reserves for operating, emergency relief, and strategic capital investments.

Strategy: Accumulate fund reserves to plan for the following:

- Three months of District Operations
 - a. For example, for FY23 the total would be \$305,338
- Capital investments (outside of annual applications) that include large scale projects from Big Sky Capital Improvement Plan (in development) requiring setting aside funds for multiple years.
 - a. Goal: Incremental growth of \$1,000,000 annually.
- Emergency Funds that address community relief needs as outlined in a Board Resolution
 - a. For example, Big Sky Relief efforts addressing COVID-19 impacts
 - b. Goal \$2,500,000 (based on \$2,150,000 invested in Big Sky Relief)

Recommendation: Grow reserves as outlined to prepare for the Operational needs, Community Emergencies, and long-term capital investments (potentially in conjunction with bonding)

Current Reserve as of 2/1/23 \$3,008,471

	FY24 Budget	FY25 Budget	FY26 Budget
Operating Reserve Goal	329,017	340,785	352,712
Emergency Reserve Goal	1,500,000	2,500,000	2,500,000
Capital Reserve Goal	3,000,000	4,000,000	5,000,000
Reserve Goal	\$4,829,017	\$6,840,785	\$7,852,712

**Second Amended and Restated Interlocal Agreement
Between
Big Sky County Water and Sewer District No. 363, Montana
and Big Sky Resort Area District, Montana**

This Second Amended and Restated Interlocal Agreement (this “Agreement”), dated as of February 1, 2022, is entered into by and between Big Sky County Water and Sewer District No. 363, Montana (the “WSD”) and Big Sky Resort Area District, Montana (the “RAD”).

Witnesseth:

WHEREAS, the RAD is a resort area district located within Madison and Gallatin Counties, validly organized pursuant to Montana Code Annotated, Title 7, Chapter 6, Part 15, as amended, and duly incorporated and existing since May 15, 1998; and

WHEREAS, the WSD is a county water and sewer district located within Madison and Gallatin Counties, validly organized pursuant to Montana Code Annotated, Title 7, Chapter 13, Parts 22 and 23, as amended, and duly incorporated and existing since August 5, 1993; and

WHEREAS, the WSD and RAD are political subdivisions of the State of Montana, authorized to enter into an interlocal agreement pursuant to Montana Code Annotated, Title 7, Chapter 11, Part 1, as amended; and

WHEREAS, the RAD and WSD are parties to that certain original Interlocal Agreement dated as of February 2020 (the “Original Interlocal Agreement”); and

WHEREAS, pursuant to the Original Interlocal Agreement, at a mail ballot election conducted on May 5, 2020, the electors of the RAD approved the imposition of an additional 1% resort tax for infrastructure, commencing July 1, 2020 and terminating June 1, 2032 (the “Infrastructure Resort Tax”), with RAD using the proceeds of the Infrastructure Resort Tax to pay the lesser of 60% of the total costs of the WRRF Phase I Project (as hereinafter defined) as determined under Section 2.1 or \$27,000,000, plus \$12,000,000 for the costs of the Canyon Project (as hereinafter defined), while WSD shall pay the remaining total costs of the WRRF Phase I Project and none of the costs of the Canyon Project; and

WHEREAS, the WSD is in the process of undertaking certain improvements to its wastewater treatment system, including upgrading the WSD’s water resource recovery facility (as existing and as improved from time to time, the “WRRF”) using membrane bioreactor technology and related improvements (the “WRRF Phase I Project”); and

WHEREAS, on January 29, 2021, the WSD opened construction bids for the WRRF Phase I Project, pursuant to which the cost of the WRRF Phase I Project and associated financing costs, excluding interest on the Bond (as hereinafter defined), is now expected to be approximately \$52,000,000; and

WHEREAS, after being notified in the fall of 2020 by the Montana Department of Natural Resources and Conservation (the “DNRC”) that the Water Pollution Control State

Revolving Fund Loan Program (the “SRF Program”) had insufficient funds available to finance the WRRF Phase I Project in full, the WSD worked with D.A. Davidson & Co., as placement agent, to secure financing for the WRRF Phase I Project; and

WHEREAS, the WSD received a favorable preliminary commitment from First Security Bank, Division of Glacier Bank (“FSB”), pursuant to which FSB will purchase the WSD’s Sewer System Revenue Bond (Resort Tax Revenue Supported), Series 2021 (such bond, as amended, refunded or substituted, the “Bond”), in the maximum principal amount of approximately \$42,716,000, to pay a portion of the costs of the WRRF Phase I Project and associated financing costs, with the remaining costs of the WRRF Phase I Project expected to be paid from proceeds of two subordinate lien obligations to be issued to the DNRC through its SRF Program in the aggregate principal amount of \$1,400,000; \$250,000 contributed by the RAD from its 3% resort tax revenues; any amounts of the WRRF Contribution (as hereinafter defined) applied directly to costs of the WRRF Phase I Project; and funds the WSD has on hand and available therefor; and

WHEREAS, if the Canyon Project is determined to be feasible as described below, the WSD and the Canyon Area District also plan to undertake a future project generally expected to consist of a lift station near the intersection of U.S. Route 191 and Highway 64, a wastewater forcemain up the Highway 64 corridor to the WRRF, a pipeline conveying treated water back to the Canyon Area, and related improvements (together with preliminary feasibility studies relating thereto, the “Canyon Project”), which will provide wastewater treatment capacity to properties located outside the WSD but within the RAD in Gallatin Canyon (the “Canyon Area”); and

WHEREAS, changes in facts and circumstances occurred after the date of the Original Interlocal Agreement, including, but not limited to, the approval by the voters of the Infrastructure Resort Tax, an increase in WRRF Phase I Project costs from an estimated \$35,000,000 to approximately \$52,000,000, a change in the primary lender with respect to the WRRF Phase I Project from the DNRC through its SRF Program to FSB, the creation of a separate water and sewer district by the Canyon Area property owners, and the development of a potential State funding source using funds allocated to Montana under the Federal American Rescue Plan Act of 2021 or other COVID-19 relief funds; and

WHEREAS, on or about April 20, 2021, the parties entered into that First Amended and Restated Interlocal Agreement which superseded and replaced the Original Interlocal Agreement; and

WHEREAS, the parties now desire to further amend and clarify certain terms of the First Amended and Restated Interlocal Agreement with the terms, conditions, rights and obligations set forth in this Second Amended and Restated Interlocal Agreement, and which Second Amended and Restated Interlocal Agreement will supersede and replace the First Amended and Restated Interlocal Agreement in its entirety.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree each WHEREAS clause set forth above shall be incorporated into the Agreement as if fully set forth below, and the parties further agree as follows:

Section 1. Undertakings of the WSD with respect the WRRF Phase I Project.

Section 1.1. The WSD will cause the WRRF Phase I Project to be designed, constructed, installed and equipped with all reasonable diligence. The WSD will own all of the WRRF Phase I Project and, to the extent there are easements or leases regarding the WRRF Phase I Project, the WSD will be the grantee or lessee under such easements or leases, respectively. The WSD agrees to provide prominent notice to the public that RAD has funded a portion of the WRRF Phase I Project by including the statement: "This project has been funded in part by resort tax funds" on materials and publications provided to the public by the WSD related to the WRRF Phase I Project.

Section 1.2. The WSD will establish and maintain a construction budget for the WRRF Phase I Project showing the dollar amount expended on project costs from time to time, which shall be provided to RAD quarterly. Following completion of construction of the WRRF Phase I Project and the determination of the debt service schedule for the Bond that shows amortizing payments of principal and interest, the WSD shall provide such debt service schedule attached to or referenced in the Bond (as it may be amended from time to time) to the RAD quarterly.

Section 1.3. During construction of the WRRF Phase I Project, the WSD and RAD joint project subcommittee shall meet monthly, unless more frequent meetings are needed or are requested by either WSD or RAD or the parties agree that less frequent meetings are appropriate, to discuss the progress with construction, collections of the Infrastructure Resort Tax, revenue collections and projections of the WSD, financing repayment, and the status of the Canyon Project. Once construction of the WRRF Phase I Project is complete, the joint project subcommittee shall meet monthly, unless the parties mutually agree that less frequent meetings are appropriate, to provide progress reports regarding operation of the infrastructure improvements comprising the WRRF Phase I Project, collections of the Infrastructure Resort Tax, revenue collections and projections of the WSD, financing repayment, and the status of the Canyon Project.

Section 1.4. Following completion of the WRRF Phase I Project, the WSD will commit capacity at the WRRF for 600 single-family equivalent (SFE) units dedicated to Deed-Restricted, Work-force, Affordable Housing (as each such term is defined in Section 5 below) within the WSD or otherwise served by the WSD. The WSD will continue to work collaboratively with RAD and other community members in support of Deed-Restricted, Work-force, Affordable Housing. The provisions of this Section 1.4 shall survive termination of this Agreement.

Section 1.5. The parties acknowledge that the WRRF Phase I Project is the first phase of a multi-phase project, and that further phases of the project will need to be developed and undertaken in the future to accommodate continued growth in the Big Sky area. The WSD will use reasonable efforts to manage treatment capacity at its WRRF over time to accommodate growth in the WSD and, if the Canyon Project proceeds as described in Section 3 below, in the Canyon Area.

Section 2. Application of the Infrastructure Resort Tax Revenues.

Section 2.1. The RAD agrees to contribute Infrastructure Resort Tax revenues to the WSD (1) in the amount of sixty percent (60%) of the total costs of the WRRF Phase I Project (which costs include financing costs and principal and interest on the Bond¹) from revenues collected from the Infrastructure Resort Tax, provided, however, in no event shall its contribution exceed the maximum amount of \$27,000,000 to pay costs of the WRRF Phase I Project and/or to pay debt service on the Bond (the “WRRF Contribution”), and, (2) provided the conditions in Section 3 below are satisfied, in an amount up to \$12,000,000 to pay costs of the Canyon Project and/or to pay debt service on a bond or other obligation issued to pay all or a portion of the costs of the Canyon Project (the “Canyon Project Contribution”). WSD shall pay all costs of the WRRF Phase I Project and/or debt service on the Bond which exceed the WRRF Contribution. WSD shall not be obligated to pay any costs of the Canyon Project. The RAD has created or will create a separate fund or account into which the Infrastructure Resort Tax receipts will be deposited and will provide to the WSD upon request the balance of such fund or account and an accounting of disbursements made from such fund or account. The RAD further agrees to provide to the WSD the financial statements of the RAD upon request.

In the event WSD receives any funds allocated to the State of Montana under the federal American Rescue Plan Act of 2021 or other COVID-19 relief funds (collectively, the “ARPA Funds”) for application toward the costs of the WRRF Phase I Project, the parties agree to renegotiate and amend this Agreement to ensure the payment obligations of the RAD hereunder with regard to the WRRF Phase I Project approximate the original cost-sharing allocation set forth in and calculated in accordance with the first sentence of Section 2.1 above, unless the parties mutually agree there is no need to so renegotiate and amend this Agreement. Notwithstanding the foregoing or any other provision of this Agreement to the contrary, if any change or amendment to the RAD’s payment obligations under this Agreement affects the WRRF Contribution or otherwise affects the security for the repayment of the Bond, the parties acknowledge and agree that this Agreement may not be amended except by the prior written consent of FSB to any proposed amendment to this Agreement. The parties further acknowledge and agree that any amendment to this Agreement that regards a change or amendment to the RAD’s payment obligations hereunder will likely require an amendment of the Bond Resolution and the Bond.

In the event WSD, Canyon Area District, and/or RAD receive any ARPA Funds for application toward the costs of the Canyon Project, the parties agree they shall determine whether receipt of such funds results in the need to adjust the Canyon Project Contribution, and if it does, the parties agree to renegotiate and amend the terms of this Agreement to adjust the Canyon Project Contribution; provided, however, if such an amendment affects the WRRF Contribution or otherwise affects the security for the repayment of the Bond, the parties acknowledge and agree that the prior written consent of FSB to any such proposed amendment to this Agreement is required for this Agreement to be effectively amended.

