



# BIG SKY OWNERS ASSOCIATION

## Board of Director's Meeting Minutes - Tuesday, December 4, 2018

Big Sky Owners Association Board of Directors met on Tuesday, December 4 at 9:00 am at the Big Sky Owners Association office in Big Sky, Montana. Directors in attendance included: Gary Walton, Eric Ossorio, Kevin Daily, Michelle Frederick, Gail Young, Grant Hilton. On the phone: Maggie Good and Philip Chadwell. Suzan Scott and Steve Anderson represented staff. Amy San Nicolas was present to record minutes.

1. Membership Forum: None.
2. Call to Order: Chairman Gary Walton called the meeting to order at 9:03 am.
3. Minutes: September 21<sup>st</sup> Board Meeting - Corrections: Two motions are listed as "died". Board would like them changed to failed or lost. Motion was restated. Last motion to send Rainham letter only indicated six Directors voted. It was requested that the vote count be changed to five in favor, two against.

**Motion made by Eric to approve September 21st, 2018 Board Meeting Minutes as amended with changes noted above; Seconded by Maggie Good. Motion carries.**

October 19<sup>th</sup> Board Meeting - Corrections: First page, item 5, section b, "Schwan" be changed to "Schwab". Receivables and assessments is missing a 'd.' Executive Session is noted on page 3 but didn't occur until end of meeting. Page 5, "North Western" should be one word. Page 7, section b, Legal Committee, name of member to be changed to member account number.

4. Finance and Audit Committee:
  - A FY 2018 Audit Update – Steve Anderson reported that the audit field work was postponed and is scheduled for next week. It was noted that the Financial Committee would review the audit extensively prior to Board approval. The audit would then be approved at the January Board meeting and Directors will receive the audit in advance to the January meeting for their review. It was proposed the Board consider amending the Bylaws and extending the date set for future summary financial letter to be sent out to the membership.
  - B FY 2018 Year-End Financials - Balance sheet: The Board was pleased that year-end revenue over expenses were in excess of \$20,000.00. It was noted that most items listed in the Budget vs. Actual came in below budget except Legal Fees and Liens. Causes for the unanticipated overages were legal consultation regarding the Bylaws amendments, several legal questions relating to the Lake Condo Proxy vote, issues with the NorthWestern Energy Substation and an unusual issue with



a noncompliant member. Also noted was expense entries in Staff Expenses that should instead be allocated to bad debt.

- C October Financials – It was reported that, compared to last year, cash and receivables for October were up due to assessments while receivables for November were actually below average largely due to two major property owners with outstanding accounts. Further discussion was had about delinquent accounts and accrued interest based on the Bylaws requirement of sixty days. However, the Board previously had decided that the BSOA would not begin charging interest until January 1<sup>st</sup> of each year and at that point each delinquent account would be charged a late fee. It was reported that the Madison County Reimbursement for Snowplowing had not yet been invoiced or received and that office expenses were higher than anticipated for this time of year.
- D Matured CD Reinvestment report – It was reported that the reinvestments have been completed and the request for approval is retroactive. The Board was pleased with the yield rates of the shorter-term investments, allowing the BSOA to take advantage of rising interest rates. Suzan has also been working to consolidate a number of bank accounts for the sake of simplicity.

**Motion made by Grant Hilton to retroactively approve the investment as reported; Seconded by Eric Ossorio. Motion carries.**

- E Receivables & Assessments –
  - i. Online Payment System Update: The Board requested Staff reevaluate and review the cost and performance of this system in two to three months’ time. No other action or discussion was required.
- F Lien Request: Doc Real Estate – It was decided that Gary and Gail would collaborate to reword the verbiage in the ‘whereas clause’ to include the ability to levy penalties and fines. General consensus of the Board was that the current lien processing fee did not adequately cover BSOA’s cost for preparing and filing the liens nor did it reflect the commercial rate charged by other entities. Staff was instructed to research commercial rates and analyze the specific costs incurred by the BSOA for this process, however this analysis should not delay liens currently being processed. It was decided that starting January 1 a fee increase from \$100 to \$250 would take effect.

**Motion Made by Michelle to increase the fee for preparing and filing a lien from \$100 to \$200 affective January 1, 2019; Seconded by Grant Hilton. Motion Carries.**

- G Collection Request – None
- H New Member List –Significant development that has led to an influx of new residents and visitors in Big Sky and other resort towns was noted. Staff was



asked to research and track the demographics of new members as a point of interest--specifically where new BSOA members are coming from and where in Big Sky they are purchasing property as well as price points.

