



# BIG SKY OWNERS ASSOCIATION

## Board of Director's Meeting Minutes - Friday, October 16<sup>th</sup>, 2020 - 8AM

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 attending by phone: Eric Ossorio, Gary Walton, Grant Hilton, Maggie Good, Kevin Daily, John Gladstein, and John Stowe. Suzan Scott and Kathy Brown represented staff. Amy San Nicolas was present to record minutes.

**Executive committee: 8:15 quorum with eric john g and john s, and kevin daily spoke to 3 main legal issues.**

1. Membership Forum: None.
2. Call to Order: Eric Ossorio called the meeting to order at 9:08 AM.
3. Minutes: Board Meeting - September 18, 2020 Board Meeting, corrections: top of pg 3 add "a" or "the" before "performance deposit," change "their" to "its". Pg 4 under Finance a. "taking" changed to "taken." Financials were "reviewed" not "accepted."

**Motion made by Maggie Good to approve the September 18, 2020 Board minutes with the suggested edits; seconded by John Gladstein. Motion passed unanimously.**

4. Compliance:
  - A. Meadowview, Lot 1A & 2A: Staff reported that the dirt pile had been removed and the lots reclaimed and seeded.
  - B. Fairways: Staff reported Fairways had been sold, and a Major Alteration application approved for the completion of the existing foundation by next summer. The Board requested staff add an projects update for approved work in the Meadow noting Fairways had been approved and plans for construction to begin in earnest by spring. It was noted that approval from the developers prior to publishing any article would be appropriate.
5. Finance and Audit Committee:
  - A. Audit Update - Staff reported that Steve Barry, the contracted auditor, resigned due to personal issues not related to the state of the BSOAs accounts. The Board reviewed the letter sent by Barry and discussed finding a new auditor.
    - i. Performance Deposit Reconciliation - Staff reported it had reached the extent of what could be done by staff and sought the assistance of a professional CPA to complete this work.
    - ii. CPA Contract Work - Staff reported that Rich Lindell had been hired to help clean up the books before a new auditor was brought in but that Board approval is needed for a budget on this work. It was noted that Steve Barry would not be charging for any



work and had not been paid but this money would not necessarily be able to be applied to Lindell as BSOA would still need to pay the new auditor.

**Motion made by John Gladstein to authorize up to \$10,000 in expenditures to hire CPA Rich Lindell to assist staff in adjusting and cleaning up the accounts in preparation of an audit; seconded by Gary Walton. Motion passed unanimously.**

- B. September Financials – The Board was brought up to speed on the current state of the financials including how staff and the hired CPA would attempt to handle the funds allocated for the audit. The Board decided not to approve the financials until the audit could be finalized as changes would be made that would affect the numbers in the report.

**Kevin left the meeting at 9:45**

- C. Lien Request – NA
  - D. Receivables & Assessments – A director noted pending liability for legal costs.
  - E. New Members List – No discussion needed.
- 6. Staff Report: September-October, 2020 – It was noted that the report covered two months and staff briefly addressed the inclusions in the packet and expounded on staff hires/resignations. The Legal Committee reported generally on the outstanding legal issues stating that a claim and counter claim had been filed for the Rainham dispute and that attorneys were working on the next steps, and that a claim had been filed against the BSOA by Doc’s Real Estate but a response was being prepared by BSOA’s Legal Counsel.
  - 7. Chairman’s Report:
    - A. Old Business –
      - i. Project Updates:
        - a. LC Traffic Safety – Board was updated on the status and requested that staff get updated costs from Morrison Maierle (MM), determine whether the work could be at least partially covered by the RIDs or Resort Tax, and check with snow plow contractor for their position on narrowing/circles. It was noted that the County should take some responsibility and initiative on a solution to this serious safety issue on Little Coyote Road and it was suggested a BSOA representative meet with County and MM together on Little Coyote site to work on a joint proposal inclusive of a sketch with specific locations showing how a circle would even fit in the proposed locations. The Board requested Staff bring an actionable item to the next meeting or as soon as possible.



b. MadCo Emergency Egress – No discussion required at this time.

- ii. Design Regulations Revisions Update: Staff reported the BSAC approved revisions would be sent to the Legal Committee for review before being presented to the Board.
- iii. Legal Committee Charter Revision: The Board reviewed the existing charter and the LC/ NC? recommended changes of ‘volunteer members’ to be included in the membership section.

**Motion made by Grant Hilton to approve the recommended revisions to the LC charter; seconded by John Gladstein. Motion passed unanimously**

- iv. BSAC Charter Revision: The Board reviewed the proposed revisions to the BSAC charter that would bring the document into agreement with the Bylaws.

**Motion made by John Gladstein to approve the recommended revisions; seconded by Grant Hilton. Motion passed unanimously**

- v. Annual Election Results: Staff reported quorum was achieved and the results were posted on the website. It was noted that even with out Lakes Condos or the Resort votes, more votes were received this year than last year.
- vi. Committee & Officer Appointments, FY 2021 -. The Board discussed the recommendations for Committee and Officer assignments made by the Nominating Committee and Maggie Good requested to be taken off the design regulations revisions Subcommittee. It was noted that John Seelye accepted the invitation to join this committee and that Stacy Ossorio or Trevor McSpadden might be good choices for Maggie’s vacated slot. Grant Hilton, as Chair of this subcommittee, was asked to approach both candidtates to fill the other position.