¹ The total costs of the WRRF Phase I Project equal the sum of (i) the total project costs (i.e., design, engineering, construction, and acquisition costs, contingencies, and the reserve amount for and costs of issuance of the Bond) set forth in the uses (or application) of funds portion of the sources and uses (or application) of funds table prepared in connection with the closing of the Bond, plus (ii) the total interest cost on the Bond set forth in the preliminary debt service schedule prepared by FSB delivered under Section 2.7 of this Agreement.

Section 2.2. As part of its underwriting analysis with respect to the Bond, FSB has determined a minimum fiscal year amount of Infrastructure Resort Tax revenues that must be pledged to the repayment of the Bond as a condition to FSB's purchase of the Bond, which minimum fiscal year amount is set forth on Exhibit A.

Section 2.3. In each fiscal year, commencing with the fiscal year ending June 30, 2021, the first Infrastructure Resort Tax revenues received by the RAD, up to the minimum fiscal year amount set forth for that fiscal year as shown on Exhibit A, constitute part of the WRRF Contribution and must be provided by the RAD to the WSD to pay costs of the WRRF Phase I Project and/or to pay debt service on the Bond. For purposes of this Agreement, references to "Infrastructure Resort Tax revenues received" by the RAD in any fiscal year mean dollar amounts resulting from imposition of the Infrastructure Resort Tax actually remitted to and received by the RAD in the period commencing July 1 of any year and ending on June 30 of the subsequent year, regardless of when such dollar amounts were received by the businesses or short-term vacation rental owners directly collecting the Infrastructure Resort Tax. WSD shall in each fiscal year pay the amount by which principal of and interest on the Bond exceeds the fiscal year amount of the WRRF Contribution received by the WSD in that fiscal year from revenues pledged to the repayment of the Bond that are other than the WRRF Contribution. The WSD agrees that to the extent that fiscal year amounts of the WRRF Contribution received by the WSD exceed the corresponding fiscal year scheduled payments of principal of and interest on the Bond, the WSD will use such excess amounts of the WRRF Contribution to prepay in part the outstanding principal of the Bond or to pay a portion of the costs of the WRRF Phase I Project.

Section 2.4. Infrastructure Resort Tax revenues received by the RAD in any fiscal year in excess of the minimum fiscal year amount set forth for that fiscal year as shown on Exhibit A are available, in the discretion of the RAD, to be used for the Canyon Project as part of the Canyon Project Contribution, subject to the provisions of Section 3 below.

Section 2.5. If in any fiscal year Infrastructure Resort Tax revenues received by the RAD are equal to or less than the minimum fiscal year amount of Infrastructure Resort Tax revenues for that fiscal year as shown on Exhibit A, all Infrastructure Resort Tax revenues received in that fiscal year constitute the WRRF Contribution and no Infrastructure Resort Tax revenues received in that fiscal year are available to be used for the Canyon Project as part of the Canyon Project Contribution, subject to the provisions of Section 3 below.

Section 2.6. If Infrastructure Resort Tax revenues received by the WSD under this Agreement total less than \$27,000,000 as of June 30, 2029, then all Infrastructure Resort Tax revenues as received by the RAD from and after July 1, 2029 shall constitute a part of the WRRF Contribution until the earlier to occur of (i) the date the WRRF Contribution received by the WSD totals \$27,000,000, or (ii) July 31, 2032. If implementation of the terms of this Section 2.6 impacts the ability of the RAD to use the Infrastructure Resort Tax revenues for the Canyon Project, thereby placing the Canyon Project in financial jeopardy, the parties agree to meet and confer with FSB, and attempt to negotiate a different resolution.

Section 2.7. As of January 31, 2021, RAD has collected \$1,636,751 from the Infrastructure Resort Tax. The RAD agrees to provide, as part of the WRRF Contribution, all

Infrastructure Resort Tax revenues received by the RAD through March 31, 2021 to the WSD on or before May 15, 2021.

Commencing on August 15, 2021, the RAD agrees to provide, from Infrastructure Resort Tax revenues then on hand, dollar amounts forming part of the WRRF Contribution to the WSD on a quarterly basis, on or before the 15th day of August, November, February, and May.

WSD shall provide to RAD the bond resolution relating to the Bond, which shall include the form of the Bond, and a preliminary debt service schedule prepared by FSB, once such documents are available. Within fifteen (15) days after the date of issuance and delivery of the Bond, the WSD will provide to the RAD copies of the final closing documents relating to the Bond that are signed as of the date of issuance and delivery of the Bond. Once a final debt service is established at the end of the 30-month draw-down period, the WSD will provide to the RAD the revised debt service schedule relating to the Bond showing amortizing payments of principal and interest.

Section 2.8. The WSD acknowledges and agrees that the RAD cannot control the amount of Infrastructure Resort Tax revenues generated in any fiscal year, and that less than the minimum fiscal year amount of the Infrastructure Resort Tax revenues set forth on Exhibit A may be received by the RAD in any fiscal year, and in such event, notwithstanding any provision in this Agreement to the contrary, RAD shall have no obligation to pay the fiscal year amount of the WRRF Contribution in an amount which exceeds its actual collections of the Infrastructure Resort Tax revenues in that fiscal year.

Section 2.9. The RAD acknowledges and agrees that the receipt by the WSD as part of the WRRF Contribution of the first Infrastructure Resort Tax revenues received in each fiscal year, in an amount not less than the minimum fiscal year amount for that fiscal year, is critical to the financing of the WRRF Phase I Project, and that FSB has relied on such priority in determining to purchase the Bond. WSD acknowledges and agrees that any Infrastructure Resort Tax revenues in any fiscal year which exceed the minimal fiscal year amount for that fiscal year as described on Exhibit A may be at RAD's discretion paid to WSD as part of its WRRF Contribution or may be allocated to and paid for the Canyon Project, subject to Section 3 below. The parties understand and agree that the obligations of the WSD to pay timely all of the scheduled fiscal year principal of interest on the Bond continues in effect regardless of the fiscal year amount of the WRRF Contribution received by the WSD.

Section 3. Undertakings of the Parties with respect to the Canyon Project.

Section 3.1. The WSD and the RAD agree to work collaboratively together and with the newly created water and sewer district in the Canyon Area (the "Canyon Area District") to pursue the Canyon Project.

Section 3.2. During the planning and construction phases of the Canyon Project, the WSD and RAD will use all reasonable efforts to establish a joint project subcommittee with the Canyon Area District, which joint project subcommittee shall meet monthly, unless more frequent meetings are needed or are requested by any member of the joint project subcommittee or the parties agree that less frequent meetings are appropriate, to discuss the progress with determining feasibility of the project, design of the project, project construction, collections of

the Infrastructure Resort Tax, revenue collections and projections of the Canyon Area District, obtaining project financing and repayment projections. If the Canyon Project should be completed, the joint project subcommittee shall meet monthly, unless the parties mutually agree that less frequent meetings are appropriate, to provide progress reports regarding operation of the Canyon Project, collections of the Infrastructure Resort Tax, revenue collections and projections of the Canyon Area District, and financing repayment.

Section 3.3. The obligations of the WSD with respect to the Canyon Project and of the RAD with respect to the Canyon Project Contribution are subject to satisfaction of numerous conditions, including, but not limited to, the following:

- (a) Water studies showing the Canyon Project is feasible.
- (b) Engineering reports; feasibility studies; environmental studies or reports; and other analyses that demonstrate the Canyon Project is feasible.
- (c) The WSD and the Canyon Area District must enter into one or more agreements satisfactory to the WSD pursuant to which the WSD would provide wastewater treatment service to the Canyon Area District and the Canyon Area District would accept treated water from the WSD.
- (d) The Board of Directors of the Canyon Area District must agree to proceed with the Canyon Project.
- (e) Adequate funding for the Canyon Project must be obtained.
- (f) Regulatory bodies, such as, but not limited to, the Montana Department of Environmental Quality and the Montana Department of Natural Resources and Conservation, shall have approved the Canyon Project.
- (g) Other documentation, licenses, permits, or approvals that demonstrate the Canyon Project is feasible.

Section 3.4. If the conditions described in Section 3.3 are not satisfied or it is determined such conditions cannot be satisfied or that the Canyon Project is otherwise not feasible and cannot proceed to design and/or construction, then any amounts then held by the RAD as the Canyon Project Contribution under Section 2.4 above shall be remitted by the RAD to the WSD as part of the WRRF Contribution and from such time forward all of the Infrastructure Resort Tax as received by the RAD will constitute the WRRF Contribution without the limits set forth in Exhibit A; provided that any such remittance or such contributions of the Infrastructure Resort Tax as the WRRF Contribution may not cause the total WRRF Contribution to exceed \$27,000,000. In addition, if the Canyon Project is not progressing toward construction in a reasonably prompt manner, the joint project subcommittee or representatives of each of the RAD and the WSD shall, at the request of either party, (1) meet and determine whether amounts of the Infrastructure Resort Tax held by the RAD that are in addition to the minimum fiscal year amounts of the WRRF Contribution shown on Exhibit A are to be remitted to the WSD as a part of the WRRF Contribution and (2) make a recommendation to the RAD Board should any increase in the amount to be paid to the WSD in any fiscal year be deemed

appropriate by the joint project subcommittee; provided, however, any change in the amount to be paid to the WSD in any fiscal year that is in addition to the fiscal year amount of the WRRF Contribution shown on Exhibit A shall ultimately be at the sole discretion of the RAD Board.

Section 3.5. If the conditions described in Section 3.3 are satisfied and the Canyon Project is deemed feasible and proceeds to construction, the RAD agrees it shall fund all costs of the Canyon Project from revenues collected from the Infrastructure Resort Tax, subject to the prior claim of the WRRF Contribution as set forth in Section 2 above, provided, however, in no event shall its contribution with respect to the Canyon Project exceed the maximum amount of \$12,000,000 (the "Canyon Project Contribution"). The RAD agrees the Canyon Project Contribution shall be applied to all costs of the Canyon Project, including financing costs if applicable. All remittances of any portion of the Canyon Project Contribution shall be made by the RAD to the WSD, unless the parties agree otherwise in writing. RAD shall structure any payment obligations relating to the Canyon Project Contribution so as not to adversely affect the ability of the RAD to make that portion of the WRRF Contribution in the minimum fiscal year amount set forth for that fiscal year as shown on Exhibit A unless the parties mutually agree otherwise, and subject also to the provisions of Section 2.6 above. The parties further agree that should the total costs of the Canyon Project ultimately exceed \$12,000,000 or the total amount of the Canyon Project Contribution, if less than \$12,000,000, WSD shall have no obligation to pay any excess amounts with respect to the Canyon Project. The WSD makes and has made no financial commitments of any kind regarding the Canyon Project, it being understood that the Canyon Project Contribution is to pay or secure a source for the repayment of the Canyon Project and that WSD will have no obligation to pay for or finance costs of the Canyon Project. The WSD agrees to provide prominent notice to the public that RAD has funded the Canyon Project by including the statement: "This project has been funded by resort tax funds" on materials and publications provided by the WSD to the public related to the Canyon Project.

Section 3.6. If the conditions described in Section 3.3 are satisfied and the Canyon Project is deemed feasible and proceeds to construction, WSD, RAD and the Canyon Area District shall enter into a more detailed agreement regarding the development and financing of the Canyon Project, which in all events will be subject to the provisions of Section 2 above, and is currently expected to include that:

(a) The WSD will undertake to cause the engineering, design, construction and installation of the Canyon Project. When available, the proposed development and construction schedule shall be provided to RAD and periodic updates shall be provided at the meetings of the joint project subcommittee.

(b) The WSD will initially own and operate the improvements constructed as part of the Canyon Project and, to the extent there are easements or leases regarding the Canyon Project, the WSD will be the grantee or lessee under such easements or leases, respectively. If the WSD determines that the Canyon Area District has the resources to own and operate the portion of the Canyon Project consisting of the lift station and the forcemain, the WSD reserves the right to transfer ownership and/or operation of such portion of the Canyon Project to the Canyon Area District.

(c) The WSD and RAD agree to meet and, together with the Canyon Area District, collaboratively explore financing or funding options for the Canyon Project, but WSD shall have no obligation to finance or borrow funds to pay the costs of the Canyon Project.

