

Town of West Yellowstone

Town Council Work Session

Tuesday, February 2, 2016

West Yellowstone Town Hall, 440 Yellowstone Avenue

West Yellowstone, Montana

12 Noon

Agenda

Public Comment Period/Council Comments

Water & Sewer Rates

Discussion ∞



From: [Winston Dyer](#)
To: [Dan Sabolsky](#)
Cc: [James Patterson](#); "Elizabeth Roos"
Subject: Water and Sewer Rate Analyses
Date: Monday, January 25, 2016 3:16:52 PM
Attachments: [WY Water User Fee Analysis 28 Oct 2015.pdf](#)
[WY Sewer User Fee Analysis 28 Oct 2015.pdf](#)

Dan – as requested, attached you will find PDF files of my memo and calculations for the water user rates, and also one for the sewer use rates. These were conducted last October, but can still be considered current and applicable. They are being sent to facilitate getting information out to the Mayor and Council in advance of next week's work session on water and sewer rates (12 noon, February 2).

In the case of the water user rates, please note that in the third paragraph under "Discussion" (page 3 of the memo), I have recommended the Council consider Option D. That paragraph goes on to explain that this particular Option keeps the impact on the residential users to a minimum and puts most of the impact on the high volume water users who are the ones creating the expense with their higher water use, and who are the ones who can most easily defray the cost by passing it on to their customers through amounts charged for goods and services.

Then in the case of the sewer user rates, we suggest you take an inflationary adjustment of the sewer user rate since the rate you currently have is so significantly low at present. This discussion begins in the fifth paragraph under the "Discussion" item on page 2 of the memo.

Note that in the memo we have discussed that you will likely fund the cost of the effluent discharge permit application out of your accumulated depreciation and capital improvement funds – and would likewise likely fund expansion of the IP beds from that fund as well. This is because you will not qualify for financial assistance from state or federal programs until your sewer user rate meets or exceeds the State-recommended \$30.61 per equivalent user per month...whereas you are currently at \$13.50 per equivalent user per month. In other words, you have a long way to go with increasing your sewer user rate before you will be in a position to qualify for grants and low-interest loans for capital improvements.

Let me know of your other questions in this regard. Thanks...Dick

Winston R. Dyer, PE
The Dyer Group, LLC
208.390.9700 v, 656.8808 f
wdyer@thedyergroup.com



ENGINEERING • PLANNING • MANAGEMENT

MEMORANDUM

To: Town of West Yellowstone
From: Winston R. Dyer, PE – Town Engineer
Date: 28 October 2015
Re: Water User Rates

You have requested us to examine your current water user rates and make recommendations for adjustment as appropriate. The following information is given in response.

Water Users, Expenses, and Revenues

We obtained water user information from your records on the water system for the previous fiscal year. The number of users and corresponding total of volume ratio units (total number of equivalent single-family homes) have increased since the last analysis done two years ago.

We also obtained revenue and expense information for the previous year. On the expense side, after taking out special expenditures (meters, machinery, etc.) to determine the projected amount of normal operation costs, we find that last year's expenses to operate the system were about \$237,000 for the year.

Looking at the revenue income based on the number of users, amount of water usage, and current water user rates; it appears the revenue was slightly in excess of \$218,000 during the same timeframe.

A comparison of the foregoing amounts indicates that expenses exceed revenue and therefore the water user rates should be adjusted. Attached is a worksheet we have assembled to investigate the current situation and set forth alternatives that can be considered in making appropriate adjustment to the water user rates.

The "Users" section of the worksheet shows how we computed the 1172 VRU's (volume ratio units, or equivalent number of single-family households after converting larger commercial meters to equivalent household meters). This number is used in connection with determining the monthly base fee portion of the water user rate.

The "Expenses" section indicates a total of \$237,000 for the year. In the past you have been setting aside \$30,000 per year to save up or paying a future bond to provide for capital improvements. Previously that considered paying for your new water meters and a future project to capture more flow from an additional spring outlet at Whiskey Springs.

In this current analysis we have increased the allowance for the future bond to \$50,000 per year which would be an appropriate amount to pay back a bond after obtaining some grant and low interest loan to pursue the additional well and fluoride treatment facility we have been discussing.

The expenses also include a depreciation amount (capital improvement) of \$50,000 per year that you have been setting aside for several years now.

Lastly, we determined you had about \$133,000 in operational expenses for the previous year (normal, ongoing expenses from year to year), which we then multiplied by a factor to account for likely inflation which suggests about \$137,000 per year for operational costs in the coming year.

Therefore the total projected expenses are \$237,000 per year.

Under the “Projected Income” section we determined that with your existing water user fees consisting of a base rate of \$10.15 per VRU per month and a usage rate of \$0.40 per 1000 gallons of water used, you would bring in just over \$218,000 – and concluded that you should therefore adjust your water user rates to increase revenues sufficient to cover the projected expenses.

Water User Rate

The “Options” section on the second page of the analysis looks at different ways the water user rate could be adjusted to generate the needed revenue.

Option A looks at the usual method of setting a base fee to cover the fixed costs of the water system operation, which are those that don’t change from year to year and need to be covered regardless of whether or not any water is used. This includes things such as bonds, depreciation, insurance, administration, etc. With \$118,000 of fixed costs, the analysis suggests your base rate should be at least \$8.39 per VRU per month in order to assure you can cover fixed costs.

Then there is a usage fee that is intended to cover the variable costs of water system operation. These include labor, power, testing, etc. and generally vary according to the amount of water used. With \$119,000 of variable cost to operate the system, the analysis suggests your usage rate should be about \$0.53 per 1000 gallons of water used.

