

**BIG SKY RESORT AREA DISTRICT  
RESOLUTION NO. 2025-04R**

**RESOLUTION OF THE BIG SKY RESORT AREA DISTRICT BOARD OF  
DIRECTORS RELATED TO PROCEDURES FOR THE ALLOCATION OF  
RESORT TAX FUNDS FOR FISCAL YEAR 2026: JULY 1, 2025 THROUGH  
OCTOBER 31, 2026**

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. 2025-04R 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 July 9, 2025, July, 14, 2025, and August 13, 2025, 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 26; 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. The Board hereby adopts the timeline set forth in **Exhibit A** for the Fiscal Year 26 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 26.
3. The Board hereby adopts the eligibility requirements for funding requests from nonprofit and other non-governmental entities for Fiscal Year 26 as set forth on **Exhibit C**.
4. The Board hereby adopts the scoring system, criteria, weighting and evaluation procedures for evaluating funding requests from nonprofit and other non-governmental entities for Fiscal Year 26 as set forth on **Exhibit D**.
5. Like it did in the last funding cycle, the Board 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. Like it did in the last funding cycle, if the Board does not make awards in the Fiscal Year 26 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. Finally, 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 26 funding cycle.

**PASSED and APPROVED** on this 13th day of August 2025, by a vote of \_ in favor and \_ opposed.

*Sarah Blechta*  
Sarah Blechta (Aug 13, 2025 15:05:10 MDT)

Sarah Blechta, Chair

*John Zirkle*  
John Zirkle (Aug 14, 2025 11:15:50 MDT)

John Zirkle, Vice Chair

*Grace D. Young*  
Grace D. Young (Aug 18, 2025 21:30:14 MDT)

Grace Young, Secretary & Treasurer

*Kevin Germain*  
Kevin Germain (Sep 3, 2025 18:18:20 MDT)