(d) The WSD shall determine and implement hook-up fees with respect to providing service to the Canyon Area in a separate agreement directly with property owners in the Canyon Area and/or the Canyon Area District; provided however, WSD will continue to work collaboratively with the RAD, Canyon Area property owners, and other community members in support of Deed-Restricted, Work-force, Affordable Housing.

The RAD and the WSD acknowledge and agree that as of the date of this Agreement it is too early to determine the details of, and the obligations, undertakings, and other matters regarding, the Canyon Project; provided, however, WSD shall continue to use its reasonable efforts to promote and participate in the planning for and execution of the Canyon Project including without limitation the determination of feasibility of the Canyon Project. Failure of the WSD to undertake or perform or abide by any of the provisions set forth in Section 3.6 shall not constitute a default of this Agreement or otherwise subject the WSD to liability of any kind.

Section 4. American Rescue Plan Act of 2021 Funding. WSD and RAD agree to promptly begin to work together and collaboratively, and shall use all reasonable efforts to work with the Canyon Area District, to apply for project funding that might be available for the WRRF Phase I Project, the Canyon Project, and other projects of the WSD that expand treatment capacity or enhance treatment capabilities through the State of Montana under the American Rescue Plan Act of 2021 or any other available funding through various COVID-19 relief funds.

Section 5. Definitions.

Section 5.1. As used in this Second Amended and Restated Interlocal Agreement the term “Deed-Restricted” shall mean require that the property (a) be used in perpetuity for rental or ownership by individuals qualifying for “Work-force” housing and “Affordable Housing” as defined in this Section 5, (b) never be offered for use as short-term rentals of periods of thirty (30) days or less; and (c) which limited uses shall be placed in the recorded deeds for each property to run with the land.

Section 5.2. As used in this Second Amended and Restated Interlocal Agreement the term “Work-force” shall mean housing properties and housing projects that are restricted to tenants or owners who demonstrate full-time employment (annual average of 30 hours per week) with a business entity registered and operating within the RAD. When tenants or owners no longer meet the criterion defined above, they shall be required to vacate or sell the property (to a designated entity) within ninety (90) days of that change in status.

Section 5.3. As used in this Second Amended and Restated Interlocal Agreement the term “Affordable Housing” shall mean housing properties that are made available to qualified occupants (tenant or owner) at a rate for housing (mortgage or rent, plus taxes, and insurance) that is less than or equal to 33% of adjusted AMI.

Section 6. Miscellaneous Provisions.

Section 6.1. No Separate Legal Entity Created; Etc. Except as otherwise provided herein, this Agreement does not affect each party's responsibility to manage its own affairs. No joint board, joint administrator or joint budget shall result from the undertakings set forth in this Agreement and no partnership or joint venture exists or shall be deemed to exist between the parties. This includes, without limitation, responsibility for reports and payment of retirement system contributions pursuant to Section 19-2-506, MCA.

Section 6.2. Duration and Termination of Agreement; Survival. This Agreement shall terminate on the earlier of (1) RAD's payment in full of the WRRF Contribution and, subject to Section 3 above, the Canyon Project Contribution or (2) July 31, 2032; provided that the covenants of the WSD set forth in Section 1.4 shall survive termination of this Agreement.

Section 6.3. No Assignment; Third Party Beneficiary. This Agreement is unique between the WSD and the RAD and no party may assign any rights or privileges, or delegate any duties or obligations under this Agreement without first obtaining the written consent of the other party. The WSD and RAD acknowledge and agree that FSB or the then-current holder of the Bond is a third-party beneficiary of this Agreement and, until such time as the WRRF Contribution has been made in full, FSB or the then-current holder of the Bond is entitled to enforce the provisions of this Agreement on behalf of the WSD.

Section 6.4. Prior Agreements. This Agreement supersedes, merges and voids any and all prior discussions, negotiations, agreements and undertakings between the parties with respect to the subject matter of this Agreement, including the Original Interlocal Agreement and the First Amended and Restated Interlocal Agreement. The parties waive and release each other from any claims, actions, or causes of action that relate in any manner to any prior discussions, negotiations, agreements and undertakings between the parties with respect to the subject matter of this Agreement.

Section 6.5. Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties with respect to its subject matter. All parties shall be prohibited from offering into evidence in any arbitration or civil action any terms, conditions, understandings, warranties, statements or representations, whether oral or written, with respect to the subject matter of this Agreement and that are not contained in this Agreement.

Section 6.6. Amendments, Changes and Modifications. This Agreement may be amended and any of its terms may be modified only by written amendment authorized and executed by the parties hereto. Until the full amount of the WRRF Contribution has been received by the WSD, no amendments or changes that would affect the priority or application of Infrastructure Resort Tax revenues shall be effective without the written consent of FSB or the then-current holder of the Bond.

Section 6.7. Headings. The headings of articles and sections in this Agreement are inserted for convenience of reference only and do not limit or amplify the terms and provisions of the Agreement in any manner. The headings will be ignored and will not affect the construction of any provisions of this Agreement.

Section 6.8. Notice. Any formal notice, demand or communication required or permitted by the terms of this Agreement to be given to the WSD or RAD will be in writing and will be delivered to such party either: (i) by personal hand-delivery; or (ii) by depositing the same in the United States mail as first class mail, postage prepaid, addressed to such party at the address named below. Notice will be deemed complete upon receipt of the hand-delivered notice or upon mailing of mailed notice.

If to WSD:

Big Sky County Water and Sewer
District No. 363
Attention: General Manager
561 Little Coyote Road
P.O. Box 160670
Big Sky, Montana 59716

If to RAD:

Big Sky Resort Area District
Attention: District Manager
11 Lone Peak Drive, Suite #204
P.O. Box 160661
Big Sky, Montana 59716

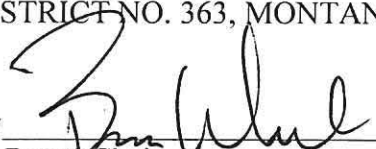
Section 6.9. Governing Law. This Agreement and the legal relations between the parties hereto will be governed by and construed in accordance with the laws of the State of Montana, without giving effect to any choice of law statutes, rules, or principles.

Section 6.10. Further Assurances and Corrective Instruments. The parties agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Agreement.


Section 6.11. Duplicate Originals or Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed by its proper officers, to be effective as of the effective date first set forth above.


BIG SKY COUNTY WATER AND SEWER
DISTRICT NO. 363, MONTANA

By  _____
Its Board Chair

BIG SKY RESORT AREA DISTRICT,
MONTANA

By  _____
Its Board Chair

ATTEST:

 _____
Secretary

ATTEST:


 _____
Secretary

EXHIBIT A

Minimum fiscal year amount of Infrastructure Resort Tax Contribution to WRRF Phase I Project

Fiscal Year ending June 30	2021	2022	2023	2024	2025	2026	2027	2028	2029
Minimum fiscal year amount for WRRF Contribution	\$2,587,500	\$2,716,875	\$2,852,719	\$2,995,335	\$3,145,122	\$3,302,379	\$3,467,497	\$3,640,872	\$2,291,681

If the full \$27,000,000 of the WRRF Contribution is not received by the WSD from the RAD by June 30, 2029, then the Infrastructure Resort Tax revenues received by the RAD from and after July 1, 2029 will be remitted by the RAD to the WSD in accordance with Section 2.6 of the Second Amended and Restated Interlocal Agreement to which this exhibit is appended.

FY23 Government Service (Interlocal) Update

Please complete and return the form in preparation for the annual Government Services update to the BSRAD board at the February 8th meeting. Each Government entity will have 15 minutes for an update and to answer any questions from the Board. If you have any supplementary information you would like to include in your update, please send it to Danny and Jenny by EOD February 7th.

Please return the form to Jenny by Wednesday, February 2nd.

Organization Name: Big Sky Fire Department

Who are your board members and what are their terms?

Alan McClain 5/2/2023

Carol Collins 5/6/2025

Matt Dodd 5/7/2024

Rena Schumacher 5/6/2025

Deb Lewis 5/7/2024

FY23 Funds Awarded:

\$1,795,401.00

Funds spent as of 2/1/23:

Operations: \$695,890.00

Wildfire Detection Camera: \$40,000.00

Self-Contained Breathing Apparatus: \$281,659.00

FY24 Forecasted Amount*: \$1,030,589.00 (Includes Wildfire Detection Cameras)

Do any updates need to be made to your FY24 forecast? If so, please explain and provide the updated amount: As I shared at the last BSRAD board meeting, BSFD has removed the Capital Request for FY24.

FY25 Forecasted Request:**

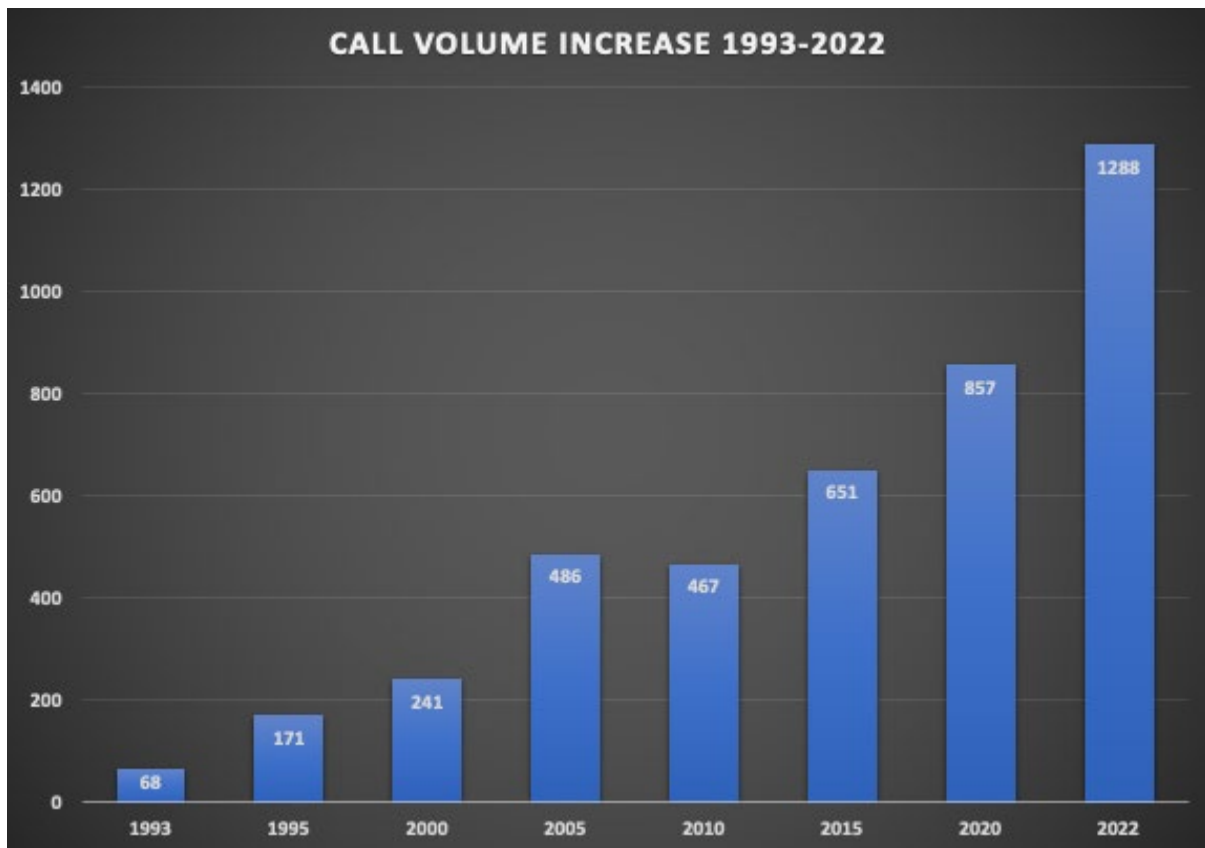
FY26 Forecasted Request:**

Are you accomplishing what you had hoped and as outlined as goals in your original funding application*?

BSFD has met or exceeded all the goals in our original funding application.