The combination of these two rates would give you the needed \$237,000 per year to meet the projected expenses. We present this option not so much as a recommendation to change to these rates, but as a baseline comparison of what would typically be needed in making sure your fixed costs and variable costs are properly covered.

Option B looks at proportionally increasing both the current base fee and the current usage rate sufficient to generate the needed revenues. This analysis suggests a base rate of \$11.00 per VRU per month and \$0.44 per 1000 gallons of water used.

To illustrate the effects we will take a simple comparison between residential rates (~15,000 gallons per month average) and commercial rate for a typical motel (~325,000 gallons per month in summertime). For this option the average monthly residential water usage fee would be about \$17.60 per month; and the motel’s average monthly water usage fee would be about \$169.40 per month.

Option C looks at increasing the base fee as needed to cover the shortfall and leaving the usage fee alone. In order to generate the needed revenues, the base fee would need to be increased to \$11.48 per VRU per month and the usage rate would stay at the current \$0.40 per 1000 gallons of water used.

For this option the average monthly residential water usage fee would be about \$17.48 per month; and the motel's average monthly water usage fee would be about \$157.55 per month.

Option D looks at leaving the base fee the same as present and increasing the usage rate in order to generate sufficient revenue. The base fee would then stay at the current \$10.15 per VRU per month and the usage fee would be increased to \$0.50 per 1000 gallons of water used.

For this option the average monthly residential water usage fee would be about \$17.65 per month; and the motel's average monthly water usage fee would be about \$186.86 per month.

Discussion

In reality there are numerous ways in which the base fee and usage rate can be adjusted in order to meet anticipated expenses. This depends on how much of the projected expenses are allocated to fixed costs (base fee) and how much are allocated to variable costs (usage rate).

To assist in determining how this can best be accomplished in setting appropriate base and usage fees, it will be helpful to know that *in general*, raising the base fee tends to have greater impact on residential users, whereas raising the usage rate tends to have greater impact on commercial (large water volume) users.

With that as a background, we recommend you give consideration to Option D. Raising the usage rate puts most of the burden on large water users who are the ones creating the most demand on your water system and who are the users that can more easily pass on rate increases to their clients as part of the goods or services they market. Additionally, higher usage fee rates generally tend to encourage water conservation – which is always helpful in operating and maintaining any water system.

To further put this in perspective, under Option D most residential monthly water bills (~15,000 gallons per month) will increase about \$1.50 per month and a typical motel's (~325,000 gallons per month) monthly water fee increase will be around \$32.50 per month in the summertime.

Where the overall water user fee is recommended to be increased, the usual discussion about regularly adjusting utility rates to account for inflation becomes moot this time around.

-- End of Water User Rate Analysis --



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Owner-Project

West Yellowstone

Feature

Water User Fee

By

WRDyer

Chk'd By

Rev. By

Project No.

Date

Oct '15

Date

Date

Sheet

of

1 2

Users

3/4"	368 x 1.0 VRU	= 368 equivalent VRU's
1"	74 x 1.6	= 118
1 1/2"	56 x 2.4	= 134
2"	36 x 5.9	= 212
3"	9 x 14.3	= 129
4"	9 x 20.7	= 186
6"	1 x 25.6	= 25
Total Accnts	553	Total 1,172 VRU's

Expenses

Future Bond (water supply, trmt)	= \$ 50,000
Depreciation	= 50,000
Operation Costs	\$133,000 x 1.03 = 137,000 <small>for last year inflation</small>
Total	\$ 237,000 /yr

Projected Income (at current rates)

Base Fee	\$10.15/vru/mo. x 1172 VRU's x 12 mos = \$142,750
Usage	\$0.40 per 1,000 gal x $\frac{189,000,000 \text{ gal sold}}{1,000 \text{ gal units}}$ = 75,600
Total	\$ 218,350

This is not sufficient to cover the projected \$237,000 in expenses → rates should be adjusted.



DYER
GROUP LLC

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Owner-Project

WY

Feature

Water User Fee...Cont'd

By

Chk'd By

Rev. By

Project No.

Date

Date

Date

Sheet 2 of 2

Options

A. Base fee to cover fixed fee, usage fee to cover variable costs:

$$\text{Base Fee: fixed costs (tools, depr, insur, admin)} = \$118,000$$

$$\text{rate} = \$118,000 \div 1172 \text{ VRU's} \div 12 \text{ mos} = \$8.39/\text{VRU}/\text{mo}$$

$$\text{Usage: variable costs } \$237,000 - 118,000 = \$119,000$$

$$\text{water sold} \approx 189,000 \text{ 1,000 gal units}$$

$$\text{rate} = \$119,000 \div 189,000 \text{ 1,000 gal units} = \$0.53/\text{1,000 gal}$$

B. Increase Base and Usage proportionately:

$$\text{Base Fee } \$11.00 \times 1172 \text{ VRU} \times 12 \text{ mos} = 154,704$$

$$\text{Usage } \$0.44 \times 189,000 = 83,160$$

$$\text{Total } \$237,864$$

C. Increase Base Fee, leave Usage:

$$\text{Base Fee } \$11.48 \times 1172 \text{ VRU} \times 12 \text{ mos} = 161,455$$

$$\text{Usage } \$0.40 \times 189,000 = 75,600$$

$$\text{Total } \$237,055$$

D. Leave Base Fee, increase Usage:

$$\text{Base Fee } \$10.15 \times 1172 \times 12 \text{ mos} = 142,750$$

$$\text{Usage } \$0.50 \times 189,000 = 94,500$$

$$\text{Total } \$237,250$$



ENGINEERING • PLANNING • MANAGEMENT

MEMORANDUM

To: Town of West Yellowstone
From: Winston R. Dyer, PE – Town Engineer
Date: 28 October 2015
Re: Sewer User Rates

You have requested us to examine your current sewer user rates and make recommendations for adjustment as appropriate. The following is given in response.

