

**FIRST AMENDMENT TO
INTERLOCAL AGREEMENT
FOR ALLOCATION AND USE OF RESORT TAX REVENUE
Fiscal Years 2025, 2026, 2027**

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 Big Sky Fire Department (“Contractor” or “BSFD”) for its FY25-27 Operations project (“Project”).

RECITALS

1. On or about May 30, 2024, the District and the Contractor entered into that certain Interlocal Agreement for Allocation and Use of Resort Tax Revenue for fiscal years 2025-2027 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). The Award previously authorized for fiscal year 2027 is \$1,220,035 (the “FY27 Award”).

3. The Contractor is experiencing budget deficits as a result of miscalculation of taxes levied by Gallatin County. On or about April 10, 2026, the Contractor requested an increase in the Award for fiscal year 2027 totaling \$900,000.

4. At a duly noticed and held public meeting on April 15, 2026, the District considered the Contractor’s request and agreed to provide \$675,000 of additional funds to Contractor during fiscal year 2027, subject to certain contingencies, each 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 FOR FY2027

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 FISCAL YEAR 2027.** Contractor shall be entitled to draw the FY27 Award pursuant to the terms and conditions of the Agreement. In addition to the FY27 Award, the Contractor shall also be entitled to an additional draw in an amount not to exceed \$675,000 (“Additional FY27 Award”) pursuant to the specific terms, conditions, limitations, and contingencies set forth in this First Amendment.

3. **AMENDED SERVICES FOR ADDITIONAL FY27 AWARD.** The additional permitted Services for which the Additional FY27 Award may be applied are as follows: to maintain operational readiness and service levels which cannot be addressed through internal measures alone without impacting emergency response capabilities, while Contractor works toward long-term financial sustainability.

4. **CONTINGENCIES FOR ADDITIONAL FY27 AWARD.** The Additional FY27 Award shall be subject to the following terms, conditions, limitations and contingencies:

- A. Beginning on June 10, 2026 and continuing on the 10th day of each month for the balance of the Term, Contractor shall provide monthly income statements, profit & loss reports (standard & previous year comparison), balance sheet, and monthly cash flow report, to the BSRAD members of the BSFD ILA Subcommittee., These reports, particularly the monthly

cash flow report, should show all income & expenses (actual and projected) for the duration of Fiscal Year 2027, July 1, 2026-June 30, 2027.

- B. Contractor shall make quarterly presentations to the BSRAD Board at BSRAD's regularly scheduled Board meetings held in July 2026, October 2026, January 2027, and April 2027, which presentations will be made by a BSFD Trustee or member of the senior management/leadership team which will include updates on matching funds secured to date, details on how much BSRAD funding has been used to date and what for, a financial position overview and any other relevant or timely operational, staffing, or financial updates.
- C. No payments of the Additional FY27 Award shall be made unless and until such draw is first approved by the two BSRAD members to the BSRAD-BSFD ILA Subcommittee and the full \$1,220,035 initial award is requested and depleted. To aid the two BSRAD members to the Subcommittee in making such decisions, Contractor shall provide the following information and documentation with each draw request for any portion of the Additional FY27 Award:
 - 1. All payment request submissions (for the initial and additional award) must list expenses as individual line items and include documentation (in the form of an invoice, receipt, or something similar) for all expenses. Summary reports such as profit and loss statements will not be accepted.


2. Payment request submissions shall be submitted at least 5 business days prior to the processing date, typically by the 10th and 25th of the month.
3. The subcommittee will use all payment request submissions information, along with the materials submitted monthly when reviewing.
 - i. Additional funds will only be paid out if this documentation shows that the Fire Departments cash flow and operating account balance is unable to cover the cost of the next two payrolls.

D. Subject to the draw approval required by Section 4(C) above, Contractor will be entitled to receive \$450,000 of the Additional FY27 Award without matching funds. However, in addition to the draw approval required by Section 4(C) above, Contractor will only be entitled to received the last \$225,000 of the Additional FY27 Award after it has also secured dollar-for-dollar matching funds from any one or more of the following four sources:

1. Gallatin County;
2. Allocations from the Big Sky Hospital District – Madison County and/or Big Sky Hospital/Wellness District – Gallatin County;
3. Transfers from BSFD’s capital reserve account into its operational reserve account;
4. BSFD mill levy approved by the requisite voters.

5. **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 (May 5, 2026 10:57:06 MDT)

Name: Daniel Bierschwale
Title: Executive Director
Date: 05/05/2026



Sarah Blechta (May 4, 2026 14:46:22 MDT)

Name: Sarah Blechta
Title: Board Chair
Date: 04/05/2026

CONTRACTOR: BIG SKY FIRE DEPARTMENT


Jeff Bolton (May 7, 2026 12:36:32 MDT)

Name: Jeff Bolton
Title: Division Chief
Date: 07/05/2026


Carol Collins (May 7, 2026 16:42:21 MDT)

Name: Carol Collins
Title: Board Chair
Date: 07/05/2026











First Amendment to BSFD ILA for FY25 FY26 FY27


Final Audit Report

2026-05-07

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