Each year the demand for services continues to increase at a rate that has surpassed the projected call volume from the Emergency Services Master Plan Update in 2019. In 2022 we exceeded the forecasted “Projected Service Demand” projected in 2040 of 1223 with 1288 calls for service in 2022.

Provide any necessary detail and use metrics to reflect how you are meeting the original goals provided to the District.



What was your projected staff growth (FTE count) provided on your Sponsor Efficiency Worksheet in FY22? Are these projections accurate to reflect your current staffing needs? *

In FY22 we are exactly what we projected for FY22 at 31 FTEs.

Other updates as applicable:

Share any photos of the awarded funding in action from FY22 or FY23 by attaching them to the email when you return the completed form.

*All information provided in your original application can be found by logging into the application portal, if you have any trouble accessing this information contact Jenny asap. Portal link:

<https://www.grantinterface.com/Home/Logon?urlkey=rtg>

**Provide FY25 &FY26 Forecasts to the best of your knowledge if they are available.

**INTERLOCAL AGREEMENT
FOR
THE ALLOCATION AND USE OF RESORT TAX REVENUE
Fiscal Years 2022, 2023, 2024**

This Interlocal Agreement (“Agreement”) is made and entered into by and between the Big Sky Resort Area District (“District”), and Big Sky Fire Department (“Contractor”). The District and Contractor enter into this Interlocal Agreement under the authority vested in them by law and, more specifically, pursuant to §§ 7-6-1509(1)(b), and 7-11-104, MCA, respectively.

RECITALS

1. The District is a resort tax area created effective April 7th, 1998 pursuant to Mont. Code Ann. §§ 7-6-1531 through 1550 and the current members of the Board of Directors (“Board”) have been duly elected to serve on behalf of the District.
2. Contractor is a local fire district, validly organized pursuant to Title 7, Chapter 33, Part 21, which has been duly incorporated and in existence since 1971. Contractor is located within the boundaries of the District.
3. Contractor is authorized, among other things, protect range, farm, and forest resources within Contractor’s service area, which in turn falls within the District.
4. Pursuant to Section 19 of District Ordinance 98-01, as amended, (“Ordinance”), the District is required to award the revenue derived from the imposition of the resort tax in the District for “infrastructure facilities (as that term is commonly defined) in the District; public services, including but not limited to the establishment and maintenance of an adequately-sized post office; ambulance and other emergency medical services; public transportation systems; snow plowing; tourism development for the District; and other services that provide for the public health, safety, and welfare within the District; and reimbursement or payment to the resort area district of the costs associated with the collection, administration, and litigation of the resort tax.”
5. Contractor submitted an application for receipt of resort tax funds in each of the next three fiscal years (July 1, 2021 through June 30, 2022 (“FY22”), July 1, 2022 – June 30, 2023 (“FY23”), and July 1, 2023 – June 30, 2024 (“FY24”)) (“Application”) to the District requesting funds for its FY22-FY24 Operations project, described as BSRAD funding continues to be an integral portion of funding for the Big Sky Fire Department in an effort to offset the fiscal impacts of tourism and visitor impact to the area. The funding works to supplement taxpayer funding in order to provide relief for primarily non-resident 911 usage in the amount of \$883,496 for FY22, \$918,836 for FY23, and \$955,589 for FY24 (collectively, the “Services”).
6. The Contractor also submitted additional information related to the Services in response to Q & A from the District (“Supplemental Information”).

7. The District conducted a public hearing, on June 7th and June 10th, 2021 on all applications for receipt of resort tax revenue for the District’s FY22 funding cycle, and on the Contractor’s request for resort tax revenue in each of the next three fiscal years.

8. Following discussion at the duly noticed and held public meeting on June 7th and June 10th, 2021, the District determined that Contractor’s Application to provide the Services as described in its Application, the Supplemental Information, and in this Agreement meets the requirements of Section 19 of Ordinance #98-01 as amended, and Title 7, Chapter 6, Part 15, MCA and approved funding in each of the next three fiscal years as follows: FY22 in the amount of \$883,496; FY23 in the amount of \$918,836; and FY24 in the amount of \$955,589 (the “Award”) for the Contractor’s Services pursuant to the terms and conditions set forth in this Agreement.

9. Those portions of the Application and the Supplemental Information which relate to the Services constituting the Award are incorporated hereby by this reference as if fully set forth in this Agreement as an integral part of the description of the Services.

In consideration of the foregoing and the promises contained in this Agreement, and pursuant to the statutory authority granted to the parties to enter into Interlocal Agreements, the parties agree as follows:

AGREEMENT

1. **RECITALS.** The Recitals to this Agreement are incorporated herein by this reference as if fully set forth in this Agreement.

2. **TERM.** The Term of this agreement shall be for FY22, FY23, and FY24, commencing on, July 1, 2021 and shall terminating on July 15, 2024. The terms and conditions of this agreement and the award allocation shall be reviewed by the Board in each the spring during the District’s normal appropriation cycles. This Award is not a guarantee that the District will grant an Award to Contractor for future Services after the Term expires.

3. **SCOPE OF SERVICES.** Contractor shall fully perform all Services in each fiscal year of the Term, and take all actions in each fiscal year of the Term as described in the Application and in the Supplemental Information, which are each incorporated into this Agreement by this reference and which are each on file at the District office. In addition, Contractor shall fully comply with the terms and conditions set forth in this Agreement.

4. **CONTRACTOR EXPENDITURE REQUIREMENTS; AMENDMENTS.** Contractor shall expend the Award for each fiscal year of the Term solely for the Services to be provided in each fiscal year of the Term as specifically described in its Application and Supplemental Information, and as approved and/or limited by the District in this Agreement. Should Contractor desire an amendment to this Agreement, or to change the Services or the use of the Award, such amendment must first be approved by the District in writing.

5. **SUBMISSION OF PAYMENT REQUESTS BY CONTRACTOR.**

A. *Execution of Agreement as Condition Precedent to Payment.* This Agreement must be fully executed and returned to the District before Contractor may submit any payment request for the Award and no payment request may be submitted to the District prior to July 15th, 2021.

B. *Award Orientation.* An Award Orientation must be completed by the Contractor before Contractor may submit payment request for the Award.

C. *Contractor's Designated Representative.* All payment requests must be signed and submitted by Contractor's Designated Representative identified as Alecia Fischer.

D. *Documentation to Support Payment Requests.* Payment of the Award shall be made to Contractor only upon receipt of documentation deemed appropriate by the District in its sole discretion. All payment requests and follow up forms shall be submitted using the online portal established by the District, using forms provided by the District. Contractor shall attach to the payment request proper documentation showing the Services have been performed and/or the materials have been received, including without limitation all invoices for Services received, payroll records for all payroll costs, documentation of compliance with applicable federal, state and county laws, regulations, and ordinances, and any other documentation related to the Services or projects as requested by the District. If the payment request is for Services which have not yet been performed or materials which have not yet been received, the District reserves the right, in its sole discretion, to delay payment until performance or receipt, or to permit payment but to require Contractor to submit proof of performance or receipt within five (5) days following actual performance or receipt; should Contractor fail to timely provide such proof of performance or receipt, Contractor shall be in default of this Agreement. Documentation submitted by Contractor must clearly show the dollar amounts, and all documentation must be submitted in the order in which the expense appears on the itemized expense list form required by the District. No payment requests for alcohol or tobacco shall be considered to fall within the Scope of Services described in Section 3 of this Agreement. The District, in its sole discretion, may determine whether or not the payment request submitted is for items or services within the scope of Services described by Section 3 of this Agreement. Payment requests for items or services not within the scope of Services described in Section 3 of this Agreement, as determined by the District, will not be paid or reimbursed.

E. *Timing of Award Payments.* All payment requests must be timely submitted to the District not later than sixty (60) days following the date on which the Services were performed by Contractor, the materials were received by the Contractor, or the Contractor was itself invoiced for services or materials for the project. Payments shall be made only for services actually rendered and/or materials actually supplied during the payment period; no payments shall be made for services to be rendered in future time periods within the Term. The District shall process payment requests on the 1st and 15th day of each month (each a "Processing Date"). Should contractor's payment request not be received by the Processing Date, the District shall hold the payment request until the next Processing Date. The District shall not be obligated to fund any payment request that is not timely submitted by the Contractor.

F. *Retainage Amounts.* The District reserves the right, in its sole discretion, to retain up to 15% of each approved Award payment to assure Contractor's continued provision of the balance of the Services and compliance with this Agreement. Payment of any retained amounts will be made when the District, in its sole discretion, has determined the Services have been completed in their entirety.

G. *Schedule of Payment Requests; Changes to Schedule.* All payment requests are to be submitted on the schedule established by the District during the award orientation. Contractor shall notify the District of any changes of \$50,000.00 or more to a scheduled payment request as soon as possible following Contractor's determination that a change in schedule is desired or required. All requested changes to the payment scheduled must be agreed to in writing by the District a minimum of 10 days prior to the date of the desired change in schedule. Requested changes to the payment schedule not timely received by the District shall not be approved.

H. *Final Payment Requests.* All final requests for payment at the end of the Term must be submitted to the District no later July 15th, 2024, for Services received on or before June 30th, 2024, for processing on the next Processing Date. The District shall not be obligated to fund any final payment request that is not timely submitted by the Contractor or for any Services incurred after June 30th, 2024.

I. *Form of Payment.* The District prefers to make all payments of the award to Contractor though an ACH payment system. Should Contractor instead desire payment from the District by check, Contractor authorizes the District to issue checks payable to Contractor's Designated Representative at Contractor's address listed in this Agreement. Should Contractor's address change during the term of this Agreement, it shall be Contractor's sole responsibility to promptly notify the District of such change in writing.

6. **NONCOMPLIANCE.** If resort tax funds are paid to Contractor under this Agreement and Contractor is unable to provide the Services as specified in Section 3, Contractor shall notify the District immediately. If Contractor is unable to provide the Services specified in Section 3, Contractor shall immediately return any and all portions of the Award previously paid to the Contractor, unless good cause is shown by the Contractor and the District expressly agrees in writing to waive the return of such previously paid Award amounts.

7. **RETURN OF FUNDS-UNSPENT FUNDS.** If for any reason, resort tax funds awarded to Contractor have not been spent by Contractor prior to the date specified in Section 5(H) of this Agreement, the unspent Award shall not be disbursed to Contractor, but shall be retained by the District and reallocated for other purposes in the sole discretion of the District. The District shall not be obligated to re-award unspent funds from the prior year.

8. **RECORDS.** Contractor shall maintain accounts, records and other evidence pertaining to the funds expended under this Agreement during the term of this Agreement and for a period of five (5) years following the expiration of this Agreement. The system of accounting employed by the Contractor shall be in accordance with generally accepted accounting principles or other comprehensive basis of accounting and will be applied in a consistent manner so that the expenditures under this Agreement can be clearly identified from all other expenditures. Upon reasonable notice, Contractor agrees to provide the District or its designated agent with access to the accounts and records relating to the services provided and

payments made under this Agreement and to subject its use of the Award for the Services to audit by the District's auditors upon the District's written request.

9. **LIABILITY.** Contractor shall hold the District, Board and all its agents and employees harmless and indemnify for any acts, errors, or omissions arising from the services provided or project performed by the Contractor which could result in any claims by the Contractor, its employees or by a third party. The Contractor shall assure the provision of the comprehensive general liability insurance that includes coverage of bodily injury, property damage, and attorney's fees incurred at all trial and appellate levels, and automobile liability, with a limit of not less than \$1,000,000.00 per occurrence. Contractor must provide proof of insurance for itself and its subcontractors to the District prior to any payments being made to Contractor under this Agreement.

10. **STATUTORY PROVISIONS.** Contractor shall comply with all applicable state, federal and local laws, and regulations.

11. **DEFAULT AND TERMINATION.**

A. In the event Contractor fails to comply with any provision of this Agreement, the Contractor shall have the right to cure such a breach within ten (10) days from receipt of written notice of the default or breach provided by the District to the Contractor.

B. In the event the Contractor fails to timely cure any breach of this Agreement as set forth in paragraph A of this Section, the District may terminate the Agreement immediately without any further opportunity of the Contractor to cure or remedy the breach.

