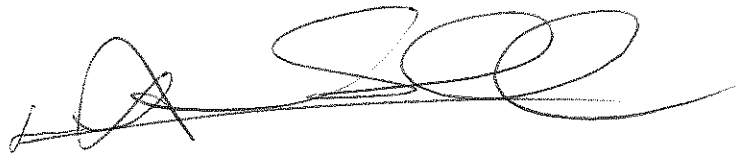


Approved 2/16/05




MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING
JANUARY 12, 2005

Present: Carol Collins, Chairperson
Jim Muscat, Vice Chair
Sarah Ouellette, Administrative Officer
Al Malinowski-Director
(Al arrived @11:30-agenda #2)
Renae Schumacher-Sec.-Treas.

Meeting called to order at 11:25 AM

1. Minutes of December 8, 2004 Open Board Meeting: Correct Sen. Tash's name to Bill. Add the information that Sarah was to discuss lobbying fees with Mona. With corrections, Jim made a motion to approve, Renae 2nd. All in favor.
2. Resort Tax Application: Note one addition, Al made a motion to approve and make available to public. Renae 2nd. All in favor.
3. Annual Financial Audit by Homes and Turner: Al made a motion to approve, Jim 2nd. All in Favor.
4. Lobbying: The board is considering hiring Jamison Law Firm to lobby on their behalf in the upcoming legislation session on any resort tax or related issues. Mona Jamison's fee is \$12,500. Hand out was provided by Mona which outlined specific bills that were of concern that would be presented this legislation session. Carol has spoken with Sen. Hargrove and he said he could represent us for \$10,000.00. There was concern that Mona had compromised her reputation from comments she had made at the previous legislation session, and that it could affect this current legislation. Al said he would like to hire someone else to represent the BSRAD, although, he said he is not qualified to decide who that should be. Some of the board members thought that by hiring the same person to lobby each session might be less effective. Renae suggested that perhaps the board should hire two lobbyists; Senator Hargrove and Mona Jamison. Carol suggested that we contact them to see if they would agree to this arrangement. If they do, the board wants to meet with both of them to discuss the lobbying concerns. Carol said she spoke with Jerry Johnson who is on the city council in West Yellowstone and he was going to discuss any concerns regarding resort tax with Fred Rice, the City Manager and if they had concerns with any of the bills being introduced then they would get in touch with her. If they do, she will ask them if they are willing to share the cost of the lobbyists. Jim's concern was with the affect a sales tax would have on Big Sky.
5. Financials-Renae made a motion to accept the financial reports to include the "Checks by Detail" report, Jim 2nd. All in Favor.
6. Ophir School: Through BSOA, The Big Sky Park received resort tax funding in 2001 which included approximately \$7000 for wrestling mats. Currently the school has possession of the mats and they would like to know what they can or cannot do with them because they do not need them. Board decided that they need to contact BSOA to work this out. Board would like this type of issue to be placed on a future agenda. Sarah is supposed to call Heather at Ophir school to follow up on.
7. Meeting adjourned at 12:55.

Approved 4/21/05 

MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING
FEBRUARY 16, 2005

Present: Carol Collins, Chairperson
Lance Child, Director
Sarah Ouellette, Administrative Officer


Al Malinowski-Director
Jason Revisky, Fire Chief

Public Comment: Jason Revisky, Fire Chief was present. Jason explained that the BSRAD had previously allocated approximately \$5000.00 for a sprinkler system for the Fire Dept. building, but now their bid has come in higher than expected because their water service pipe is too small for the system and it's now necessary to install a whole new system according to Williams Plumbing. Jason is requesting permission from the board to use funds from one of their other line items in their budget that BSRAD funded to cover the cost of the sprinkler system. He said that they may be able to use the money that was requested for radios because they are now receiving federal grant money for the radios. The board is taking under advisement. Jason said he will try to bring the actual bid in to the next board meeting for their review.

