



BIG SKY OWNERS ASSOCIATION

Board of Director's Meeting Minutes – Friday, January 18 2019

Big Sky Owners Association Board of Directors met on Friday, January 18 at 9:00 am at the Big Sky Owners Association office in Big Sky, Montana. Directors in attendance included: Gary Walton, Eric Ossorio, Kevin Daily, Michelle Frederick, Gail Young, Grant Hilton, Maggie Good and Philip Chadwell. Not in attendance was Sharon Douglas. On the phone was Annette Hill and Lindsay Carlson, auditors with AZ. Suzan Scott and Steve Anderson represented staff. Amy San Nicolas was present to record minutes.

1. Membership Forum: None
2. Call to Order: Chairman Gary Walton called the meeting to order at 9:04 am.
3. Presentation: Steve Johnson, Board of Director of BSRAD: Proposed Draft Legislation –
 - A. Resort Area Districts (RAD) and West Yellowstone are in the process of petitioning the state to allow a 1% increase to the Resort Area Districts' tax that would be tied to 'infrastructure', including workforce housing in all 10 of the Resort Cities state-wide. If approved, this legislation would be the first step in enabling the tax increase, the second step being a majority vote of approval from voters within each Resort Area District. BSRAD requests the BSOA Board weigh in on the final draft legislation – sometime between now and the end of the legislative session in April.
4. Minutes: October 19th Board Meeting – December 4th Board Meeting –
 - A. October: No corrections necessary

Motion made by Grant Hilton to approve the Oct 19th Board Meeting Minutes; Seconded by Michelle Frederick. Motion Carries.

- B. December corrections. Section 'C' in Finance and Audit: change Finance Committee to Board and add 'each year' to January 1. In both motions on page 2: change "Hill" to "Hilton". In first motion on page 2: add "2019" to Jan 1 and change "250" to "200" for the amount. Delete extra comma in footer.

Motion made by Grant Hilton to approve the December 4th Board Meeting Minutes as amended above; seconded by Gary Walton. 7 votes in favor, 1 against. Motion passes.

5. Finance and Audit Committee:
 - A. FY 2018 Audit Update: Audit report – AZ issued the BSOA the best opinion allowed on an audit, an unmodified opinion. The BSOA ended the year with an excess of revenue over expenses which increases its undesignated net assets. The official date on the audit will be updated once the audit is approved by the Board.



Motion made by Grant Hilton to approve the audit as presented; seconded by Maggie Good. Motion Passes.

AZ had no disagreements with the provided estimates and no major issues preparing the audit. It was noted that minor issues found in the 2017 audit were not properly recoded which set off the opening entries for 2018. Auditor suggested Steve and Lindsay communicate after the audit is approved to prevent a repeat error in 2019. In a letter to the Board, AZ made recommendations regarding BSOA's inability to prepare their own annual financial reports, audit and footnotes. The Board asked that AZ edit the language to more accurately reflect the fact that small organizations (like BSOA) typically need the assistance of an auditor for this work. AZ consented to do so and a revised letter will be resubmitted.

Motion made by Eric Ossorio that the Finance Committee review AZ's edited letter and have the ability to approve it without having to bring it back to the Board; Seconded by Philip Chadwell. Motion Carries.

It was reported that there were no significant changes to last year's 990 form. It was noted by directors that the Finance Committee might want to edit the volunteer hours recorded for Directors in next year's 990.

Motion made by Maggie Good to accept the 990 and the audit; Seconded by Grant Hilton. Motion Carries.

- B *Finances: November Financials:* It was noted that revenue seemed high because of the \$78,000 for snow plowing received from Madison County, that in the Budget versus Actual report the annual meeting and committee meeting figures were reversed, and that the percentage of the road budget spent so far was higher than expected but the inclusion of a net figure as opposed to a gross figure gives a more realistic picture of the amount spent. It was reported that the Finance Committee continues to work to simplify the bank accounts by consolidating them where possible. Staff has been asked to consolidate all performance deposit funds into one bank, which will require closing Rocky Mountain Bank accounts in Bozeman and transferring those funds to the American Bank in Big Sky. *December Financials:* It was noted that assessments were over \$100,000 more than last year in December and that, currently, there was only \$40,000 in outstanding assessments. It was reported that staff is researching a better system to get membership contact information. Directors suggested staff asks title companies to include in their closing instructions a request for either the owner's contact information or give the title company permission to provide it. It was noted the figure for committee meetings had not been adequately distributed between BSAC and BSOA and the



bank balances didn't agree with the balance sheet but that January's report would include an additional line for interest that should then balance.

- C Receivables & Assessments: No further discussion required.

Motion made by Maggie Good to accept financials as reported; seconded by Eric Ossorio. Motion Passes.