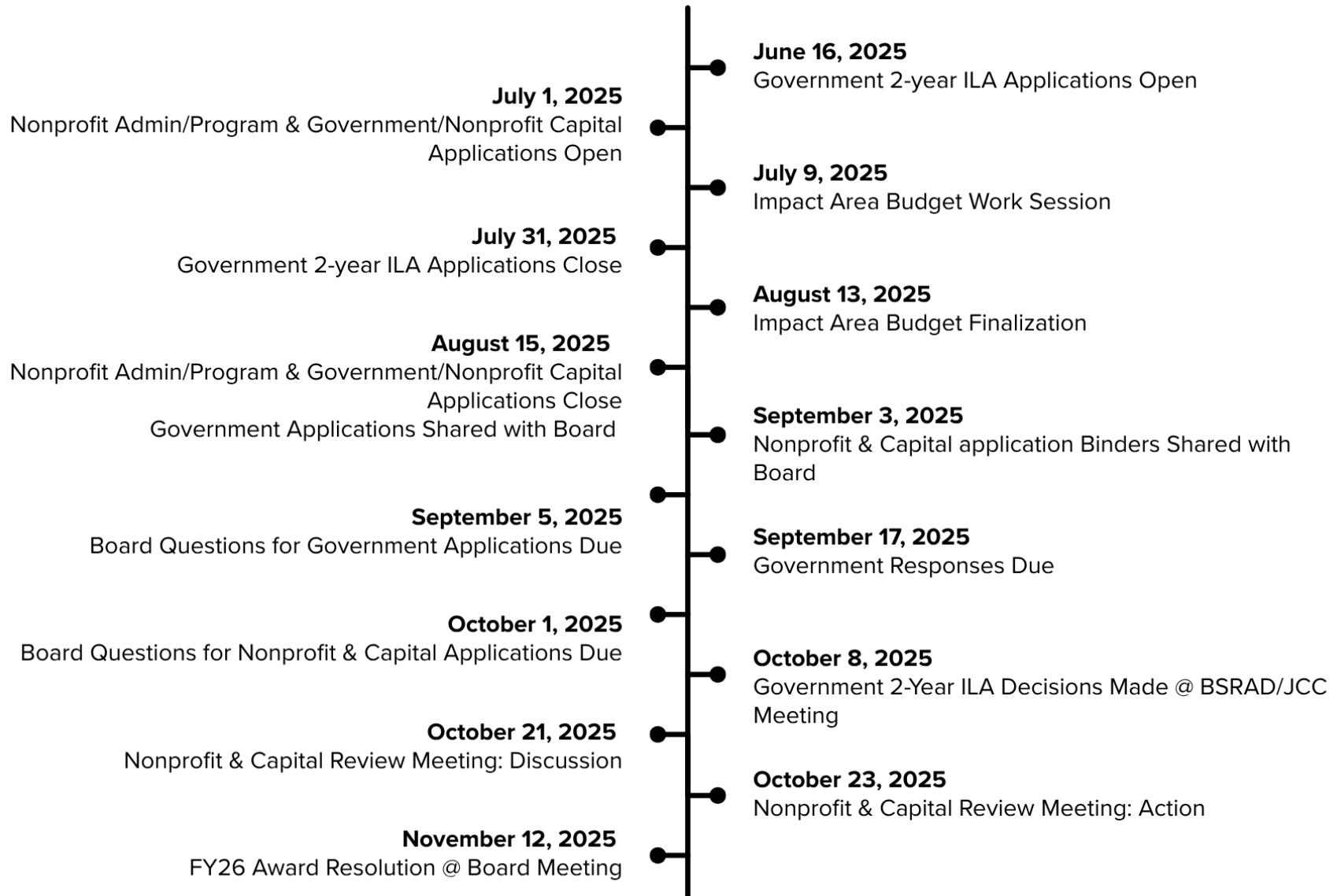
Kevin Germain, Director

*Michelle Kendziorski*  
Michelle Kendziorski (Aug 13, 2025 12:45:47 MDT)

Michelle Kendziorski, Director

Exhibit A

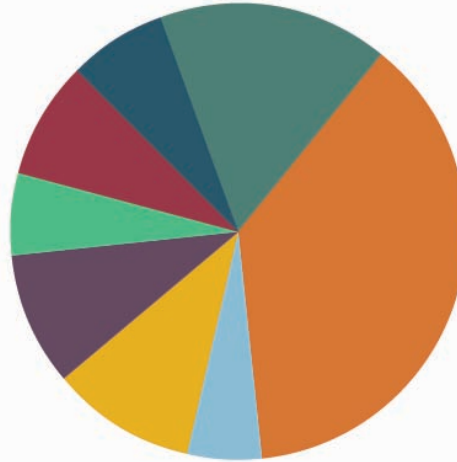
**FY26 Key Dates**



**Exhibit B**

# FY26 IMPACT AREA BUDGET

<b>ARTS &amp; CULTURE COMMITMENT</b>	<b>\$1,541,524</b>
FY26 Grant Budget	\$1,541,524
<b>CONSERVATION COMMITMENT</b>	<b>\$1,742,213</b>
FY26 Grant Budget	\$1,742,213
<b>ECONOMIC DEVELOPMENT COMMITMENT</b>	<b>\$1,300,000</b>
Visit Big Sky Visitor Marketing	\$400,000
FY26 Grant Budget	\$900,000
<b>EDUCATION &amp; CHILDCARE COMMITMENT</b>	<b>\$1,998,643</b>
Big Sky School District IA	\$50,000
FY26 Grant Budget	\$1,948,643
<b>HEALTH &amp; SAFETY COMMITMENT</b>	<b>\$2,235,017</b>
Big Sky Fire Department IA	\$1,184,500
Gallatin County Sheriff's Office IA	\$729,760
FY26 Grant Budget	\$320,757