Meeting called to order at 11:35 AM

1. Minutes of January 12, 2005 open Board Meeting: Correct Sen. Tash's name to "Bill." Add Renae Schumacher's name to the members present. With corrections Lance made motion to approve. Al 2nd, all in favor.
2. New Business: Lance suggested that we amend future Contract Agreements to address the budget and its line items, and to include language that the district acknowledges that many of the appropriation requests are based on "estimates" and thereby give the applicant the ability to move funds from one approved project to another approved project upon personal request and board approval. Carol said that the board did not have to approve this at this time, but rather have Mona Jamison begin drafting language for the board's review prior to appropriations.
3. Lobbying: There was some general discussion regarding bill #245 and HB 625. Al made a motion to contract Mona Jamison at \$11,000.00 and Don Hargrove at \$8,000.00 to lobby on behalf of the District this legislative session.
4. Financial Reports: Carol noted that there were three missing checks from the "Transaction Detail by Account" report; checks: #3688, #3692 and #1106. Sarah explained that #3688 had been written the previous month, #3692 had been voided and that #1106 has not been written yet. Al said the check that was voided, should be listed as such. Sarah said she'd change to reflect that. Lance was concerned with "undeposited funds/current asset" account balance of \$-79.81. Sarah will look into. Lance asked about -\$60.90 in "general accounts payable." Sarah explained that it was a *check* to the Missoula Independent that had been voided, but the *bill* itself had not been voided in QB. Although, Sarah said it had been taken care of subsequent to this report. Al made a motion to approve the financial reports for January 2005 to include the "Transaction Detail by Account" report. Lance 2nd. All in favor.

Meeting adjourned 12:15

Approved 4/21/05 

MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING
MARCH 9, 2005

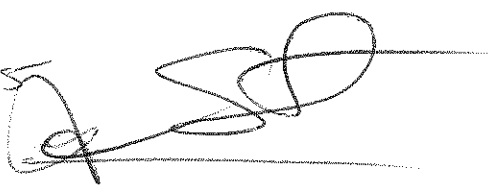
Present: Carol Collins, Chairperson
Lance Child, Director
Jason Revisky, Fire Chief

Renae Schumacher-Sec.-Treasurer
Sarah Ouellette, Administrator

Meeting called to order at 11:15 AM

1. Minutes of February 16, 2005 open board meeting: Lance asked that February's minutes reflect and elaborate on verbiage he'd previously expressed for inclusion in this year's Contract Agreements. This information concerns budgeted line items and giving the applicant the ability to move monies from one line item to another within their application. Sarah will listen to taped minutes and include specifics in those minutes. Minutes were tabled until next meeting.
2. Public Comment: Fire Chief, Jason Revisky was present to discuss his previous request to move monies from other line items in their budget (as presented in application) to cover the installation of the sprinkler system, which is going to cost more than anticipated. He said they've spent \$9000 less on their ambulance and \$1000 less on their pump purchase and will probably not use the \$28,000.00 itemized for radios either because they are getting a grant for this. Although he was not absolutely sure on this detail. He is requesting to use the excess funds from these items to go toward the installation of the sprinkler system. He did not have the current contractor's bid to present for exact numbers on the installation of the sprinklers system, but will submit when he receives. Lance made a motion to allow the Fire Dept. to utilize the excess funds from the appropriated line items to cover the sprinkler system. Renae 2nd. All in favor.
3. Preliminary Budget: Board reviewed and suggested we increase collections to \$1.8 million and increase office expenses, decrease interest on payments to \$2000.00. Sarah is to revise and bring to next meeting for review.
4. Lobbying: Bill 184 - Based on Mona Jamison and Senator Hargrove's recommendations, Carol requested the board members call the House Taxation Committee to oppose this bill due to the implications on the resort tax and to safeguard the resort tax district.
5. Financials: Lance made a motion to approve reports to include the "Transaction by Detail Report." Renae 2nd, all in favor.

Meeting Adjourned.