**Motion made by John Gadstein to approve the recommedations made by the Nominating Committee for committee and officer appoitments with the reluctant removal of Maggie Good from the Design Regulations Revisions Subcommittee; seconded by Grant Hilton. Motion passed unanimously.**

B. New Business –

- i. Meadowview Snowplow Request – Laura Seyfang represent Meadowview’s request to be included in snowplow services for 2020-2021 season. The road was paved which was one of the requirements to be able to be added to the schedule. Seyfang noted that Arapaho Trail had not yet been mapped or recorded by the County but that this work was to be done by the end of the



month, the County planner expected to approve Arapaho trail as a public access road, and the road would give public access to trails including cross-country ski trails. Staff presented Delzer's quote for the work which broke out the driveways and parking areas from the road itself, as BSOA only plows roads. The Board noted that for practicality purposes, regardless of whether or not the BSOA paid for only the road portion of the subdivision, the same contractor would need to be used for both types of work. Delzer in giving the quote was making the assumption that it would be doing both parts of the work. Seyfang reported that of the 52 total units 18 were already sold in the winter of 2019, the sale of 16 more were due to close in the next few week, and 9 additional units were slated to be finished in February. Seyfang noted that during working hours there would be public parking at the end of the units but that the "hammerhead" at the end of the road would not be parking for anyone as it's the emergency parking for the Fire Department and that the trail runs along the south side of the Meadowview property. There was discussion about the value of the 'public' access to the membership and the possibility of setting precedence for other condo associations but that the project is a much needed answer to affordable housing. Conditional approval with appropriate framing should alleviate the concerns of setting precedence. It was proposed that the LC take on this request and work on how an approval could be made without setting precedence or perhaps structuring the assistance as a charitable donations. This meeting would need to be scheduled well in advance of the November Board meeting. With the sale of all 52 units, dues would be over 19,000 a year for these properties and would more than cover the cost of this work. It was also noted that this is the final year of the current snowplow contracts and if the Board determined it would like to include Arapaho trail it could be added to the new contracts.

- ii. Employee Housing Update - The Board was briefed on this proposal which seeks to provide affordable housing and encourage staff retention as well as potentially be a profitable investment. A ten year cash flow analysis was done for a single bedroom or studio apartment in the range 200,000 to 350,000 and it was reported that the analysis showed a positive return in all cases including a discounted rental rate for the employee. The assumptions for this scenario included the receipt of a loan by BSOA and a 20% down-payment to start. The next step would be to authorize moving forward with the pursuit of the housing and



a funding cap of around 350,000. There was a discussion on how the property would be held to prevent liability for the entire association. There was some pressure to move quickly as the lower end housing on the market sells quickly and any offer could be backed out of but once a property is gone the opportunity is gone with it. The final analysis and financials would be sent out by Monday for the LC to review prior to the November Board meeting. Meadowview was proposed but the challenge for those properties are their deed restrictions prohibit the purchase of a unit by an employee instead of an employee. Meadowview is seeking potential options for renting but at this point it would not be a viable option for the BSOA.

8. Committee Reports:

- A. Executive Committee - minutes from the previous minutes were included in the packet.
- B. Legal Committee - minutes from the previous minutes were included in the packet.
- C. Nominations Committee - minutes from the previous minutes were included in the packet.
- D. Strategic Planning Subcommittee - NA
- E. BSAC - It was reported the one sketch plan Single-Family Residence received this month was denied for extended roof lengths and it was noted that the new Committee members were settling in well.
- F. BSOA Advisory Committee - Rumsey Young and John Leeper were on the call to represent the Advisory Committee. It was reported that Kevin Germain communicated with Rumsey last week referencing Madison County Commissioners' progress on the issue of egress. Madison County's engineers reviewed the bottom three miles which are privately owned and recommended that for about one million dollars the county could possibly address 80% of the improvements needed on that stretch which has been tentatively allocated for this work out of the 2021 and 2022 budget with an expected completion timeframe of fall 2021. This was a report by Germain and not documented from the Commissioners themselves but Rumsey was seeking documentation of this commitment and it was recognized that this was a great first step. The Board requested someone follow up with Commissioner on how many more subdivisions it was intending to approve since many of the large scale tracts are being sold currently. It was noted that 'One and Only Resorts' had purchased property in Moonlight and intends to develop a boutique resort with perhaps 50 units and that the egress issue was too important of an issue to back away from now. The AC proposed/recommended staff reach out to all interested parties of the Big Sky community, write



another letter to Gallatin County Commission to discuss Vail Colorado's Emergency egress policy, and to attend meetings. The Governor first ignored the previous letter than passed it off the the road department which didn't respond to the right question. Their argument is that the state doesn't have jurisdiction of the Jack Creek road.

**Kevin returned at 1125**

- G. BSCO Trails - NA
  - H. NEW Transmission Upgrade Subcommittee - NA
  - I. Ponds Subcommittee - NA
9. Other: None
10. Adjourn: With nothing further to discuss, the chair adjourned the meeting at 11:51 AM.

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

---

Maggie Good, Secretary