<b>HOUSING COMMITMENT</b>	<b>\$3,516,202</b>
Cold Smoke Bond* (estimate)	\$2,167,978
BSRAD Housing	\$850,000
FY26 Grant Budget	\$498,224
<b>PUBLIC WORKS COMMITMENT</b>	<b>\$8,040,224</b>
Water Resource Recovery Facility*	\$3,302,379
Big Sky Transportation District IA	\$1,525,000
Hwy 191/64 Property*	\$2,730,000
Governance Initiatives	\$182,845
FY26 Grant Budget	\$300,000
<b>RECREATION COMMITMENT</b>	<b>\$1,108,660</b>
Big Sky Trails, Recreation, & Parks IA	\$743,086
Community Park Bond* (estimate)	\$259,574
FY26 Grant Budget	\$106,000

IA = Interlocal Agreement      \*Debt Service Payment

**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 from a nonprofit or non-government entity 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"> <li>• Administration</li> <li>• Capital</li> <li>• Programming</li> </ul>	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"> <li>• Capital (construction only)</li> </ul>	Document upload of PER
Submission Deadline	Application and supplement materials must be submitted on or before posted deadlines.	<ul style="list-style-type: none"> <li>• Administration</li> <li>• Capital</li> <li>• Programming</li> </ul>	Completion date
Active BSRAD Registration	Sponsors must be actively registered with the District by the application deadline.	<ul style="list-style-type: none"> <li>• Administration</li> <li>• Capital</li> <li>• Programming</li> </ul>	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"> <li>• Administration</li> <li>• Capital</li> <li>• Programming</li> </ul>	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"> <li>• Administration</li> <li>• Capital</li> <li>• Programming</li> </ul>	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"> <li>• Administration</li> <li>• Capital</li> <li>• Programming</li> </ul>	Project Reports
Request Amount	Requests must be \$25,000 or greater. <i>Smaller requests may be submitted using the "microgrant" form/process.</i>	<ul style="list-style-type: none"> <li>• Administration</li> <li>• Capital</li> <li>• Programming</li> </ul>	Project budget
Organization Type	The sponsoring organization must be a nonprofit or other non-government entity.	<ul style="list-style-type: none"> <li>• Administration</li> <li>• Capital</li> <li>• Programming</li> </ul>	Sponsor Information

## Exhibit D

# SCORE CRITERIA

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 <b>15 Points</b>	What is the audience directly being served by this project?	<ul style="list-style-type: none"> <li>• <b>15 pts:</b> Serves residents and visitors</li> <li>• <b>10 pts:</b> Serves residents only</li> <li>• <b>5 pts:</b> Serves visitors only</li> </ul>	Application question: Audience served
Investment Type <b>15 Points</b>	What investment type is this project?	<ul style="list-style-type: none"> <li>• <b>15 pts:</b> Capital-included in CIP</li> <li>• <b>10 pts:</b> Capital &amp; Programming</li> <li>• <b>5 pts:</b> Administration</li> </ul>	Application question: Investment Type
Forecasting Accuracy <b>10 Points</b>	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"> <li>• <b>10 pts:</b> 0-15% forecasting variance YOY</li> <li>• <b>7 pts:</b> 16-29% forecasting variance YOY</li> <li>• <b>3 pts:</b> 30% or greater forecasting accuracy YOY</li> </ul>	Previously Forecasted & Request amounts
Matching Funds <b>10 Points</b>	What portion of project costs are being requested of resort tax?	<ul style="list-style-type: none"> <li>• <b>10 pts:</b> 25% or less requested of resort tax</li> <li>• <b>7 pts:</b> 26-48% requested of resort tax</li> <li>• <b>3 pts:</b> 49-74% requested of resort tax</li> </ul>	Project budget
Partnerships <b>10 Points</b>	How many partners does this project have?	<ul style="list-style-type: none"> <li>• <b>10 pts:</b> 4 or more partners</li> <li>• <b>7 pts:</b> 1-3 partners</li> <li>• <b>3 pts:</b> No partners</li> </ul>	Application question: Partnerships
Program Expense Ratio <b>10 Points</b>	What percentage of the sponsors expenses are programming related?	<ul style="list-style-type: none"> <li>• <b>10 pts:</b> Program expense ratio 70% or higher</li> <li>• <b>7 pts:</b> Program expense ratio of 51-69%</li> <li>• <b>3 pts:</b> Program expense ratio less than 50</li> </ul>	Sponsor efficiency worksheet data
Public Funds & Government Service Alignment <b>10 Points</b>	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"> <li>• <b>10 pts:</b> Publicly funded elsewhere</li> <li>• <b>0 pts:</b> Not typically publicly funded</li> </ul>	Application question: provide an example of another community