Approved 5/18/05 

MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING
APRIL 21, 2005

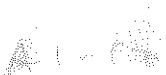
Present: Carol Collins, Chairperson
Lance Child, Director
Jim Muscat, Vice Chair

Renae Schumacher-Sec.-Treasurer
Sarah Ouellette, Administrator
Al Malinowski, Director

Meeting called to order at 12:15 pm

1. Minutes of February 16, 2005 and March 9, 2005 open board meeting: Lance made a motion to approve the minutes, Renae 2nd, all in favor.
2. Tax Items: Sarah informed the board that furniture is currently not taxed based on current procedure, unless it's luxury-type of furniture; however, it's not listed in the exemption list either in Ord. 98-01. Sarah said she thought it should be taxed across the board, meaning all types of furniture; not just what was considered "luxury" furniture because it was too difficult to define and left too much grey area. After much discussion, the board felt they still did not want to tax furniture, other than what is already considered taxable. No formal action was taken. Web Sites: Sarah asked the board if the sales from a web site should be taxed because currently the ordinance exempts catalog sales, but doesn't address web sites at all. Board does not want to make any changes to ordinance to address this. Keep ordinance the same. Although the board discussed possibly removing catalog sales from the exempt list. Sarah to ask Mona why catalog sales were included in exemption list.
3. Preliminary Budget: Sarah stated that she had decreased the "accounting" line item because it appeared audits would be performed in house now. The budgeted amount of \$6000 now reflects the MDA report, general accounting assistance and the annual audit. Board reviewed and asked Sarah to put on next month's agenda again for approval.
4. Lobbying: It was stated that all local option tax bills had failed in legislation. Also, SB 245 passed allowing Districts to renew without having to be recreated and defined. Carol suggested the board begin thinking about putting the renewal of the district out to vote.
5. Chamber and Fire Dept. allocation requests: Both entities had submitted invoices that were considered late according to the terms of the contracts. The question was put before the board whether or not Sarah should reimburse. Sarah recommended that these entities be reimbursed. Al made a motion to approve these reimbursements, Renae 2nd. All in favor.
6. Applications: Carol asked what the policy was, as far as applicants submitting incomplete applications. And, that the board should discuss this issue at a future meeting.
7. Financials: Lance made a motion to approve the financial reports to include the "Transaction by Detail." Report." Jim 2nd, all in favor.

Meeting Adjourned.



Approved 8/10/05 ~~FASSO~~

**BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING FOR
MAY 18, 2005**

Present: Carol Collins, Chairperson
Renae Schumacher, Secretary-Treasurer
Al Malinowski, Director
Mona Jamison, Attorney
Lance Child, Director
Sarah Ouellette, Admin. Officer
Jim Muscat, Vice Chair

- 1) Minutes of April 21, 2005: Renae made a motion to approve these minutes. Al 2nd. All in favor.
- 2) Allocation Amount available for 2005-2006: Board decided not to subtract the approved operating budget for the 2005-2006 tax year from the amount available. (Handout provided & attached referencing funds available.) Al made a motion to approve \$1.8 million dollars in available funds for the 2005-2006 allocations based on the 2004-2005 collections. Lance 2nd, All in favor. Motion passed.
- 3) Budget: Al made a motion to approve the budget for 2005-2006 as presented, Renae 2nd, All in favor.
- 4) Financials: Lance a made a motion to approve the financials including the "Transactions by Detail" report., Renae 2nd. All in Favor.

MINUTES FROM THE QUESTION AND ANSWER FORUM ATTACHED

Meeting adjourned at 2:40 PM

Approved 8/10/05 ~~KAS~~

BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING FOR JUNE 1, 2005
ALLOCATIONS

Present: Carol Collins, Chairperson
Jim Muscat, Vice Chairperson
Al Malinowski, Director
Lance Child, Director

Renae Schumacher, Secretary-Treasurer
Mona Jamison, Board Attorney
Sarah Ouellette, Administrator

Public Comment: Mitch Furr with Big Sky Community Corp. requested to have their application withdrawn for \$135,000.00 for purchase of the park land. They are going to seek grants from the Open Space Board. Carol Collins, Chairperson, informed the public that there would be two board seats available this fall. Carol also summarized the procedure of the allocations meeting; stating that a motion must be made and then a 2nd in order to discuss a specific application. Carol informed the public that \$1.8 million was available to allocate if the board should decide.

