



BIG * SKY
CHAMBER OF COMMERCE
CONVENTION & VISITORS BUREAU

Agenda

Board of Directors

Big Sky Chamber of Commerce

55 Lone Mountain Trail | Big Sky, Montana 59716

406-995-3000

8:30 AM

January 12, 2016

www.bigskychamber.com

- I. Call to Order Regular Public Meeting
- II. Public Comment
- III. VBS Liaison Report

<u>Action Items</u>	<u>Responsibility</u>
IV. Approve Minutes	DOC
V. Finance	Paul
a. December Financials	
b. Amended Budget	
VI. Report on Bank, Building Proceeds	Kitty

Discussion Items

- VII. Director Report
 - a. Parsch and Current Lease
 - b. Transportation Public Engagement, Dates and Locations
 - c. Subpoena From Gallik Law Firm (Cronin/Bough)
 - d. PAR and Next Steps
- VIII. TEDD Update

Kevin

Important Dates

Business Days at the Capitol January 13/14
BAH – Gallatin River Task Force January 21

Adjourn

Parking Lot: Legislative Survey of Members
Meetings With Potential 191 Monument Wall Property Owners



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Meeting Minutes
Big Sky Chapel
Big Sky, Montana 59716
406-995-3000
December 8th, 2015
www.bigskychamber.com

Present: Bill Simpkins, Paul Robertson, Shawna Winter, Kevin Germain, Brandon Bang, and David O'Connor

Absent: Sarah Griffiths

Public: No public present

Call to Order: 8:37 a.m.

Visit Big Sky Liaison

Kitty Clemens, Executive Director

- Visit Big Sky's winter advertising is kicking off.
- We are receiving a lot of leads from *Sunset* and *Audubon*. We are using bulk mail to fulfill these mailings.
- We continue to have several challenges getting DestiMetrics up and running. Ralph assured us that once the businesses see the value in the research firm more businesses are going to participate.
- Kitty gave brief background on DestiMetrics to the board to make sure everyone was up to speed on the program. DestiMetrics is hotel specific.
- David mentioned there is another report, the STAR Report, from Smith travel, but it does not work well in resort communities.
- DestiMetrics allows for Visit Big Sky to look at VBROs and vacation rentals in order to present a better picture of our resort community.
- David thinks the underlying real value is to have a concrete metrics on how Big Sky creates an economic impact on the community, county and state of Montana. He added, after a year's worth of data, we will really be able to measure economic growth.
- David asked board members to help support the project and program in order for it to be successful.
- Brandon asks if additional resorts could be added. Kitty replied: Visit Big Sky paid for 9 licenses, but more could be added in.
- Kitty mentioned the DestiMetrics report is completely blind and confidential.

- Kitty suggested that if anyone would like to call participants in other destinations to learn more about how DestiMetrics works in their community, she would be able to assist with doing so.
- David believes DestiMetrics will provide a lot of good numbers and a real concrete picture of how Big Sky is performing year-over-year and a comparison of how other Resort communities are performing.
- Kitty believes DestiMetric's trending information will be extremely helpful when securing future flights for advertising and target markets.

American Airlines Flight Report

Brandon Bang, Board of Directors

- Billings is really pushing for the American Airline flight guarantee.
- Brandon explained Bozeman/Big Sky partnered with Missoula in order to attempt to secure the American Airlines flight guarantee.
- The board consists of: Kevin from Yellowstone Club, Paul from Marlboro Ranch, Billy from Montana Travel, Robin Hoover from Yellowstone Country and Daryl Schliem from the Bozeman Chamber.
- Because Billings' goal is provide year round daily service, Big Sky increased their offer to American Airlines to \$2 million, which would make year round flights in Bozeman/Big Sky and Missoula viable with American Airlines.
- Brandon believes the announcement regarding the introduction of American flights to Montana will be in January and the flights will begin in summer.
- Brandon hopes that the deal will go through. Overall, he feels confident that the deal will go through for Bozeman/Big Sky and Missoula. In the past, there were issues with staff and staff time in securing American Airlines flights. However, this is no longer the case.
- David believes this deal offers additional economic development to several communities: Big Sky, Bozeman and Missoula versus one community, Billings.
- Brandon thinks American Airlines would be great to have an additional airline for Montana air service in order to capture more loyalty programs and frequent flyer programs.

ACTION ITEMS

Approval of Minutes

- Motion to approve the minutes was made by Kevin Germain and seconded by Shawna Winter. With all in favor the motion passed.