**Exhibit D Continued**

<b>Criteria &amp; Value</b>	<b>Description</b>	<b>Preference/Weight</b>	<b>Evaluation Method</b>
SMART Community Need <b>10 Points</b>	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"> <li>• <b>10 pts:</b> Addresses identified and measurable community need</li> <li>• <b>0 pts:</b> Does not address any identified and measurable community need</li> </ul>	Application question: SMART Metrics
Annuity <b>5 Points</b>	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"> <li>• <b>5 pts:</b> 1 year of RT funding</li> <li>• <b>3 pts:</b> 2-3 years of RT funding</li> <li>• <b>2 pts:</b> 3+ years of RT funding</li> </ul>	Application question: Annuity
Programming Growth Rate <b>5 Points</b>	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"> <li>• <b>5 pts:</b> ≤10% growth</li> <li>• <b>3 pts:</b> 11-20% growth</li> <li>• <b>2 pts:</b> &gt;21% growth</li> </ul>	Previously Forecasted & Request amounts












# Resolution 2025 04R


Final Audit Report

2025-09-04


Created:	2025-08-13
By:	Jenny Muscat (jenny@resorttax.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAABjGO2Qq57leYLYaTHvnFAYc-yh6bgmhD

## "Resolution 2025 04R" History


-  Document created by Jenny Muscat (jenny@resorttax.org)  
2025-08-13 - 6:02:14 PM GMT
-  Document emailed to Sarah Blechta (sarah@resorttax.org) for signature  
2025-08-13 - 6:02:19 PM GMT
-  Document emailed to John Zirkle (john@resorttax.org) for signature  
2025-08-13 - 6:02:20 PM GMT
-  Document emailed to Grace Young (grace@resorttax.org) for signature  
2025-08-13 - 6:02:20 PM GMT
-  Document emailed to Michelle Kendziorski (michelle@resorttax.org) for signature  
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-  Document emailed to Kevin Germain (kevin@resorttax.org) for signature  
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-  Email viewed by Michelle Kendziorski (michelle@resorttax.org)  
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-  Document e-signed by Michelle Kendziorski (michelle@resorttax.org)  
Signature Date: 2025-08-13 - 6:45:47 PM GMT - Time Source: server
-  Email viewed by Sarah Blechta (sarah@resorttax.org)  
2025-08-13 - 9:04:50 PM GMT
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-  Email viewed by John Zirkle (john@resorttax.org)  
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Signature Date: 2025-08-14 - 5:15:50 PM GMT - Time Source: server

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2025-08-19 - 3:29:48 AM GMT

 Signer Grace Young (grace@resorttax.org) entered name at signing as Grace D. Young

2025-08-19 - 3:30:12 AM GMT

 Document e-signed by Grace D. Young (grace@resorttax.org)

Signature Date: 2025-08-19 - 3:30:14 AM GMT - Time Source: server

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2025-09-04 - 0:17:55 AM GMT

 Document e-signed by Kevin Germain (kevin@resorttax.org)

Signature Date: 2025-09-04 - 0:18:20 AM GMT - Time Source: server

 Agreement completed.

2025-09-04 - 0:18:20 AM GMT