

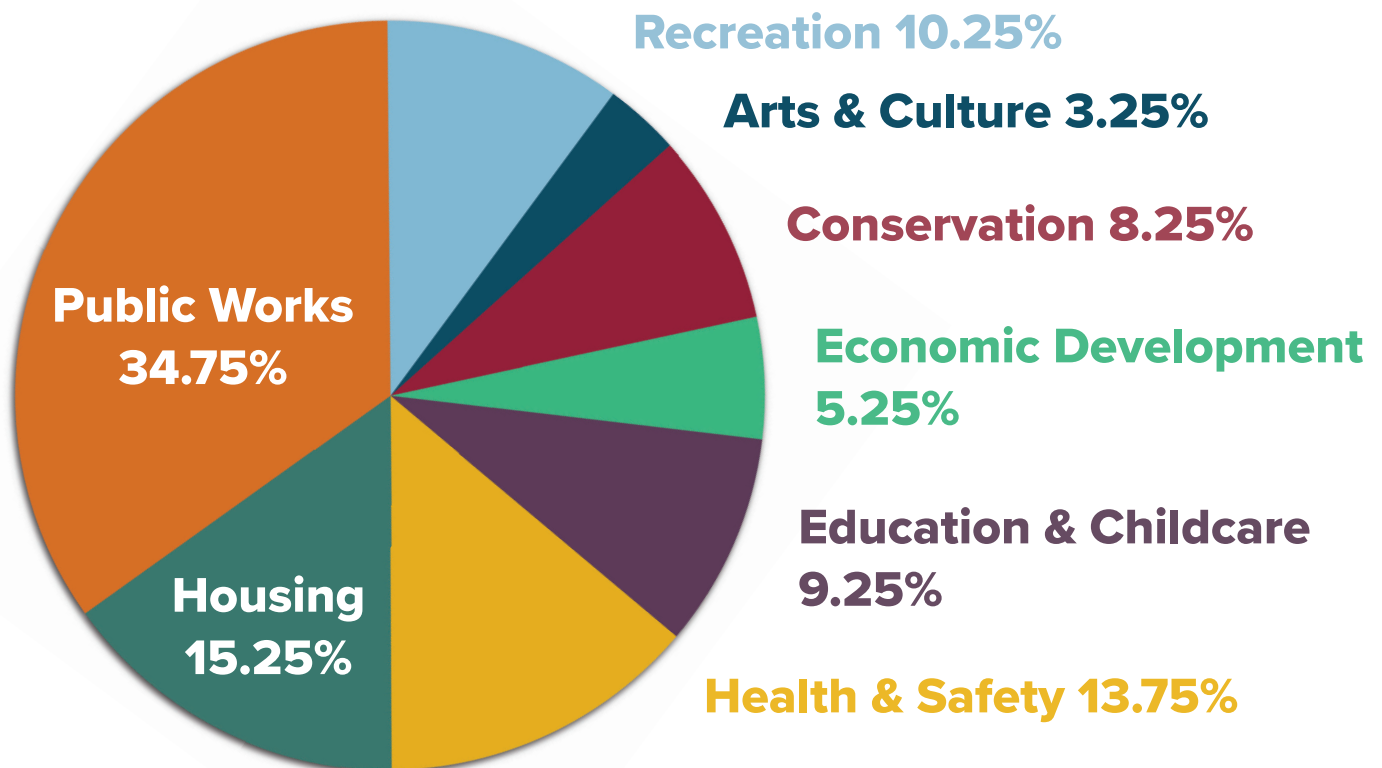
FUNDING PRIORITIES

As stewards of public funds, Big Sky Resort Area District (BSRAD) is committed to openly communicating funding strategies and encouraging community feedback. We are in the midst of our FY25 budgeting process. The Resort Tax budget is broken into three main categories: Government, Nonprofit and Reserves.



In response to the growing needs of our community and to provide additional clarity, BSRAD has updated District procedures, rules and methodologies for allocations of **Government** and **Nonprofit** funding. These updates proactively determine budgets by impact area, balancing current priorities with the use of public funds. Months of budgeting discussions resulted in a resolution outlining these procedures. Resolution 2023-02R was adopted at the January board meeting.