Approval of Financials

Kitty Clemens, Executive Director & Paul Robertson, Treasurer

- Last month the Chamber did not have financials for its October meeting. The Chamber had a pretty big deficit on its balance sheet. After reviewing the financials, we found there was a large Resort Tax payment which was not posted to the Chamber financials. The cost was \$55,000, which really skewed the Chamber's budget.
- We do need to amend the budget in order to fix a \$20,000 deficit. Some reasons for the deficit include: cancelling the Business Expo, coming in \$5,000 under on the Chamber's golf

tournament. We did not have the same amount of sponsorships for the golf tournament as we did in previous years. The Chamber is also missing certain non-dues revenues such as brochure of the month, visitor center signs, advertising sales on bigskychamber.com.

- A motion to approve the October and November financials was made by Paul Robertson and seconded by Shawna Winter. Further discussion by the Chamber board followed.
- David asked if the consolidated loan was the Old Westfork building. Kitty replied it was.
- Kevin asked if the payroll liability should be less with Shannon gone. Kitty replied that payroll liability is not affected by a temporary loss of a staff member. Kevin asked if Shannon being gone would help create additional funds for the Chamber. Kitty replied this position is a revenue generating position, lower payroll does not offset lower revenues for the Chamber.
- Bill asked when the last time the Chamber increased dues. Kitty replied the last time the Chamber increased dues was in January 2015.
- Kitty mentioned when the Chamber increased dues in January, the board and staff discussed increasing dues on an annual basis in smaller percentage increments.
- Kitty believes Chamber staff should research trending for Chambers across the country in order to ensure our dues and subsequent percentage increases are in line with industry standards.
- Bill asked: What is the overall revenue base for our members? Kitty replied: The overall revenue base is about \$150,000.
- Kitty believes preferable to increase during peak season and further noted the Chamber was extremely transparent when dues increased and included a letter regarding the increase to all Chamber members.
- David noted the Chamber's scope of work contains a lot more initiatives than most Chambers and those projects are community projects such as the entryway lights.
- Kitty mentioned the installation of the Christmas lights and pointed out the new decorative sprays with bow toppers. The Chamber board thought the addition to the light was an excellent idea and the board really likes the display.
- After discussion completed, with all in favor the motion to approval the Chamber financials passed.

Board Direction Building Proceeds

Kitty Clemens, Executive Director

- The Old Chamber building in Westfork Meadows closed leaving approximately \$165,000 in proceeds. An orthodontist will be moving into the office. We did have interest on the old building. The board discussed the price per square foot on the building.
- Kitty noted Crystal Snook, from Mountain Maven, made the Westfork building look much better during her time as a renter.
- Kitty noted there was not a lot of appreciation on the Westfork building.
- Kitty noted good news for the amended budget: we did have negative cash flow on the old building. We did not have to pay the property tax on the budget due to the sale.
- Bill is concerned with Resort Tax's concern with the additional cash generated from the sale of the Westfork building.
- Kitty: In order to take action on the funds from the sale of the building, the Chamber board must discuss the sale of the building and vote on the action item. Kitty would like to suggest the proceeds of the sale of the Westfork building become a building fund given the Chamber

of Commerce currently does not own its building nor does it have a long term lease. The board must discuss the possibility of the creation of this fund.

- David asks the board to discuss the first option: The creation of a restricted fund for a Chamber owned building. The board discussed other ways those funds could be utilized
- Kitty does not believe the Chamber should not take away the equity earned in a building for something that is not a building.
- Kevin asked if the Chamber should restrict these funds. David thinks if the funds are self-restricted it does make a difference. Kevin believes it would be a board action to restrict such funds.
- Kitty believes the Resort Tax is aware the Chamber has been unable to negotiate a stable, permanent location.
- Paul: When you restrict the funds, do you do so with a certain intent?
- David: Is there any danger of boxing ourselves into a corner by creating a binding motion?
- Kevin noted: We are putting the restrictions on ourselves by the type of motion the board creates.
- Kitty stated: Intent matters when creating the motion. If the intent is for a welcome center we should clarify it in the motion.
- David: The Chamber is in danger of being homeless if our lease does not get renewed. The building funds need to be kept for a new building since we do not have a long term lease.
- David asked the board if there is anything else the funds should be used for.
- Kevin stated: the only other area the Chamber could use the proceeds for the sale of the building would be operating funds. However, he feels it is more important to keep the proceeds for a building fund.
- **A motion was made by Kevin Germain and seconded by Bill Simpkins to take the net proceeds of the sale of the previous office to restrict those funds in a building fund with the decision of which type of fund to be made at the next meeting.** A discussion on the motion followed.
- Kevin asked: Should the Chamber move the funds to a short term account or a different long term fund?
- Paul believes keeping the Westfork building proceeds close so to operations funds and needs to be pulled out. David believes the funds should be put into an interim holding spot. Paul agrees placing the funds in some type of Money Market is a good option.
- Kevin believes the Chamber board should perform due diligence on which bank and long term saving would be best for the Westfork building proceeds.
- Kitty reminded the board the resort tax mid-year report is due before the Chamber's January meeting.
- David asked the board: Does the Chamber take the full amount of \$205,000 or net proceeds for the building fund? The net proceeds are around \$165,000. David stated by next meeting the Chamber should move these funds to a long term savings account.
- Kitty asked how many days it will take for due diligence. Shawna replied: 60 days.
- Brandon asked: Does the Chamber consider the bank's annual sponsorships to the Chamber to make decisions on choosing a long term savings account. Kitty replied: we chose the bank based on which MMA or long term saving account is best for our organization.
- Kitty stated: American Bank held the Westfork building's mortgage. She also believes the Chamber must consider keeping the building fund in a bank which could also be a good lender if the Chamber were to need a loan in the future.