Sewer Users, Expenses, and Revenues

You recently completed a system-wide inventory of your sewer users which included updating the equivalent users on each property as necessary and appropriate. From that information we have determined that you currently have 2,532 equivalent users – an 11% increase over the number used in the analysis conducted two years ago.

We also obtained expense information for the previous year. After taking out special one-time expenses (such as repairing the aeration system and blowers), last year's expenses to operate the sewer system were about \$269,000 per year.

Looking at the revenue income based on the number of equivalent users and the current sewer user rate, it appears the sewer system revenue is about \$410,000 per year.

Comparing the two amounts above indicates that you have more than sufficient sewer system revenue from your current rate structure and thus it will not be necessary to increase the sewer user rate at this time.

Attached is a worksheet we have assembled to investigate the current situation with regard to the sewer user rate.

The "Users" section of the worksheet indicates the total number of equivalent users (an equivalent user is the amount of wastewater produced by a single family household) is now 2,532.

The "Expenses" section indicates a total of \$269,000 for the year. You don't currently have any bonds associated with your sewer system. In the past you have been setting aside \$48,000 per year in depreciation and \$52,000 per year for capital improvements. The analysis then shows you had about \$164,000 of regularly recurring expenses to operate the sewer system for last year, and when an appropriate inflation factor is applied, that suggests there will be about \$169,000 of operational expenses coming year.

Therefore the total projected sewer system expenses are \$269,000 for the coming year.

Under the "Projected Income" section we determined that with your existing sewer user fee of \$13.50 per equivalent user per month, you would bring in about \$410,000 per year.

Sewer User Rate

The “Options” section looks at your possibilities with regard to the sewer user rate.

Option A suggests leaving the existing sewer user rate at \$13.50 per equivalent user per month. This will continue to build the depreciation and capital improvement funds which will give you the funds necessary to make future improvements to the existing wastewater facilities. In the near-term this would include paying for the work required submit a land application permit, and then could provide the capital for constructing additional IP beds.

Option B considers a potential rate reduction in view of the anticipated expenses. This could reduce the sewer user rate to as low as \$8.85 per equivalent user per month.

Discussion

The increase in the number of equivalent users resulting from the recent inventory effort translates into increasing the sewer revenue at the existing user rate of \$13.50 per equivalent user per month. This in turn is allowing additional set-aside for future needed capital improvements to the wastewater facilities.

When the current sewer user fee was established in 2009 it was set at a level that would collect sufficient additional revenues to be able to capitalize a major portion of the main pump station/pressure line replacement project that was just beginning at that time. This successfully provided the necessary component of revenues for that project over subsequent years. While that particular need for financing has been fulfilled, we note the current user fee of \$13.50 per equivalent user per month is still a very reasonable and attractive sewer user rate and is one of the lowest in the entire State.

In fact, the Montana Department of Commerce’s current target rate for the sewer user fee in West Yellowstone is \$30.61 per equivalent user per month. This value was established by the population of the community and the median household income as reported in the 2010 Census. This number represents where funding agencies would expect the Town to be with your sewer rates as a minimum before such agencies would be in a position to offer financial assistance in the form of low-interest loans and/or grants for future wastewater upgrade or improvement projects.

The attached user rate analysis indicates that it is possible to consider reducing your current sewer user rate. However, where it is already affordable, is still well below MDOC’s target rate, and has been in effect and unchanged over the past 5 years, we do not recommend reducing it at this time.

Since it will be necessary to increase your sewer user rate to qualify for funding assistance for future projects, we suggest you consider the usual inflationary adjustment of your sewer user rate as a convenient means of keeping up with the times. Our experience has shown that small, regular adjustments to accommodate inflation are rather easy for system users to absorb whereas the practice of keeping rates constant and then making large adjustments to suddenly accommodate needed utility system improvements is difficult to implement – both for individual users and also politically for the Owner.

Inflationary cost adjustment of the user rate is most easily and justifiably accomplished by applying the change in the utility Consumer Price Index (CPI) since the time of the last rate

adjustment, or at least over the most recent 12 months, to account for inflationary pressures on costs.

The ratio of utility factors between January 2009 when the sewer user rate was last adjusted and today is 1.08. This value would suggest a sewer user rate of \$14.57 per equivalent user per month could be justified.

-- End of Sewer User Rate Analysis --



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Owner-Project <i>West Yellowstone</i>		Feature <i>Sewer User Fee</i>	
By <i>WEDyer</i>	Chk'd By	Rev. By	Project No.
Date <i>Oct '15</i>	Date	Date	Sheet <i>1</i> of <i>1</i>

Users (single family equivalents)

Total equivalent users (from new inventory) = 2,532

Expenses

Bonds	\$ 0
Depreciation	48,000
Capital Improvement	52,000
Operation Cost $\$164,000$ for last year $\times 1.03$ inflation	= 169,000
Total \$ 269,000	

Projected Income

User Fee $\$13.50$ / eq. user / mo $\times 2,532$ eq's $\times 12$ mos = \$ 410,184

\therefore current rate is more than sufficient.

