



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

August 13, 2008

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Les Loble, Secretary/Treasurer
Rena Schumacher, Director
Stephanie Holstein, Administrative Officer

Chairperson, Al Malinowski, called the meeting to order at 11:04 a.m.

A. Public Comment: None.

B. Minutes - June 26, 2008 - Open Meeting Minutes – Motion by Mr. Child to approve the minutes, as amended. Second by Mr. Loble. All in favor. Motion carried.

C. New Business

a) Funds Transfer Requests

Mary Jane McGarity of Big Sky Community Corporation requested a transfer of \$5,303.21 from the Plumbing and Level Outfield line items to the Purchase Equipment and Landscaping line items in the 2007-2008 Play Ball appropriation.

Motion by Mr. Loble to approve the transfer. Second by Mr. Child. All in favor. Motion passed. The Arts Council of Big Sky requested a transfer of \$7,491.21 from the Headliner Project line item to the Stage Repair line item in the 2007-2008 Music in the Mountains appropriation.

Motion by Mr. Loble to approve the transfer. Second by Ms. Schumacher. All in favor. Motion passed.

b) Arts Council of Big Sky grant application

Motion by Ms. Schumacher to ratify the decision made by the Board on July 29, 2008 to sponsor the Arts Council of Big Sky's grant application to the Montana Cultural Trust. Second by Mr. Loble. All in favor. Motion passed.

c) Request for amount of tax collections revenue – Kay Reeves requested from the Board the total amount of last fiscal year's resort tax revenue collected from the businesses located within the proposed municipality boundary.

Motion by Mr. Loble for Ms. Holstein to work with Ms. Reeves to determine the total revenue collected within the proposed municipality boundary without compromising the individual privacy of the businesses. Second by Mr. Child. All in favor. Motion passed.

d) Personnel

- Ms. Holstein's six month probationary period ends August 19, 2008. The Board is satisfied with Ms. Holstein's performance.
Motion by Mr. Loble to increase Ms. Holstein's wage to \$22/hour and increase her health benefit to 100% of the plan premium effective immediately. Second by Mr. Child. All in favor. Motion passed.
- Ms. Holstein requested a 12 week maternity leave from October 13, 2008 to January 2, 2009. She and the Board discussed a strategy for hiring a temporary replacement for the maternity leave.
Motion by Mr. Loble to approve the requested maternity leave. Second by Mr. Child. All in favor. Motion passed.

Motion by Mr. Loble to grant Ms. Holstein the authority to hire a temporary replacement for 16 to 24 hours per week at a wage of \$20 to \$22 per hour with no benefits. Second by Ms. Schumacher. All in favor. Motion passed.

- e) **FY09 Budget** – The Board reviewed the draft budget for Fiscal Year 2009. Ms. Holstein is to make the adjustments noted. The budget will be presented for approval at the next Board meeting.
- f) **FY08 Audit** – The on-site audit for Fiscal Year 2008 is scheduled for August 28, 2008. The Board requested that the auditor make a detailed presentation of the draft audit when it is available.
- g) **Law Enforcement Agreement** – The Board reviewed and signed the new three year law enforcement agreement between Madison and Gallatin Counties and the Resort Area District.
- h) **Future Meeting Times** – Future Board meetings will be held on the second Wednesday of the month from 10:30 a.m. to 12:30 p.m.
- i) **Thank You Letters** – Ms. Holstein presented the proposed thank you letter to be mailed to all businesses that collect the resort tax.
- j) **Office Space** – The Board discussed the possibility of securing a new office space for the District. Mr. Malinowski and Mr. Loble will form a committee and acquire the needed details for finding a more adequate space.

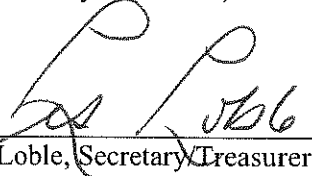
D. Old Business

- a) **Attorney General Opinion** – With no current updates from Mona Jamison on the status of the submitted Attorney General Opinion, Mr. Malinowski and Mr. Loble will schedule a meeting with Gallatin County Attorney, Marty Lambert.
- b) **Enforcement Ordinance** – Ms. Holstein presented the first draft of the revised Enforcement Ordinance for the District. Mr. Loble noted edits needed to clarify the optional nature of the reminder correspondence and the accrual date for interest and late fees. Mr. Loble will make suggested changes and share the document with the Board and Ms. Jamison prior to its 1st Reading at the next Board meeting.

- E. Financial Reports** – Motion by Mr. Child to approve the financial reports for June and July. Second by Ms. Schumacher. All in favor. Motion carried.

Chairperson, Al Malinowski, adjourned meeting at 12:40 p.m.