C. Upon termination of the Agreement by the District for failure of the Contractor to perform provisions of the Agreement as described in paragraphs A and B of this Section, the District may require that all resort tax funds plus 6% annual interest from the date of receipt of the funds shall be immediately returned to the District.

D. Either party may terminate this Agreement without cause, upon thirty (30) days' written notice to the other party, provided that, if the Contractor is seeking to terminate the Agreement, Contractor must return to the District all resort tax funds previously paid under this Agreement, unless the District expressly agrees in writing that return of the funds is waived for good cause shown.

12. **ASSIGNMENT.** Contractor may not assign or subcontract any portion of this Agreement without the prior written approval of the District.

13. **INDEPENDENT CONTRACTOR STATUS.** Contractor is an independent provider or contractor. Neither the Contractor nor any of its employees are employees of the District under this Agreement nor will they be considered employees of the District under any subsequent amendment to this Agreement, unless otherwise expressed. The District is not responsible for the withholding of any state or federal taxes, or social security or other benefit contributions, nor will the District extend to the Contractor any of the benefits that it extends to employees of the District. Contractor is responsible for maintaining necessary workers' compensation coverage for its employees.

14. **OWNERSHIP OF PROPERTY.** Unless otherwise specified in this Agreement, any property purchased by the Contractor with resort tax funds in order to provide the Services under this Agreement is owned by the Contractor.

15 **INTERPRETATION.**

A. This Agreement shall be governed and interpreted according to the laws of the State of Montana.

B. The provisions of this Agreement are independent and severable, and the invalidity, partial invalidity, or unenforceability of any one provision or portion shall not affect the validity or enforceability of any other portion.

16. **ENTIRE AGREEMENT.** This Agreement, and all documents incorporated herein by reference including without limitation the Application and the Supplemental Information, constitutes the entire agreement between the parties. No alterations, modifications, or additions to this Agreement shall be binding upon the parties unless reduced to writing and signed by the parties.

17. **NOTICES.** Any notices, demands, or other communication required by this Agreement to be in writing shall be delivered (i) in person, against receipt, (ii) by certified mail, postage prepaid, return receipt requested, (iii) by U.S. Express Mail or a commercial overnight courier that guarantees delivery within the next two business days, or (iv) by email if the original notice is also served by one of the processes described in (i), (ii) or (iii) above. Such notices shall be addressed as follows:

To the District: Daniel Bierschwale
Executive Director
Big Sky Resort Area District
11 Lone Peak Drive, Suite 204
P.O. Box 160661
Big Sky, MT 59716

To the Contractor: Greg Megaard
Fire Chief
Big Sky Fire Department
650 Rainbow Trout Run
PO Box 160382
Big Sky, MT 59716

All notices complying with this Section shall be effective only upon delivery.

18. **AVAILABILITY OF FUNDS.** The District and Contractor agree that if, for any reason, revenues received from the collection of the resort tax are insufficient to pay the Award, the District may unilaterally adjust the Award based on actual availability of cash and revenue and without liability or remedy to Contractor.

19. **PUBLIC ACKNOWLEDGEMENT OF RECEIPT OF DISTRICT FUNDING.** Contractor shall provide prominent public acknowledgement that the District has funded the Services and/or project(s) described in Contractor’s Application. Each project is uniquely different and may require direct coordination with the District to ensure compliance. Acknowledgement applies to, but is not limited to, printed materials, online materials, press, billboards, plaques, online ads, website recognition, and public events. Contractor should receive approval from the District prior to public acknowledgement. Contractor further agrees to provide photos or printouts of Contractor’s Services or projects for use by the District in promotional or other materials. During Award Orientation, Contractor will work with the District to form a recognition plan.

20 **PROJECT IMPACT REPORTS AND MEETINGS.** Contractor shall submit a minimum of one project impact report and attend one annual project meeting with the District detailing the progress it has achieved in providing the Services funded by the District. Dates of the Impact Meeting will be determined by the District.

BIG SKY RESORT AREA DISTRICT:

CONTRACTOR:

Name: Daniel Bierschwale

Name: Greg Megaard

Title: Executive Director

Title: Fire Chief

Date:

Date:

FY23 Government Service (Interlocal) Update

Please complete and return the form in preparation for the annual Government Services update to the BSRAD board at the February 8th meeting. Each Government entity will have 15 minutes for an update and to answer any questions from the Board. If you have any supplementary information you would like to include in your update, please send it to Danny and Jenny by EOD February 7th.

Please return the form to Jenny by Wednesday, February 2nd.

Organization Name: Big Sky Transportation District (dba, Skyline)

Who are your board members and what are their terms? Ennion Williams, Board Chair (December 2023), Bayard Dominic (December 2024) and Courtney Jones (December 2023). Currently seeking two Board members from Madison County, although one should be appointed soon. Madison County is in process.

FY23 Funds Awarded: \$950,000

Funds spent as of 2/1/23: \$0 (will begin invoicing for funds ASAP)

FY24 Forecasted Amount*: \$975,000

Do any updates need to be made to your FY24 forecast? If so, please explain and provide the updated amount: We introduced new microtransit services this year (FY23) and forecasting that impact on our current budget and FY24 budget, additional funding of \$200,000 in FY24 would help us address this necessary, but unbudgeted modification to our services. This amount would not allow us to expand the microtransit services in FY24, but would help us reduce the impact on our reserves. Given the growth in Big Sky and the demand for our services, we would prefer not to have to cut services to balance our budget.

FY25 Forecasted Request:** \$1.2 million

FY26 Forecasted Request:** \$1.3 million

FY25 and FY25 estimates are dependent upon Federal funding that the District anticipates it will receive.

Are you accomplishing what you had hoped and as outlined as goals in your original funding application*?

Provide any necessary detail and use metrics to reflect how you are meeting the original goals provided to the District.

We have been able to add frequency on our service between the Mountain Village and Town Center, and have introduced our new microtransit service (Big Sky Connect) in the Town Center and Meadow Village area. Ridership is up, and as the community grows, we know that we will need to continue to expand our services to get people where they want to go within Big Sky, but we also need to ensure that there continues to be frequent service between Big Sky and the greater Bozeman area, including Gallatin Gateway and Four Corners.

What was your projected staff growth (FTE count) provided on your Sponsor Efficiency Worksheet in FY22? Are these projections accurate to reflect your current staffing needs? *

The District has only one employee, Darren Brugmann, Executive Director, and all other employees are contract employees. The FTE count depends greatly upon the amount of service that can be funded and implemented. We have modified how we provide service in some areas, such as the introduction of the Big Sky Connect microtransit services in the Town Center and Meadow Village area, and have increased frequency between the Town Center and Mountain Village. We know as the Big Sky Community grows, and additional areas develop, we will likely need to increase services, which will lead to an increase in our FTE count, primarily through the various entities that we contract with.

Other updates as applicable:

The District implemented its Big Sky Connect microtransit services roughly 30 days ago. While in operation for a relatively short period of time, overall response is positive, and we anticipate needing to expand this service in other parts of the community in the relatively near term, but probably not until FY24. Further, we have increased the frequency of our service between the Mountain Village and the Town Center. This summer (July 2023) we anticipate to receive the four motorcoaches funded through the TIGER Grant. We look forward to getting those vehicles into service as soon as possible.

We continue to work with Fehr & Peers as they analyze our operations, and help us to finalize our plan for services and facilities for the next five plus years. These planning efforts will help us as we strategize how Skyline can meet the mobility needs of the Big Sky community in FY24 and beyond.

Share any photos of the awarded funding in action from FY22 or FY23 by attaching them to the email when you return the completed form.

*All information provided in your original application can be found by logging into the application portal, if you have any trouble accessing this information contact Jenny asap. Portal link:

<https://www.grantinterface.com/Home/Logon?urlkey=rtg>

**Provide FY25 & FY26 Forecasts to the best of your knowledge if they are available.

**INTERLOCAL AGREEMENT
FOR
THE ALLOCATION AND USE OF RESORT TAX REVENUE
Fiscal Years 2022, 2023, 2024**

This Interlocal Agreement (“Agreement”) is made and entered into by and between the Big Sky Resort Area District (“District”), and the Big Sky Transportation District (“Contractor”). The District and Contractor enter into this Interlocal Agreement under the authority vested in them by law and, more specifically, pursuant to §§ 7-6-1509(1)(b), and 7-11-104, MCA, respectively.

RECITALS

1. The District is a resort tax area created effective April 7th, 1998 pursuant to Mont. Code Ann. §§ 7-6-1531 through 1550 and the current members of the Board of Directors (“Board”) have been duly elected to serve on behalf of the District.

2. Contractor is a transportation district, validly organized pursuant to Title 7, Chapter 14, Parts 201 through 246, which has been duly incorporated and in existence since November 18, 1991. Contractor is located within the boundaries of the District.

3. Contractor is authorized, among other things, to supply transportation services and facilities to district residents and other persons. within Contractor’s service area, which in turn falls within the District.

4. Pursuant to Section 19 of District Ordinance 98-01, as amended, (“Ordinance”), the District is required to award the revenue derived from the imposition of the resort tax in the District for “infrastructure facilities (as that term is commonly defined) in the District; public services, including but not limited to the establishment and maintenance of an adequately-sized post office; ambulance and other emergency medical services; public transportation systems; snow plowing; tourism development for the District; and other services that provide for the public health, safety, and welfare within the District; and reimbursement or payment to the resort area district of the costs associated with the collection, administration, and litigation of the resort tax.”

5. Contractor submitted an application for receipt of resort tax funds in each of the next three fiscal years (July 1, 2021 through June 30, 2022 (“FY22”), July 1, 2022 – June 30, 2023 (“FY23”), and July 1, 2023 – June 30, 2024 (“FY24”)) (“Application”) to the District requesting funds for it FY22-FY24 Operations project, described as This request for FY22-24 will allow the Transportation District to continue and expand its transportation services to meet the transportation needs of the Big Sky community, including the need for travel between Big Sky and the greater Bozeman area. in the amount of \$850,000 for FY22, \$950,000 for FY23, and \$975,000 for FY24 (collectively, the “Services”).

6. The Contractor also submitted additional information related to the Services in response to Q & A from the District (“Supplemental Information”).

7. The District conducted a public hearing, on June 7th and June 10th, 2021 on all applications for receipt of resort tax revenue for the District's FY22 funding cycle, and on the Contractor's request for resort tax revenue in each of the next three fiscal years.

8. Following discussion at the duly noticed and held public meeting on June 7th and June 10th, 2021, the District determined that Contractor's Application to provide the Services as described in its Application, the Supplemental Information, and in this Agreement meets the requirements of Section 19 of Ordinance #98-01 as amended, and Title 7, Chapter 6, Part 15, MCA and approved funding in each of the next three fiscal years as follows: FY22 in the amount of \$850,000; FY23 in the amount of \$950,000; and FY24 in the amount of \$975,000 (the "Award") for the Contractor's Services pursuant to the terms and conditions set forth in this Agreement.

9. Those portions of the Application and the Supplemental Information which relate to the Services constituting the Award are incorporated hereby by this reference as if fully set forth in this Agreement as an integral part of the description of the Services.

In consideration of the foregoing and the promises contained in this Agreement, and pursuant to the statutory authority granted to the parties to enter into Interlocal Agreements, the parties agree as follows:

AGREEMENT

1. **RECITALS.** The Recitals to this Agreement are incorporated herein by this reference as if fully set forth in this Agreement.

2. **TERM.** The Term of this agreement shall be for FY22, FY23, and FY24, commencing on, July 1st 2021 and shall terminating on July 15, 2024. The terms and conditions of this agreement and the award allocation shall be reviewed by the Board in each the spring during the District's normal appropriation cycles. This Award is not a guarantee that the District will grant an Award to Contractor for future Services after the Term expires.

3. **SCOPE OF SERVICES.** Contractor shall fully perform all Services in each fiscal year of the Term, and take all actions in each fiscal year of the Term as described in the Application and in the Supplemental Information, which are each incorporated into this Agreement by this reference and which are each on file at the District office. In addition, Contractor shall fully comply with the terms and conditions set forth in this Agreement.

