



BOARD MEETING MINUTES

APRIL 17, 2024

April's Board meeting was held on Wednesday, April 17th at 9:00am at the Resort Tax office (11 Lone Peak Drive, Suite #204) and through Zoom.

MEMBERS:

Sarah Blechta	Chair
Ciara Wolfe	Vice Chair
Kevin Germain	Director
Grace Young	Director

GUESTS:

Daniel Bierschwale	Executive Director
Kristin Drain	Finance and Compliance Manager
Jenny Muscat	Deputy Director
Tammy Estensen	Communications and Community Engagement Manager
Jackie Haines	Director of Economic and Strategic Development
Johnny OConnor	Big Sky County Water and Sewer District
Terry Smit	Big Sky County Water and Sewer District
Scott Buecker	Consultant, Big Sky County Water and Sewer District
Maggie Shane	Big Sky Artists Collective
MaryBeth Morand	Big Sky Artists Collective
Erin Bills	Treasure State Strategies
Whitney Montgomery	Coordinating Council of Big Sky
Lizzie Peyton	Big Sky SNO
Mace Mangold	Gallatin Canyon County Water and Sewer District
David OConnor	Big Sky Community Housing Trust
Greg Megaard	Fire Chief, Big Sky Fire Department
Dustin Tetrault	Deputy Fire Chief, Big Sky Fire Department
Al Malinowski	Big Sky Trails, Recreation and Parks District
Dan Springer	Gallatin County Sheriff
Darren Brugmann	Executive Director, Big Sky Transportation District
Ashley Wilson	Big Sky Community Organization
Kristin Gardner	Gallatin River Task Force (via teleconference)
Kim Beatty	(via teleconference)
Drew Ellis	Gallatin County Sheriff's Office
Mariel Butan	Morningstar Learning Center
Tallie Lancey	Big Sky Community Member
Joanna McCoy	Big Sky Artists Collective
Daniel Haydon	Gallatin County Sheriff's Office
Laura Seyfang	Big Sky Community Member
Dustin Shipman	Big Sky School District
Brad Niva	Big Sky Chamber of Commerce and Visit Big Sky
Ashley Muckway	Big Sky Chamber of Commerce

Philip Kedrowski	Big Sky Community Member
Ennion Williams	Big Sky Community Member
Anna Johnson	Big Sky Community Member
Mike Van Meter	Big Sky Community Member

Minutes prepared from a recording by Lori Goshert of Minutes Solutions Inc.

1. ROLL CALL

There being a quorum present, and adequate and proper notice having been given, the meeting was called to order at 9:00 a.m.

2. PUBLIC COMMENT

Daniel Bierschwale acknowledged the end of Ciara Wolfe's four-year term, thanked her for her service, and presented her with a gift.

Tammy Estensen reminded attendees of a candidate forum scheduled for April 23, 2024, regarding school and special purpose district elections. The meet and greet begins at 5:00 p.m. and the forum begins at 6:00 p.m.

Brad Niva, Executive Director of the Big Sky Chamber of Commerce and Visit Big Sky, reminded attendees of a breakfast event scheduled for April 24, 2024, featuring Healthcare Big Sky and Kathryn Bertany, CEO of Bozeman Health.

Kristin Gardner reminded attendees of an event scheduled for April 22, 2024, at 6:00 p.m. at Big Sky Water and Sewer District.

3. APPOINTMENT OF SECRETARY/TREASURER AND PROCESS FOR APPOINTMENT

On a motion made by Kevin Germain, seconded by Ciara Wolfe, it was resolved to appoint Grace Young as temporary Secretary/Treasurer to serve until the new Board takes over in May, 2024. Motion carried.

Steve Johnson, the Secretary/Treasurer of the Board of Directors, has passed away. Montana code specifies that the Board appoint a replacement Board member in the case of resignation or death, but the current Board would like the new Board, which will convene in May, 2024, to appoint Steve Johnson's replacement. The Board agreed on the need to appoint a temporary Secretary/Treasurer to serve for three weeks so that the minutes and financial information can be posted.

A public notice of the Board vacancy was included in the meeting package and read aloud. Interested parties should send a letter of interest and resume to Daniel Bierschwale by May 15, 2024. The new Board will hold a special meeting to appoint the Secretary/Treasurer before the June, 2024, nonprofit grant meeting. The term expires in May, 2026.

A portion of the upcoming joint county commission meeting will be set aside to honor Steve Johnson. No public memorial service has been scheduled at this time. In lieu of flowers, people are encouraged to make a donation to a conservation effort in Steve Johnson's memory.

4. CONSENT AGENDA

On a motion made by Ciara Wolfe, seconded by Grace Young, it was resolved to approve the consent agenda, as presented. Motion carried.

