



BIG SKY OWNERS ASSOCIATION

Board of Director's Meeting Minutes - Friday, November 20th, 2020 - 9AM

Big Sky Owners Association Board of Directors met on Friday, October 16, 2020 at the Big Sky Owners Association office in Big Sky, Montana. Directors in virtual attendance included: Eric Ossorio, Gary Walton, Grant Hilton, John Stowe, John Gladstein, Maggie Good, Kevin Daily and Philip Chadwell. Suzan, Kathy and Tammy represented staff. Amy was present to record minutes.

1. Membership Forum: None.
2. Call to Order: Chair Eric Ossorio called the meeting to order at 9:10 AM
3. Minutes: Board Meeting - October 16, 2020 Board Meeting corrections: Maggie sent corrections via email

Motion made by Gary to approve the minutes with the emailed typographical edits incorporated; seconded by Maggie. Motion passed unanimously

4. Finance and Audit Committee:
 - A. Audit/PD Project Update - Almost complete.
 - i. CPA Contract Work: An agreement has been reached with Rich Lindell on how to handle the PD issues: Lindell to figure out what adjustments to make and post those adjustments. 70,000 positive impact to the balance sheet set up a reserve for what we were still not able to reconcile. 15k remaining discrepancy. Lindell believes the work will come in under the budgeted amount in case further work is needed during the audit.
 - ii. Auditor Contract: A new auditor has been contracted to do 2019 and 2020 audit for a little less than the original cost.
 - B. October Financials - There are still a handful of outstanding correction entries to the balance sheet before everything is correct.
 - C. Lien Request - NA
 - D. Receivables & Assessments - Not collecting as much money as assessments as in the past, possible due to the pandemic. The Committee Chair reported on the balance sheet and staff reported there was still many assessments to be processed. There was some discussion about the snow maintenance costs.
 - E. New Members List - No discussion required.
5. Staff Report: October-November, 2020 - A brief summary of the report was given. There was discussion about the Employee Housing project in relation to the bylaw requirements. The Legal Committee to review bylaw section 3.2.2 prior to the Board making any final decision.
6. Chairman's Report:
 - A. Old Business -



- i. Project Updates:
 - a. LC Traffic Safety - Levi Ewan in County Transportation/Road and Bridge department seemed to be amicable toward speed tables and stated that there should be a variance available to allow for them in favor of other larger/more expensive options. BSOA submitted all the related materials for this variance request and plans to present it to the Commissioners in the January meeting. It was recommended that residences of Little Coyote as well as Eric as the Chair should attend either in person or virtually to show our support. There was discussion about additional support letters. No action needed today.
 - b. MadCo Emergency Egress - nothing new to report
 - c. Ponds Project - Looking at requesting for Resort Tax money and Tammy to attend grant writing courses in order to seek other funding options. An updated cost estimate is still needed but the original Engineer did not have time for this when the request was made but it was anticipated that the cost would have inflated considerably. Staff asked the Board to determine if the Association should continue to pursue this project and the Board asked Staff to get the updated estimate before a final decision is made. It was suggested that the Subcommittee review this estimate and make a recommendation to the Board.
- ii. Design Regulations Revisions Update: Board asked the LC to review the BSAC recommended Revisions prior to Board review but the LC did not feel qualified to adequately review the revisions and recommended hiring a professional consultant to review them. Now LC in the process of finding an objective professional consultant to help the subcommittee through this process as efficiently and correctly as possible. The LC's primary concern with current recommended revisions document was its narrow scope. LC recommended Board allow the LC to hire a consultant and give the LC a budget cap. Grant was requested by the Board in the October meeting to Trevor McSpadden and Stacy Ossorio to join the Revisions Subcommittee. There was some discussion about potential conflict of interest in the proposed candidates but it was noted that there were four total members of the committee, and it would be unlikely that that potential member could overpower the rest of the committee. However, there is a specific conflict of interest resolution that dictates who can serve on a committee. It was noted that the primary point of



conflict was in commercial which had been revised already, leaving only the residential sections.

Motion made by Maggie to give the LC permission to hire a professional consultant to review the current recommended revisions to the DR with a budget up to 5k; seconded by Grant. Motion passed unanimously.

Motion made by Grant to approve the assignment of John Seelye, Stacy Ossorio, and Trevor McSpadden to the DR Revisions Subcommittee; seconded by Maggie. Motion failed with unanimous opposition with one opposed.

Motion made by Grant to approve the assignment of John Seelye, Stacy Ossorio, and Trevor McSpadden to the DR Revisions Subcommittee focused specifically on the Residential sections of the Regulations with Grant Hilton as the Chair; motion failed for lack of second.

Motion made by Grant to approve the assignment of John Seelye, Stacy Ossorio, and Maggie Good to the DR Revisions Subcommittee with Grant Hilton as the Chair; seconded by John G. Motion passed unanimously.

- iii. Meadowview Snowplow Request: Laura Seyfang was on the call to represent this request. A further discussion from last month. LC recommended the Board not accept the request for the Association to plow Arapaho Trail. The Board reviewed the quotes and recommendation. It was confirmed that the LC did also review the option to make a charitable contribute in lieu of adding the road to the contract in the amount of the cost for plowing Arapaho Trail. The point was made that the Board would determine whether or not to make a charitable donation. It was noted that if Arapaho Trail was extended to be a true/through street, the request could be revisited.

Motion made by Gary to accept the LC's recommendation to deny the request to plow Arapaho Trail; seconded by John G. Motion passed unanimously.

Motion made by Maggie to make a one-time exception to the Board's motion to not make any charitable donations this fiscal year in order to give Big Sky Community Housing Trust a \$5000 charitable donation to support the plowing of Arapaho Trail for the 2020-2021 year; seconded by Grant. Motion passed unanimously.