4. **CONTRACTOR EXPENDITURE REQUIREMENTS; AMENDMENTS.** Contractor shall expend the Award for each fiscal year of the Term solely for the Services to be provided in each fiscal year of the Term as specifically described in its Application and Supplemental Information, and as approved and/or limited by the District in this Agreement. Should Contractor desire an amendment to this Agreement, or to change the Services or the use of the Award, such amendment must first be approved by the District in writing.

5. **SUBMISSION OF PAYMENT REQUESTS BY CONTRACTOR.**

A. *Execution of Agreement as Condition Precedent to Payment.* This Agreement must be fully executed and returned to the District before Contractor may submit any payment request for the Award and no payment request may be submitted to the District prior to July 15th, 2021.

B. *Award Orientation.* An Award Orientation must be completed by the Contractor before Contractor may submit payment request for the Award.

C. *Contractor's Designated Representative.* All payment requests must be signed and submitted by Contractor's Designated Representative identified as David Kack.

D. *Documentation to Support Payment Requests.* Payment of the Award shall be made to Contractor only upon receipt of documentation deemed appropriate by the District in its sole discretion. All payment requests and follow up forms shall be submitted using the online portal established by the District, using forms provided by the District. Contractor shall attach to the payment request proper documentation showing the Services have been performed and/or the materials have been received, including without limitation all invoices for Services received, payroll records for all payroll costs, documentation of compliance with applicable federal, state and county laws, regulations, and ordinances, and any other documentation related to the Services or projects as requested by the District. If the payment request is for Services which have not yet been performed or materials which have not yet been received, the District reserves the right, in its sole discretion, to delay payment until performance or receipt, or to permit payment but to require Contractor to submit proof of performance or receipt within five (5) days following actual performance or receipt; should Contractor fail to timely provide such proof of performance or receipt, Contractor shall be in default of this Agreement. Documentation submitted by Contractor must clearly show the dollar amounts, and all documentation must be submitted in the order in which the expense appears on the itemized expense list form required by the District. No payment requests for alcohol or tobacco shall be considered to fall within the Scope of Services described in Section 3 of this Agreement. The District, in its sole discretion, may determine whether or not the payment request submitted is for items or services within the scope of Services described by Section 3 of this Agreement. Payment requests for items or services not within the scope of Services described in Section 3 of this Agreement, as determined by the District, will not be paid or reimbursed.

E. *Timing of Award Payments.* All payment requests must be timely submitted to the District not later than sixty (60) days following the date on which the Services were performed by Contractor, the materials were received by the Contractor, or the Contractor was itself invoiced for services or materials for the project. Payments shall be made only for services actually rendered and/or materials actually supplied during the payment period; no payments shall be made for services to be rendered in future time periods within the Term. The District shall process payment requests on the 1st and 15th day of each month (each a "Processing Date"). Should contractor's payment request not be received by the Processing Date, the District shall hold the payment request until the next Processing Date. The District shall not be obligated to fund any payment request that is not timely submitted by the Contractor.

F. *Retainage Amounts.* The District reserves the right, in its sole discretion, to retain up to 15% of each approved Award payment to assure Contractor's continued provision

of the balance of the Services and compliance with this Agreement. Payment of any retained amounts will be made when the District, in its sole discretion, has determined the Services have been completed in their entirety.

G. *Schedule of Payment Requests; Changes to Schedule.* All payment requests are to be submitted on the schedule established by the District during the award orientation. Contractor shall notify the District of any changes of \$50,000.00 or more to a scheduled payment request as soon as possible following Contractor's determination that a change in schedule is desired or required. All requested changes to the payment scheduled must be agreed to in writing by the District a minimum of 10 days prior to the date of the desired change in schedule. Requested changes to the payment schedule not timely received by the District shall not be approved.

H. *Final Payment Requests.* All final requests for payment at the end of the Term must be submitted to the District no later July 15th, 2024, for Services received on or before June 30th, 2024, for processing on the next Processing Date. The District shall not be obligated to fund any final payment request that is not timely submitted by the Contractor or for any Services incurred after June 30, 2024.

I. *Form of Payment.* The District prefers to make all payments of the award to Contractor through an ACH payment system. Should Contractor instead desire payment from the District by check, Contractor authorizes the District to issue checks payable to Contractor's Designated Representative at Contractor's address listed in this Agreement. Should Contractor's address change during the term of this Agreement, it shall be Contractor's sole responsibility to promptly notify the District of such change in writing.

6. **NONCOMPLIANCE.** If resort tax funds are paid to Contractor under this Agreement and Contractor is unable to provide the Services as specified in Section 3, Contractor shall notify the District immediately. If Contractor is unable to provide the Services specified in Section 3, Contractor shall immediately return any and all portions of the Award previously paid to the Contractor, unless good cause is shown by the Contractor and the District expressly agrees in writing to waive the return of such previously paid Award amounts.

7. **RETURN OF FUNDS-UNSPENT FUNDS.** If for any reason, resort tax funds awarded to Contractor have not been spent by Contractor prior to the date specified in Section 5(H) of this Agreement, the unspent Award shall not be disbursed to Contractor, but shall be retained by the District and reallocated for other purposes in the sole discretion of the District. The District shall not be obligated to re-award unspent funds from the prior year.

8. **RECORDS.** Contractor shall maintain accounts, records and other evidence pertaining to the funds expended under this Agreement during the term of this Agreement and for a period of five (5) years following the expiration of this Agreement. The system of accounting employed by the Contractor shall be in accordance with generally accepted accounting principles or other comprehensive basis of accounting and will be applied in a consistent manner so that the expenditures under this Agreement can be clearly identified from all other expenditures. Upon reasonable notice, Contractor agrees to provide the District or its designated agent with access to the accounts and records relating to the services provided and payments made under this Agreement and to subject its use of the Award for the Services to audit by the District's auditors upon the District's written request.

9. **LIABILITY.** Contractor shall hold the District, Board and all its agents and employees harmless and indemnify for any acts, errors, or omissions arising from the services provided or project performed by the Contractor which could result in any claims by the Contractor, its employees or by a third party. The Contractor shall assure the provision of the comprehensive general liability insurance that includes coverage of bodily injury, property damage, and attorney's fees incurred at all trial and appellate levels, and automobile liability, with a limit of not less than \$1,000,000.00 per occurrence. Contractor must provide proof of insurance for itself and its subcontractors to the District prior to any payments being made to Contractor under this Agreement.

10. **STATUTORY PROVISIONS.** Contractor shall comply with all applicable state, federal and local laws, and regulations.

11. **DEFAULT AND TERMINATION.**

A. In the event Contractor fails to comply with any provision of this Agreement, the Contractor shall have the right to cure such a breach within ten (10) days from receipt of written notice of the default or breach provided by the District to the Contractor.

B. In the event the Contractor fails to timely cure any breach of this Agreement as set forth in paragraph A of this Section, the District may terminate the Agreement immediately without any further opportunity of the Contractor to cure or remedy the breach.

C. Upon termination of the Agreement by the District for failure of the Contractor to perform provisions of the Agreement as described in paragraphs A and B of this Section, the District may require that all resort tax funds plus 6% annual interest from the date of receipt of the funds shall be immediately returned to the District.

D. Either party may terminate this Agreement without cause, upon thirty (30) days' written notice to the other party, provided that, if the Contractor is seeking to terminate the Agreement, Contractor must return to the District all resort tax funds previously paid under this Agreement, unless the District expressly agrees in writing that return of the funds is waived for good cause shown.

12. **ASSIGNMENT.** Contractor may not assign or subcontract any portion of this Agreement without the prior written approval of the District.

13. **INDEPENDENT CONTRACTOR STATUS.** Contractor is an independent provider or contractor. Neither the Contractor nor any of its employees are employees of the District under this Agreement nor will they be considered employees of the District under any subsequent amendment to this Agreement, unless otherwise expressed. The District is not responsible for the withholding of any state or federal taxes, or social security or other benefit contributions, nor will the District extend to the Contractor any of the benefits that it extends to employees of the District. Contractor is responsible for maintaining necessary workers' compensation coverage for its employees.

14. **OWNERSHIP OF PROPERTY.** Unless otherwise specified in this Agreement, any property purchased by the Contractor with resort tax funds in order to provide the Services under this Agreement is owned by the Contractor.

15. **INTERPRETATION.**

A. This Agreement shall be governed and interpreted according to the laws of the State of Montana.

B. The provisions of this Agreement are independent and severable, and the invalidity, partial invalidity, or unenforceability of any one provision or portion shall not affect the validity or enforceability of any other portion.

16. **ENTIRE AGREEMENT.** This Agreement, and all documents incorporated herein by reference including without limitation the Application and the Supplemental Information, constitutes the entire agreement between the parties. No alterations, modifications, or additions to this Agreement shall be binding upon the parties unless reduced to writing and signed by the parties.

17. **NOTICES.** Any notices, demands, or other communication required by this Agreement to be in writing shall be delivered (i) in person, against receipt, (ii) by certified mail, postage prepaid, return receipt requested, (iii) by U.S. Express Mail or a commercial overnight courier that guarantees delivery within the next two business days, or (iv) by email if the original notice is also served by one of the processes described in (i), (ii) or (ii) above. Such notices shall be addressed as follows:

To the District: Daniel Bierschwale
Executive Director
Big Sky Resort Area District
11 Lone Peak Drive, Suite 204
P.O. Box 160661
Big Sky, MT 59716

To the Contractor: Ennion Williams
Board Chair
Big Sky Transportation District
PO Box 161104
Big Sky, MT 59716

All notices complying with this Section shall be effective only upon delivery.

18. **AVAILABILITY OF FUNDS.** The District and Contractor agree that if, for any reason, revenues received from the collection of the resort tax are insufficient to pay the Award, the District may unilaterally adjust the Award based on actual availability of cash and revenue and without liability or remedy to Contractor.

19. **PUBLIC ACKNOWLEDGEMENT OF RECEIPT OF DISTRICT**


FUNDING. Contractor shall provide prominent public acknowledgement that the District has funded the Services and/or project(s) described in Contractor’s Application. Each project is uniquely different and may require direct coordination with the District to ensure compliance. Acknowledgement applies to, but is not limited to, printed materials, online materials, press, billboards, plaques, online ads, website recognition, and public events. Contractor should receive approval from the District prior to public acknowledgement. Contractor further agrees to provide photos or printouts of Contractor’s Services or projects for use by the District in promotional or other materials. During Award Orientation, Contractor will work with the District to form a recognition plan.

20 **PROJECT IMPACT REPORTS AND MEETINGS.** Contractor shall submit a minimum of one project impact report and attend one annual project meeting with the District detailing the progress it has achieved in providing the Services funded by the District. Dates of the Impact Meeting will be determined by the District.

BIG SKY RESORT AREA DISTRICT:

CONTRACTOR:


Daniel Bierschwale (Jul 8, 2021 09:26 MDT)


ennion williams (Jul 8, 2021 09:58 MDT)

Name: Daniel Bierschwale

Name: Ennion Williams

Title: Executive Director

Title: Board Chair

Date: 7/8/21

Date: 7/8/21









Interlocal Agreement FY22 FY23 FY24_BSTD

Final Audit Report

2021-07-08

Created:	2021-07-07
By:	Jenny Muscat (jenny@resorttax.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAFQFV6cQkZjawX9WNIGgsauBd0FGb7y4K

"Interlocal Agreement FY22 FY23 FY24_BSTD" History

-  Document created by Jenny Muscat (jenny@resorttax.org)
2021-07-07 - 8:18:20 PM GMT- IP address: 76.75.11.75
-  Document emailed to Daniel Bierschwale (daniel@resorttax.org) for signature
2021-07-07 - 8:18:50 PM GMT
-  Email viewed by Daniel Bierschwale (daniel@resorttax.org)
2021-07-08 - 3:26:28 PM GMT- IP address: 76.75.11.75
-  Document e-signed by Daniel Bierschwale (daniel@resorttax.org)
Signature Date: 2021-07-08 - 3:26:40 PM GMT - Time Source: server- IP address: 76.75.11.75
-  Document emailed to ennion williams (ennionwilliams@gmail.com) for signature
2021-07-08 - 3:26:41 PM GMT
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2021-07-08 - 3:57:42 PM GMT- IP address: 66.249.84.91
-  Document e-signed by ennion williams (ennionwilliams@gmail.com)
Signature Date: 2021-07-08 - 3:58:14 PM GMT - Time Source: server- IP address: 70.33.12.209
-  Agreement completed.
2021-07-08 - 3:58:14 PM GMT



FY23 Government Service (Interlocal) Update

Please complete and return the form in preparation for the annual Government Services update to the BSRAD board at the February 8th meeting. Each Government entity will have 15 minutes for an update and to answer any questions from the Board. If you have any supplementary information you would like to include in your update, please send it to Danny and Jenny by EOD February 7th.