- D Lien Request: It was reported that all accounts in arrears since 2017 had been liened except account #00759, who continues to make payments and that the liens for 2018 delinquent accounts are in progress, as was the lien and additional fine for account #04443.
 - E Collection Request: None
 - F New Members List: None
6. Staff Report - December: It was reported LMR Ski pass sales were \$4,000 ahead of last year in December. No further discussion of the staff report was held.
7. Chairman's Report - Chairman Gary Walton:
- A Old Business -
 - i. Lake Condos Proxy Vote: Voting Process Update -Per the ongoing discussion between Maggie Good, Gail Young, and Mark Jobson to resolve how LCOA will vote in the upcoming BSOA election, it was reported that Jobson submitted a settlement agreement for this purpose. Mr. Brian Wheeler attended meeting for this discussion.
 - a Agreement -The Legal Committee met and recommends not to accept the agreement; legal counsel would be responding to LCOA on behalf of the Board; and if LCOA came back with something that was in compliance with BSOA Bylaws, Legal Committee could recommend approval. Mr. Wheeler requested to stay for the LCOA discussion to work toward a resolution but the Board wished to discuss legal opinions and asked all attending members to leave the office for executive session.

-----Executive session began at 11:03 AM-----

Motion made by Grant Hilton to approve Legal Committee's recommendation for Legal Counsel to send a letter as discussed; Seconded by Eric Ossorio. 6 votes in favor, 2 against. Motion Passes.

-----Executive Session ended at 11:50-----

Motion made by Gail Young to ratify the motion made in executive session which approved recommendations made by the Legal Committee; seconded by Grant Hilton. Motion Carries.

- ii. Project Update:



- a LC Traffic Calming Measures Updates - It was reported that Morrison Maierle had ordered and purchased the Driver Feedback signs. The Board asked Suzan to check the status of the signs and when they would be installed. There were no new updates on the new ordinance request. Morrison Maierle requests letters of support from the Fire and Sherriff's Department to take to the County. Additional speed limit signs, children at play and the yield signs have been installed. The Board requested the yield sign on Half-Moon be replaced with a standard yield sign.
- iii. MadCo Egress Update: It was reported that before a second letter had been sent out to Madison County, BSOA received a progress update, which did not include the agreed upon completion of a road right of way survey nor the requested timeline for this action. The directors noted that even if the snowfall limited the amount of field work that could be done, MadCo should be conducting the suggested research and off-the-ground work in the meantime, prior to the survey being completed. Therefore, Board instructed Staff to draft another letter that requests a firm timeline, include the language "how can you continue to approve development when Big sky doesn't have adequate egress," and refer to the issue as a matter of Public Trust. The letter would first be sent to the Executive Committee for review and then sent to MadCo with an expanded carbon copy to include the Governor's office and Resort Tax board in time for MadCo's meeting on the 22nd. It was decided that, if no adequate response was given to this letter, BSOA would escalate it's concerns to the press.
- iv. NorthWestern Energy Substation Update: It was reported that the BSOA attorney has been in contact with Rainham's attorney. BSOA has been expecting a response letter but one has yet to be received.
- B New Business -
 - i. Rotary of Big Sky Auction - Season Passes: Rotary requests that the BSOA donate two Nordic ski passes for their auction.

Motion made by Maggie Good to approve the above donation; Seconded by Michelle Frederick. Motion Carries.

- ii. Resort Tax Area District: Draft Legislation: The Board asked staff to include a factual, brief article in this month's newsletter that informed members of this issue and provide the link to follow the proposed legislation through the legislative process this session.
8. Committee Reports:
- A Executive Committee - Year End Bonuses, Reimbursement Allowance: No further discussion required.



- B Legal Committee - *LCOA Proxy Voting, NWE Substation*: No further discussion required.
 - C Nominating Committee - *Meeting: January 17th to Draft Advisory Board Charter*- It was reported that the Committee met and reviewed the draft Advisory Board Charter. The BSOA Board had previously approved three members to be assigned to the Advisory Board, but three additional candidates – two of which would be selected – were proposed at the Nominating Committee meeting. It was noted that the Board Chair would approach the three additional nominees and see if they were willing to serve and if they were, the names would be recommended to the Board for approval/vote.
 - D MLB ODP Update: *Egress/Ingress*: No further discussion required.
 - E Strategic Planning Subcommittee - *Meeting January 8th*: It was reported that the Subcommittee aims to have a draft plan presented to the Board for the March meeting that will include a list of prioritized projects with a number of potential directives for the BSAC. Also discussed was a 'global' Home Owners Committee for Big Sky. Suzan advised the Board that current staffing is inadequate to handle the extensive list of projects being proposed on the draft plan. Depending upon the projects approved by the Board, another staff member may need to be hired to help complete the projects this year and into 2020. It was then suggested that a detailed staffing plan be proposed along with the draft Strategic Plan.
 - F BSCO - It was reported that BSCO is working to remove all discarded Christmas trees in the park, receiving great feedback on the community winter trails that have been implemented, and is still looking for additional donations for the Community Center.
9. BSAC - Four compliance issues were reported to the Board; 1) past approval of a jackleg fence was questioned due to a complaint made about improvements to the fence; 2) account 04443 continues to be out of compliance; 3) a project was halted a year ago due to a partnership dispute but still has not been completed or demolished; The Board directed BSAC to request a container be removed from the halted project as construction will not resume; 4) a new project has requested the use of metal siding, not as an accent feature but for the all exterior walls.
10. Other: None.
11. With no further business, the meeting was adjourned at 1:02 PM.

Attendance Summary: All board members listed were in attendance for the duration of the meeting. Steve Anderson stayed for financials and then left at 10:50 am.


Maggie Good, Secretary