



BIG SKY OWNERS ASSOCIATION

Board of Director's Meeting Minutes – Friday, June 17, 2022 – 9:00 AM

Big Sky Owners Association Board of Directors met on Friday, June 17, 2022, at the Big Sky Owners Association office in Big Sky, Montana. Directors in attendance included: Clay Lorinsky, Grant Hilton, and Kenny Holtz. Directors in virtual attendance included: John Stowe, Eric Ossorio, and Maggie Good. Staff members in attendance included Suzan Scott, Kyle Pomerence, and Emma Lawler; Tammy Estensen attended virtually. Emma Lawler recorded minutes. Kevin Germain from Lone Mountain Land Company and Attorney, Dave Weaver attended as well.

Grant Hilton made a motion to appoint Clay Lorinsky as temporary Chair for the June 17 Board meeting. Kenny Holtz seconded the motion. Motion passed unanimously.

1. Call to Order: Chair Clay Lorinsky called the meeting to order at 9:05 AM.
2. Membership Forum: No comments were received from members.
3. Meeting Minutes: Clay Lorinsky asked to change the language in section C.b. to “...after mediation and deposition...”

Motion made by Grant Hilton to approve May 20 Meeting Minutes to include the above language. Motion seconded by Kenny Holtz. Motion passed unanimously.

4. Finance and Audit Committee
 - a. May Financials – Clay Lorinsky went over the May Financials. BSOA finances are in good standing. It was recommended that the BSOA reserve funds should be invested into a high-yield savings account because the current account has a low yield, however, this could happen at a later date when we know the amount and when Reserves will be spent on the Pond Project. Regarding past Board approval to foreclose on a unit at the Summit Hotel (account #10511); Dave Weaver advised that the \$4,000+ in fees owed is not worth pursuing a foreclosure, as accrual of legal fees could be up to \$15K and just to file a complaint against #10511, Weaver mentioned there will be a couple thousand dollars in legal fees. Clay Lorinsky suggested the Board table this issue. Kenny Holtz suggested that the BSOA look at a cost-benefit analysis and create a policy for foreclosures with outstanding fees of up to \$10k or another agreed upon amount. As an alternative to foreclosure, Suzan Scott reminded the Board that the BSOA has in the past, used a collection agency. The Legal Committee will further discuss the foreclosure.



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*****Dave Weaver left the meeting*****

- b. Receivables & Assessments: Kyle Pomerence discussed the non-compliance list of members, in which suspension of rights are enacted.

Motion made by Grant Hilton to send a standard form letter to non-compliant members, suspending their voting rights and privileges of. The letter should state the reason for suspension. Motion seconded by Kenny Holtz. Motion passed unanimously.

- 5. May & June Staff Report: Suzan Scott went over the staff report. Tammy Estensen, Project Manager, and Amy San Nicolas, Architectural Review Manager, created a combined spreadsheet for compliance issues and weekly compliance meetings are being held. These additional actions will assist to limit issues falling through the cracks.

6. Chairman's Report

A. Old Business

i. Pond Project Updates

- a. Resort Tax: Kenny Holtz discussed the outcomes of the Resort Tax allocation meetings. The funding received from Resort Tax for the Pond project was \$262,000. Several of their board members had an issue with the beach proposed along the berm. After further discussion, the Board asked that Suzan contact the Resort Tax and ask for reconsideration of the amount allocated to the Pond project.

- b. Gallatin River Task Force (GRTF) Input: Although solicited by BSOA, the GRTF did not submit a letter of support for the Pond project. Instead, they asked that the BSOA fund an additional \$10,000 for a study on potential impacts downstream of the pond. The door was left open for further collaboration.

- c. Water& Sewer District (WSD) Water Rights: The BSOA is on the WSD agenda for June 21st, 2022, to discuss water rights for Little Coyote Pond and the WSD/BSOA partnership that is based on the 2015 MOU, which still stands. Splitting the cost for a valuation of these water rights will be proposed at the June meeting.