FY25 IMPACT AREA BUDGET



**BIG SKY RESORT AREA DISTRICT
RESOLUTION NO. 2023-02R**

**RESOLUTION OF THE BIG SKY RESORT AREA DISTRICT BOARD OF
DIRECTORS RELATED TO PROCEDURES FOR THE ALLOCATION OF RESORT
TAX FUNDS FOR FISCAL YEAR 2025: JULY 1, 2024 THROUGH JUNE 30, 2025**

PURSUANT TO THE AUTHORITY VESTED IN THE BIG SKY RESORT AREA DISTRICT BOARD OF DIRECTORS UNDER SECTION 7-6-1542, MCA, AND SECTION 7-6-1547(4), MCA, THE BOARD OF DIRECTORS HEREBY RESOLVES TO ADOPT RESOLUTION NO. 2023-02R AS FOLLOWS:

WHEREAS, the Big Sky Resort Area District (“District”) was created effective April 7, 1998 pursuant to sections 7-6-1531 through 1550, MCA; and

WHEREAS, members of the District Board of Directors (“Board”) have been duly elected by the electors residing within the District; and

WHEREAS, pursuant to section 7-6-1542, MCA, the Board may appropriate and expend revenue from the resort tax; and

WHEREAS, pursuant to section 7-6-1547(4), MCA, the Board is authorized to act by Resolution; and

WHEREAS, at duly noticed public meetings held on August 14, 2023, October 25, 2023, October 31, 2023, November 8, 2023, and January 10, 2024, the Board discussed (a) its past and current procedures and rules related to its methodology of allocating resort tax funds; (b) its historical allocation of resort tax funds to impact areas; (c) its historical allocation of resort tax funds to various applicants; (d) the Our Big Sky Community Vision and Strategy; (e) the Big Sky Capital Improvement Plan; (f) Infrastructure Investment, Funding, and Voter Representation Roadmap; (g) information from past award recipients related to their projected future needs; (h) various comments, input, and survey results from the public, including individuals, business owners, and community leaders; and (i) the amount of resort tax funds available in past years and projected to be available in Fiscal Year 25; and

WHEREAS, following these detailed discussions, the Board has determined certain changes are needed to its procedures, rules, and methodology of allocation in order to continue to meet the needs of the residents and businesses within the District and the Big Sky Community, and to set and communicate expectations of the Board related to the funding priorities for the fiscal year, and to provide clarity to the public and applicants with respect to these priorities;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

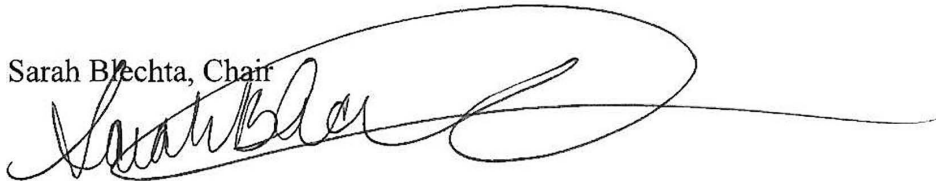
1. Recognizing the need to establish and clearly communicate important deadlines to the public and for applicants of resort tax funds, the Board hereby adopts the timeline set forth in **Exhibit A** for the Fiscal Year 25 allocation cycle for resort tax funds.
2. Recognizing the significant and broad-ranging funding needs of residents within the District and the Big Sky Community for governmental services, infrastructure and public works, housing, health and safety, arts and culture, education and childcare, economic development, recreation, and conservation, the Board has determined:
 - a. it shall set aside from its available resort tax funds an amount for reserves consistent with the Board approved Reserve Funds Strategy and an amount for the District's operating budget; and
 - b. with the balance of the available resort tax funds, it shall establish certain impact areas and allocate a percentage of available resort tax funds to each impact area; and
 - c. it shall hereby adopt the impact areas and funding percentages described in **Exhibit B** for Fiscal Year 25; and
 - d. it shall annually revisit these determinations during the Fall season and adjust both the designated impact areas and the designated funding percentages as it deems appropriate following public meetings and discussion.
3. Recognizing the number of applicants for resort tax funds has increased and the amount of funds requested by such applicants has increased, and recognizing the projected available resort tax funds will be less than the anticipated resort tax funds requests from applicants, the Board hereby adopts eligibility requirements for funding requests from nonprofit and other non-governmental entities for Fiscal Year 25 as set forth on **Exhibit C**. The Board further resolves to annually revisit these determinations during the Fall season and adjust the eligibility requirements as it deems appropriate following public meetings and discussions.
4. Recognizing the available resort tax funds are unlikely to meet the anticipated funding requests, and recognizing the Board must establish a procedure to assist it to objectively rank the requests in each impact area and to clearly communicate such procedure, process, and criteria to the public and to applicants, the Board hereby adopts the scoring system, criteria, weighting and evaluation procedures for the initial evaluation of funding requests from nonprofit and other non-governmental entities for Fiscal Year 25 as set forth on **Exhibit D**. The Board further resolves to annually revisit these determinations during the Fall season and adjust the scoring system, criteria, weighting and evaluation procedures as it deems appropriate following public meetings and discussion.
5. Recognizing the need for clear communication to the public and applicants for how scores will be used by the Board in the allocation process for the Fiscal Year funding cycle, the Board hereby agrees it shall consider one impact area at a time and will

