



BSCHT Board Minutes

September 14, 2022

Meeting started at 2:02 p.m.

Present: Cleve Johnson, Erin Cluff, Kenny Hotz, Elise Clark, Kevin Hinkle, Rick Simkins (sub-chair), Steve Brown, Lindsay Colbert, David O'Connor, Caroline Rothkopf, Becky Brockie

Absent: Mark Dean, Jennifer Boutsianis, Dave Brown

Meeting was called to order at 2:02 pm.

Approval of August 2022 Board Minutes: Elise Clark motioned to approve August minutes. Kevin Hinkle seconded, unanimously agreed by the Board.

Conflict Declarations: Kevin Hinkle has a standing conflict as an employee of Lone Mountain Land Company. Kenny has a standing conflict with the Yellowtail development and as a BSOA board member.

Financial Report

Treasurer Kevin Hinkle made the Financial Report. Since the August meeting, he changed the format to compare the current month's balance to the last month's balance.

HRDC DPA reconciliation is complete. It will likely flow through income. Additionally, BSCHT made a new DPA loan in August that is not a replacement loan.

Equity section: Stock is still reflected as an equity line.

Budget variance report: not much has changed month to month with some minor reconciliation left for Triple Creek properties.

Income budgets: David and Kevin are ready to better calculate monthly income.

BSCHT previously paid an IRS fee but there is no news on reimbursement yet. Recently, BSCHT received an additional IRS notice saying it filed two 941s for the third quarter of last year. BSCHT only has evidence of one. There is a penalty for this, but David and Terri have not successfully contacted the IRS.

Legal fees are still under budgeted. Resort Tax will reimburse many legal fees related to projects like RiverView and programs like Good Deeds.

Operations Cost, as a dollar figure, is \$175,000 which will likely grow to \$225-\$250K. Funding thus far has been predominantly Resort Tax. David applied for an ARCO grant from One Valley Community Foundation but did not receive it. The delta comes from unrestricted donations. Budget process will help

allocate admin costs across various programs, which is more appealing to Resort Tax. So far, Resort Tax allocations are up 8% from August of 2021.

OLD BUSINESS

Board Planning

David and Becky met with Wendy/WSW Consulting to review her update to the housing study. Wendy provided the final report on September 14 and recommended Seana Doherty as an option to update the housing study into a housing action plan as well as facilitate a two-day board planning session. Seana's estimate is a range of \$10-\$15K, an unbudgeted expense for 2022.

The Board discussed its current budget to ensure it had the resources and stressed the importance of reading the final draft of the housing study before making a decision. Board requests both a proposal as well as reference checks for Seana. The board would also like to explore the potential to invite and incorporate other communities and organizations dealing with similar problems to collaborate. Staff will send Seana's proposal when available in addition to the old and new study to directors. January or February may be a more realistic time frame, but Cleve and Erin may have conflicts.

Community Engagement Committee

The Community Engagement and Advisory committee met in September—reported as per agenda.

Real Estate Licensures

Reported as per agenda. Many organizations have validated the continuing realty education path of BSCHT staff. Board recommended asking MLS for a low fee to access data.

BSOA Trail Easement

ACTION

BSCHT appeared in front of BSOA's board in April. At that time, BSOA approved the removal of the easement under RiverView and assigned a committee to negotiate. In August, David and Cryder with LMLC attempted to attend the BSOA board meeting to finalize the easement's removal, but the board dismissed them.

After its August meeting, BSOA's legal committee requested a "quid pro quo" to remove the easement such as access to an apartment, which is impossible for BSCHT due to the federal funding restrictions. Only LMLC can grant the apartment request. David involved Resort Tax in an attempt to pay for the easement, but BSOA turned this offer down.

Old BSOA meeting minutes from the 90s state BSOA never ratified the easement, but the easement has been filed. It will remain until BSOA or a judge removes it. BSCHT does not have time to wait for a judge, or it risks losing federal funding. LMLC could potentially build around the easement, but that is not an option for BSCHT's portion.

BSOA's next board meeting is on September 16. BSCHT action options included:

- BSCHT buys its portion of the property and forces BSOA to deal with BSCHT directly.
- BSCHT could build over it and risk a future dispute.
- Blue Line uses a title company in Nebraska, and it reports the easement still showing up as an exception. BSCHT should connect Nebraska title with local title to see if there is a way around the easement.

- Action to take by Friday: Gather BSOA members to make public comment at the beginning of the meeting regarding BSOA not lifting the easement with the hope of forcing a motion or getting on the BSOA board's agenda. Becky will gather MeadowView owners. David will reach out to other sources and board members. Staff will create a one-pager for the team gathered. Cleve, as a BSOA member, plans to make a statement at the meeting.

PROJECT UPDATES

Powder Light

David looked for input from the Board for the employer selection process and its appetite for BSCHT to lease one apartment for employers only needing one bedroom. Board approved master leasing a unit as well as BSCHT's proposed process of picking employers as tenants as described in the agenda.

RiverView

Deadline to close on land is December 30 per Resort Tax, but David anticipates an extension if necessary.

Reviewed the 10% rule: 10% of project funds must be spent by December 2023 with occupation required by December 2024. The project has pressure to dig this fall but has a little flexibility if the build is modular. Also, the partnership between BSCHT, Boston Financial, and Blue Line Development still needs to close.

The board discussed a proposal to start construction this fall without waiting for BSOA to remove the easement, but Boston Financial and Blue Line Development would need to approve this risk.

Good Deeds

ACTION

BSCHT has approved three PSAs which puts BSCHT about 50% through its initial funding. Elevate, YCCF, and Resort Tax approve of the program and will likely continue to fund it.

Current awards range from 15-16% for purchases and 10-12.5% for existing owners. The committee's thought process behind a higher percentage for purchases is they are more likely to add immediate inventory where a current owner protects the inventory but does not add to it.

Per the committee's request, the board discussed a recent application to deed restrict 77 Aspen Leaf Unit 14. The board approved the application as the inventory of one-bedroom units is limited and in high demand.

Montana Title will be the closing agent for restrictions not involving a sales transaction.

In an effort to streamline the process of approving Good Deeds applications, David reached out to Jason Harby to discuss options.

- Jason did not feel comfortable with delegating authority to the Good Deeds committee beyond board members unless the board amends the bylaws. Jason's recommended amendment to give the committee authority is outlined in the board's September agenda. At minimum, BSCHT needs to add the function of this committee to its bylaws.
- Add a third board member to the committee with only board members voting.
- Continue to have committee make recommendations with the board voting to approve each deed restriction transaction. Email votes in Montana require 100% approval per MNA. The

board suggested inquiring about the legality of an amendment to either only require 80% of the directors to vote via email or members who fail to vote to relinquish their vote to the board. Because of the newness of the program, the board opted to continue to review and approve each of the committee's recommendations.

MOTION: Kenny Holtz made the motion to deny the drafted bylaw amendments prepared by Jason Harby. Seconded by Elise Clark. Unanimously agreed by the Board.

Meeting adjourned at 4:09 pm. Motioned by Kenny Holtz. Seconded by Elise Clark.