



# BIG SKY OWNERS ASSOCIATION

## Board of Director's Meeting Minutes - Friday, May 18, 2018

Big Sky Owners Association Board of Directors met on Friday, May 18 at 9:00 am at the Big Sky Owners Association office in Big Sky, Montana. Directors in attendance included: Gary Walton, Gail Young, Michelle Frederick, John Loomis, Eric Ossorio. On the phone: Maggie Good, Sharon Douglas, Kevin Frederick. Not present: Grant Hilton. Suzan Scott and Steve Anderson represented staff. Paula Alexander was present to record minutes.

1. Membership Forum: None.
2. Call to Order: Chair Gary Walton led the meeting which was called to order at 9:04 am.
3. Minutes: March 16<sup>th</sup> & April 9, 2018 Board Meetings -

**Motion made by Sharon Douglas to approve March 16<sup>th</sup>, 2018 Meeting Minutes; seconded by Maggie Good. Motion carried unanimously.**

**Motion made by Maggie Good to approve April 9<sup>th</sup>, 2018 Meeting Minutes; seconded by Michelle Frederick. Motion carried unanimously.**

4. Finance and Audit Committee
  - A. FY 2019 Draft Budget - Gary Walton reported that the Finance Committee met to review the draft budget and the Executive Committee approved the proposed staff expenses and recommends Board approval for the FY2019 Budget.

**Motion made by John Loomis to approve FY 2019 Draft Budget; seconded by Gail Young. Motion carried unanimously.**

Discussion ensued about raising BSAC design review fees for exceptions and alterations to plans which are time-consuming, to compensate BSOA and for Staff time. LMR ski passes income was less this year by approximately \$4000 due possibly to heightened snow fall drawing members to downhill ski. A question was raised about how BSOA promotes the sales of LMR ski passes. It was ascertained that the membership is well-informed and in the know of the availability of the passes, but Staff was asked that information be included in the welcome packet to inform new members. Regarding Staff expenses, it was noted that the proposed increase is primarily due to a need to increase hours due to Staff workload, increased projects and activities, as well as raises, keeping in mind our professional staff. Medical expenses have a 4% increase forecast for the year ahead. Vacation and sick accrual was also discussed. It was recognized that these accrued hours can build up from the previous past year, then get paid out when an employee leaves, which skew the budget numbers. Directors acknowledged that the \$4000 in this year's budget should be considered cushion.

Based on the Motion that was passed about online banking (see B.vi.), the budget line for bank and credit card fees will be reduced by \$5,000 to not include a 3% fee paid by the Association, but rather the membership who uses the online system. Based on projects on hand, it was not projected that legal fees would increase significantly, recognizing that there is \$15,000 available in legal reserve account if needed. Despite this, it was decided to increase the legal budget an additional \$2000. Michelle Frederick confirmed that Big Sky Resort is still committed to providing a conference room for the Annual Meeting, so the AM budget line of \$12,000 should be sufficient. Mike Rotar conveyed that RESPEC's cost to complete all design work and permitting would be closer to \$30,000, so this should be reflected in the budget. Directors agreed that \$10,000 should be allocated from the budget and the other \$20,000 from the Ponds Reserve. Annual dues will see no increase for the 8<sup>th</sup> year in a row, and it was reported that membership population has increased slightly.

- B. March and April Financials – Because of a recent bank merger, performance deposit money has been transferred to comply with FDIC insurance limits. Steve now has access to all accounts.
- C. Receivables - The gap of unpaid assessments is lessening. Discussion ensued about late fees and interest as well as legal expenses for delinquent accounts. Gail looked into Montana law and found that a 10% late fee and a finance charge is acceptable. It was suggested that standards need to be established, reviewed by legal and then brought to the Board for approval.
- D. Lien Request - Steve has prepared the liens for delinquent accounts past one year.
- E. Collection Request: None

5. March/ April Staff Report -

6. Chairman's Report

A. Old Business – Project Updates

i. Ponds Project Update

a. RESPEC: Updated Project Cost Estimate -

The Ponds Project is in a holding pattern but it was acknowledged that if the Board had to choose which pond was a priority, it would be Little Coyote because it offers much greater recreational capacity and community benefit than Silverbow.

ii. Traffic Calming Study Update

- a. MM Contract – The contract with Morrison Maierle for four speed tables and two feedback signs was reviewed by Grant, who reported that the expense was slightly high and recommended the deliverables include sufficient detail for bidding to third parties for construction contractors. Maggie inquired about whether BSOA could seek contributions from the Meadow Village RID towards the study. Legal

should look into BSOA's responsibilities and staff should inquire whether it was appropriate for the RIDs to cover these types of measures.