- d. WGM Group Contract Amendment: Grant Hilton reported that the BSOA did not receive any bids for the Pond project because



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construction companies are entering their busy season. Construction work on the pond requires two types of skills: dredging and remediation of waterways. Due to the required skills and complexity of the project, the potential bidders felt they did not have enough time to review the entire RFP and prepare a bid. To move this bid process forward, WGM felt construction may need to be completed in phases. Therefore, WGM will lay out a schedule and estimated costs, but another \$30,000 is needed to do so, for which Board approval is requested.

e. Funding Cost Analysis: Grant Hilton discussed the funding cost analysis for the Ponds. Fundraising through Benefit Big Sky (BBS) will supplement the outstanding costs, but the Ponds Subcommittee recommended that BSOA go back to Resort Tax and ask for the full amount that was originally requested. The Resort Tax Board wants to see collaboration in the community; however, it was noted that the BSOA was not provided the opportunity to fully present all BSOA's partnerships, working with other organizations to carry out the project. Given that the Project may need to be completed in the various phases, Suzan Scott noted that this could allow more time for staff to fundraise. The Ponds Subcommittee feels confident that they could get the remaining funds.

Motion made by Kenny Holtz to approve \$30,000 for estimate cost analysis and strategy for construction process and bids. Motion seconded by Eric Ossorio. Motion passed unanimously.

Discussion: Maggie Good asked if the project should be put on hold. Grant Hilton responded that the project is not on hold, but the starting date for construction may be delayed. The Pond Subcommittee is getting information from potential bidders that they need more time. The \$30,000 can either be invested to keep this project moving forward or the Project will be at a stand-still.

ii. FY 2023 Budget: The Executive Committee (EC) met and provided a recommendation for staff expenses to be inserted into next year's budget. The proposed staff expenses are partially based on Board direction to best determine resources for project completion as prioritized in the Strategic Plan, as well as Staff retention. Included in the proposed expenses, is a new hire for Project Management and Tammy would shift to fundraising



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and communications. Suzan was asked the cost of a new hire. The cost for the new hire is \$66,604 for FY 2023. This new hire would contribute to the success of BSOA and community projects.

The Finance Committee (FC) also met and vetted through the FY 2023 budget and recommended that the \$100,000 of undesignated funds be put in the Operating Reserve.

To achieve a balanced budget, discussion ensued about which expenses could be cut to close the gap. Comments included increasing dues by 5% to counter inflation and a five-year Strategic Plan was proposed. There was concern about increased costs for snow removal and other BSOA services provided. A 10% increase in assessments was suggested. There was consideration that BSOA should stay relevant, be a leader in the community, and those efforts should be invested in. Delaying the new hire by three months was also suggested.

Motion made by Maggie Good to increase dues by 5% and not hire someone until a contracting plan for the Ponds project is confirmed. Motion seconded by John Stowe. Motion failed.

Motion made by Grant Hilton to eliminate from the BSOA FY23 budget the Global RID line item and all proposed Benefit Big Sky project funding including sustainability initiatives, fire prevention, and community fire assessment. In addition, add a 5% annual assessment increase and delay the new hire until Jan 1 of 2023. If there is a balance, move \$30,000 of undesignated funds for the new hire from the money market. Motion seconded by Eric Ossorio. Motion fails.

Discussion: There was concern for how the Ponds project would affect the proposed budget, as the budget presented, is under the assumption that the Project moves forward.

Motion made by Clay Lorinsky to eliminate the following line items from the budget: Global RID, Benefit Big Sky projects such as sustainability, fire prevention, and community fire assessment. Motion seconded by Grant Hilton. Motion passed unanimously.

Further discussion was had about reducing the \$66,404 for the new hire by delaying the hiring date of Oct. 1, 2022.



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Motion made by Grant Hilton to delay hiring of a new person until Jan. 1, 2023.