consider funding of projects in numerical scoring order from highest to lowest in each impact area. If there are projects with the same score within an impact area, those equally scored applications will be reviewed in order of submission.

6. Recognizing that the District and the community of Big Sky faces challenges across its impact areas which might require large dollar spends on projects over the next several years as reflected in the Our Big Sky Community Vision and Strategy, the Big Sky Capital Improvement Plan, and the Infrastructure Investment, Funding, and Voter Representation Roadmap, the Board hereby agrees that in the event it does not make awards in the Fiscal Year 25 funding cycle which exhaust the percentage of funds allocated to a particular impact area, such "excess" funds shall be deposited in a restricted fund account established for the impact area within the District's general restricted account, and which funds shall be assigned for use on projects within that specific impact area in future years, and therefore directs its staff and professionals to create appropriate systems to track funding by impact areas.
7. Recognizing some of the determinations, procedures, and criteria addressed in this Resolution are new, the Board directs its staff to promptly develop and implement a comprehensive public communications plan to disseminate this information to the general public and to all past applicants in advance of the opening of the application period for the Fiscal Year 25 funding cycle.

PASSED and APPROVED on this 10th day of January 2024, by a vote of 5 in favor and 0 opposed.

Sarah Blechta, Chair



Ciara Wolfe, Vice Chair

Ciara Wolfe

Ciara Wolfe (Jan 10, 2024 14:05 MST)

