



BIG SKY OWNERS ASSOCIATION

Board of Director's Meeting Minutes - Friday, April 19th, 2019

Big Sky Owners Association Board of Directors met on Friday, April 19 at 9:00 am at the Big Sky Owners Association office in Big Sky, Montana. Directors in attendance included: Gary Walton, Gail Young, and Kevin Daily. Attending on the phone: Phillip Chadwell, Eric Ossorio, Maggie Good and Grant Hilton. Suzan Scott represented staff. Amy San Nicolas was present to record minutes.

1. Executive Session: Executive session was held from 9:05 am until 9:41 am.
2. Membership Forum: John Leeper, Mark Jobson, and Brian Wheeler were present for membership Forum.
 - A. Mark Jobson: Requests that any legal action taken by this Board be discussed in open session in which the membership can participate. Mr. Jobson stated that he was surprised to read the announcement from the Chair about Michelle no longer being a member of the Board on the website. The Board Chair clarified that Jobson had sent an email intimating that he was aware of this decision prior to the posting of the letter on the website.
 - B. Brian Wheeler: Requests Michelle's letter be read aloud again in Membership Forum. The Chair obliged.
 - C. Letter:

April 19, 2019

Dear Big Sky Owners Association Board of Directors,

As you know, last week when I called in for the Finance Committee meeting I was met on the phone by the BSOA Executive Director and 2 Board Members. I was informed of the legal opinion recently issued which disqualified me from being a board member. I was directed to Article 3.6 which states "Any Director who ceases to hold a Membership Interest shall cease to be a Director effective immediately." I wish to make clear that on that call I was informed that I was no longer a board member. I neither stepped down nor resigned as stated in the letter from the Board Chair to the membership.

Sentiments of gratitude have been shared for my commitment to the board and the value that I brought. I know that there is a solution to every problem. You made the choice not to seek a solution that could have resulted in my eligibility to remain on the board. Instead, I feel that you have jumped at the opportunity to remove me from the BSOA Board of Directors, and for that, your actions have spoken louder than words. It is incredibly disappointing to be treated this way.

Sincerely, Michelle Frederick

The letter was discussed, and the issues involved were resolved in Executive Session.

3. Call to Order: 9:41



4. Minutes: March 15th Board Meeting

Motion made by Gail Young to approve the March Board Meeting Minutes; seconded by Maggie Good. Motion carries.

5. Finance and Audit Committee:


- A. February & March Financials – There were no major comments on the February financials. The Board suggested that staff include a line item on the financials for late fees and penalties under Bad Debt. The financial reports get more refined each month. The Board accepted the February financials. In March, the BSOA was halfway through the year, the net budget was right on target at 49.2% and staff successfully streamlined the BSOA funds into fewer accounts. The Board accepted the March Financials.
- B. Receivables & Assessments – Less than two percent of accounts are delinquent this year.
 - i. Fines & Late Penalties: All past due accounts through FY 2018 have been liened except for account #00759.
- C. Security Bank Account – It was reported that staff has been working on getting an insured cash sweep account up and running, plus get Suzan on the account as a signatory. However, there have been delays due to employee turnover at First Security. It was noted that interest rates for the sweep account would be better than the existing money market account and is FDIC insured.

Motion made by Gail Young that Suzan Scott becomes a signatory on BSOA's First Security account; seconded by Maggie Good. Motion Carries.

- D. Finance Committee Vacancy - Sharon Douglas has resigned her position on the Committee and with Michelle Frederick stepping down as a Director, this leaves two vacancies on the Finance Committee. The Board requested one more member to fill the vacancy. Maggie Good volunteered.

Motion made by Grant Hilton for Maggie Good to fill Sharon Douglas' place on the Financial Committee; seconded by Gail Young. Motion carries.

- E. Lien Request – NA
 - F. Collection Request – NA
 - G. New Member List – BSOA had gained eighty-two new members since the beginning of the fiscal year.
6. Staff Report: March – Staff has been busy with various projects and issues. There was discussion about SB 300 and who was backing the bill. It was noted that as soon as the BSOA staff was aware of it, a letter of opposition was drafted and



approved by the Executive Committee and sent to all members of the Senate. It was requested that Suzan also send a letter of opposition to the Governor.