Options

A. Leave rate at \$13.50 / eq user / month

B. Reduce rate

$\$269,000$ expense $\div 2,532$ eq. users $\div 12$ mos = \$8.95 / eq. user / month

From: [Winston Dyer](#)
To: [Dan Sabolsky](#)
Cc: [James Patterson](#); "[Elizabeth Roos](#)"; [Lanie Gospodarek](#)
Subject: WY Target Utility Rates
Date: Monday, January 25, 2016 3:28:26 PM
Attachments: [WY target utility rates.pdf](#)

In my utility rate analyses I frequently refer to the target utility user rates the State of Montana has established. These are threshold limits that must be achieved before any community can qualify for financial assistance in the way of low interest loans and possibly grants.

I thought you all would be interested in seeing what the current target rates are, which are contained in the attached PDF file. Thanks...Dick

*Winston R. Dyer, PE
The Dyer Group, LLC
208.390.9700 v, 656.8808 f
wdyer@thedyergroup.com*



COMMUNITY DEVELOPMENT DIVISION



Census & Target Rate Info

Search below for 2010 American Communities Survey data used to calculate target rates when applying to the **Treasure State Endowment Program** and **Community Development Block Group Grant Program**.

Select a Location:

City/Designated location or County

City	West Yellowstone town
County	<i>Gallatin County</i>
Total Population	1,271
Total Households	617
Median Household Income	\$40,813
Low & Moderate Income Percent	49.09%
Percent Poverty	18.4 %

Target Rates

Water & Waste Water	\$78.22
Water Only	\$47.62
WasteWater Only	\$30.61
Solid Waste Only	\$10.20

Amounts are computed using the 2010 census and target percentage rationale reviewed biennially by Commerce.

The target percentages are:

- 2.3% combined (water and wastewater)
- 1.4% for water alone
- 0.9% for wastewater alone
- 0.3% for solid waste

For example: Community median household income is \$25,000 and the residents pay both water and wastewater rates, the calculation would be: \$25,000 times 2.3% divided by 12 equals monthly target rate of \$47.92. $(25,000 \times 2.3\%) / 12 = \47.92

Having trouble finding data for your community? Some communities may not be listed in the resources above because the American Community Survey (ACS) did not provide 2010 MHI data for those areas. Additionally, some 2000 Census Designated Place areas have updated boundaries in the 2010 ACS data. Please contact us at (406) 841-2770 or email TSEP or CDBG if you have any questions about this information.

Mapping

To see maps of the City/Town/CDP or County in which you are interested, please go to <http://ceic.mt.gov/>. For more information about the maps or tools available, please contact the Census and Economic Information Bureau at (406) 841-2713 or email ceic@mt.gov.

Contacts

Treasure State Endowment Program (TSEP)	406 841-2770
Community Development Block Grant Program (CDBG)	406 841-2770
Census & Economic Information Center	406 841-2740

Definitions

Census Designated Place (CDP): Census designated places (CDPs) have been created for each decennial census as the statistical counterparts of incorporated places. CDPs are delineated to provide census data for concentrations of population, housing, and commercial structures that are identifiable by name but are not within an incorporated place. CDP boundaries usually are defined in cooperation with state, local, and tribal officials. These boundaries, which usually coincide with visible features or the boundary of an adjacent incorporated place or other legal entity boundary, have no legal status, nor do these places have officials elected to serve traditional municipal functions.

Household: A household includes all the people who occupy a housing unit as their usual place of residence.

Income of households: This includes the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not.

Low and Moderate Income Percent: Low and Moderate Income Percent is calculated by U.S. Housing and Urban Development (HUD) using data from the U.S. Census Bureau's Decennial Census, specifically for the Community Development Block Grant Program (CDBG). LMI families are defined as those families whose income does not exceed 80% of the county median income for the previous year or 80% of the median income of the entire non-metropolitan area of the State of Montana, whichever is higher.

Median income: The median income divides the income distribution into two equal groups, one having incomes above the median, and other having incomes below the median.

Notes: Total Population and Total Households are from Summary File (SF) 1, 100% data. Poverty Rates and Median Household Income are from Summary File (SF) 3, Sample data. Low and Moderate Income Percentage was developed by HUD using Census 2010 data.

Sources: U.S. Census Bureau & HUD

Median Household Income

Census Bureau, American Community Survey 2006 - 2010 Estimates

Total Population & Households

U.S. Census Bureau, 2010 Census - Summary File 1 (SF1) 100% Data

Low to Moderate Income Percent

HUD 2014 Low and Moderate Income Data

Target Rates for 2000 Census Data

[View 2000 Census data rates](#) for comparison purposes.

Town of West Yellowstone

Tuesday, February 2, 2016

West Yellowstone Town Hall, 440 Yellowstone Avenue

Work Session & Town Council Meeting

7:00 PM

Pledge of Allegiance

Purchase Orders

Treasurer's Report ∞

Claims ∞

Consent Agenda: **January 19, 2016 Town Council Meeting** ∞

Business License Applications ∞

- Doc's Place, Resort Tax Waiver Request

Advisory Board Report(s)

Town Manager & Department Head Reports

Assignments Report

Comment Period

- **Public Comment**
- **Council Comments**

Correspondence/FYI

Meeting Reminders

- February 9, 2016, Work Session, 12 Noon, Resort Tax Exemptions
- February 16, 2016 Town Council Meeting, Public Hearing on 80 Acres Purchase



Policy No. 16 (Abbreviated)
Policy on Public Hearings and Conduct at Public Meetings

Public Hearing/Public Meeting

A public hearing is a formal opportunity for citizens to give their views to the Town Council for consideration in its decision making process on a specific issue. At a minimum, a public hearing shall provide for submission of both oral and written testimony for and against the action or matter at issue.

