



BIG SKY OWNERS ASSOCIATION

Board of Director's Meeting Minutes June 17, 2016

Big Sky Owners Association Board of Directors met June 17, 2016 at 9 AM at the Big Sky Owners Association office in Big Sky, Montana. Directors in attendance included: John Loomis, Gail Young, Kevin Frederick, and Barb Rooney. On the phone was Sharon Douglas, Kent Volosin and Steve Barrett. Unable to attend was Grant Hilton and Eric Ossorio. Suzan Scott, Casey Drayton and Lori Wetzel represented staff. Gary Walton, member, also attended the meeting.

1. **Membership Forum:** None
2. **Call to Order:** John Loomis called the meeting to order at 9:08 AM.
3. **Minutes:** Motion made by Kevin Frederick to approve the April 15, 2016 minutes; seconded by Gail Young. Motion unanimously carried.
4. **Finance and Audit Committee**
 - A. April and May Financials – Treasurer Kevin Frederick presented the April 2016 financial statement. Kevin stated that the vacation and sick accrual will be reduced as staff uses their accrued vacation time this summer. Kevin noted that the BSOA has spent \$27,000 on pond expenses to date. Motion made by Barb Rooney to approve the April 2016 financial statement as presented by Kevin; seconded by John Loomis. Motion unanimously carried. Kevin presented the May financial statement with the main emphasis on the property tax expense being double the budgeted amount and asked staff to submit an appeal to the county to have our taxes reviewed. Kevin also pointed out that staff has moved funds to new CDARS accounts to receive a better interest rate for the next year and that bank accounts tie out to bank statements. Motion made by John Loomis to approve the May 2016 financial statement; seconded by Gail Young. Motion unanimously carried.
 - B. Receivables/Assessment Correspondence – Per Kevin, there was nothing to discuss at this time.
 - C. Lien Requests – Acct # 01256, 00510, 08025, 10511 – Lori asked the Board to place a lien on four member accounts due to non-payment of dues for 2015-2016. Two of our members she is unable to locate, their mail is being returned with no forwarding address. One member is a local member and Barb Rooney asked staff to personally contact this member to discuss payment arrangements before placing a lien on the property. Motion made by Kevin Frederick to place a lien on three member accounts and contact the local member in person

to work out payment arrangements; seconded by Barb Rooney. Motion unanimously carried.

D. Collection Request – None

E. New Members List – The monthly list of new members was provided to the Board for review.

5. April & May Staff Report

Presenting the April and May Staff Reports, Suzan Scott asked if there were any questions about the staff report as submitted in the Board packet and, with no questions, we moved to the next agenda item.

6. Chairman's Report

A. Old Business

- i. Little Coyote Bridge Subcommittee Report – Kevin Frederick provided a recap to the Board regarding progress on the Little Coyote Bridge.
 - a. BSCO Board Decision – The BSCO asked for a letter of support on their trail project for submission to the Resort Tax District, which was written, approved by the Executive Committee and submitted. A question regarding a new bridge over the Little Coyote Pond from the Resort Tax Board to BSCO was addressed.
 - b. Bridge Group Meeting – A meeting of the Bridge Group was held last month to discuss who is responsible for the replacement of Little Coyote Bridge. Funding options are being discussed by BSCO and the BSOA and updates will be reported at a future Board meeting.
 - c. Legal Opinion – The BSOA has asked our legal counsel to research who owns the Little Coyote Bridge and who is legally responsible for the bridge's replacement and maintenance thereafter. Details will be reported to the Board after we hear back from our attorney.
 - d. To Date Bridge Expense Report – The bridge expense report was provided to the Board in the packet.
- ii. BSOA Ponds Subcommittee Report – Kevin Frederick presented the pond update to the Board.
 - a. DNRC Application Update – Kevin stated that the BSOA has heard from the DNRC regarding our application and he was happy to announce that only a few minor items were requested in their deficiency letter. The DNRC is requesting a letter from a fish biologist which the BSOA will facilitate. It is hoped that once all the items are addressed and submitted, DNRC will submit their final approval for the water rights application. Because the lengthy approval process by DNRC was not expected, along with the anticipated timeline for an Army Corp of Engineers permit, the Executive Committee made the decision to delay the pond project by one year and also delay our application for Resort Tax funding until next year. The permitting process will continue in the meantime so the construction for the Ponds Project can begin in the fall of 2017.
 - b. Trail Easement Update – An easement to Silverbow Pond is still in the research phase. There are many details to be worked out along with a trail location and cost estimates. The Board will be updated as these items are known.

- c. To-Date Ponds Expense Report – Kevin gave the Board the most recent pond expense worksheet.
- iii. Noxious Weeds Consortium Update – Casey Drayton provided an update on the weed consortium. He stated that the BSOA has not been able to secure a contractor who can give each member a bid prior to weed spraying and also give a discounted cost to each member since each property is different and may have a variety of weeds present on each property. The Board decided to cancel the project at this time due to the many complications that have surfaced.