- 1) Renae made a motion to approve the Beehive Basin Trail Ext. Rollover request by BSOA for \$15,200.00, Al 2nd, Everyone in favor. Motion passed.
- 2) Jim made a motion to approve the Publicity Campaign Rollover request by the Big Sky Chamber for \$5032.00, Lance 2nd, Everyone in favor. Motion passed.
- 3) Lance made a motion to fund the Northern Rocky Mtn. RC&D request for \$29,640.00 for the Noxious Weed Program. Renae 2nd. Everyone in favor. Motion passed.
- 4) Renae made a motion to fund the Friends of the Big Sky Comm. Library request for \$52,378.00 for operations, Jim 2nd. Everyone in favor. Motion passed.
- 5) Al made a motion to fund the Big Sky Chamber of Commerce request for \$5000.00 for Fourth of July fireworks, Jim 2nd. Everyone in favor. Motion passed.
- 6) Jim made a motion to fund the Big Sky Search and Rescue request for \$18,540.00 for equipment and operations, Al 2nd. Everyone in favor. Motion passed.
- 7) Lance made a motion to fund the BSOA Spur Rd. Trail for \$300,000.00. Renae 2nd. Lance said this should "rough in" the trail and the critical construction phases; including the bridges, but not including the paving. Mitch said that \$250,000.00 would make the trail useable and safe. Bill Olson said the "roughing in" would basically include the bulldozing of the trail. He said they would have about \$20,000.00 payable to engineers too, and that this amount was not included in the bids they supplied us with. This was basically for bridge footings, geotechnical work and possibly some modifications. Al asked Mitch Furr if she thought this project could be completed this year, and both Mitch and Bill Olson said it could if they were fully funded. Bill said the project could be done in phases and this would not degrade the whole project. Carol, Renae, Jim and Lance were in favor, Al opposed. Motion passed.
- 8) Renae made a motion to fund the Big Sky Water and Sewer request for \$300,000.00 to cover debt service and for pond covers. Jim 2nd, Both Lance and Al said they favored \$250,000.00, but not the last \$50,000.00 for "future pond covers." Carol said there were