Oral Communication

It is the Council's goal that citizens resolve their complaints for service or regarding employees' performance at the staff level. However, it is recognized that citizens may from time to time believe it is necessary to speak to Town Council on matters of concern. Accordingly, Town Council expects any citizen to speak in a civil manner, with due respect for the decorum of the meeting, and with due respect for all persons attending.

- No member of the public shall be heard until recognized by the presiding officer.
- Public comments related to non-agenda items will only be heard during the Public Comment portion of the meeting unless the issue is a Public Hearing. Public comments specifically related to an agenda item will be heard immediately prior to the Council taking up the item for deliberation.
- Speakers must state their name for the record.
- Any citizen requesting to speak shall limit him or herself to matters of fact regarding the issue of concern.
- Comments should be limited to three (3) minutes unless prior approval by the presiding officer.
- If a representative is elected to speak for a group, the presiding officer may approve an increased time allotment.
- If a response from the Council or Board is requested by the speaker and cannot be made verbally at the Council or Board meeting, the speaker's concerns should be addressed in writing within two weeks.
- Personal attacks made publicly toward any citizen, council member, or town employees are not allowed. Citizens are encouraged to bring their complaints regarding employee performance through the supervisory chain of command.

Any member of the public interrupting Town Council proceedings, approaching the dais without permission, otherwise creating a disturbance, or failing to abide by these rules of procedure in addressing Town Council, shall be deemed to have disrupted a public meeting and, at the direction of the presiding officer, shall be removed from the meeting room by Police Department personnel or other agent designated by Town Council or Operations Manager.

General Town Council Meeting Information

- Regular Town Council meetings are held at 7:00 PM on the first and third Tuesdays of each month at the West Yellowstone Town Hall, 440 Yellowstone Avenue, West Yellowstone, Montana.
- Presently, informal Town Council work sessions are held at 12 Noon on Tuesdays and occasionally on other mornings and evenings. Work sessions also take place at the Town Hall located at 440 Yellowstone Avenue.
- The schedule for Town Council meetings and work sessions is detailed on an agenda. The agenda is a list of business items to be considered at a meeting. Copies of agendas are available at the entrance to the meeting room.
- Agendas are published at least 48 hours prior to Town Council meetings and work sessions. Agendas are posted at the Town Offices and at the Post Office. In addition, agendas and packets are available online at the Town's website: www.townofwestyellowstone.com. Questions about the agenda may be directed to the Town Clerk at 646-7795.
- Official minutes of Town Council meetings are prepared and kept by the Town Clerk and are reviewed and approved by the Town Council. Copies of approved minutes are available at the Town Clerk's office or on the Town's website: www.townofwestyellowstone.com.

01/29/16
16:47:29

TOWN OF WEST YELLOWSTONE
Claim Approval List
For the Accounting Period: 2/16

Page: 1 of 4
Report ID: AP100

* ... Over spent expenditure

Claim	Vendor #/Name/	Document \$/	Disc \$						Cash
Check	Invoice #/Inv Date/Description	Line \$		PO #	Fund Org Acct	Object	Proj	Account	
41706	2845 Kastig, Kauffman & Mersen, PC	13,370.90							
	01/07/16 legal services	13,155.00		LEGAL	1000 411100	352		101000	
	01/07/16 postage/copies	72.21		LEGAL	1000 411100	870		101000	
	01/07/16 phone/fax	0.28		LEGAL	1000 411100	345		101000	
	01/07/16 travel	143.41		LEGAL	1000 411100	373		101000	
41707	2852 Fremont Communications	300.00							
	01/15/16 fiber optic, Town Hall	300.00		TWNHAL	1000 411250	345		101000	
41708	146 Morrison-Maierle, Inc	130.00							
	22562 01/16/16 PD online backup	70.00		DISPAT	1000 420160	398		101000	
	22563 01/16/16 Town Offices online backup	60.00		FINADM	1000 410510	356		101000	
41712	42 Fall River Electric	7,653.16							
	01/20/16 UPDH 4212041 elec service	897.82		UPDH	1000 411252	341		101000	
	01/20/16 POLICE 4212008 elec service	554.83		POLICE	1000 411258	341		101000	
	01/20/16 shop 4212018 elec service	333.65		STREET	1000 430200	341		101000	
	01/20/16 ANIMAL 4212029 elec serv	225.15		ANIMAL	1000 440600	341		101000	
	01/20/16 PARK 4212032 Elec ser	289.09		PARK	1000 411253	341		101000	
	01/20/16 PARK 2901001 elec serv	220.18		PARK	1000 411253	341		101000	
	01/20/16 CLORINATOR 4212030 elec serv	98.50		WATER	5210 430500	341		101000	
	01/20/16 MAD ADD WATER 4212017	48.36		WATER	5210 430500	341		101000	
	01/20/16 PUMP 4212005 elec serv	93.90		WATER	5210 430500	341		101000	
	01/20/16 SEWER LIFT STATION 4212006	222.18		SEWER	5310 430600	341		101000	
	01/20/16 SEWER PLANT 4212007 elec ser	604.69		SEWER	5310 430600	341		101000	
	01/20/16 MAD SEWER LIFT 4212014 elec	215.95		SEWER	5310 430600	341		101000	
	01/20/16 SEWER TREAT SERV 4212046 ele	1,388.34		SEWER	5310 430600	341		101000	
	01/20/16 library 23 dunraven 4212054	128.84		LIBRY	1000 411259	341		101000	
	01/20/16 povah comm ctr 4212001	236.29		POVAH	1000 411255	341		101000	
	01/20/16 unmetered lights 4212004	1,451.25		STLITE	1000 430263	341		101000	
	01/20/16 Town Hall 4212009	589.49		TWNHAL	1000 411250	341		101000	
	01/20/16 Ice Rink 421010	54.65		PARKS	1000 411253	341		101000	
41718	2507 Silvertip Pharmacy	181.63							
	010616/01 01/06/16 Rx	25.00		HELP	7010 450135	351		101000	
	010416/01 01/04/16 Rx	21.63		HELP	7010 450135	351		101000	
	010816/01 01/08/16 Rx	15.00		HELP	7010 450135	351		101000	
	012616/03 01/26/16 Rx	25.00		HELP	7010 450135	351		101000	
	012616/04 01/26/16 Rx	40.00		HELP	7010 450135	351		101000	
	012116/01 01/21/16 Rx	20.00		HELP	7010 450135	351		101000	
	012616/01 01/26/16 Rx	35.00		HELP	7010 450135	351		101000	