- David believes the Chamber should look for the best deal it can find to hold the Westfork building's proceeds.
- Kevin and David believe the Chamber should look at the numbers before making a decision.
- The board gave direction to Kitty to come to the January Chamber board of director's meeting to compare long term savings options for the Westfork building proceeds.

INFORMATION ITEMS

Director Report

Kitty Clemens, Executive Director

Staffing:

- We have two staff positions open currently. This is a challenging time to hire. Brandon and David will be interviewing a candidate for the Membership Director tomorrow at 2:15 p.m. Kitty will not be participating in the interview because she has a personal relationship with the candidate.
- Arri Stigen, the Chamber's Administrative Assistant has also resigned. She has moved back to Minnesota to be with her family. She feels that being in a bigger marketplace will help her with income and student loans.
- Kitty asked the board if they know of anyone who would be a good administrative assistant who wants flexible hours and can assist in the welcome center to please send a resume and cover letter to info@bigskychamber.com.

TEDD:

- Ralph Walton was hired from Cedar House Partners. Kevin received the first draft of his report on of creating TEDD in Big Sky and the effect a TEDD would have for people outside the district.
- Once comments have been made from the TEDD committee on the draft, Kevin will present the draft to the Chamber board.
- Janet Cornish will be giving a presentation to the Madison County Commissioners on TIFs and TEDDs and Kevin will attend.

191 Progress:

- The entryway monument does involve acquiring easements on public land.
- Kitty distributed the drafts of the entryway monuments to the board. Morrison-Maierle gave preliminary thoughts on the entryway monuments.
- The team on the entryway committee includes Ken Lancey from Grizzly, Renee Schumacher from Big Sky Conoco and Tim Kent from Big Sky Western Bank. Tim is very knowledgeable about highways, transportation and utilities.
- The committee chose preferred alternatives. Kitty passed out the preferred alternatives.
- Kitty needs to have conversations the preferred alternatives for the easements.
- In January, after Kitty has shared with the Chamber board and talked with the property owners, there would be a public engagement process regarding the gateway monument. Kitty also noted the gateway monument can receive private donations.

- There was a great deal of due diligence in terms of placement, highway right-of-way and safety before the recommendations on the land were given to us.
- The entryway monument committee has also asked Northwestern Energy to consider how the monument would connect to power once the utility lines are buried.
- Montana Department of Transportation has also been updated and Kitty hopes MDT will allow the Gateway Foundation to amend the current agreements for the wayfinding to include the entryway monument. MDT seems to be amenable right now.
- Kevin asked about the archway plan proposal. David mentioned an archway would not be a good fit for the Big Sky community for several reasons. David continued: It would be hard to secure easements on both sides and there were many issues with the height of the arch.
- Kitty stated: Renee said she has never felt better about the progress of where the entryway monument is going than right now.
- The board discussed how the entryway monument wall concept would help businesses in the canyon.

Resort Tax Reports:

- Resort Tax mid-year reports are coming up in January. David does sign off on them.
- Mid-year reports started last year and it is a way for Resort Tax to track progress.
- David mentioned there will be nothing in the progress reports which was not included in agenda items in the Chamber board meetings.

Vacancies on the Board/Commissions:

- Kitty has been looking into the legislative initiatives she proposed in the November meeting.
- She has researched the application process for the Economic Development Advisory Council and board vacancies. There are several board members whose term expired this summer. One board vacancy is from Coal Strip, Montana and one is from Baker, Montana.
- Kitty asked if anyone from the board would be interested in one of these governor appointed vacancies on the Economic Development Advisory Council.
- Kitty also feels we should survey our members in order to see if they would feel comfortable with having more of a Big Sky presence in our state's government and whether or not they would be interested in writing letters of support for Economic Development Advisory Council board appointments.
- David believes that it is important to have more of a Big Sky presence in our state's government.
- The board mentioned Kevin would be a good option for a board position on the Economic Development Advisory Council.
- David believes Mike Scholz would be another good option to serve on the board.
- David thinks this is a good approach and more collaborative.
- Kitty: Right now there are three board vacancies.
- Paul asked: What is the nomination process? Kitty believes it is not extremely rigid.
- David stated he would also be interested in serving on the Economic Development Advisory Council or a subsequent governor appointment board position.
- Brandon mentioned that he knows several people on the Economic Development Advisory Council board.
- Kitty mentioned some board positions are statutory, but some are appointed.