Steve Johnson, Secretary & Treasurer



Kevin Germain, Director



Grace Young, Director



Exhibit A: FY25 Process

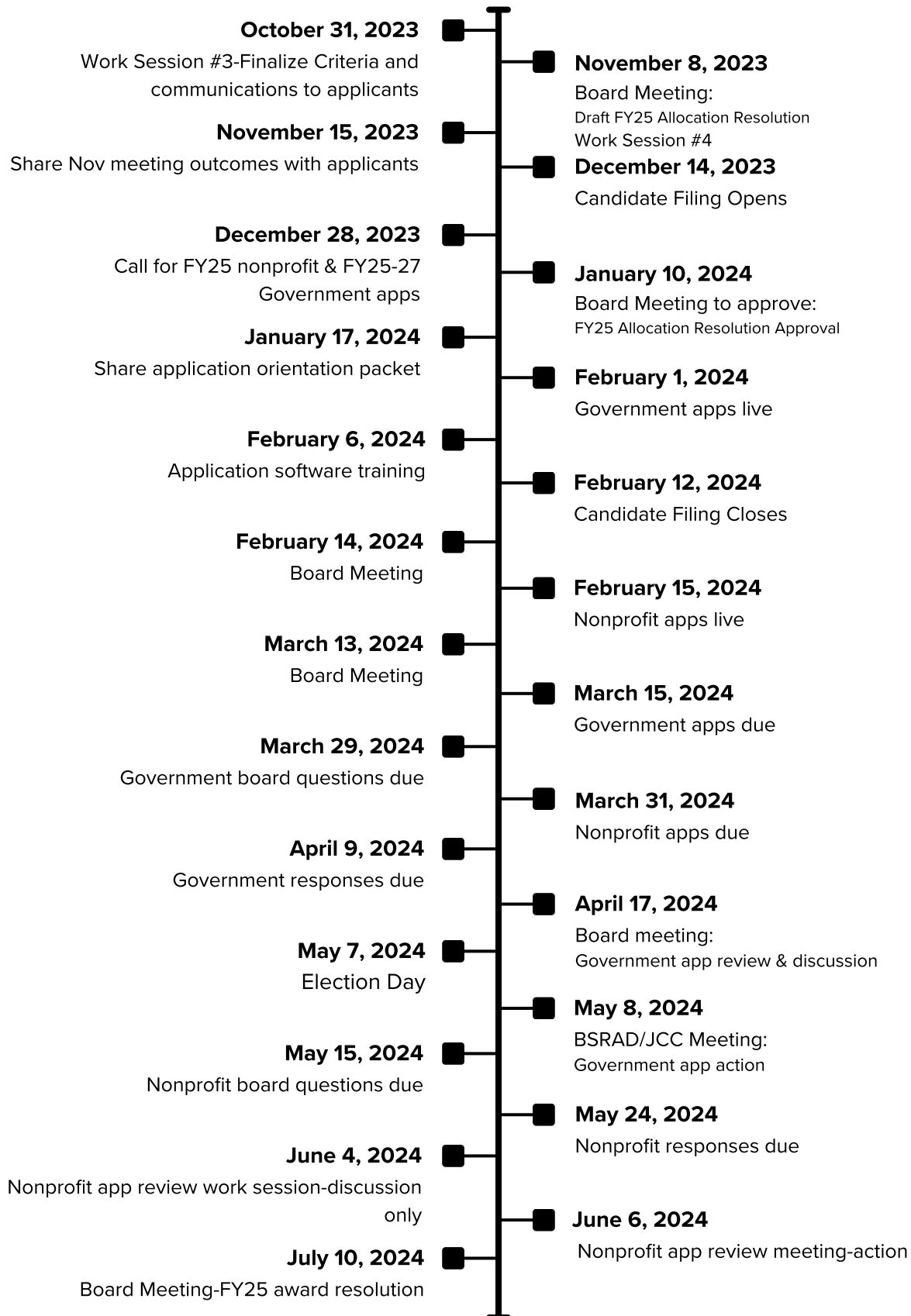
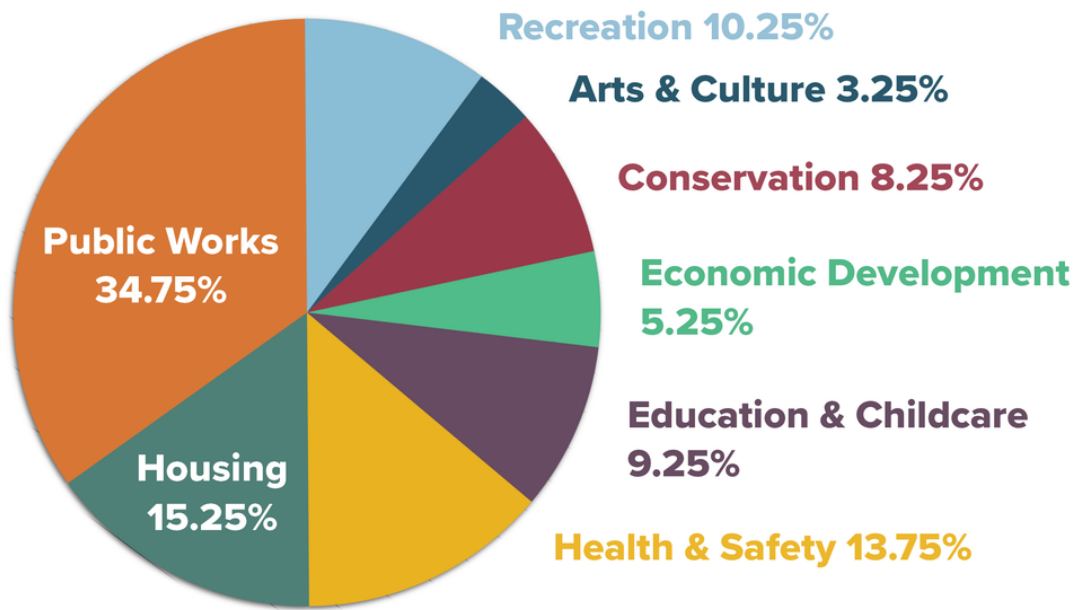
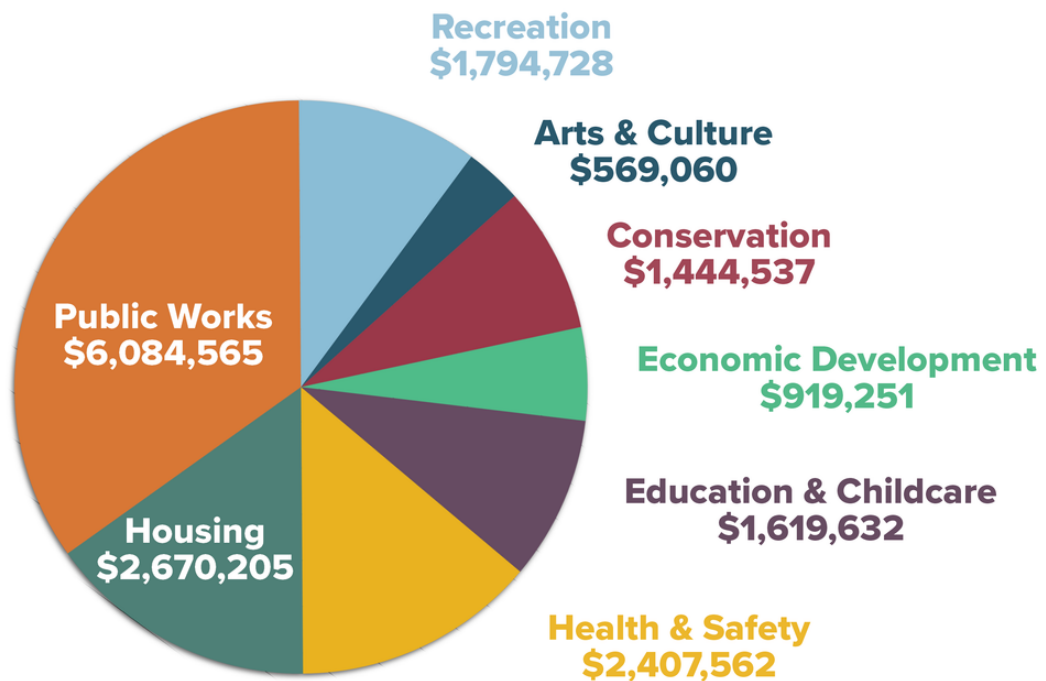