01/29/16
16:47:30

TOWN OF WEST YELLOWSTONE
Claim Approval List
For the Accounting Period: 2/16

Page: 2 of 4
Report ID: AP100

* ... Over spent expenditure

Claim	Vendor #/Name/ Check Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
41719	2654 Community Health Partners 01/08/16 drug test	26.00 26.00		ADMIN	1000 410210	351	101000
41720	547 WY Chamber of Commerce 01/27/16 Expo 2016 Advance	2,500.00 2,500.00		MAP	2101 410130	398	101000
41721	54 Bozeman Daily Chronicle 1402526 01/17/16 Health Care RFP notice	64.00 64.00		ADMIN	1000 410210	327	101000
41722	2162 Holiday Inn 01/15/16 Manager candidates+Prothman	935.00 935.00		ADMIN	1000 410210	356	101000
41723	2264 MORNING GLORY COFFEE & TEA 116141 01/11/16 supplies	37.50 37.50		DISPAT	1000 420160	220	101000
41724	135 Food Roundup 01/01/16 supplies	31.86 31.86		DISPAT	1000 420160	220	101000
41725	2933 Diana Morris 01/19/16 safe serv class x 2	300.00 300.00		SOC SER	1000 450135	380	101000
41726	2635 Jake's Automotive and Tire 15871 12/28/15 flat repair 08 GMC 15537 11/04/15 bolt, blower tire 15663 11/19/15 bolt, spare tire, tube 15669 11/20/15 bolt, blower tire 15714 12/01/15 brake light, 10 Expedition	423.79 24.95 63.75 292.59 25.50 17.00		STREET	1000 430200	369	101000
41727	2901 Pump Excellence 72 01/13/16 service call, generator	750.00 750.00		SEWER	5310 430600	357	101000
41728	2914 NRMEDD 255 01/20/16 travel, housing initiative	83.00 83.00		CDBG	2392 470320	357	101000
41729	2934 Leah Sherman 01/20/16 reimb travel, BZN mtg	47.84 47.84		SOC SER	1000 450135	370	101000
41730	29 Terrell's Office Machines Inc 39856 11/01/15 contract + overage-final bill!	53.31 53.31*		LIB	2220 460100	398	101000
41731	2357 US Bank 02/15/16 2008 CAT loader pmt 02/15/16 2008 CAT loader int 02/15/16 911 Dispatch remodel pmt 02/15/16 911 Dispatch remodel int 02/15/16 Town Hall pmt	87,526.29 6,866.90 321.92 13,456.45 705.75 58,445.00		STREET	1000 490520	610	101000
				STREET	1000 490520	620	101000
				911	2850 490530	610	101000
				911	2850 490530	620	101000
				TWNHAL	2100 490200	610	101000

01/29/16
16:47:30

TOWN OF WEST YELLOWSTONE
Claim Approval List
For the Accounting Period: 2/16

Page: 3 of 4
Report ID: AP100

* ... Over spent expenditure

Claim	Check	Invoice #/Inv Date/Description	Vendor #/Name/ Line \$	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
	02/15/16	Town Hall int		7,730.27		TWNHAL	2100 490200	620	101000
41733		2823 STAPLES Credit Plan		1,649.79					
	01/12/16	supplies		139.93		SOCSER	1000 450135	220	101000
	01/12/16	supplies		169.05		DISPAT	1000 420160	220	101000
	01/12/16	Surface Pro		1,340.81		DISPAT	1000 420160	212	101000
41734		2198 Westgate Auto Body		424.12					
	2020 01/26/16	repairs to 2011 Ford Exp		424.12		POLICE	1000 420100	361	101000
		# of Claims	20	Total:	116,488.19				

WEST YELLOWSTONE TOWN COUNCIL
Town Council Meeting & Work Session
January 19, 2016

COUNCIL MEMBERS PRESENT: Mayor Jerry Johnson, Brad Schmier, John Costello, Cole Parker, Greg Forsythe

OTHERS PRESENT: Town Manager Daniel Sabolsky, Finance Director Lanie Gospodarek, Public Services Superintendent James Patterson, Chief of Police Scott Newell, Social Services Director Kathi Arnado, Town Engineer Dick Dyer, Town Attorney Jane Mersen, Head Dispatcher Brenda Martin, Officer Matthew Lovingier, Officer Anthony Kearney, WY News Editor Jeremy Weber, Helene Rightenour, Richard & Teri Gibson, Jason Pond (Grizzly Internet), Jacob Larsen (Safelink Internet), Kirstin Goldstein, Lew Scott, Jeff Kadlec (Yellowstone Airport), Randy Wakefield (Fall River Electric), Tom Cherhoniak

The meeting is called to order by Mayor Jerry Johnson at 7:00 PM in the West Yellowstone Town Hall, 440 Yellowstone Avenue, West Yellowstone, Montana.

