



BIG SKY OWNERS ASSOCIATION

Board of Director's Meeting Minutes - Friday, June 21, 2019

Big Sky Owners Association Board of Directors met on Friday, June 21st, 2019 at 9:00 am the Big Sky Owners Association office in Big Sky, Montana. Directors in attendance included: Gary Walton, Eric Ossorio, Grant Hilton, Maggie Good, and Kevin Daily. Attending on the phone: Gail Young. Suzan Scott and Steve Anderson represented staff. Amy San Nicolas was present to record minutes.

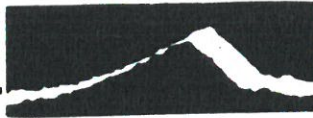
1. Membership Forum: Mike Brandly wanted to acknowledge the Board for the time they invest in the BSOA and had comments for the Board regarding the Fairways property.
2. Call to Order: 8:01 AM
3. Minutes: May 17th Board Meeting -

Motion made by Grant Hilton to approve minutes as modified in Maggie Good's redline; seconded by Eric Ossorio. Motion Passes.

4. Finance and Audit Committee:
 - A. May Financials - The Board reviewed the financials. There was a discussion about the Actual versus Budget Report and the Balance Sheets, primarily as they dealt with bad-debt. It was noted that the performance deposit funds were higher this month than last month and that the Finance Committee was still working to consolidate bank accounts. Thereafter, the Board accepted the May Financials.
 - B. Earliest Date of Record: Bylaws Section 2.9, Voting Rights- It was recommended that the Board approve August 1st as the date of record so notices could be sent out with the ballot packet. It was noted that the Bylaws dictate the process, that the notice must be mailed as registered or certified with return receipt and should be explicit about when outstanding payments must be paid for votes to be accepted.

Motion made by Maggie Good to set the Date of Record for August 1, 2019; seconded by Eric Ossorio. Motion passes.

- C. Proposals: Audit & 990 3-Year Contract - The Board was reminded that BSOA's contract with AZ expires this year. Several quotes from other firms were requested and two proposals were received and presented to the Board. After review, the Board agreed that one company had sent a more detailed, professional proposal that was less expensive and more in line with the proposed FY 2020 budget. It was noted that this firm only quoted a single year contract instead of 3-years as requested, so the Board asked Suzan to request the 3-year quote again. In the meantime, the Board could approve the 1-year contract while the following 2 years are negotiated.



Motion made by Maggie Good to approve this 1-year contract with the understanding that Suzan will go back and negotiate the remaining 2 years with a cap amount not to be exceeded; seconded by Kevin Daily. Motion carries.

- D. FY 2020 Draft Budget - The Finance Committee balanced the budget per the Board's request at the last meeting. There was a general discussion on how the budget was balanced, including the implementation of a 3% charge for using credit cards to offset Bank processing fees for assessments. It was suggested that an announcement of this charge be sent out with the ballot packet, be put in the Newsletter, and noted on the FY 2020 invoice, which will also include an ACH form. There was a discussion about donating some unallocated funds toward the new community center but acknowledgment that there are funding needs for issues/projects that the Board should consider before making a sizable donation. It was also noted that BSCO was fully awarded their ask of the Resort Tax Board. The BSOA Board decided that this be researched further before a recommendation is made.

Motion made by Maggie Good to approve the budget; seconded by Eric Ossorio. Motion passes.

- E. Receivables & Assessments - No discussion required.
- i. Fines & Late Penalties - No discussion required.
 - ii. Performance Deposit Forfeiture - Acct. 312184: After a review of the BSOA Bylaws and a history presented on the issue, it was recognized that the fines should have been invoiced in February. With further discussion, the Board decided not to apply the performance deposit to the fines but to lien the property if the fine has not been paid after sixty days. The Board also agreed to file a complaint with Gallatin County and to inform the property owner that this complaint will be filed if payment is not received.

Motion made by Maggie to file a lien after June 25, 2019 if the fines have not been paid, to then engage Dave Weaver to file a complaint with Gallatin County for the property owners' continued noncompliance and violations, and to send a copy of this letter to the property owners prior to the complaint being filed; seconded by Eric Ossorio. Motion Carries.