Exhibit B: Impact Area Allocation



Based on FY24 Available Funds of \$17,509,540



IMPACT AREA DEFINITIONS

- **Arts & Culture:** Addresses stewarding creative expression, story-telling, and cultural participation.
 - *Examples include but are not limited to, performances, events, bilingual initiatives, and public art.*
- **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.
 - *Examples include but are not limited to, easements, studies, and preservation.*
- **Education & Childcare:** Addresses multi-disciplinary inclusive education for all ages.
 - *Examples include but are not limited to skill training, instruction, and childcare.*
- **Economic Development:** Addresses balancing Big Sky's tourism-driven economy by sustainably growing prosperity and ensuring a high quality of life for Big Sky workers.
 - *Examples include but are not limited to, research, marketing, business development, and professional training.*
- **Health & Safety:** Addresses emergency, medical, and social services essential to the welfare of Big Sky -- in many cases, resulting in property tax or fee reduction.
 - *Examples, include but are not limited to, search and rescue, fire, medical, hospital, food security, social programs, and law enforcement.*
- **Housing:** Addresses long-term (30+ days) rental and ownership opportunities for Big Sky workers.
 - *Examples include but are not limited to, deed and affordability restrictions.*
- **Public Works:** Addresses core utilities and services used broadly by the community -- in many cases, resulting in property tax or fee reduction.
 - *Examples include but are not limited to, transportation, postal services, water and sewer, and other utilities.*
- **Recreation:** Addresses indoor or outdoor activities done for the enjoyment and health of residents and visitors.
 - *Examples include but are not limited to, parks, trails, public access, training, sports and recreation.*

Exhibit C: Eligibility Requirements

Minimum requirements for an application to be eligible for board review.