Respectfully Submitted,



Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

September 10, 2008

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Les Loble, Secretary/Treasurer
Rena Schumacher, Director
Loren Bough, Director
Stephanie Holstein, Administrative Officer
Mona Jamison, Attorney via telephone

Chairperson, Al Malinowski, called the meeting to order at 10:32 a.m.

A. Public Comment: None.

B. August 13, 2008 Open Minutes

Motion by Ms. Schumacher to approve the minutes. Second by Mr. Child. All in favor. Motion passed.

C. New Business

- a) **Short Term Rentals** - Ms. Holstein informed the Board of the increased priority she will be giving to the short term rental tax collectors in order to improve remittance regularity, gather information on current properties, and identify properties that should be collecting tax.
- b) **Funds Transfer to CD**
Motion by Mr. Child to transfer \$1,000,000.00 from the First Security Bank money market to the Big Sky Western Bank CD. Second by Mr. Bough. All in favor. Motion passed.
- c) **BSRAD 401(k) Plan** - Ms. Holstein reported her findings on the District's current 401(k) retirement plan. The Board asked Ms. Holstein to request a presentation by the current plan administrators at an upcoming Board meeting.
- d) **Business Property Insurance** - The Board reviewed the Business Property Insurance policy renewal.

D. Old Business

- a) **Attorney General Opinion** – Ms. Jamison reported on her conversation with Gallatin County Attorney, Marty Lambert. She was informed he has not reviewed the Opinion, but his intention is to do so and forward it to the Attorney General by September 19th.
- b) **Enforcement Ordinance** – The Board discussed at length the proposed changes to the enforcement procedures currently used by the District for establishments delinquent in remitting taxes.
Motion by Mr. Loble to approve the draft Enforcement Ordinance, as amended, for 1st Reading at the October Board meeting. Second by Ms. Schumacher. All in favor. Motion passed.
- c) **Temporary Replacement** – Ms. Holstein reported she hired Sarah Ouellette for her temporary replacement during her maternity leave.
- d) **FY 09 Budget**
Motion by Mr. Child to approve the FY 09 Budget. Second by Ms. Schumacher. All in favor. Motion passed.
- e) **Law Enforcement Agreement**

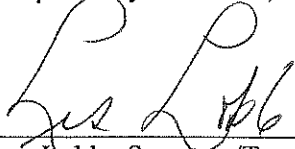
Motion by Mr. Loble to approve the Law Enforcement Agreement between Madison County, Gallatin County, and the Big Sky Resort Area District for the period of July 1, 2008 to June 30, 2009. Second by Ms. Schumacher. All in favor. Motion passed.

E. August 2008 Financial Reports

Motion by Ms. Schumacher to approve the financial reports. Second by Mr. Loble. All in favor. Motion passed.

Chairperson, Al Malinowski, adjourned meeting at 12:47 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Les Loble", written in a cursive style.

Les Loble, Secretary/Treasurer



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

October 2, 2008

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Rena Schumacher, Director
Loren Bough, Director
Sarah Ouellette, Interim Administrative Officer
Mona Jamison, A.A.L. –Via Phone Conference

Public Present-Mindy Nowakowski, BSCC
Steve Johnson – Big Sky Infrastructure Group
Bill Simkins-Big Sky Town Center (@ 10:10)

Chairperson, Al Malinowski, called the meeting to order at 10:04 a.m.

- A) Public Comment:** Mr. Johnson provided the BSRAD with a letter from the Big Sky Infrastructure Group which they had sent to Marty Lambert, County Attorney, asking him to amend his letter to the Attorney General regarding his opinion on the Incorporation of Big Sky and its affect on the BSRAD. Mr. Johnson also provided BSRAD with Mr. Lambert's response to this, which said he would not amend his original letter to the AG. Ms. Nowakowski stated that Mr. Lambert "missed the boat" in recognizing the Resort Tax.
- B) Discussion of Marty Lambert's Opinion to the Attorney General on Incorporation:** M. Jamison requested authority from the Board to submit a letter to the A.G. informing him the Board is to be considered an interested party in this matter and that M. Jamison should be notified of draft opinions and be given opportunities to comment. M. Jamison recommends the letter include verbiage that she and the BSRAD board accept and concur with Mr. Lambert's opinion, that the existing boundaries and taxing authority remain the same should the incorporation be approved by electors. M. Jamison stated that the Hammermeister case and various statutes support his conclusion. The Board members would also like Mona to attach her original "opinion" letter to this new letter for reference.

Mr. Bough said he was concerned that perhaps Mr. Lambert's opinion is theoretical and that maybe the public would not be satisfied. M. Jamison mentioned that if there was a Municipality formed in the future, that this Municipality could always request an opinion as well. The board asked that M. Jamison also include not only their acceptance of Mr. Lambert's opinion in her letter to the A.G., but also pose the question "Would the Municipality be able to become a resort community, and if so, what would be the impact on the BSRAD's boundaries and taxing authority?"