Please return the form to Jenny by Wednesday, February 2nd.

Organization Name: Gallatin Canyon Water & Sewer District

Who are your board members and what are their terms?

Scott Altman, President – 4-year term (2021-2025)

Jon Olsen, Vice President – 4-year term (2021-2025)

Rena Schumacher, Secretary-Treasurer – 2-year term (2021-2023)

FY23 Funds Awarded: \$200,000

Funds spent as of 2/1/23: \$95,000 (approx.)

FY24 Forecasted Amount*: \$300,000

Do any updates need to be made to your FY24 forecast? If so, please explain and provide the updated amount: The Canyon District has contracted a preliminary Impact Fee & Rate Study and is currently working to refine the Canyon Sewer Project Phase 1 limits. It is anticipated that a detailed capital improvement schedule and preliminary funding package will be available to present to the BSRAD Board in the next 6- to 9-months. FY24 budget is anticipated to rely primarily on awarded ARPA funds. The \$300,000 forecast amount is a preliminary estimate of BSRAD funds needed to facilitate required “match” dollars to draw on ARPA funds.

FY25 Forecasted Request:** TBD

FY26 Forecasted Request:** TBD

Are you accomplishing what you had hoped and as outlined as goals in your original funding application*?

Provide any necessary detail and use metrics to reflect how you are meeting the original goals provided to the District.

The Canyon District has continued to advance the Canyon Sewer Project along with initiating a planning study to evaluate potential water service. We continue to seek additional public funding opportunities and have \$875,000 in grant applications currently in legislative review. Near-term project focus is to coordinate Canyon District expansion to encompass more properties, with the goal of identifying properties expected to be included in the Phase 1 project and allow for refined engineering (60% design) to proceed by the end of the year.

What was your projected staff growth (FTE count) provided on your Sponsor Efficiency Worksheet in FY22? Are these projections accurate to reflect your current staffing needs? *

NA

Other updates as applicable:

Share any photos of the awarded funding in action from FY22 or FY23 by attaching them to the email when you return the completed form.

*All information provided in your original application can be found by logging into the application portal, if you have any trouble accessing this information contact Jenny asap. Portal link:

<https://www.grantinterface.com/Home/Logon?urlkey=rtg>

**Provide FY25 & FY26 Forecasts to the best of your knowledge if they are available.

**FIRST AMENDMENT TO
INTERLOCAL AGREEMENT FOR ALLOCATION AND USE OF RESORT TAX
REVENUE
Fiscal Years 2022, 2023, 2024**

THIS FIRST AMENDMENT TO INTERLOCAL AGREEMENT for allocation and use of resort tax revenue (“First Amendment”) is entered into by and between the Big Sky Resort Area District (“District”) and Gallatin Canyon Water and Sewer District (“Contractor”) for its FY22-24 Operations project to organize and set up the operations of the new Canyon water and sewer district (“Project”).

RECITALS

1. The District and the Contractor entered into that certain Interlocal Agreement for Allocation and Use of Resort Tax Revenue for fiscal years 2022-2024 related to the Project and the expenditure of the Award as defined therein (“Agreement”).

2. The Agreement contained certain allocated funding amounts in each of the three fiscal years of the Term of the Agreement (with each year being a separate Award).

3. The Contractor has requested an increase in the Award for fiscal year 2023 from \$74,000 to \$200,000.

4. At a duly noticed and held public meeting on September 14, 2022, the District agreed to increase the Award for fiscal year 2023 as described in this First Amendment.

NOW THEREFORE, for good and valuable consideration, the form, receipt and sufficiency of which is hereby acknowledged by the Parties, the District and Contractor agree to the amend certain provisions of the Agreement as specified below:

FIRST AMENDMENT


1. **RECITALS AND DEFINITIONS.** The Recitals to this First Amendment are incorporated herein by this reference as if fully set forth herein. Any capitalized term used

in this First Amendment but not specifically defined herein shall have the definition set forth in the Agreement.

2. **AMENDED AWARD.** The Award granted by the District to the Contractor for fiscal year 2023 shall be increased from \$74,000 to \$200,000 (“Amended FY23 Award”).


3. **FULL FORCE AND EFFECT.** All provisions, rights, and obligations under the Agreement not specifically amended by this First Amendment shall remain in full force and effect and shall be binding upon the parties.

BIG SKY RESORT AREA DISTRICT:


Daniel Bierschwale (Sep 29, 2022 09:00 MDT)

Name: Daniel Bierschwale
Title: Executive Director
Date: 9/29/22

**CONTRACTOR: GALLATIN CANYON
WATER AND SEWER DISTRICT**


Scott Altman (Jan 6, 2023 17:39 MST)

Name: Scott Altman
Title: Board Chair
Date: Jan 7, 2023










First Amendment to GCWSD Interlocal Agreement

Final Audit Report

2023-01-07

Created:	2022-09-29
By:	Jenny Muscat (jenny@resorttax.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAEII04oYg_JdAmxI9IcV5hb0ht66hIpue

"First Amendment to GCWSD Interlocal Agreement" History

-  Document created by Jenny Muscat (jenny@resorttax.org)
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-  Document e-signed by Daniel Bierschwale (daniel@resorttax.org)
Signature Date: 2022-09-29 - 3:00:46 PM GMT - Time Source: server- IP address: 174.215.24.1
-  Document emailed to orock9530@me.com for signature
2022-09-29 - 3:00:48 PM GMT
-  Email viewed by orock9530@me.com
2023-01-07 - 0:38:32 AM GMT- IP address: 76.75.15.26
-  Signer orock9530@me.com entered name at signing as Scott Altman
2023-01-07 - 0:39:39 AM GMT- IP address: 76.75.15.26
-  Document e-signed by Scott Altman (orock9530@me.com)
Signature Date: 2023-01-07 - 0:39:41 AM GMT - Time Source: server- IP address: 76.75.15.26
-  Agreement completed.
2023-01-07 - 0:39:41 AM GMT



Adobe Acrobat Sign

I.D.2.d. Government Service Annual Update
Gallatin Canyon Water & Sewer District Interlocal Agreement (3 of 3)

Big Sky Resort Area District
02.09.2023 Board Meeting Packet

**INTERLOCAL AGREEMENT
FOR
THE ALLOCATION AND USE OF RESORT TAX REVENUE
Fiscal Years 2022, 2023, 2024**

This Interlocal Agreement (“Agreement”) is made and entered into by and between the Big Sky Resort Area District (“District”), and the Gallatin Canyon Water and Sewer District (“Contractor”). The District and Contractor enter into this Interlocal Agreement under the authority vested in them by law and, more specifically, pursuant to §§ 7-6-1509(1)(b), and 7-11-104, MCA, respectively.

RECITALS

1. The District is a resort tax area created effective April 7th, 1998 pursuant to Mont. Code Ann. §§ 7-6-1531 through 1550 and the current members of the Board of Directors (“Board”) have been duly elected to serve on behalf of the District.

2. Contractor is a water and sewer district, validly organized pursuant to Title 7, Chapter 13, Parts 22 and 23, which has been duly incorporated and in existence since December 28, 2020. Contractor is located within the boundaries of the District.

3. Contractor is authorized, among other things, to construct, operate and maintain sanitary sewerworks for the residents and owners of real property within Contractor’s service area, which in turn falls within the District.

4. Pursuant to Section 19 of District Ordinance 98-01, as amended, (“Ordinance”), the District is required to award the revenue derived from the imposition of the resort tax in the District for “infrastructure facilities (as that term is commonly defined) in the District; public services, including but not limited to the establishment and maintenance of an adequately-sized post office; ambulance and other emergency medical services; public transportation systems; snow plowing; tourism development for the District; and other services that provide for the public health, safety, and welfare within the District; and reimbursement or payment to the resort area district of the costs associated with the collection, administration, and litigation of the resort tax.”

5. Contractor submitted an application for receipt of resort tax funds in each of the next three fiscal years (July 1, 2021 through June 30, 2022 (“FY22”), July 1, 2022 – June 30, 2023 (“FY23”), and July 1, 2023 – June 30, 2024 (“FY24”)) (“Application”) to the District requesting funds for it’s FY22-24 Operations project, described as the Gallatin Canyon Water and Sewer district is requesting funding to organize and set up the operations of the new district and create systems that will allow the district to expand in an organized manner. in the amount of \$74,000 for FY22, \$74,000 for FY23, and \$74,000 for FY24 (collectively, the “Services”).

6. The Contractor also submitted additional information related to the Services in response to Q & A from the District (“Supplemental Information”).

7. The District conducted a public hearing, on June 7th and June 10th, 2021 on all applications for receipt of resort tax revenue for the District’s FY22 funding cycle, and on the Contractor’s request for resort tax revenue in each of the next three fiscal years.

8. Following discussion at the duly noticed and held public meeting on June 7th and June 10th, 2021, the District determined that Contractor’s Application to provide the Services as described in its Application, the Supplemental Information, and in this Agreement meets the requirements of Section 19 of Ordinance #98-01 as amended, and Title 7, Chapter 6, Part 15, MCA and approved funding in each of the next three fiscal years as follows: FY22 in the amount of \$74,000; FY23 in the amount of \$74,000; and FY24 in the amount of \$74,000 (the “Award”) for the Contractor’s Services pursuant to the terms and conditions set forth in this Agreement.

9. Those portions of the Application and the Supplemental Information which relate to the Services constituting the Award are incorporated hereby by this reference as if fully set forth in this Agreement as an integral part of the description of the Services.

In consideration of the foregoing and the promises contained in this Agreement, and pursuant to the statutory authority granted to the parties to enter into Interlocal Agreements, the parties agree as follows:

AGREEMENT

1. **RECITALS.** The Recitals to this Agreement are incorporated herein by this reference as if fully set forth in this Agreement.

2. **TERM.** The Term of this agreement shall be for FY22, FY23, and FY24, commencing on, July 1st, 2021 and shall terminating on July 15th, 2024. The terms and conditions of this agreement and the award allocation shall be reviewed by the Board in each the spring during the District’s normal appropriation cycles. This Award is not a guarantee that the District will grant an Award to Contractor for future Services after the Term expires.

3. **SCOPE OF SERVICES.** Contractor shall fully perform all Services in each fiscal year of the Term, and take all actions in each fiscal year of the Term as described in the Application and in the Supplemental Information, which are each incorporated into this Agreement by this reference and which are each on file at the District office. In addition, Contractor shall fully comply with the terms and conditions set forth in this Agreement.

4. **CONTRACTOR EXPENDITURE REQUIREMENTS; AMENDMENTS.** Contractor shall expend the Award for each fiscal year of the Term solely for the Services to be provided in each fiscal year of the Term as specifically described in its Application and Supplemental Information, and as approved and/or limited by the District in this Agreement. Should Contractor desire an amendment to this Agreement, or to change the Services or the use of the Award, such amendment must first be approved by the District in writing.

5. **SUBMISSION OF PAYMENT REQUESTS BY CONTRACTOR.**

A. *Execution of Agreement as Condition Precedent to Payment.* This Agreement must be fully executed and returned to the District before Contractor may submit any payment request for the Award and no payment request may be submitted to the District prior to July 15th, 2021.

B. *Award Orientation.* An Award Orientation must be completed by the Contractor before Contractor may submit payment request for the Award.

C. *Contractor's Designated Representative.* All payment requests must be signed and submitted by Contractor's Designated Representative identified as Scott Altman.

