



BIG SKY OWNERS ASSOCIATION

Board of Director's Meeting Minutes – Friday, October 19, 2018

Big Sky Owners Association Board of Directors met on Friday, October 19 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, and Michelle Frederick. On the phone: Grant Hilton, Maggie Good, Sharon Douglas, and Philip Chadwell. Member guests: Brian Wheeler. Suzan Scott and Steve Anderson represented staff. Amy San Nicolas was present to record minutes.

1. Membership Forum: None.
2. Karen Filipovich of Gallatin River Task Force gave a presentation on water sustainability and conservation in Big Sky.
3. Call to Order: Chair Gary Walton led the meeting which was called to order at 9:09 am.
4. Minutes: August 31st Board Meeting – Still a typo in section five, letter d. MLV to be changed to MLB.

Motion made by Maggie Good to approve August 31st, 2018 Meeting Minutes with the above correction; seconded by Eric Ossorio. Motion carried unanimously.

Minutes: September 21st Board Meeting – Corrections: Item 6a, Old Business, Mike Jobson to be changed to Mark Jobson. Add the 8 motions brought from the executive session and ratified in the board meeting. Suzan will include these.

Motion made by Maggie Good to approve September 21st, 2018 Minutes; seconded by Eric Ossorio. Motion Fails.

5. Finance and Audit Committee:
 - A. September Financials – It was reported that the September financials were incomplete as expenses and invoices were still coming in when the report was generated. A year-end report will be generated once all September expenses have been submitted and recorded. It was also stated that revenue over expenses is approximately \$20,000 in the positive.
 - B. CD's Maturing – October 31st. Two CD's will be maturing as referenced in the supplemental documents attached. It was decided to take the earned interest out of these accounts and re-invest them elsewhere as most BSOA reserve accounts have reached their funding goals. Also, short term investments would be preferable to the 17 month terms as interest rates are expected to go up and 3-6 month terms have the potential to earn more interest over the long run. A suggestion was made to investigate accounts such as Alley or Schwab because of the greater flexibility and possibly higher interest rates. The Finance Committee was then asked to look at

maximizing investments and to set up a brokerage account before the CD's mature at the end of the month.

Motion made by Eric Ossorio to explore and open a brokerage account if it is fiscally responsible to do so, to charge the Finance Committee to open a brokerage account with secure investments in accounts such as T-Accounts or Treasury, to then be approved by the Executive Committee, and ratified at the next Board meeting; seconded by Phillip Chadwell. Motion passed unanimously.

- C. Receivables an Assessments – Steve Anderson reported that receivables have been reduced about \$1,500.00 from August to \$14,709.00 in September. It was reported that at this time last year there was \$72,000.00 in the account at the beginning of October billing; this year there is \$200,000.00. This is largely due to the addition of the online payment system. It was reported that out of the 800 members paid to date, 200 have paid electronically through the system while the remaining 600 have paid by check. It is projected that about 33% of the members will pay by credit card online based on the numbers so far. As of right now, there is no existing procedure to collect a usage fee for credit cards and therefore, no usage fee is being charged at this point. The proposed usage fee would be 2.9%. With 33% of members paying electronically by credit card, the cost of the system is on the high side. There is a concern among the Board that enforcing a usage fee on the members will discourage use of the online payment method and members will return to paying by check. It was proposed that a correspondence would go out to all members explaining the fee clearly as well as the built-in option to pay by ACH or Bank Check, which would not incur a fee and is processed the same. Members that have already paid would be given the service free for paying punctually. It was also suggested that options such as Venmo or PayPal might be explored as an alternative. Ultimately, the Board decided not to revoke their previous decision to implement a 2.9% processing charge to members using the online bill-pay feature with the intention of a clear disclosure of the fee to members.
 - D. Lien Request –Several accounts are one year in arrears. Staff was asked that these accounts be put in lien-status.
 - E. Collection Request: There is a handful of accounts past one year in arrears. Staff was asked that these accounts be turned over to collections.
 - F. New Members List – The Board reviewed the list of new members and noted there is about a 200-member turnover each year.
- 6. Staff Report –September: Suzan noted several recent updates on issues and Directors had no follow up questions.
 - 7. Chairman's Report – Chairman Gary Walton:
 - A. Old Business -

- i. Lake Condos Proxy Vote: Voting Process Update - It was reported that Gail Young and Maggie Good have been in communication with Mark Jobson on behalf of the Board via emails. Correspondence will continue. Nothing else needed at this time.