- F. Lien Request - Acct. 4443: The Chair proposed the Board makes a similar motion with regard to this account as with the account above. It was noted that the account needs to be brought into compliance or the Board will have the court order the property owner to bring it into compliance. Suzan noted that the first step is for staff to send out an invoice for the three most recent fines that have reached their maximum. In tandem, the board should move forward with enforcement. The complaint would include only what the owner has been notified of but could be amended with new complaints of noncompliance. It was also recognized that sixty days from the time of the new invoices, the property could be liened again for the number of fines invoiced.



Motion made by Grant Hilton to file an additional lien for each new item of noncompliance 60 days after the invoices for each item is sent out, to engage Dave Weaver to file a complaint with Gallatin County for the property owner's continued noncompliance and violations, and to send a copy of the complaint letter to the property owner prior to it being filed; seconded by Eric Ossorio. Motion carries.

- G. Collections Request - NA
- H. New Member List - No discussion required.
- 5. Staff Report - May Report: There were no questions, and no discussion was required.
- 6. Chairman's Report:
 - A. Old Business -
 - i. NorthWestern Energy Substation Update -An attorney was engaged for a second opinion on this issue, but has yet to submit one to the BSOA. It was decided that a Doodle Poll be sent out and a Legal Committee meeting be scheduled once it was received. Also, the Board will hold off on further action until it is received.
 - ii. SGHs Covenant Amendment Update - As presented in the Board Packet, Suzan recommended the Legal Committee review the language once more and then offer it to SGH residents for a vote. If an election were not held before the Annual Meeting, it would go out with that ballot packet. After the vote, a follow-up article would be posted in the Newsletter explaining the process to other HOAs and how BSOA could help facilitate similar covenant amendments within its jurisdiction.

Motion made by Grant Hilton to give Legal Committee the authority to take another look at the amendment language and approve it to be sent out for a vote within Sweetgrass Hills Subdivision; seconded by Eric Ossorio. Motion Carries.

- iii. Proxy Vote Update -
 - a. LCOA Letter - A letter was presented to the Board for review and to be sent to Mr. Jobson. Further edits were suggested including that LCOA's ballots would be mailed to the address on record.

Motion made by Grant to approve the suggested edits to the letter as presented. Seconded by Eric. Motion carries.

- iv. Project Updates -
 - a. Open Space Cleanup: A Stewardship proposal was received, but the cost-share offer was half of what was anticipated. The Board requested Staff continue to work on other options to help offset this additional cost.
 - b. Traffic Calming Measures: There were some challenges with the subcontractor, but the driver feedback signs on Little Coyote Road were finally installed, and both are working.



- v. Bylaw Amendments 2019: A list of issues compiled and discussed by the Board was sent to the Legal Committee, and their edits/comments were included in the packet. After Board discussion, the general sentiment was that the Legal Committee and Counsel should review the proposed amendments in conjunction with the Articles of Incorporation before final approval is granted.

Motion made by Eric Ossorio to approve the amendments with the provision that they go to Dave Weaver for review with particular attention to the definitions of real property and commercial lessees in the Articles of Incorporation, then to the Legal Committee for final approval; seconded by Grant Hilton. Motion Carries.

- vi. Strategic Plan: Additional Projects -
 - a. Cascade Global RID Memo: After review and discussion of the material presented, the Board asked Staff to continue to research this issue, to determine who would maintain the roads in Mountain Village. Grant and Maggie would oversee this effort. It was also suggested the BSOA seek one more quote.
- vii. Board Vacancies: There will be four Director positions available for election this fall. The Nominating Committee received 6 candidate applications, 2 of which were from current Board members. It was reported that the Nominating Committee recommended Grant Hilton, Gary Walton, Jim Glowacki, and John Gladstein. Further discussion was held about the NC's recommendations vs. candidates who were not recommended. It was requested that the two candidates who were not recommended for the ballot be encouraged to participate in BSOA activities and/or sign up as Committee volunteers and to consider running at another time. Also noted was a current director who had missed 7 out of the last 8 meetings. The Board decided that the Chair would notify the Director by phone that potential action will be discussed and possibly acted on at the next meeting.