7. Chairman's Report:

A. Old Business -

- i. NorthWestern Energy Substation Update: A meeting occurred between BSOA Legal Committee, BSOA attorney, Rainham, and their attorneys. BSOA Legal Counsel sent Rainham's Counsel a letter on April 3rd that stated that there appears to be an impasse and recommended a friendly declarative action in which each party would provide stipulated evidence and let the courts decide. It was noted that this could take 4-5 months or longer and that no response letter had yet been received.
- ii. Sweetgrass Hills Covenant Amendment: This amendment has been requested by no fewer than fifteen residents in Sweetgrass Hills to restrict short-term rentals no less than thirty days for property owners within that subdivision. It was reported that the Legal Committee has received bullet points and comments from the Committee are to be drafted into amendment language. Next, the bullet points will be sent to the Attorney to get the language on a ballot and voted upon. Currently, SB 300 has been sent to the Governor to sign and creates a short timeline to vote this amendment in as the bill will take effect immediately. The Board directed staff to further research the amendment process and noted that there would likely be some legal cost associated with this project.

Motion made by Grant that the amendment is drafted subject to approval by the Executive Committee, seconded by Kevin. Motion Carries.

- iii. Proxy Vote Update:
 - a. LCOA Membership - Legal Counsel determined LCOA, Inc owns the *real property* its condos sit on, therefore hold the membership interests in BSOA and BSOA business would be conducted through its elected Board--not an agent of that Board. Mr. Jobson inquired if this ownership opinion affected the number of LCOA votes and assessments and noted that it would be LCOA's preference to have three assessments and three votes. The Board informed Mr. Jobson that it was not prepared to answer the question without looking to Legal Counsel. It was decided that this issue, along with the requested waiver of late penalties and interest, would be discussed at a later date.



Motion made by Maggie Good that in the spirit of cooperation with LCOA, subject to a resolution being reached with LCOA, the Board waives all existing late fee, penalties, and interest that has been imposed upon the LCOA for the failure to pay its dues on time. Motion dies for lack of a second.

Motion made by Gail Young that the Board tables further discussion of the penalties and interest until a later time, seconded by Grant Hilton. Motion carries.

- b. Letter – Board directed staff to draft a letter summarizing the legal opinions and the meeting discussion. This letter will then be sent out to all directors for approval before being sent to Mr. Jobson. Mr. Jobson requested the letter include a possible resolution to the fines and interest levied but was informed that no resolution had been addressed, but the Legal counsel will continue to work on this as well as the other outstanding issue.
- c. Memo – Gail Young verbally corrected a memo sent out to Mr. Jobson via email in which she incorrectly quoted a statute. It was noted that she would work to correct the memo and send it out again. Mr. Jobson requested she document this error in an email to him, and she consented.
- iv. Projects Update:
 - a. Open Spaces Cleanup – It was reported that Amy submitted an application to the MSU extension office for its cost-sharing program and that a representative from its office would come up to inspect the property to assess cost share amounts once the snow has melted.
 - b. Traffic Calming – It was reported that letters were sent to the Fire Department and Sheriff’s Department. No response has been received yet. The Board asked Suzan to again reach out to Morrison Maierle about the driver feedback signs.
 - c. Cascade RID – No updates to staff report.
- v. MadCo Egress Update: This issue was addressed in detail in the staff report, but Suzan noted that she spoke to Jim Hart, Madison County Commissioner. Mr. Hart informed Suzan that they would continue to research this issue, that a survey is not required as there is a sixty-foot right-of-way, grant funding would not be an option since the road leads to a private road and, as estimated, timeline to find resolution would be in 2020. Also, the road would never be brought up to county standards due to logistical issues. Board directed staff to keep track of Madison County pledges so the BSOA could comment on them in the future. It was noted that



there are three major owners along the private sections of the road. The Board suggested staff schedule a face-to-face meeting with these owners to discuss the urgency of egress and our commitment to keeping the road private in all other cases but an emergency. It was noted that the BSOA might need to do some research on the legal aspects of these improvements – logistics, and cost – before meeting with the owners.