- “other funds available for this and does not really support it.” Renae made a substitute motion to fund \$250,000.00, Jim 2nd. Everyone in favor. Motion passed. Motion includes funding for \$200,000.00 for debt service and \$50,000.00 for pond covers.
- 9) Al made a motion to fund the Big Sky Community Corporation request for \$42,000.00 for the Master Park Plan. There was no 2nd, Motion died. Renae made a motion to fund \$30,000.00 of the request, Jim 2nd. Carol said she did not receive a breakdown of the funds as requested and felt it could be done with \$30,000.00. Jim asked if only \$30,000.00 was funded, would that be crippling the project. Mitch Furr said it is difficult to get a breakdown, but at \$30,000.00 they could have some topography maps done and a clear concept of the plan. Mitch said they have \$7500.00 in contributions available to spend on this project. Mitch said if they go with the Trust for Public Lands (TPL) they would have the \$7500.00 available, and the amount the TPL brings in, as well as the resort tax funding, should the board approve funding. Everyone in favor. Motion passed.
 - 10) Jim made a motion to approve BSOA’s Public Service Request for \$17,750.00, Al 2nd. Carol commented that there was a \$7000.00 increase from last year’s budget on the public bathroom line item. Carol Pranka stated that the portable toilet at the park was the added expense. Jim, Renae, Lance and Al in favor. Carol Collins opposed. Motion passed
 - 11) Lance made a motion to fund the Chamber of Commerce’s operations request for \$42,000.00. Renae 2nd. Jim asked for a breakdown of the tourist funding of the Chamber. Marne Hayes, Director, said the total operating budget was \$303,000.00 and \$94,000.00 of that comes from the member dues. All in favor. Motion passed.
 - 12) Al made a motion to fund the GVSA/Buckridge Trail Grooming & Sign request for \$17,000.00, Jim 2nd. All in favor. Motion passed.
 - 13) Renae made a motion to fund the Chamber of Commerce Marketing Campaign request for \$35,000.00. Jim 2nd. All in favor. Motion passed.
 - 14) Renae made a motion to fund the Gallatin County Sheriff’s deputy request for \$91,109.00. Lance 2nd. Al said he’s received feedback from the public concerning the counties paying for this deputy, rather than resort tax. Mona Jamison, Attorney for the BSRAD, clarified that the Board would place a contingency on both the Madison and Gallatin Counties to each fund/provide two additional deputies in addition to this deputy if the Board decides to fund. Al said we need to consider whether or not we are getting back what we put in, in terms of tax dollars. Jim said he supports Al’s concerns and asked whether we were solving a problem or perpetuating it. Al supports the Sheriffs, but feels the commissioners need to address this issue. Carol mentioned that BSOA was the entity that had begun requesting funding for this. Mona recommended that the Resort Tax Board meet with commissioners from both counties prior to next years applications. Al said the people he spoke with agreed the services were needed, but rather disagree with the resort tax paying for it. Lance recommended to make it a condition that both county commissioners must meet with the BSRAD Board (in Big Sky) prior to next years allocation requests, should the board approve this year’s request. All in favor. Motion passed.
 - 15) Jim made a motion to fund BSOA’s park/softball request for \$13,600.00, Renae 2nd. All in favor. Motion Passed
 - 16) Jim made a motion to fund the Post Office LLC request of \$27,000.00. Lance 2nd, Lance expressed concern that the entity was still not a Non Profit and said he would like to see

it become that, even if there is no “upside” to becoming a Non Profit business. Carol said that federal money should be funding this and doesn’t feel the BSRAD should subsidize the Post Office in order to get better service. Renae said she also has a concern with funding a For Profit business. Vote: Renae, Jim and Lance in favor, Carol opposed and Al abstained from voting because he was the applicant on behalf of PO LLC. Motion passed.

- 17) Renae made a motion to fund the Sheriff’s request for \$6500.00 for DUI processing equipment for Big Sky. Al and Jim were concerned with the BSRAD funding this, rather than the county funding. Under Sheriff, Jim Oberhauser said currently there are two breathalyzers in Bozeman and in order to process a DUI person from the Big Sky area, the deputies have to take them to Bozeman. He said this equipment will save on time. All in Favor. Motion passed.
- 18) Renae made a motion to fund the Fire Dept. request in full for \$360,000.00 Carol 2nd. Renae said her motion includes the condition that precludes the Fire Dept. (GCCRFD) from requesting any more funding for the volunteer’s health ins. package. Board expressed concern with funding the health ins. this year and then not being able to possibly fund in the future and what the implications would be to the volunteers. Lance said he thinks the impact fees should pay for the air cascading system that they’re requesting funds for. He said he doesn’t support the building addition either because their bids are not secured. Les Loebel, Fire Dept. board member said that the Yellowstone Club (YC) is currently obligated to pay the department \$90,000.00 per year to service the Club, and if they don’t pay then the Fire Dept. budget would reflect that. Al thought there were funds available in the Fire Dept’s current budget presented, to pay for some of these items. Carol and Renae voted in favor, Jim , Al and Lance were opposed, Motion failed.
- 19) Jim made a motion to fund the Fire Dept. request for \$280,000.00, which would exclude any monies for the health ins. for the volunteer fire dept., Renae 2nd. Al said he feels the impact fees should be used for some of the requested items. Greg Iszler, Asst. Fire Chief said that impact fees can only be used for “fire related items and related growth.” The Board sited that the fire dept. appears to have reserves in their budget they could be using for some of their requests. Renae, Jim and Carol were in favor. Al and Lance opposed. Motion passed.
- 20) Jim made a motion to approve the Chamber of Commerce request for \$375,00.00 for the Infrastructure Study. Al 2nd. Kate Wilson formally reduced her request to \$10,000.00 which would go toward legal fees and financial mapping and census data and tax information. Jim questioned whether or not their goals could be met with the \$10,000.00, and substituted his motion to fund them at \$10,000.00, Lance 2nd. Carol advised the group to ask Marty Lambert, County Atty., for legal advice concerning incorporating (Big Sky). She said the service was free. Al, Lance, Renae and Jim were in favor. Carol opposed. Motion passed.
- 21) Al made a motion to fund the Big Sky Arts Assn. request at \$15,000.00, total request was \$30,000.00, Renae 2nd. Al commented that \$30,000.00 seemed like an arbitrary amount to request, and according to their application there wasn’t a lot of fund raising effort; however, he felt they deserved some funding. It was mentioned that last year’s allocation was \$30,000.00 for this year’s events of which no “big name” concert was going to be held, as the Arts Assn. had planned. Al said there appeared to be a “healthy” amount of