Portions of the meeting are being recorded.

The Treasurer's Report with corresponding banking transactions is on file at the Town Offices for public review during regular business hours.

ACTION TAKEN

- 1) Motion carried to approve the Treasurer's Report dated January 12, 2016 and Securities Report dated January 4, 2016. (Martineau, Schmier)
- 2) Motion carried to approve the claims, which total \$85,776.30. (Schmier, Martineau) Schmier abstains from #41625 and #41700.
- 3) Motion carried to approve the Consent Agenda which includes the minutes of the January 5, 2016 Town Council meeting and January 12, 2016 Town Council Work Session, with corrections to who was present. (Forsythe, Schmier)
- 4) Motion carried to transfer the business license for Las Palmitas to Daniel Pelayo. (Martineau, Parker)
- 5) Motion carried to approve the request to waive the resort tax bond for Las Palmitas based on a satisfactory payment history by the new owner in the past. (Schmier, Martineau) Johnson is opposed.
- 6) Motion carried to approve the new business license application for Big Sky Gaming, LLC (Martineau, Schmier)
- 7) Motion carried to ratify the Collective Bargaining Agreement for the West Yellowstone Police Protective Unit of MPEA. (Martineau, Forsythe)
- 8) Motion carried to approve the appointments of Jerry Johnson (Town Council Representative), Kay Mathews, and Barbara Klesel to the Marketing and Promotions Fund Advisory Board. (Parker, Martineau)
- 9) Motion carried to approve Resolution No. 673, a resolution authorizing the Mayor to enter into and execute and perform the Purchase and Sale Agreement for the purchase of 80 acres of US Forest Service land. (Martineau, Parker)
- 10) Motion carried to approve the Wastewater Treatment Lagoon Site Lease Agreement between the Town and the State of Montana, Department of Transportation, Aeronautics Divison, effective for ten years. (Schmier, Martineau)
- 11) Motion carried to approve the Shooting Range Use Agreement, effective for ten years. (Martineau, Parker)

- 12) Motion carried to authorize Town Engineer Dick Dyer to proceed with an additional water supply study. (Schmier, Martineau)
- 13) Motion carried to authorize the staff to allocate the funds to complete the groundwater study and move forward with the DEQ discharge permit process. (Johnson, Schmier)
- 14) Motion carried to accept the proposal from Morgan Pavement to extend the current slurry seal contract for two more phases to complete the town, provided it is budgeted and the current project withholds through the winter. (Forsythe, Parker)
- 15) Motion carried to approve the assignment on the Grizzly Internet Development Agreement conditioned upon the Town's approval of Safelink's ability to prove its financial ability to meet the financial obligations including insurance, bonding, indemnification and to add a completion date by the end of 2017 as well as enforcement or damages provisions. (Forsythe, Martineau)
- 16) Motion carried to approve the business license transfer of Grizzly Internet to Safelink Internet. (Forsythe, Martineau)
- 17) Motion carried to approve the new business license for Northwest Data Com for fiber optic construction services. (Schmier, Parker)

Public Comment Period

Lew Scott addresses the Town Council and recommends that the Town Council adopt a comprehensive water and sewer management plan, which would include the authority to deny building permits based on the capacity of the systems. Scott also suggests adding a permanent agenda item titled "water and sewer system status."

Council Comments

Council Member Schmier welcomes Town Manager Dan Sabolsky and expresses how happy they are that he is here and hopes his family can join him soon.

DISCUSSION

- 7) Mayor Johnson explains that this item was tabled at the last meeting and they requested a memo from the negotiating team to answer some of the questions that came up. Finance Director Lanie Gospodarek sent a memo out to the Council comparing the proposed contract to the previous contract. The Council asks various questions about the proposed contract, which are answered by union steward Anthony Kearney. Police Commissioner Richard Gibson encourages the Council to approve wages for police officers that are commensurate with agencies in the region. He says that they need to ensure that they are not just a training ground for new officers or a retirement job for people at the end of their career.
- 9) Town Attorney Jane Mersen explains that this resolution gives the Mayor the authority to sign the Purchase and Sale agreement once it is ready, but strongly recommends that the Town hold a public hearing prior to actually signing the document. Tom Cherhoniak says he thinks it would be prudent for the public to know what the Town is going to do with the property before it is purchased. He says he doesn't think they should approve the sale until that is determined.
- 10) Jeff Kadlec, Manager for the Yellowstone Airport addresses the Council regarding the final draft of the sewer lagoon lease and shooting range agreement. He briefly describes the changes made to the lease since the last time it was discussed. Town Attorney Jane Mersen indicates that she is satisfied with the lease as it is now written. There is brief discussion about how long it would take to remove the lagoon from airport property should that be required. Patterson points out that they could easily remove the facility within three years, but the environmental clean up could take longer. Richard Gibson

asks if they have received an answer to whether the land could be sold to the Town. Kadlec responds that they did ask but the only response they have received so far is that the State would not support such a sale. He says that they have asked for further clarification and he will share that information once he receives it. Lew Scott asks various questions about which agency actually owns the property. Kadlec explains that the State of Montana holds a deed to the property but there is a reversion clause where the property would revert to the federal government should it no longer be used as an airport.

