



# BIG SKY OWNERS ASSOCIATION


## Board of Director's Meeting Minutes - Friday, May 17, 2019 - 8 AM

Big Sky Owners Association Board of Directors met on May 17<sup>th</sup> at 8:00 am at the Big Sky Owners Association office in Big Sky, Montana. Directors in attendance included: Philip Chadwell, Gary Walton and Kevin Daily. Attending on the phone: Eric Ossorio, Maggie Good and Grant Hilton. Suzan Scott and Steve Anderson represented staff. Amy San Nicolas was present to record minutes.

1. Membership Forum: Ciara Wolfe, Executive Director of BSCO, gave a presentation on its current and future projects. She asked for a higher annual contribution from the BSOA that would match donations from other smaller HOAs in Big Sky. Brian Scott, a co-owner of Fairways LLC, expressed a complaint with the BSOA Board for actions on noncompliance related to the Fairways property.
2. Call to Order: 8:28 AM
3. Minutes: April 19<sup>th</sup> Board Meeting - Corrections: BSCO has raised \$12 million, not \$17 million for the new Community Center.

**Motion made by Maggie Good to approve the minutes as corrected; seconded by Grant Hilton. Motion carries.**

4. Finance and Audit Committee:
  - A. April Financials - After review, there were no questions or comments. The financials were accepted.
  - B. First Security Account - Update was given that staff continues to contact the bank to implement the new ICS account.
  - C. FY 2020 Draft Budget - Board was updated on the last Financial Committee meeting. It was noted that the current draft budget shows an overall deficit; the line item for 'project reserves' is shown as a debit when it should be a credit; and the items shown under 'reserves' were not really reserves but in excess of the reserves in an unallocated fund. The Board recommended the Finance Committee balance the budget and then bring back to the Board for approval.
  - D. Receivables & Assessments -
    - i. Fines & Late Penalties: No discussion at this point but should be addressed later with the Legal Committee.
  - E. Lien Request - NA
  - F. Collections Request - NA
  - G. New Member List - There were 17 new members for the month of April.
5. Staff Report: April - No further discussion required.
6. Chairman's Report:
  - A. Old Business -

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- i. NorthWestern Energy Substation Update: It was reported that the BSOA received a letter from NWE counsel. It expressed the belief that the BSOA does not have any jurisdiction over the proposed property for the substation, including BSAC jurisdiction. It also notified the BSOA that NWE would be moving forward with the substation project without coming before the BSAC or the BSOA and that NWE would not be entering into a friendly declarative action. It was noted that NWE is looking to break ground any day, so immediate action is required. The BSOA attorney's draft response letter was presented to the Board.

**Motion made by Phillip Chadwell to approve hiring a second attorney to get a second opinion regarding NWE-BSOA dispute concerning BSOA/BSAC jurisdiction. The amount to be spent is to be capped; seconded by Grant Hilton. Motion passes.**

**Maggie motioned to approve the letter from Dave Weaver to NorthWest Energy; seconded by Phillip Chadwell. Motion passes.**

- ii. Sweet Grass Hills (SGH) Covenant Amendment Update: Several BSAC members voiced opposition to the path BSOA and SGHs are taking with short-term rentals and felt the BSOA should be approaching this issue in terms of management and regulation instead of prohibition. It was noted that about half of the full-time owners in SGHs have requested this path. It is the BSOA's responsibility to put this issue to a vote, and that with SB 300 now law, there is no longer a need to expedite this process. The Board reviewed the bullet points and suggested that the fines be allowed for in the language but the amount not be specified. The Legal Committee will take another look.
  - a. SB 300 - It was noted that the Governor has not yet signed or vetoed the bill, however, per Montana law, the bill automatically became law after 10 days of inaction by the Governor.
- iii. Proxy Vote Update:
  - a. LCOA Membership Units -The Legal Committee determined that LCOA has 55 units, not 3, based upon the definition of 'unit.' There were no further updates on this issue.
- iv. Projects Updates:
  - a. Open Space Cleanup -The Board was reminded of the history of the project. An update on the project's recent activities was provided in the staff report.



- b. Traffic Calming Measures - The footings were poured this week and signs will be installed early next week.
  - c. Bylaw Amendments 2019 -Staff requests that the Board create a Bylaw Amendment Subcommittee to process additional amendments and noted that this work needs to be completed within the next two months for it to be included in the Annual Meeting packet. Gary Walton volunteered and suggested Gail Young help with this.
  - v. Strategic Plan: Additional Projects Update - Due to the need to balance the budget, the Board decided approval of projects would be revisited in June.
    - a. 501(c)(3) - Project was also tabled to be revisited.
  - vi. Fairways Development: No further discussion required.
- B. New Business -
- i. Advisory Committee Assignments: It was noted that the Committee now has five members. The Board discussed three major items it wanted the Committee to focus on: what BSOA could do long-term to add greater benefits to its membership; how can the BSOA better communicate and engage with the membership in order to bring them together as a community; and how can the BSOA improve its standing and overall perception in the community. There was some discussion about presenting the ideas the Committee came back with to the membership for a vote.
  - ii. Board/Committee Vacancies: There was a general discussion about Director and Committee Member attendance. The Board expressed preference for candidates who could commit to regular attendance and engagement, which in general, were full-time residents of Big Sky. In consideration of the Board nominating criteria presented, potential candidates were discussed and a few Directors were assigned to reach out to those candidates to determine interest. Any other ideas would be sent to the Nominating Committee Chair for consideration.
  - iii. Filing Period for Candidates: The Board approved May 18<sup>th</sup>- June 18<sup>th</sup> as a filing period for candidates. An announcement will be sent out in the newsletter and posted on the website.
7. Committee Reports:
- A. Executive Committee - *Staff Evaluations, Staffing Plan/Compensation for 2020 - April 29<sup>th</sup> Mtg*: The Committee has reviewed and recommended staff wages and benefits for FY 2020, which have been included in the 2020 budget.

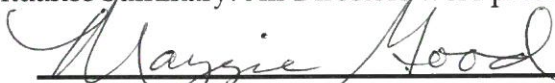


- B. Legal Committee - *Proxy Voting, NWE Substation, SGH's Covenant Amendment, Fairways Development* – May 15<sup>th</sup> Mtg: No further discussion required
  - C. Nominations Committee - *May 13<sup>th</sup> Mtg*: No further discussion required
  - D. Strategic Planning Subcommittee - NA
  - E. BSAC - It was noted that the calendaring system for projects needs to be updated to be more efficient/accurate.
  - F. BSOA Advisory Committee -No further discussion required
  - G. BSCO - No further discussion required.
8. Other: *SB 241* - Phillip Chadwell attended the National Infrastructure Meeting organized by the Chamber and hosted at Lone Peak Cinema on May 16<sup>th</sup>. It was reported at the meeting that there is no set timeline yet to when they will be putting the additional one percent to vote in Big Sky. Other items discussed: a state-approved increase in hotel tax, general changes in the community, the access lift to be installed in Orly's, a multi-level parking facility near the Resort, updating Swift Current, the Gondola and the grand opening of The Wilson Hotel. There was some discussion about Resort Tax liability for short-term rentals shorter than 30 days. It was noted that the Board still needed to approve the Kevin Frederick condolence gift card.

**Motion made by Grant Hilton to give the Executive Director authority to approve one-time expenditures of up to \$500 within the current year's budget; seconded by Phillip Chadwell. Motion carries.**

9. Adjourn: With nothing left to discuss, the Chair adjourned the meeting at 10:33 AM

Attendance Summary: All Directors were present for the duration of the session.

  
Maggie Good, Secretary