Motion made by Eric Ossorio to approve the recommendations made by the Nominating Committee for the ballot; seconded by Maggie Good. Motion carries.

Motion made by Maggie Good to appoint Jim Glowacki to fill Michelle Frederick's position for the remainder of her term that begins at the next meeting; seconded by Grant Hilton. Motion carries.

*****Gail Young left the meeting at 11:00 am*****



B. New Business -

- i. Enforcement Resolution Revision: Maximum Fine - The Finance Committee proposed increasing the maximum fine set forth in the Enforcement Resolution to encourage compliance when violations occur. After discussion on the issue, the Board proposed increases from \$10k to \$50k for a maximum fine and from \$100 to \$500 maximum per day for single-family residences. Multi-family/commercial vs. single family was also discussed. It was felt that fines should reflect the size of a development. It was therefore proposed that a maximum commercial fine would be set at \$100k and the fine per day would be increased to a maximum of \$1k. It was also requested that the amended language be clear in cases of multi-use tracts with free-standing single condominiums. The proposed increases were to be sent to the Legal Committee for review and be returned for Board approval at the next meeting.

7. Committee Reports:

- A. Executive Committee - *New Hire Update*: It was reported that two great candidates were interviewed for the Administrative and Events position. Unfortunately, they found work elsewhere before the FY 2020 budget received final approval and therefore, the hiring process would start again. It was agreed that given the extremely low unemployment conditions, in the future, the Board should authorize a certain amount so the office doesn't lose out on the right candidate.
- B. Legal Committee - *Proxy Voting, NWE Substation, SGH Covenant Amendment*: No further discussion required.
- C. Nominations Committee - *June 17th Meeting*: No further discussion required
- D. Strategic Planning Subcommittee - NA
- E. BSAC - There was some concern at the last BSAC meeting when a project going through sketch plan a second time was denied. The house was found not to be aesthetically appealing and was without an architect's stamp. However, the property owners and builder were planning to make some small tweaks, and the Committee decided to not charge them a fee for resubmittal since they withdrew the application.
- F. BSOA Advisory Committee - *MadCo Egress*: Committee has not met yet. A suggestion was made by Gail to have AC take on the issue of a secondary egress in Madison County.
- G. BSCO - It was reported that a BMX Pump track was to be installed next to the skate park at the Community Park, a new boardwalk was being installed at Kirchner Park, and the Poop Shoot Trail was in its beginning stages. The Trail Committee continued to work on the Crail Creek drainage issue, Beehive Basin will have Dick Anderson build the information kiosk, and



after the development is complete, this will be the most expensive trailhead in the state excluding federal land/national parks.

8. Other: It was pointed out that the Resort Tax allocations were included in the Board packet. First Security Bank forms to put Suzan as a signatory were passed around and signed and a proposal was presented to lower the annual assessments for Meadow View because of its affordable housing status. It was acknowledged that for BSOA to reduce assessments as proposed, it would have to amend the Bylaws because there are only have two permitted methods of assessing properties. It was recognized that BSOA assessments are already considerably low for this area, approximately a dollar a day. Also, it has yet to be determined whether the BSOA will be required to plow Meadow View's road. With all discussions considered, the Board denied approving the proposal for reduced assessments at this time. The development of the Montana Club and other mountain development (Lone Moose Meadows) was also presented and reviewed. Discussion was held regarding a needed secondary egress, environmental concerns such as the effect on wildlife and aquifers. It was also determined that the Montana Club project is in the already approved Boyne ODP and the development will result in additional BSOA members but with no BSAC review. Most of the proposed units were single-family lots up towards the Challenger lift with a few multi-family. A MadCo Planning Board meeting was scheduled on Monday at 2:15 with a tour given of a few different properties including these. The Board requested that BSOA be put on an email list for Gallatin and Madison County planning and projects and that Directors attending the MadCo meeting should raise the two main concerns of the BSOA with Madison County.
9. Adjourn: with nothing left to discuss the meeting was adjourned at 12:08 PM

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

Maggie Good, Secretary