Mr. Child motioned to have M. Jamison compose this letter to the A.G. accepting Mr. Lambert's opinion, and attach her original "opinion" letter as well. 2nd by Mr. Bough. Motion Passed.

Meeting adjourned at 10:47

Signed

Date

11-18-08



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

October 15, 2008

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Loren Bough, Director
Rosalie Barndt-Holmes & Turner, CPA
Rena Schumacher, Director
Sarah Ouellette, Interim Administrative Officer

Chairperson, Al Malinowski, called the meeting to order at 10:30 a.m.

Public Comment: None.

- A. Audit-** Rosie Barndt was present to summarize the annual audit performed by Holmes & Turner. Provided Board with an outline, the audit, and two letters to Board required by ASCPA which also outlines the BSRAD's financials and summarizes the planning of the audit and communication with the board, and journal entries made. She noted last year's journal entries were never completed by the BSRAD office. She submitted this years and last years to S. Ouellette to implement. R. Barndt informed the Board that they cannot legally pay for an individual employee's health insurance; one employee is not considered a Group Policy, whether paid directly to the insurance company or paid to an employee as reimbursement. She suggested increasing the employee's wages or to consider a Medical Savings Plan. She is looking into a Chamber of Commerce plan, to see if they can/will change their language allowing for one employee. R. Barndt informed the board that the "Business Analysis" report recommended by state, to accompany the audit is not required. The board has decided not to hire someone to write this and will not submit with audit. A. Malinowski noted that this annual audit does not have to be "approved" by the Board, but rather reviewed.
- B. Minutes** – September 10, 2008 - Open Meeting – Motion by Ms. Schumacher to approve, 2nd by L. Bough, All in favor. Motion carried.
October 2, 2008 Open Meeting – Motion by L. Child to approve, 2nd by L. Bough, All in favor, Motion carried.
- C. New Business**
- Bond** –S. Holstein had previously completed an application and sent to Central Insurance. Board requests S. Ouellette follow up with this matter with Mr. Roemer, owner of Central Ins. to get details on bond.
 - Letter from First Security Bank**-Letter outlines current FDIC insurance.
- E. Old Business**
- Attorney General Opinion** – Per Oct. 2 board mtg. M. Jamison sent a letter to Attorney General stating the Board does in fact agree with M. Lambert's (county attorney) opinion regarding the potential Incorporation of the town of Big Sky. The letter also included the question as to how Incorporation would affect BSRAD. M. Jamison also attached her original opinion to this letter sent.
- Enforcement Ordinance 2008-01 –1st Reading-** L. Child made a motion to approve and adopt, 2nd by L. Bough, All in favor. Motion carried.
- D. Financial Reports** –Board noted that the "P&L Year to Date" didn't show the "Income." Administrator will correct for next month. Motion by Mr. Child to approve the checking register report for September 2008. Second by L. Bough, All in favor. Motion carried.

Chairperson, Al Malinowski, adjourned meeting at 11:26 p.m.

Respectfully Submitted,



MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

November 19, 2008

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Loren Bough, Director
Rena Schumacher, Director
Les Loble, Secretary
Sarah Ouellette, Interim Administrative Officer

Public: Mindy Nowakowski
Steve Johnson, BSSR
Tom Reeves, BSSR

Chairperson, Al Malinowski, called the meeting to order at 10:30 a.m.

Public Comment: Representatives for Big Sky Search and Rescue, M. Nowakowski, S. Johnson and T. Reeves were present and updated board on the construction of their building. Currently they have a draft copy of the license from the Big Sky Comm. Corp to use the private road in the Big Sky Comm. Park. They also have a draft copy of their lease from Big Sky Sewer District, but still have some permit work to complete. Their contractor informed them that they missed their window to begin construction this year due to weather. Mr. Reeves said they do not plan to ask the BSRAD for more funding for this next year. They are working with County to apply for a Conditional Use Permit for this building. They thought the next four months would provide them with enough time to complete their permitting process, unless there were problems. They weren't sure if any of the permits had an expiration date or not. In terms of a septic tank, they were advised by the BSCWSD to get a holding tank, for which they got a variance for from the Gallatin Co. Health Dept.

A. Minutes – October 15, 2008 - Open Meeting – Motion by Mr. Bough to approve, with two corrections noted. 2nd by Mr. Child. All in favor. Motion carried.

B) New Business

- a) **Employee 401K-** Jurgen Weil, 401 Manager and Elizabeth Harris from Mass Mutual were unable to attend this meeting. Board inquired as to whether or not the District held a contract with these parties. Administrator will look into.
- b) **Board Positions-Seating:** Mr. Loble made a motion to have board members maintain their current positions with A. Malinowski as Chairperson, L. Child as Vice Chair, L. Loble as Secretary and R. Schumacher and L. Bough as Directors. Ms. Schumacher 2nd motion, All in favor, motion passed.
- c) **New Office Location-** Tabled issue until next meeting.