-----Executive Session 11:45 - 12:50-----

No motions or decisions were made during Executive Session

- ii. Project Update:
 - a. LC Traffic Calming Measures Updates – Morrison Maierle met with Gallatin County Attorney’s Office regarding the proposed speed tables. It was reported that there was little to no chance a variance on speed tables would be granted. The County Attorney’s Office proposed an ordinance in place of the variance. Any proposed local ordinance would amend the current Gallatin County ordinance. This would require letters from various officials in Big Sky and could be a large undertaking with no guarantee of success. Tom Eastwood offered Morrison Maierle to take charge of this process at no cost to the BSOA, which the Board agreed to and directed Morrison Maierle to start the process now to get the speed tables in as soon as is practical. It was proposed that Suzan Scott, Gary Mac, and Jack Schunke meet with Gallatin County Commissioner Don Siefert directly to inquire about the likelihood of success and what challenges might come up. Suzan reported that in discussions with Morrison Maierle, two Driver Feedback signs would be posted on either end of Little Coyote in the interim as well as additional 25 MPH speed signs. Gary McRae has returned as the staff Compliance and Maintenance and is currently working to install the signs before winter. Also, Jack Schunke of Morrison Maierle stated the RID will pay for two Driver Feedback signs and provide a bid proposal for the other Driver Feedback signs previously selected. It was also noted that the variance request would communicate to County Commissioners BSOA’s commitment to resolving any potential traffic safety issues on Little Coyote Road. If the variance was denied, other solutions would be discussed. Suzan or a Board-appointee would attend the meeting between Gallatin County Commissioners and Morrison Maierle.
 - b. Little Coyote Culverts - After attempting to complete this project for many years, it is now complete. The Board expressed gratitude toward Suzan Scott and Gary McRae for fixing the flooding and drainage issues on Little Coyote. The culvert’s effectiveness from this initial effort will be assessed in the Spring after the melt.

- iii. BSAC Input: Review Fees – On many occasions the BSAC sees the same applications come through multiple times due to applications being improperly filled out and submitted, which unnecessarily incurs additional time spent for volunteers of BSAC and the BSOA’s Architectural Review Coordinator. Therefore, the proposed fee revisions are an effort to encourage members to correctly submit project applications to the BSAC the first time around. Suzan reported that the issue was researched at length – determining how other similar entities charged fees – and based on five-year averages, developed the proposed revised review fees that were approved by the Board and submitted to the BSAC for further input. That said, BSAC Chair Brian Wheeler reaffirmed that incomplete projects applications are an issue and felt the Board should continue along the lines of rewarding compliance and efficiency while perhaps fining the noncompliant and inefficient. Brian’s main concern was regarding how road impact fees would work with the complexity of the RIDs on the Mountain, which BSOA members of this area pay into. Brian explained further the Big Sky Resort spent between \$50,000.00 and \$60,000.00 in road maintenance this year not covered by the RID or other mechanisms. The extent of work and money that goes into filling the gaps outside the RIDs on the part of Big Sky Resort was highlighted. It was suggested the Board consider removing the impact fees and pursue a cooperative approach with the county for maintenance to help ease this burden. When asked where funds from the impact fees would go, it was suggested funds would go into a reserve account. It was noted that since RIDs already provide maintenance, the reserve account would be called “road improvements and projects” as opposed to a “maintenance” reserve. Improvement projects would include further traffic studies, additional road signs, parking, bridge replacement and signs issues, as well as snow plowing requirements. The more building and development that continues and the more densely populated the BSOA jurisdiction becomes, the more funding challenges there will be for the BSOA. It was then noted that multi-family construction does impact roads and, increasingly, results in traffic issues. Also noted was \$3,000.00 out of a \$15 million project is not a significant sum to be contributed toward the road improvement reserve. Additionally, there can be extreme road impacts when development occurs. This includes mud, parking and construction debris on the road, as well as cut outs in pavement like what was seen with Meadow View. Also to be considered is a future Two Moons bridge replacement, which is not funded by the Meadow Village RID. Without a modification to the RID, the BSOA may be obligated to replace the bridge, which would be a million-dollar project. It was suggested the BSOA needs to cover these types of expenses to a much greater degree than BSOA does currently.

Motion made by Eric Ossorio to approve the review of fees as presented with the suggestion that the specific line item road impact fees be excluded and request that the BSAC come back to the Board with an alternate perspective and proposal for road impact fees; seconded by Maggie Good. Motion passed unanimously.