5. Staff Report – October: It was brought to the Board’s attention that several administrative projects have been stalled due to limited staff and other priorities. Suzan felt that a part-time project manager could alleviate this problem. The Board requested Suzan provide analysis for the Board to review at the January meeting that demonstrated the cost, time, and scope for this position. It was also decided that the Strategic Planning Subcommittee should meet in January to discuss current and future projects that affect the Big Sky community, then prioritize these projects. The Board expressed a general desire to take on more of a community leadership role. The Strategic Planning Subcommittee is to propose recommendations to the Board and possibly a new mission statement.
6. Chairman’s Report – Chairman Gary Walton:
  - A Old Business –
    - i. Lake Condos Proxy Vote: Voting Process Update – It was reported that the proposed Lake Condos Owner’s Association’s voting process is in compliance with the BSOA Bylaws and the BSOA Board and Lake Condos HOA are in general agreement. After discussions with the LCOA chairman, Mark Jobson, the Board decided the LCOA should draft an election form that would determine each membership unit’s voting representation, which the BSOA Board could review. It was noted that the BSOA has requested a members list from LCOA on several occasions in order to verify each unit’s votes but have not yet received one. Also, the LCOA has requested the BSOA respond to two questions: 1) the amended bylaws; 2) BSOA’s legal authority to assess. After some discussion, the Board decided a response would be drafted with the aid of legal counsel and given to the LCOA as requested. The correspondence would also state that the voting procedure discussed would be approved contingent upon the receipt of a LCOA member list. It was then noted if the BSOA did not receive the list, the option remained to request the list from Madison County.
    - ii. Project Update:
      - a LC Traffic Calming Measures Updates – It was reported that the additional two speed signs as well as Children at Play signs have been installed. Also, the Driver Feedback signs were not up yet but have been ordered. Suzan reported that the driver feedback signs are being paid for with the Meadow Village RID funding and BSOA is paying for the traffic signs. Morrison Maierle is in the process of submitting a proposal revise the county ordinance for



speed tables but letters are still needed from the Big Sky Fire Dept. and Gallatin County Sheriff.

- b Little Coyote Culverts – For a number of years there has been attempts to fix these faulty culverts and staff is now happy to report that this project has been completed and paid for with RID funds.
  
  - iii. MadCo Egress Update: A response to the Board’s letter sent out in October was received from Jim Hart, Madison County Commissioner, stating that the process was “in the works.” The Board felt this response was unsatisfactory and would like to see action taken as proposed, which includes surveying the road right of way on the specific 3 mile stretch. If further response was not received, another letter with stronger language would be sent out to Madison County Commissioners that included an expanded carbon copy and would be accompanied by a phone call. The Board discussed the severity of this issue in lieu of the Paradise Fire disaster in California and proposed the BSOA should bring the issue to the local media outlets. The Board requested Staff write a second letter that requests a specific timeline for the survey and evacuation traffic assessment to be completed. It was suggested that BSOA may want to set aside another Reserve Account for this issue and that the Big Sky Chamber of Commerce be contacted to see what their thoughts were on this issue. It was noted that the Big Sky Fire Department, the Fire Chief in particular, were of the same mind as the BSOA.
  - iv. NorthWestern Energy Substation Update: It was reported that NorthWestern’s Conditional Use Permit was approved by the Gallatin County Planning Board and NorthWestern could proceed with building their substation. The issue remains that this site is in the BSAC jurisdiction. The situation has been referred to legal counsel who will be in communication with NorthWestern’s representative.
- B New Business –
- i. Berm on Rising Bull: It was reported that there is a sharp ninety degree turn on Rising Bull with a significant drop and steep grade but no guardrail. As a preventative measure, Staff prompted Jeremy Olsen of Gaston Engineering to inspect the area. It was determined a berm would be an acceptable safety measure for the corner in question and would be less expensive than a guardrail. Because there is not an RID for this area, Jeremy proposed the BSOA provide the funding for the installation of the berm. The Board requested Staff research other sources of funding and solutions for issues of this nature.



**Motion made by Eric Ossorio to approve, as soon as practical, funds of \$500 not to exceed \$1000 to create a berm at the proposed area on Rising Bull and to investigate other contributors to road improvements that affect public safety in the area; Seconded by Philip Chadwell. Motion Carries.**

7. Committee Reports:

- A Executive Committee - NA
- B Legal Committee - *LCOA Proxy Voting, NWE Substation*: No further discussion was required.
- C Nominating Committee - It was reported that a Committee meeting will be scheduled to create a draft Advisory Board Charter for Board review and approval.
- D MLB ODP Update: Egress/Ingress -No further discussion was needed.
- E BSCO -There is still no Tiger Grant timeline; the Crail Ranch parking lot will again be plowed and paid for by BSOA, but a groomed ski trail now connects skiers to the parking lot.; Boyne has requested access to the club house on Black Otter not be plowed this year.
- F BSAC - It was reported that BSAC has had a few canceled meetings due to lack of applications; that there have been issues with the multiple developments in Aspen Groves and some owners are not pleased that homes are being built in their view space. It was noted that Jess is doing a wonderful job as the Architectural Review Coordinator.

8. Other: Bud Worm Infestation - Suzan reported that she spoke to Jim Cancroft of Northwest Management and he will send information on how best to eradicate the bug worm. It was noted that they did spray in 2009 and 2011, however this time, the BSOA would facilitate between the land owners in a cooperative effort to get this done. A public announcement regarding this effort should be put out in March. It was proposed that BSOA could do a map of spray areas for the members.

9. With no further business, the meeting was adjourned at 12:28 pm.

Attendance Summary: Maggie Good left the call at 11:30. Steve Anderson stayed for the Financial Reports, then left.

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Maggie Good, Secretary