**Motion made by Eric Ossorio to approve the Morrison Maierle contract; John Loomis seconded. Motion carried unanimously.**

- iii. Draft Amendments to Bylaws – Maggie reported that the Bylaws subcommittee continues to fine tune the amendments and is consulting with the Board and Legal Committee as the process gets closer to completion. It was noted that, as Article 2, 2.2 directs, some large land owners have not been sent their additional election ballots for multiple votes nor have they been charged for multiples assessments. Staff will take care of this in preparation of the next election.  
Per Article 5, 5.1.5: Directors and committee members should receive mandatory full indemnification which doesn't apply to expenses and damages, with the exception of a breach in duties. Staff was asked to check whether committee members are covered with the current policy.
- iv. Proxy Vote Lake Condos – It was noted that Michelle was to enlist Brian Wheeler on this issue but Staff will thereafter need to give Lake Condos Association written notice informing them that Proxy Voting is not permitted.

**B. New Business**

- i. Nominating Criteria Amendments – This issue was tabled in the interest of time but should be addressed at the next Board meeting.
- ii. Nominating Committee Charter – This issue was tabled in the interest of time but should be addressed at the next Board meeting.
- iii. FY 2019 Board Candidates –

**Motion made by Gail Young to approve Joe Miller and Kevin Daily as board candidates; seconded by Michelle Frederick. Motion carried unanimously.**

- iv. MV & SGH RID Amendments – This issue was tabled in the interest of time, it be addressed at the next Board meeting.
- v. Standing Desks Proposal –

**Motion made by Michelle Frederick to approve standing desks proposal; seconded by John Loomis. Motion passed unanimously.**

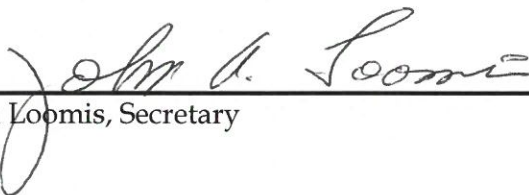
- vi. Electronic Payment Proposal - Staff looked at efficiencies, lowering labor costs and ultimately lowering overall costs to association by implementing an online payment system. This would provide updated technical services for the membership as well as eliminate staff time spent processing annual fees.

The proposal provides a graduated cost assessment for the first and second year and moving forward. A number of ideas were offered by Directors including that BSOA charge the membership 3% for credit card fee but offer direct deposit for free (BSOA incurs this \$1.00 per transaction).

**Motion made by Maggie Good to move forward with online payment system implementation and obtaining price comparisons to be brought to the Board for June BOD meeting; seconded by John Loomis. Motion passed unanimously.**

-----Gary Walton, Eric Ossorio and Sharon Douglas left the meeting-----

7. Committee Reports
  - A. Executive Committee - *Staff Evaluations; Staff Expenses for FY 2019; ED's New Contract*  
Executive committee approved Suzan to work remotely up to two days per week starting June 1, 2018, which will require a new contract to be drawn up.
  - B. Legal Committee - *Bylaws Review Amendments, Docs Real Estate* - None
  - C. Nominations Committee - *NC Meeting April 10<sup>th</sup>; May 15<sup>th</sup> Meeting* - None
  - D. Bylaws Review Subcommittee - *NA*
  - E. MLB ODP: *Egress/Ingress* - None
  - F. BSCO - *Meeting: May 17<sup>th</sup>, 2018* - None
  - G. BSAC - A question was raised about architectural review expenses. Suzan will work on a proposal for additional review fees for large projects, exceptions, variances, penalties, etc., keeping in mind BSOA's responsibility to maintain property values and risk to the community of aborted projects if there is a change in the economy. This will also be reviewed by the BSAC.
  
8. Other - *Next Board Meeting? Hearings on Suspension of Voting Rights.* - Suzan will review the need for June 15<sup>th</sup> Board Meeting or possibly change the date to June 8 or June 22.
  
9. With no further business, the meeting was adjourned at 11:37 pm.

  
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John Loomis, Secretary