B. New Business

- i. Snowplow Reimbursements – Casey presented to the Board the costs for the three small road segments within the BSOA jurisdiction which we have historically plowed. Motion was made by Kevin Frederick to accept the two agreements for North Fork road and Crail Court road. Kevin asked staff to research the BSOA requirements for snowplowing the .03 mile section of Ridgeback road and report back to the Board next month; seconded by Sharon Douglas. Motion unanimously carried.
 - a. Ridgeback Road – This 0.3 mile section of roadway was part of the Gallatin County snowplow contract in the past but the Lost Trails HOA has submitted a proposal to reimburse the HOA for this section of the roadway.
 - b. North Fork Road – This road has historically been part of the Gallatin County contract, however, the BSOA has now implemented a separate 5 year contract to plow this road.
 - c. Crail Court Road – The BOSA will continue to reimburse the Crail Creek Owners Association for the plowing of this road.
 - d. Madison County – Suzan reported that a new 5 year contract has been secured with Madison County for snowplowing reimbursements on Madison County roads plowed by the BSOA. The new reimbursement amounts from Madison County are a result of savings from our new Madison County snowplow contractor and his 5 year contract. Motion made by Kevin Frederick to accept the Madison County reimbursement schedule; seconded by Barb Rooney. Motion unanimously carried.
- ii. AZ’s 3-Year Audit Contract Renewal – Suzan and Lori have secured a new three year contract with Anderson Zurmuehlen. It was agreed by all parties that Lori would take a more active part in the audit by completing the necessary audit schedules to keep the costs at the same price as last year. Motion made by Kevin Frederick to approve the three year contract with our auditors; seconded by Gail Young. Motion unanimously carried.
- iii. Board Room Chairs and Table – The Board has decided to not move forward with this issue and keep the existing table and chairs.
- iv. New Copy Machine – Lori made a recommendation to the Board to replace our outdated copy machine with a new one. The machine would be on a five year lease without an option for purchase at the end of the lease. Barb Rooney brought up the point that in five years it will be time to lease a new machine due to the technology upgrades that will be available. Motion made by Sharon Douglas to approve the five year lease for the new copy machine; seconded by John Loomis. Motion unanimously carried.
- v. FY 2017 Budget – Kevin Frederick, Treasurer, was pleased to announce to the Board that assessments will remain the same for the next fiscal year. This budget has

conservative income estimates and most expense categories have remained the same with only a few increases in categories budgeted for next year. A new bridge expense category was added to the budget to properly account for the proposed expenses for the Little Coyote Bridge replacement. Kevin also pointed out the significant savings in the winter road maintenance expenses. Motion made by John Loomis to approve the FY 2016-2017 budget less \$4,000 for the Board Room chairs and table; seconded by Barb Rooney. Motion unanimously carried.

***** Sharon Douglas exited the meeting at 10:25*****
***** Kent Volosin exited the meeting at 10:30*****
***** Steve Barrett joined the meeting at 10:35*****

- vi. Annual Meeting, 2016 -
 - a. Meeting Location Options - Two options for the Annual Meeting location were given to the Board; Lone Mountain Ranch on September 2, 2016 and Big Sky Resort on September 9, 2016. A few items that need to be worked out for Lone Mountain Ranch are parking and transportation for our elderly members. Barb Rooney suggested that she double check on the Big Sky Resort's availability for the Annual Meeting on September 2nd and would report back to Suzan. Motion made by Kevin Frederick to choose September 2nd at the Big Sky Resort for the annual meeting if arrangements can be made and, if not, to have the meeting on September 2nd at Lone Mountain Ranch; seconded by John Loomis. Motion unanimously carried.
 - b. Draft Ballot - The draft ballot was presented to the Board. No further action was needed.
- vii. Date of Record - June 24th? - The date of record for the annual meeting, June 24, 2016, was announced to the Board.
- viii. VIP Tent Update - The Board decided to no longer pursue a VIP tent at this time. It was agreed at a previous meeting to donate \$500 to a bull rider at the rodeo.
- ix. Letter of Support - This item was not on the agenda but the Board discussed the support letter written by the BSOA to send to the Resort Tax Board regarding a Highway 64 Safety Corridor speed study. Motion made by Kevin Frederick to send the letter of support to the Resort Tax Board of Directors; seconded by John Loomis. Motion unanimously carried.

***** Steve Barrett exited the meeting at 10:50*****

7. Committee Reports

- A. Executive - Staff evaluations and compensation packages have been approved by the Committee. Two support letters were approved, one to be sent to the Resort Tax Board for the BSCO's trail project and one for the Gallatin River Task Force in support of their water conservation efforts in the Upper Gallatin Watershed.
- B. Legal - The Legal Committee reviewed the weed consortium letter for any legal implications and none were found. The Committee suggested that the BSOA write our own letter to the Resort Tax Board regarding the speed study on Highway 64.
- C. Nominations - One person has submitted their candidacy for one of the three open Board positions and two incumbents have announced their intentions of rerunning for the Board. Suzan mentioned there are currently no open positions on the BSAC.

- D. BSCO – Barb Rooney stated the BSCO has hired an asset manager to help with the busy summer season. She also stated that Camp Big Sky is doing well and their annual Gala event will be held on July 8 in the park.
- E. BSAC – Several new projects have been submitted to the BSAC. The Committee is dealing with several compliance issues such as the parking of camping trailers in drive ways and fire pits.

8. Other - None

9. Adjourn: Meeting adjourned by John Loomis at 11:28 A.M.

The next BSOA meeting will be July 15, 2016 at 9:00 A.M.

Sharon Douglas, Secretary