funds in reserves. Mindi Nowakowski, Vice President of Arts Assn. said some of the reserves were for capital improvements and concert deposits as well, and for some paving work. She said that some of their reserves simply weren't liquid and that the "Peggy Schwer" funds were restricted. Mindi said the Art's Assn. is having trouble competing with other production companies in terms of bidding on concerts. Mindi said they do not qualify for grants. Vote. All in favor. Motion passed.

- 22) Al made a motion to fund the Blue Water Task Force (B.W.T.F.) request for \$39,400.00. Renae 2nd. Lance and Al both stated that they feel the D.E.Q. is shunning their responsibility by having the B.W.T.F. Jim voiced concern with the fact that no actual samples had been taken so far and questioned what Big Sky was getting from these tests, and why they are involved. Jim also asked what the B.W.T.F. was going to do with the results that the D.E.Q. isn't already doing. Carol said we would get "better results" if we funded this and that the B.W.T.F. would be a contact or partnership to the D.E.Q. to address problems. Katie Alvin, B.W.T.F. Director, said the community would be directly involved verses having an outside entity contract with the D.E.Q. Katie clarified that the group did perform water samples the first year they received funding. Mindi Nowakowski, Secretary-Treas. of B.W.T.F. commented that outside groups would end up influencing Big Sky if B.W.T.F. is not the partnership with the DEQ. Al asked if the B.W.T.F. would continue without the funding from the resort tax board. Katie and Mindi both said yes, the resort tax would supplement their project. Al, Renae and Jim voted in favor, Carol and Lance were opposed. Motion Passed
- 23) Lance made a motion to reconsider the previous motion to fund the Fire Dept. at \$280,000.00 and substitute the motion to fund them at \$285,000.00 and remove the portable air cascade system request, but include the request for \$80,000.00 for the volunteer health insurance benefit. He feels the air cascade system could be funded with impact fees. Jim and Al both said they disagree with this substitute motion. Renae, Lance and Carol were in favor, Jim and Al opposed. Motion Passed.
- 24) Renae made a motion to add \$150,000.00 in funding to the BSOA Spur Road trail request; bringing the total funding to \$450,000.00. Lance 2nd, Bill Olson said this would allow them to gravel most of the trail. Renae made a substitute motion to fund an additional \$140,000.00 instead of the \$150,00.00. Lance 2nd. Jim, Renae, Lance and Al in favor, Carol was opposed. Motion passed.

The Big Sky Resort Area District approved a total of \$1,818,699.50, which includes the funding of the rollovers. Jim made a motion to approve the above funding requests, Al 2nd. All in favor.

Public Comment: Jason Revisky, Fire Chief thanked the board for approving emergency services. Jason said they would look into the board's recommendations. Bill Olson, BSOA thanked the board on behalf of all the trail support. Marlene Fontana said the library wouldn't exist without the resort tax. John Holtzman also thanked the board.

Meeting Adjourned.