Requirement	Description	Applicable Investment Types	Evaluation Method
Matching Funds	For every dollar requested from Resort Tax 25 cents match from other funding source(s).	<ul style="list-style-type: none"> • Administration • Capital • Programming 	Project budget
Preliminary Engineering Report	Capital for construction projects, \$50,000 and greater, must provide a preliminary engineering report (PER) by a licensed architect or engineer.	<ul style="list-style-type: none"> • Capital (construction only) 	Document upload of PER
Submission Deadline	Application and supplement materials must be submitted on or before posted deadlines.	<ul style="list-style-type: none"> • Administration • Capital • Programming 	Completion date
Active BSRAD Registration	Sponsors must be actively registered with the District by the application deadline.	<ul style="list-style-type: none"> • Administration • Capital • Programming 	Registration status as of application deadline.
Application Score	Applications must receive a score of 60 or higher to be eligible for funding.	<ul style="list-style-type: none"> • Administration • Capital • Programming 	Score
Management Agreement for Pass Through Funding	Sponsors with pass-through funding to another sponsor (Resort Tax funded entity) must have a formal agreement in place prior to submission.	<ul style="list-style-type: none"> • Administration • Capital • Programming 	Uploaded document
Project Reports	Sponsors must be up to date on reporting to the District from the current fiscal year award.	<ul style="list-style-type: none"> • Administration • Capital • Programming 	FY24 Project Reports
Request Amount	Requests must be \$25,000 or greater. <i>Smaller requests may be submitted using the "micro-grant" form/process.</i>	<ul style="list-style-type: none"> • Administration • Capital • Programming 	Project budget
Organization Type	Sponsoring organization must be a nonprofit or other non-government entity	<ul style="list-style-type: none"> • Administration • Capital • Programming 	Sponsor Information

Exhibit D: Score Criteria

The following is an outline of what criteria and traits the board prefers to invest in. Criteria will carry more weight and receive a higher score based on preference. Scores will be calculated based on application responses and data provided by sponsors.

Criteria & Value	Description	Preference/Weight	Evaluation Method
Audience Served 15 Points	What is the audience directly being served by this project?	<ul style="list-style-type: none"> • 15 pts: Serves residents and visitors • 10 pts: Serves residents only • 5 pts: Serves visitors only 	Application question: Audience served
Investment Type 15 Points	What investment type is this project?	<ul style="list-style-type: none"> • 15 pts: Capital-included in CIP • 10 pts: Capital & Programming • 5 pts: Administration 	Application question: Investment Type
Forecasting Accuracy 10 Points	How accurately was this project forecasted on last year's application? <i>If the sponsor has not requested resort tax funds in the last 3 years they will receive 10 points.</i>	<ul style="list-style-type: none"> • 10 pts: 0-15% forecasting variance YOY • 7 pts: 16-29% forecasting variance YOY • 3 pts: 30% or greater forecasting accuracy YOY 	Forecasted amount on FY24 App & FY25 Request
Matching Funds 10 Points	What portion of project costs are being requested of resort tax?	<ul style="list-style-type: none"> • 10 pts: 25% or less requested of resort tax • 7 pts: 26-50% requested of resort tax • 3 pts: 49-74% requested of resort tax 	Project budget
Partnerships 10 Points	How many partners does this project have?	<ul style="list-style-type: none"> • 10 pts: 4 or more partners • 7 pts: 1-3 partners • 3 pts: No partners 	Application question: Partnerships
Program Expense Ratio 10 Points	What percentage of the sponsors expenses are programming related?	<ul style="list-style-type: none"> • 10 pts: Program expense ratio 70% or higher • 7 pts: Program expense ratio of 51-69% • 3 pts: Program expense ratio less than 50 	Sponsor efficiency worksheet data

Criteria & Value	Description	Preference/Weight	Evaluation Method
Public Funds & Government Service Alignment 10 Points	Is this project providing a service typically provided by a government agency? OR Is this a project (or similar to) that is funded by public tax dollars in other Montana communities?	<ul style="list-style-type: none"> • 10 pts: Publicly funded elsewhere • 0 pts: Not typically publicly funded 	Application question: provide an example of another community
SMART Community Need 10 Points	Does this project meet an identifiable and measurable need outlined in the Our Big Sky Vision and Strategy, the Big Sky Capital Improvement Plan, and other guiding documents?	<ul style="list-style-type: none"> • 10 pts: Addresses identified and measurable community need • 0 pts: Does not address any identified and measurable community need 	Application question: SMART Metrics
Annuity 5 Points	For how many years will this project need resort tax funding? <i>Applicable to Administration and Programming requests only. Capital requests will receive 5 points.</i>	<ul style="list-style-type: none"> • 5 pts: 1 year of RT funding • 3 pts: 2-3 years of RT funding • 2 pts: 3+ years of RT funding 	Application question: Annuity
Programming Growth Rate 5 Points	Is the amount of requested growing at a higher rate than Gallatin County wage growth? <i>Applicable to recurring Administration and Programming requests only. New and capital requests will receive 5 points.</i>	<ul style="list-style-type: none"> • 5 pts: ≤10% growth • 3 pts: 11-20% growth • 2 pts: >21% growth 	FY25 Request amount & FY24 Request amount