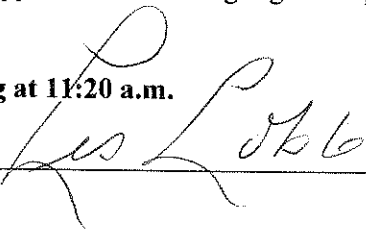
C) Old Business

- d) **Incorporation:** A. Malinowski had asked our Attorney, M. Jamison, if the Board needed to respond to the letters that had been sent to the Attorney General from Simkins' Attorney and Mona said it wasn't necessary at this time, but that she will continue the dialogue with the parties involved. Board agreed not to write any more letters to the parties at this time.
- b) **Enforcement Ordinance 2008-1 –2nd Reading-** L. Loble made a motion to adopt this amended Ord., 2nd by L. Child, All in favor. Motion carried. In 30 days from this meeting, Ord. will be in effect. Board asked Administrator to send this out to those tax collectors in a delinquent status.
- c) **Bond:** L. Loble made motion to obtain a "blanket" employee insurance bond for coverage up to \$250,000. 2nd by R. Schumacher. All in favor, Motion carried. Board would like to review coverage and policy when the District receives it.

d) Financial Reports – Motion by L. Child to approve the checking register report for October 2008. 2nd by L. Bough, All in favor. Motion carried.

Chairperson, Al Malinowski, adjourned meeting at 11:20 a.m.

Respectfully Submitted, Les Loble, Secretary





MINUTES OF THE BIG SKY RESORT AREA DISTRICT OPEN BOARD MEETING

December 10, 2008

Present: Al Malinowski, Chairperson
Lance Child, Vice Chairperson
Rena Schumacher, Director
Les Loble, Secretary
Sarah Ouellette, Interim Administrative Officer

Public: Bill Olsen, Big Sky Community Corp. (BSCC)
Mary Jane McGarity, Big Sky Owner's Assn. &
Big Sky Comm. Corp

Chairperson, Al Malinowski, called the meeting to order at 10:33 a.m.

Public Comment: Representatives for BSOA and BSSC were present with updates on Big Sky Spur Rd Trail and Big Sky Park. Mr. Olson said the trail was nearly done but the trail still needed sealing, including the section along 191. Need approval for two cross walks, signage and flashing lights from Montana Dept. of Transportation. Need to fix erosion between the bridges. This work will be done next spring. They would like to build a tunnel from Spur Rd. to Little Coyote and asked Board if BSCC could use approximately \$20,000.00 from its current approved Spur Rd. allocation to pay for engineering and preliminary costs for this tunnel. Board decided to place this request on next month's agenda. Ms. McGarity provided board with a copy of the BSCC's 2008 Annual Report, a draft copy of the Big Sky Park design and an expense report for the concert, "Young Dubliner's" which the Softball league hosted this past summer. BSCC requested its current approved allocation for the Softball League be used to cover these expenses. Board will place this request on next month's agenda for a vote.

A. Minutes – November 19, 2008 - Open Meeting – Motion by Mr. Loble to approve, with noted corrections, 2nd by R. Schumacher. All in favor. Motion carried.

B) New Business

- a) **Legal Opinion #45 regarding Bankruptcy:** Board decided that no further recommendation or information on this issue was needed from its attorney. The Board's attorney, M. Jamison, did recommend the Board send a letter to any business going through bankruptcy, acknowledging its bankruptcy and reminding it to continue to collect and remit the resort tax if it is still operating.
- b) **District Board Chain of Command and Lobbying:** A. Malinowski will send emails to board members after discussions with M. Jamison, as informational only, not for approval. Board discussed upcoming legislative session and potential tax issues. L. Loble made a motion to engage M. Jamison to represent the District as Lobbyist in next legislative session for a fee of 15,000.00. L. Child 2nd the motion. All in favor. Motion carried.

C) Old Business

- a) **Employee 401:** Administrator, S. Holstein, has been researching this and the Board will discuss with her when she returns in January. S. Ouellette, informed the Board that it did not appear the BSRAD had a contract with E. Harris of Mass Mutual or Jurgen Weil, the current investor and manager of the previous employee's 401 plan.
- b) **Financial Reports:** L. Child made motion to approve the checking register for November 2008. 2nd by L. Loble. Motion carried. Board stated it wanted to continue to receive this register from the "funds available" register.

Chairperson, Al Malinowski, adjourned meeting at 11:25 a.m.

Respectfully Submitted, Les Loble, Secretary