The consent agenda included the finance report, the employee handbook, and the March 13, 2024, Board meeting minutes.

It was noted that there may be a disconnect between the revenue information and the graphs because not all of the information had come in at the time they were published.

5. REGULAR AGENDA

5.1 Old Business

5.1.1 FY25 Budget

On a motion by Ciara Wolfe, seconded by Kevin Germain, it was resolved to approve the fiscal year 2025 budget, as presented. Motion carried.

The Board reviewed the proposed fiscal year 2025 budget, included in the meeting package. Daniel Bierschwale reported that the requested changes and additions had been made. The main change involved the intersection debt service. Three different finance options were proposed. The option built into the budget proposed \$4,991,666 in fiscal year 2025, \$2,741,666 in fiscal year 2026, and \$2,716,666 in fiscal year 2027. It was suggested that \$4 million be taken from capital reserves to finance the 2025 payment, bringing it down to \$991,666.

Other changes made included: opening proposals for the incorporation report, which is a non-operating expense that is budgeted separately; allocating \$20,000 for the Coordinating Council of Big Sky; and allocating \$75,000 in legal fees for the wellness district effort. Sara Huger-Carroll's position will not be refilled at this time, but this will be reevaluated in 2025.

The Board discussed ways to utilize the capital reserves and the emergency fund. It was noted that the emergency fund, which contains \$2.5 million, should be used for true emergencies only, such as a fire, earthquake, or pandemic. Part of the emergency fund could be used for other urgent projects if the capital reserve fund is empty.

It was noted that using \$4 million of the capital reserves to pay for most of the intersection debt service in fiscal year 2025 will leave larger amounts to pay in fiscal years 2026 and 2027. The capital reserve fund has been used for important community projects in the past, including a stoplight and a fire truck.

5.1.2 Incorporation Exploration Study RFP Opening

Daniel Bierschwale opened four proposals for the incorporation exploration study:

- Economic & Planning Systems quoted \$390,000.
- Baker Tilly quoted \$114,000.
- Treasure State Strategies quoted \$1,022,000.
- WGM Group quoted \$329,000.

The budget for this project is \$500,000. The subcommittee will review these proposals and provide their recommendations to the Board at the May, 8 2024, meeting.

5.1.3 US 191/MT 64 Intersection Property Buy Sell

On a motion made by Ciara Wolfe, seconded by Grace Young, it was resolved to accept the real estate purchase and sale agreement for the US 191/M 64 intersection property, as presented. Motion carried.

The Board viewed the real estate purchase and sale agreement in the meeting package, which included three financing options. It was noted that the seller financing option is preferable because it would have the least impact on other funding allocation cycles. At \$9,050,000, it is also less expensive than the other two options, which are \$10 million. The seller prefers the seller financing option because it mitigates their risk.

Neither the seller nor the buyer can terminate leases unless the tenant is in default, and neither of them are in default. Some leases will expire within the next two years, and the Board can decline to renew them if needed. At least one lease is long-term, but the tenant is not in a building that will be impacted by intersection construction work.

There was discussion regarding selling the two condominiums and moving to the intersection property; however, one of the buildings is partially in a roadway easement and may need to be torn down. It was noted that acquiring more community land was beneficial, as it can be leveraged in many ways at a later date and can be easily sold if no longer needed.

Issues related to the discussions with Conoco and Soldiers Chapel regarding easement acquisition have been built into the contingencies.

5.1.4 Business Registration Data

The Board viewed data collected from the 2024 business registrations, complete as of March 29, 2024, included in the meeting packet. There were a total of 1,111 registered businesses, 188 registered vendors, and 2,190 seasonal employees living within Big Sky Resort Area District. Housing for 2,748 employees is supplied by 121 businesses. All short-term rentals are required to register annually.

5.2 New Business

5.2.1 FY25 Government Services Capital Applications

The Board reviewed the government services capital applications for fiscal year 2025. The Board will vote on them at the May, 2024, meeting. It was noted that all applicants should be especially careful with their forecasting. In the past, there have been costs left out of the forecasts. The Board relies on accurate forecasts to create their allocation budget.

The Board asked the representatives from Big Sky County Water and Sewer District how increasing their reliance on resort tax helps the overall district. Scott Buecker acknowledged that the entity's forecasts could have been better but some projects were unexpected. Costs related to water, sewer, and public works have drastically increased in recent years. The entity does not wish to increase their reliance on resort tax, but there has been an increase in issues that need to be addressed.

Several litigation attempts have depleted Big Sky County Water and Sewer District's reserves. The entity has won all of the suits, but fighting litigation has cost each user \$600 per year.