D. *Documentation to Support Payment Requests.* Payment of the Award shall be made to Contractor only upon receipt of documentation deemed appropriate by the District in its sole discretion. All payment requests and follow up forms shall be submitted using the online portal established by the District, using forms provided by the District. Contractor shall attach to the payment request proper documentation showing the Services have been performed and/or the materials have been received, including without limitation all invoices for Services received, payroll records for all payroll costs, documentation of compliance with applicable federal, state and county laws, regulations, and ordinances, and any other documentation related to the Services or projects as requested by the District. If the payment request is for Services which have not yet been performed or materials which have not yet been received, the District reserves the right, in its sole discretion, to delay payment until performance or receipt, or to permit payment but to require Contractor to submit proof of performance or receipt within five (5) days following actual performance or receipt; should Contractor fail to timely provide such proof of performance or receipt, Contractor shall be in default of this Agreement. Documentation submitted by Contractor must clearly show the dollar amounts, and all documentation must be submitted in the order in which the expense appears on the itemized expense list form required by the District. No payment requests for alcohol or tobacco shall be considered to fall within the Scope of Services described in Section 3 of this Agreement. The District, in its sole discretion, may determine whether or not the payment request submitted is for items or services within the scope of Services described by Section 3 of this Agreement. Payment requests for items or services not within the scope of Services described in Section 3 of this Agreement, as determined by the District, will not be paid or reimbursed.

E. *Timing of Award Payments.* All payment requests must be timely submitted to the District not later than sixty (60) days following the date on which the Services were performed by Contractor, the materials were received by the Contractor, or the Contractor was itself invoiced for services or materials for the project. Payments shall be made only for services actually rendered and/or materials actually supplied during the payment period; no payments shall be made for services to be rendered in future time periods within the Term. The District shall process payment requests on the 1st and 15th day of each month (each a "Processing Date"). Should contractor's payment request not be received by the Processing Date, the District shall hold the payment request until the next Processing Date. The District shall not be obligated to fund any payment request that is not timely submitted by the Contractor.

F. *Retainage Amounts.* The District reserves the right, in its sole discretion, to retain up to 15% of each approved Award payment to assure Contractor's continued provision

of the balance of the Services and compliance with this Agreement. Payment of any retained amounts will be made when the District, in its sole discretion, has determined the Services have been completed in their entirety.

G. *Schedule of Payment Requests; Changes to Schedule.* All payment requests are to be submitted on the schedule established by the District during the award orientation. Contractor shall notify the District of any changes of \$50,000.00 or more to a scheduled payment request as soon as possible following Contractor's determination that a change in schedule is desired or required. All requested changes to the payment scheduled must be agreed to in writing by the District a minimum of 10 days prior to the date of the desired change in schedule. Requested changes to the payment schedule not timely received by the District shall not be approved.

H. *Final Payment Requests.* All final requests for payment at the end of the Term must be submitted to the District no later July 15th, 2024, for Services received on or before June 30th, 2024, for processing on the next Processing Date. The District shall not be obligated to fund any final payment request that is not timely submitted by the Contractor or for any Services incurred after June 30, 2024.

I. *Form of Payment.* The District prefers to make all payments of the award to Contractor through an ACH payment system. Should Contractor instead desire payment from the District by check, Contractor authorizes the District to issue checks payable to Contractor's Designated Representative at Contractor's address listed in this Agreement. Should Contractor's address change during the term of this Agreement, it shall be Contractor's sole responsibility to promptly notify the District of such change in writing.

6. **NONCOMPLIANCE.** If resort tax funds are paid to Contractor under this Agreement and Contractor is unable to provide the Services as specified in Section 3, Contractor shall notify the District immediately. If Contractor is unable to provide the Services specified in Section 3, Contractor shall immediately return any and all portions of the Award previously paid to the Contractor, unless good cause is shown by the Contractor and the District expressly agrees in writing to waive the return of such previously paid Award amounts.

7. **RETURN OF FUNDS-UNSPENT FUNDS.** If for any reason, resort tax funds awarded to Contractor have not been spent by Contractor prior to the date specified in Section 5(H) of this Agreement, the unspent Award shall not be disbursed to Contractor, but shall be retained by the District and reallocated for other purposes in the sole discretion of the District. The District shall not be obligated to re-award unspent funds from the prior year.

8. **RECORDS.** Contractor shall maintain accounts, records and other evidence pertaining to the funds expended under this Agreement during the term of this Agreement and for a period of five (5) years following the expiration of this Agreement. The system of accounting employed by the Contractor shall be in accordance with generally accepted accounting principles or other comprehensive basis of accounting and will be applied in a consistent manner so that the expenditures under this Agreement can be clearly identified from all other expenditures. Upon reasonable notice, Contractor agrees to provide the District or its designated agent with access to the accounts and records relating to the services provided and payments made under this Agreement and to subject its use of the Award for the Services to audit by the District's auditors upon the District's written request.

9. **LIABILITY.** Contractor shall hold the District, Board and all its agents and employees harmless and indemnify for any acts, errors, or omissions arising from the services provided or project performed by the Contractor which could result in any claims by the Contractor, its employees or by a third party. The Contractor shall assure the provision of the comprehensive general liability insurance that includes coverage of bodily injury, property damage, and attorney's fees incurred at all trial and appellate levels, and automobile liability, with a limit of not less than \$1,000,000.00 per occurrence. Contractor must provide proof of insurance for itself and its subcontractors to the District prior to any payments being made to Contractor under this Agreement.

10. **STATUTORY PROVISIONS.** Contractor shall comply with all applicable state, federal and local laws, and regulations.

11. **DEFAULT AND TERMINATION.**

A. In the event Contractor fails to comply with any provision of this Agreement, the Contractor shall have the right to cure such a breach within ten (10) days from receipt of written notice of the default or breach provided by the District to the Contractor.

B. In the event the Contractor fails to timely cure any breach of this Agreement as set forth in paragraph A of this Section, the District may terminate the Agreement immediately without any further opportunity of the Contractor to cure or remedy the breach.

C. Upon termination of the Agreement by the District for failure of the Contractor to perform provisions of the Agreement as described in paragraphs A and B of this Section, the District may require that all resort tax funds plus 6% annual interest from the date of receipt of the funds shall be immediately returned to the District.

D. Either party may terminate this Agreement without cause, upon thirty (30) days' written notice to the other party, provided that, if the Contractor is seeking to terminate the Agreement, Contractor must return to the District all resort tax funds previously paid under this Agreement, unless the District expressly agrees in writing that return of the funds is waived for good cause shown.

12. **ASSIGNMENT.** Contractor may not assign or subcontract any portion of this Agreement without the prior written approval of the District.

13. **INDEPENDENT CONTRACTOR STATUS.** Contractor is an independent provider or contractor. Neither the Contractor nor any of its employees are employees of the District under this Agreement nor will they be considered employees of the District under any subsequent amendment to this Agreement, unless otherwise expressed. The District is not responsible for the withholding of any state or federal taxes, or social security or other benefit contributions, nor will the District extend to the Contractor any of the benefits that it extends to employees of the District. Contractor is responsible for maintaining necessary workers' compensation coverage for its employees.

14. **OWNERSHIP OF PROPERTY.** Unless otherwise specified in this Agreement, any property purchased by the Contractor with resort tax funds in order to provide the Services under this Agreement is owned by the Contractor.

15. **INTERPRETATION.**

A. This Agreement shall be governed and interpreted according to the laws of the State of Montana.

B. The provisions of this Agreement are independent and severable, and the invalidity, partial invalidity, or unenforceability of any one provision or portion shall not affect the validity or enforceability of any other portion.

16. **ENTIRE AGREEMENT.** This Agreement, and all documents incorporated herein by reference including without limitation the Application and the Supplemental Information, constitutes the entire agreement between the parties. No alterations, modifications, or additions to this Agreement shall be binding upon the parties unless reduced to writing and signed by the parties.

17. **NOTICES.** Any notices, demands, or other communication required by this Agreement to be in writing shall be delivered (i) in person, against receipt, (ii) by certified mail, postage prepaid, return receipt requested, (iii) by U.S. Express Mail or a commercial overnight courier that guarantees delivery within the next two business days, or (iv) by email if the original notice is also served by one of the processes described in (i), (ii) or (ii) above. Such notices shall be addressed as follows:

To the District: Daniel Bierschwale
Executive Director
Big Sky Resort Area District
11 Lone Peak Drive, Suite 204
P.O. Box 160661
Big Sky, MT 59716

To the Contractor: Scott Altman
Manager
Gallatin Canyon Water and Sewer District
PO Box 161242
Big Sky, MT 59716

All notices complying with this Section shall be effective only upon delivery.

18. **AVAILABILITY OF FUNDS.** The District and Contractor agree that if, for any reason, revenues received from the collection of the resort tax are insufficient to pay the Award, the District may unilaterally adjust the Award based on actual availability of cash and revenue and without liability or remedy to Contractor.

19. **PUBLIC ACKNOWLEDGEMENT OF RECEIPT OF DISTRICT**

FUNDING. Contractor shall provide prominent public acknowledgement that the District has funded the Services and/or project(s) described in Contractor’s Application. Each project is uniquely different and may require direct coordination with the District to ensure compliance. Acknowledgement applies to, but is not limited to, printed materials, online materials, press, billboards, plaques, online ads, website recognition, and public events. Contractor should receive approval from the District prior to public acknowledgement. Contractor further agrees to provide photos or printouts of Contractor’s Services or projects for use by the District in promotional or other materials. During Award Orientation, Contractor will work with the District to form a recognition plan.

20 **PROJECT IMPACT REPORTS AND MEETINGS.**

Contractor shall submit a minimum of one project impact report and attend one annual project meeting with the District detailing the progress it has achieved in providing the Services funded by the District. Dates of the Impact Meeting will be determined by the District.

BIG SKY RESORT AREA DISTRICT:

CONTRACTOR:

Name: Daniel Bierschwale

Name: Scott Altman

Title: Executive Director

Title: Manager

Date:

Date:

FY23 Government Service (Interlocal) Update

Please complete and return the form in preparation for the annual Government Services update to the BSRAD board at the February 8th meeting. Each Government entity will have 15 minutes for an update and to answer any questions from the Board. If you have any supplementary information you would like to include in your update, please send it to Danny and Jenny by EOD February 7th.

Please return the form to Jenny by Wednesday, February 2nd.

Organization Name: Gallatin County Sheriff's Office

Who are your board members and what are their terms?

FY23 Funds Awarded: SAR- 83,000	Funds spent as of 2/1/23: SAR- 35,139.95
GCSO- 331,299	GCSO- 165,649.50

FY24 Forecasted Amount*:

Do any updates need to be made to your FY24 forecast? If so, please explain and provide the updated amount:

We would like to make changes to the FY24-26 forecast. Our intention will be to split the true cost of services offered by the GCSO. These cost come from services such as: 24/7 scheduling for the Big Sky area, detective cases, SAR, extra patrol assists and our administrative cost. The forecasted request for FY24 would be \$555,688.00. In addition to that, we would also like to combine current agreements that are in place with GCSSAR. If this were to be approved, it would allow up to an additional 100,000.00 for the next three FY for training and equipment reimbursements accrued by GCSSAR.

FY25 Forecasted Request**:	FY26 Forecasted Request**:
584,494.00	613,719.00
100,000.00- GCSSAR Reimbursements	100,000.00- GCSSAR Reimbursements

Are you accomplishing what you had hoped and as outlined as goals in your original funding application*?

Provide any necessary detail and use metrics to reflect how you are meeting the original goals provided to the District.

What was your projected staff growth (FTE count) provided on your Sponsor Efficiency Worksheet in FY22? Are these projections accurate to reflect your current staffing needs? *

Other updates as applicable:

Share any photos of the awarded funding in action from FY22 or FY23 by attaching them to the email when you return the completed form.

*All information provided in your original application can be found by logging into the application portal, if you have any trouble accessing this information contact Jenny asap. Portal link:

<https://www.grantinterface.com/Home/Logon?urlkey=rtg>

**Provide FY25 &FY26 Forecasts to the best of your knowledge if they are available.