Motion seconded by Eric Ossorio. Motion passed unanimously.

Motion made by Clay Lorinsky to remove the BSOA membership awareness campaign, Short-Term Rental Resolution, and covenant amendments from the budget. Seconded by Grant Hilton. Motion passed unanimously.

Motion made by Grant Hilton to change revenue of invested funds to 1% interest, based on invested capital. Motion seconded by Maggie Good. Motion passed unanimously.

Motion made by Grant Hilton to increase the review fees for BSAC. Motion seconded by Maggie Good. Motion passes with one opposed.

Motion made by Kenny Holtz to increase annual dues by 10%. Motion failed.

Motion made by Grant Hilton for a five-percent dues increase that would not impact reserves but balance the budget. Motion seconded by Maggie Good. 4 in favor of motion, 2 opposed. Motion passes.

iii. Nominating Committee Recommendations:

- a. BSOA Board Candidates – Per the Nominating Committee (NC) meeting minutes, NC recommendations were presented and discussed.

Motion made by Maggie Good to approve the BSOA Board Candidate slate recommended by the Nominating Committee, including George Mueller, Walt Andrews, Michelle Horning, and Morgan Brooke. Motion seconded by Clay Lorinsky. Motion passed unanimously.

- b. Big Sky Architectural Committee (BSAC) Candidates

Motion made by Clay Lorinsky to appoint George Mueller and Michelle Horning to the Board for the remainder of Gary Walton and Kevin Daily's terms. Motion seconded by Maggie Good. Motion passed unanimously.

Motion made by Grant Hilton to appoint Brad Reiersen to the BSAC for the remainder of Gary Walton's term. Motion seconded by Clay Lorinsky. Motion passed. Kenny Holtz recused himself.

Motion made by Maggie Good to approve Brad Reiersen as a BSAC Candidate on the election ballot. Motion seconded by Eric Ossorio. Motion passed unanimously.

- c. Benefit Big Sky Directors



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Motion made by Eric Ossorio to appoint Kenny Holtz, and Gail Young as Benefit Big Sky board members. Motion seconded by Maggie Good. Motion passed. Kenny Holtz recused himself.

iv. Annual Meeting Update: The Board reviewed the material presented and there were no further comments from the Board.

v. Moonlight Basin TEDD Presentation: Kevin Germain from Lone Mountain Land Company presented his proposal to create a Targeted Economic Development District (TEDD) within the Moonlight Basin area. Mr. Germain came to the BSOA Board seeking support for this initiative, which would allow tax revenue to be spent on improvement projects based in Moonlight Basin. The main project highlighted in the presentation was workforce housing for those who work within the Moonlight Basin boundary. The Board will further discuss BSOA's support. Kevin Germain requested to be included in that meeting and will submit a full comprehensive development plan.

B. New Business:

i. Sustainability Committee Position Paper: Due to the length of the meeting, this issue was postponed until the next scheduled Board meeting.

7. Committee Reports

A. Executive Committee – Meeting: 06/08/22 – No further report given.

B. Nominating Committee – Meeting 6/13/22 – Candidate Recommendations; Six Candidate Interviews w/: George Mueller, Walt Andrews, Lisa Tiefke. Michelle Horning, Brad Reiersen, Morgan Brooke – No further report given.

C. BSAC – Meetings: 06/02/22, 06/16/22, Design Regulations Revision (DRR):06/16/22 – Several new projects have been approved. The DRRC will meet for a final revision and recommendation to BSAC in the summer.

D. Ponds Subcommittee – Meeting 06/01/22, 06/09/22 – Construction bids, MOUs, Water Rights, BSRAD – No further report given.

E. Sustainability Committee – Meeting 05/31/22: - Position Statement Review, TEDD Presentation – No further report given.

8. Other: Next Board Meeting – July 8, 2022

9. Adjourn



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John Stowe, Secretary