-----Brian Wheeler left the Meeting after this discussion-----

- iv. MadCo Egress Update: This letter has been written but not yet mailed out. The following corrections are to be made: change date to current date, first sentence to include the percentage of members who live in Madison County instead of 'significant,' remove 'so we ask why' and replace with 'why the delay,' also 'again' to be taken out of final paragraph, and finally include a timeline for expected response either in 30 days or by the December Board meeting depending on the county's next meeting. Also, expand cc's of this letter to include the Fire Chief and Sheriff of Big Sky. A phone call will be made and a second letter is to be drafted and sent out 30 days from now if no response is received with cc's to include MDT, the Governor of Montana and local state legislators from Madison and Gallatin Counties. It was expressed, with Big Sky growing as rapidly as it is, safety issues such as these are particularly important. It was noted that the Big Sky community has only one exit road in a state of an emergency. Staff was instructed to post the letter on the BSOA website so our members are informed on the issue.

Motion made by Michelle to approve the sending of the MadCo Egress letter with the above corrections made by Suzan; Seconded by Eric Ossorio. Motion passed unanimously.

- v. Minor Snowplow Contracts Update: Suzan reported that after the fact, Crail Creek owners have requested their own snowplow contractor fulfill the remaining three years of their contract. With consent from the holder of the current contract and confirmation that the alternative contractor will match the lower bid of the existing contract, the BSOA allowed the modification and approved the request.
- vi. FY 2019 Lone Mountain Ranch Agreement: This year's agreement between Lone Mountain Ranch and the BSOA has been completed. It was noted that the discounted cost of X-country season passes for our members did not increase.
- vii. North Western Energy Substation Update: NWE is moving forward with the substation at the Rainham site and will be applying for a Conditional Use Permit, which will be submitted to Gallatin County Planning and Zoning. A letter from BSOA to the property owners of Rainham LLC has been approved and sent but no response has been received.

B. New Business -

- i. Board Officers and Committee Assignments: The Nominating Committee met in September after the confirmation of the annual election to discuss Board Officer and Committee assignments. The Committee's recommendation to the Board was presented in the Board Packet. It was noted that the recommended matrix was put together under the consideration of the Board approved nominating criteria, with the best advice available at the time to try and populate the committees with efficacy. Recommendations from the Nominating Committee for Officer assignments was also put forward for Board approval. After reviewing the recommended matrix, a request was made that Sharon Douglas be assigned to additional committees. The Board collectively decided that Maggie Good would step down from the Finance Committee and Sharon Douglas would take her place.

Motion made by Eric Ossorio to approve the recommendations made by the Nominating Committee for Board Officer and Committee Assignments with the above amendment; seconded by Maggie Good. Motion passed unanimously.

- ii. Advisory Board: Members: It was noted that an interest in creating an Advisory Board was first discussed last year when term limits were implemented. It was identified that members appointed to the Board must be past BSOA Directors and full-time residents of Big Sky and that there may be some challenge in procuring members who are both available and qualified per the requirements stated. The following members were proposed to be on the Advisory Board: Jon Loomis, John Leaper, and Rumsey Young. A larger committee was considered. It was noted that the next step in the process would be for the Nominating Committee to create a Charter that designates the Board's responsibilities and authorities, at which point the Charter is to be presented and approved at the next board meeting.

Motion made by Eric Ossorio to approve the appointments of the above three members to the Advisory Board subject to the adoption of the appropriate committee charter; seconded by Maggie Good. One dissenting vote. Motion passes.

8. Committee Reports:

- A. Executive Committee – *Resignations, New Staff Hires*: It was reported that Paula Alexander and Janet Storey resigned and their last day at BSOA was October 12th. Jess Bevilacqua will be filling the Architectural Review Coordinator position full-time as of October 22, 2018 and Amy San Nicolas took over full-time in the Administrative Communication and Events position on October 18, 2018.

Fortunately, with only one project submission, the BSAC meeting scheduled for October 18th was canceled.

- B. Legal Committee - *TRO*: It was reported that a Temporary Restraining Order was requested against Bob Olsen but denied by the judge due to insufficient evidence of adequate physical bodily threat, harm, or physical danger to staff. If there is another incident, the Board asks that staff document it and the local Sherriff should be contacted. This action shall serve as documentation for the judge.
 - C. Nominations Committee - *None*
 - D. MLB ODP Update: Egress/Ingress - It was reported that a large amount of property has been moved into conservation but other areas sensitive to natural habitat/wildlife migration is to be developed into more than eighty units. There is concern the development will impact the migration corridor.
 - E. BSCO - No report.
 - F. BSAC - No report.
9. Other: Bug Worm Infestation - Suzan reported she has called on this but the call has not yet been returned.
10. With no further business, the meeting was adjourned at 12:50 pm.

Attendance Summary: all Board Members in attendance were present for the duration of the meeting. Steve Anderson stayed for the Membership Forum and the Financial Report, then left.

Maggie Good, Secretary