*****Eric Ossorio Left the call at 11:00 am*****

B. New Business -

- i. Strategic Planning: Future Projects: Staff requested Board approve/reject the Subcommittee's recommendation for priority projects. An estimated sum of unallocated funds was reported by Steve Anderson, which could be used for these projects. It was recommended to increase legal fees for various reasons, that the Global Mountain RID project made up about half the cost of all projects including staff time, that any fundraising revenue from the creation of a 501(c)3 would have to be used for general public benefit. Board requested further project details about the RID project including a timeline, proposed expanding the water sustainability objective to play a bigger roll in community education and awareness and suggested that excluding the RID and 501c(3) projects, plus increase the legal fees\, the priority project plan could be approved.

Motion made by Kevin Daily to approve the priority projects plan as presented with the above adjustments.; seconded by Gail Young. Motion carries.

- a. Advisory Committee Assignments - John Leeper represented the committee and had no recommendations. There was no other discussion on AC projects, but there was some discussion about potentially assigning AC members to other committees as Ad Hoc advisors. Additional research of the Bylaws/AOI restrictions on the logistics of this is to be done by staff and Board.
- b. Letter to LCOA: It was the Board's opinion that BSOA should not send out a letter including an apology if BSOA is going to continue to enforce penalties and fines.
- ii. Draft Staffing Plan: Was discussed in Executive Session.
- iii. Board Vacancy: Nominating Committee is to recommend to the Board a slate to fill the vacancy. Suzan is to schedule an NC meeting.



- iv. Fairways Development: BSAC has no further authority to address this issue and has referred this issue to the Board. The minority owner has been cooperative and communicative, but there has been no action on the part of the property owners to bring the property into compliance. The minority partner is working to purchase the remaining share of the property from the majority owner and that paying the fines would not resolve the issue. Board determined owners should be billed for the fines and a lien should be placed on the property. This action would be accompanied by a letter.

Motion made by Grant Hilton to send the owner an invoice the total amount of fines incurred, but in the meantime also lien the property in compliance with our policies; seconded by Maggie Good. Motion Passes.

*****Grant Hilton, Phillip Chadwell, and Maggie Good left the call at 12:04 pm*****

- v. Legislative Update:
 - a. SB 241 - This bill had been enrolled and is waiting for the Governor to sign it.
 - b. SB 300 - This bill had been enrolled and is waiting for the Governor to sign it.
- 8. Committee Reports:
 - A. Executive Committee - *Staff Evaluations, Staffing Plan - April 29th Meeting*: Grant Hilton and Maggie Good are looking at staff compensation comparisons. The timeline for the FY 2020 budget to be approved is the May Board meeting.
 - B. Legal Committee - *Proxy Voting, NWE Substation, SGH's Covenant Amendment*: No further discussion required.
 - C. Nominations Committee - NA
 - D. Strategic Planning Subcommittee - *April 9th Meeting*: No further discussion required.
 - E. BSAC - There was some confusion on what needs to come through BSAC for review in terms of renovation. This issue was further clarified.
 - F. BSOA Advisory Committee - NA
 - G. BSCO- Middle Fork Trail: It was reported there was a meeting with the area homeowners. The consensus was that the trail might still be far off, there was concern about what to do with bikers traveling from the Mountain to the Meadow Village, but no resolution was reached at the meeting. The Community Center plan and portfolio look great, BSCO has raised 12 million for the project, it would include a membership, an activity and after school space, a gym, and a reading or study room. The



Beehive Basin Parking Area project is \$112 over budget, and the parking area will be a gravel lot, but there will be a kiosk and a bathroom.

9. Other: Per the Chair's request, Board Meetings will be starting at 8 AM from now on.
10. Adjourn: With no further items to discuss, the meeting was adjourned at 12:29 pm.

Attendance Summary: Except as noted, all other Board members were in attendance for the duration of the meeting.

Maggie Good, Secretary