Big Sky County Water and Sewer District needs to increase its rates even though an increase of more than 5% per year requires consultation with constituents. The entity will be conducting an impact study soon and can use this in their discussions with ratepayers. The entity does not want to shock ratepayers with steep increases such as the 15% increase in 2023. The entity expects a \$2.5 million deficit as it enters the next fiscal year.

5.2.2 FY25-FY27 Government Services Operations Applications

The Board reviewed the government services operations applications for fiscal years 2025 through 2027, which were included in the meeting package.

Big Sky School District No. 75 is asking for \$50,000 of funds for 4K programming. The Board and attendees agreed this is a good investment for the community.

Gallatin Canyon County Water and Sewer District is asking for \$200,000 per year. It was suggested the entity consider a three-year stepdown, for example, \$200,000, \$137,000, and \$77,000, but Mace Mangold confirmed that the entity has no revenue and needs to complete a project that costs more than \$30 million. It was acknowledged that the water and sewer districts perform crucial work for the community and that investments require long-term support.

The Board asked Al Malinowski of Big Sky Trails, Recreation and Parks District, why that entity experienced a 10% increase year over year while other entities experienced 3%.

Sheriff Dan Springer reported that the Gallatin County Sheriff's Office is discussing an arrangement with the Madison County Sheriff's Office, in which Madison County would send deputies to help Gallatin County patrol large events, such as concerts, during the busy season.

The Board advised representatives from the Big Sky Fire Department to reconsider their decision to increase wages while removing the requirement to live in the district, and suggested offering potential employees a stipend to live in the district instead. Fire Chief Greg Megaard confirmed that the Big Sky Fire Department has looked at fire departments in other high-cost areas when determining their wages.

The Board advised the Big Sky Transportation District to increase its rates, noting that they have remained static since 2016 and a large increase may shock commuters. Darren Brugmann confirmed that they are considering an appropriate increase for the link service and the connect service.

5.2.3 Opportunity Fund Application Review

On a motion made by Kevin Germain, seconded by Grace Young, it was resolved to allocate \$10,000 for Big Sky Artists Collective's project, Paint Under the Big Sky 2024, with the following caveats: that the entity attempt to leverage those funds with local foundations, and that the funds are not used for the cash prize. Motion carried.

MaryBeth Morand and Maggie Shane of the Big Sky Artists Collective described the plan for Paint Under the Big Sky 2024, noting the event was successful in 2023 and that many similar events have become self-sustaining over several years. Money is needed to purchase supplies, advertising, prizes, and honorariums, and many of the supplies can be reused for future events. Big Sky Artists Collective would like to expand the event to include a children's program and contest, and a mentoring program.

5.2.4 FY24 Mid-Year Progress Report & FY25 Request Overview

The Board viewed a summary of the fiscal year 2024 mid-year progress report and the fiscal year 2025 request overview, which were in the meeting packet. Sarah Blechta reminded applicants that the current fiscal year ends on June 30, 2024, after which any funds not requested will be relinquished back to the district.

The total requests for fiscal year 2025 amounted to \$16,937,098. Eleven entities have under 32% reliance on resort tax, 10 entities have 33% to 66% reliance, and four entities have over 67% reliance. Big Sky Community Housing Trust Update

David O'Connor reported that the mid-year progress report on the Good Deeds program has been completed. Four houses were closed on April 16, 2024.

6. PUBLIC COMMENT

Ciara Wolfe advised that the Board adjust its meeting times to avoid conflict with attendees' work schedules.

Ashley Wilson thanked Jenny Muscat and others for compiling the applications and simplifying the application process.

7. NEXT MEETING

The joint county commission meeting is scheduled for May 8, 2024.

8. ADJOURNMENT

The meeting was adjourned at 10:48 a.m.

DISCLAIMER

The above minutes should be used as a summary of the motions passed and issues discussed at the meeting. This document shall not be considered a verbatim copy of every word spoken at the meeting.

Respectfully submitted,

Grace D. Young

Grace D. Young (May 20, 2024 11:46 EDT)

Grace Young, Secretary & Treasurer







April 17 2024 Minutes_To Sign

Final Audit Report

2024-05-20

Created:	2024-05-20
By:	Jenny Muscat (jenny@resorttax.org)
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-  Document created by Jenny Muscat (jenny@resorttax.org)
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-  Email viewed by Grace Young (grace@resorttax.org)
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-  Signer Grace Young (grace@resorttax.org) entered name at signing as Grace D. Young
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-  Document e-signed by Grace D. Young (grace@resorttax.org)
Signature Date: 2024-05-20 - 9:46:12 PM GMT - Time Source: server
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