- Paul asked: When is the Economic Development Advisory Council's next board meeting? Kitty believes it is a quarterly board meeting.
- Because Brandon knows several of the board members, he will ask what the process for getting on the commission would be.
- Kitty will add a legislative survey out to the Big Sky Chamber Members to her to do list and do more research on the issue.

Membership Reports

Marci Lewandowski, Visitor Services Manager

- Arri worked extremely hard to reconcile many of our past due members' invoices. From October 26, 2015 to December 7, 2016, we have over 47 members renew. Our total number of members is 404.
- When Arri started, the 120 past due balance was: \$21,348.25. On December 1, the balance was \$3,064.50. Arri collected \$18,283.75 of accounts past 120 days.
- The area map reprint is complete and has been printed. All 40 location dots were sold. Many members chose to keep their dot for a second year. However, we did have a few new dots on this map reprint.
- Small Business Saturday was a huge success. This year, 32 businesses participated with 33 offers. In 2014, the Chamber had 19 businesses participate. Shoppers started early with many arriving early for door buster sales.

Visitor Services Report

Marci Lewandowski, Visitor Services Manager

- Our visitor numbers for the month of November was: 924.5. This is down from the previous month, which is to be expected given the off-season. However, it is up from last year. November 2014, saw only 872 visitors.

Adjourn

- A motion to adjourn was made by Brandon Bang and seconded by Shawna Winter. With all in favor, the motion passed and the meeting adjourned at 10:24 a.m.

Respectfully Submitted,
Marci Lewandowski
Visitor Services Manager

Big Sky Chamber of Commerce
Balance Sheet
 As of December 31, 2015

	<u>Dec 31, 15</u>
ASSETS	
Current Assets	
Checking/Savings	
FSB- RESTRICTED- Maint.	21,009.65
Grant Match Fund	38,825.00
BSW/ - Operating	<u>200,908.31</u>
Total Checking/Savings	260,742.96
Accounts Receivable	
Accounts Receivable	<u>1,303.45</u>
Total Accounts Receivable	1,303.45
Other Current Assets	
Visit Big Sky/ New Organizati...	10,969.23
Total Other Current Assets	<u>10,969.23</u>
Total Current Assets	273,015.64
Fixed Assets	
Accumulated Depreciation	-85,022.00
Building - Information Center	200,000.00
Equipment	<u>35,012.55</u>
Total Fixed Assets	<u>149,990.55</u>
TOTAL ASSETS	<u>423,006.19</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	<u>3,000.00</u>
Total Accounts Payable	3,000.00
Other Current Liabilities	
Payroll Liabilities	6,523.65
Simple IRA Payable	636.02
Total Other Current Liabilities	<u>7,159.67</u>
Total Current Liabilities	10,159.67
Long Term Liabilities	
Consolidated Loan	<u>36,709.64</u>
Total Long Term Liabilities	<u>36,709.64</u>
Total Liabilities	46,869.31
Equity	
Net Assets	248,191.98
Old Building Purchase 2015	164,108.55
Net Income	<u>-36,163.65</u>
Total Equity	<u>376,136.88</u>
TOTAL LIABILITIES & EQUITY	<u>423,006.19</u>

1:26 PM
01/10/16
Accrual Basis

Big Sky Chamber of Commerce
Profit & Loss
December 2015

	<u>Dec 15</u>
Ordinary Income/Expense	
Income	
100 - MEMBERSHIP REVENUES	5,866.25
120 - BSIAV BIG SKY LODGING PART...	25.00
130 - EVENTS	100.00
140 - GOVERNMENTAL SOURCES	26,327.15
170 - NON-DUE REVENUE	4,600.00
Total Income	<u>36,918.40</u>
Gross Profit	36,918.40
Expense	
200 - ADMIN & OPERATIONS	31,937.61
300 - ADVERTISING & PROMOTION	15,269.61
400 - DUES TO OTHER ORGANIZATI...	5.50
500 - EDUCATION	68.65
600 - EVENTS/ PUBLIC AFFAIRS	640.70
900 - UTILITIES	1,350.57
Total Expense	<u>49,272.64</u>
Net Ordinary Income	<u>-12,354.24</u>
Net Income	<u><u>-12,354.24</u></u>