- iv. Employee Housing Update: The Board reviewed Grant's report and the rigorous 10-year model of owning a condo – buying a studio or single bedroom condo in year one and selling it in year ten including insurance as well as the cost of the employee. The model shows that up to 350k spent in purchasing a condo would be still be profitable for the Association. It was recommended that the Board consider allocating up to 350k to purchase a condo for



employee housing. The Board discussed the state of the market and whether or not it's a good time to buy especially for a studio/single bedroom condo which is perhaps the most unavailable housing in Big Sky. The greater challenge to this project would more likely be availability instead of marketability. Another consideration is where the potential dues/HOA fees associated with a property and it is not desirable to find a condo for an employee and have to pay high yearly dues for the property. It was noted that being able to offer housing for an employee who is single or married without children is a desirable prerequisite to attract employees in the Big Sky area. The fact that this purchase would also allow cash flow into the Association is an added benefit. This money would need to come out of the reserves and the LC would have to analyze the purchase with regards to the Bylaws. It was noted that if action was not taken today, further action might not be able to be taken until January. \$150-170 to file the LLC paperwork, but a name would have to be chosen. There was a suggestion of subsidizing rent for rent, if for some reason the Association had to wait on the purchase.

Motion made by Grant to authorize the LC to form an LLC for employee housing with the name BSOA Employee Housing LLC or another appropriate name and to review ; seconded by John G. Motion passed unanimously.

Motion made by Grant that the LC review the Bylaw section 3.2.2 and if the LC determines the Association can enter into this sort of contract, a subcommittee comprised of Eric, Suzan, and Grant? Be given permission to enter into a contract to purchase a studio/single bedroom condo up to 350k with a 20% down payment under the LLC name; seconded by Gary. Motion passed unanimously.

B. New Business -

- i. New Server, Desktop Computer: Staff provided a memo detailing the issue and respective need. A recent IT inventory showed that one desktop computer and the server would need to be replaced, particularly the server given the proprietary information kept on that server which would not be appropriate to keep on an out-of-office server. There is a reserve fund for this replacement, which would then need to be replaced. Also, there might be some need for a laptop for the front desk position to make the position more desirable. EC recommended authorizing the purchase of a laptop computer for the front desk position up to \$750.



Motion made by John G to authorize up to \$750 for the purchase of a mobile laptop for the front desk position and allocate the server reserves for the purchase of a new server; seconded by Grant. Motion passed unanimously.

- ii. Advisory Committee – Future Projects: Rumsey Young and John Leeper were present to represent to AC. Tammy to staff this committee. It was noted that the Board should be thinking about new projects for this Committee. The Committee commended the Board on their work, especially virtually, and reported that the two projects currently on the AC docket are still outstanding and might be indefinitely. It was noted that the recent fire that happened between the Gallatin River and 191 brought the evacuation issue to painful light. Although this fire was managed and didn't result in a catastrophic disaster, it was easy to imagine how it could have been and the cataclysmic situation something like this would have put the Big Sky Community in. More than ever, this issue is at the forefront of the Committee's mind and needs more push through Madison County. The Committee chair requested the Board provide past Board meeting documents, particularly the minutes, to the Committee chair so the Committee could be prepared. The main concern for this would be the fact that the minutes are in draft form. Staff suggested the minutes be reviewed by the secretary, marked draft, and then sent to the AC Chair. Staff recommended the AC review the Board approved strategic plan projects and determine which projects the AC could assist with.

7. Committee Reports:

- A. Executive Committee – Meeting: 11/19/20 – Front Desk, Covid Office Protocol: No further discussion required. EC chair report included in packet.
- B. Legal Committee – Meeting 10/23/20, 11/13/20, 11/19/20: No further discussion required and the minutes were included in the Board packet.
- C. Nominations Committee – No meeting
- D. Strategic Planning Subcommittee – No Meeting
- E. BSAC - Meeting: 11/05/20, 11/19/20: It was noted that the Committee is more strictly following guidelines with regards to review fees and are not waiving these fees unless determined appropriate by those guidelines.
- F. BSOA Advisory Committee – No Meeting, nothing new to report. But it was noted that most people on a the DR Revisions subcommittee could claim some kind of conflict of interest. The next step for the evacuation issue would be to create a community coalition to support this effort from key players in Big Sky and asked that someone who is in Big Sky locally right now take the lead in this effort. There was no update on whether or



not MadCo had added money to its budget for the survey and repair of the first half of Jack Creek Road. Staff to check in with MadCo on this.

- G. BSCO Trails – Poop Chute trail easement is almost in place. Boyne and BSCO will be building a pedestrian pathway from the end of Andesite Road to the resort area. The AGOA has petitioned to slow down traffic on Andesite which is related to biking traffic from the Poop Chute and it was noted that Andesite Road will be repaved including a bike lane of sorts. It was suggested the BSOA weigh in to support the reduction of speed on this road.

Motion made by Gary to support the reduction of the speed limit on Andesite Road that AG and BSCO are supporting; seconded by John G. Motion passed unanimously.

H. Ponds Subcommittee – No Meeting

8. Other: COI forms will be sent out soon to all Directors and Committee members along with the revised COI policy. Administrative documents are also forthcoming as well as the Amended Bylaws. Staff was asked to follow up with MM about the road maintenance in MV.
9. Adjourn: with nothing further to discuss, the meeting was adjourned at 12:02 PM.

Attendance Summary: accept as otherwise noted, all directors were in attendance for the duration of the meeting.

Maggie Good, Secretary