- 11) Kadlec describes the Use Agreement which allows the Town to use the Yellowstone Airport property as a firing range. Mersen points out two paragraphs that the Council should consider, one pertaining to proper clean up of the area and the other indemnifying the State from any claims that may result from use of the range. She acknowledges that it is unlikely the State would agree to remove either paragraph but does want the Council to understand what they are agreeing to. Jason Pond, president of the local shooting club, points out that they are already maintaining a shooting range on Forest Service property and they would be willing to work out a use agreement for the police department to privately use the established range.
- 12) Town Manager Dan Sabolsky explains that there have been multiple discussions about the need to expand the water supply in the past. He explains that the water supply over the past two years has been low and they are requesting permission to evaluate all the possible water supply sources to increase supply. The study is expected to cost up to \$15,000, which would be paid for from the water fund. Lew Scott asks whether the Town has sufficient water supply for the coming summer and if the Town has the authority to impose a building moratorium. Patterson responds that the current water system is adequate for what they have now and the spring flow could quite possibly rebound this spring. Scott says he does not think the Town's ordinances would allow them to impose a moratorium. The group briefly discusses the issue, Dyer says they have discussed other approaches including public notice and distributing information about the issue.
- 13) Sabolsky explains that they have initiated a groundwater study over the past couple years and they now need to complete the study and proceed with the DEQ discharge permit. They estimate it will take two months to complete the groundwater study and about eight months to obtain the discharge permit, total cost close to \$100,000. The completion of the study and discharge permit process will be funded from the enterprise funds, \$25,000 to complete the groundwater study and \$75,000 for the discharge permit process.
- 14) Public Services Superintendent James Patterson explains that Morgan Pavement, the contractor that did the slurry seal project on the streets last summer, is willing to guarantee the same price if the Town will agree to contract with them to lay the seal on the next section of town this summer. Patterson says their unit cost was very competitive and recommends approving their request. Patterson says that he told them they wanted to wait until the snow melts so they can see how the product held up through the winter, but recommends agreeing to their proposal. Schmier asks if the recent drop in oil prices would lower the unit cost any more, but Dyer explains that it is unlikely because their unit price was so competitive in the first place.
- 15) Jason Pond of Grizzly Internet explains to the Council that he has sold the assets of Grizzly Internet to Safelink Internet. He says that this is an opportunity to expand Grizzly Internet and he will head up the fiber installation division here in West Yellowstone. The transfer of the business to Safelink is contingent upon the transfer of the development agreement and Safelink agrees to complete the West Yellowstone fiber installation prior to any other projects. Mersen explains that as long as Safelink can provide the required insurance, bond, and indemnification the Town can transfer the agreement and offers to compose a one-page agreement to finalize the transfer. Jacob

Larson, Director of Operations for Safelink Internet, introduces himself to the Council and briefly describes the company. Larsen explains that it is in their best financial interest to complete the project as quickly as possible. Forsythe asks if they are willing to agree to a date to complete the project. Larsen says that their goal is to complete the Town by the end of the summer in 2016, but hesitates due to unforeseen circumstances. Forsythe suggests including a projected completion date of 2017 in the agreement. The Council agrees to approve the assignment of the development agreement on approval by legal counsel and review by the Town Manager.

- A) **Advisory Board Reports:** Public Services Superintendent James Patterson reports that the Planning Board met yesterday and is continuing to work on the Growth Policy.
- B) **Town Manager & Department Head Reports:** New Town Manager, Daniel Sabolsky, addresses the Council and presents his first report:

Chief of Police Scott Newell reports that January has been busy, especially with DUIs and bar-related incidents. Finance Director Lanie Gospodarek reports that they have been working with new manager Dan Sabolsky and finishing up some year-end reporting. Social Services Director Kathi Arnado reports on management training, movement of a freezer to the basement which helped stabilize the temperature in the food bank, and tracking their activities in the department. Public Services Director James Patterson reports that the grader has been out of commission but expect to have it running again tomorrow. They have primarily been focusing on snow removal and finishing up the remodel in the Police Station. Forsythe asks if the check has been received for the 911 funding from Gallatin County, but Newell indicates they have not yet received it. Schmier asks Patterson how the ventilation of the attic of the building is going this season. Patterson says the system seems to be working well and they haven't detected any ice in the roof yet this year.

The meeting is adjourned. (9:30 PM)

Mayor

ATTEST:

Town Clerk

Town of West Yellowstone Business License Application

0119 0112
 0119 0112
 0119 0112
 0119 0112

Business Name: Doc's Place
 Applicant: James or SUE Burton
 Contact Person: Jim or SUE
 Mailing Address: P.O. Box 613
 Physical Address of Business: 315 N. Electric
 Phone Number: 406-531-9693 Fax Number: _____
 Email Address: sburton Website: _____
dsburton07@outlook.com

Signature of Property Owner of Record: _____

Subdivision: West Yellowstone Townsite
 Block: 3 Lot: 2 and 3 (unit 12)

Zoning District, please mark one:

- B-3 Central Business District (Old Town)
- B-4 Expanded Business District (Grizzly Park)
- E-2 Entertainment District (Grizzly Park)
- PUD Planned Unit Development (Grizzly Park)
- Residential Districts, Home Occupations Only (Mad Add)

- New Business
 - Change of Location
 - Transfer of Ownership
 - Name Change
- (previously ran under Yellowstone Townhouse)

- Is this business licensed by the State of Montana? Yes No
- Appropriate City/County/Health Dept approvals (if applicable) Yes No (please attach)
- If this business is located in Grizzly Park, has the business been approved by the Grizzly Park Architectural Committee (GPAC)? Yes No

Type of Business Please explain in detail the following: number of units, seating capacity, etc. Contractors should list trailers and equipment and where these items will be stored.

Nightly rental 1 unit. Parking space is allocated with the Townhouses. The use will be the same - owners is all the changes

Business License Fee: \$ 53⁰⁰ can resort
 Resort Tax Bond: \$ _____ tax bond be
 Total Amount Due: \$ _____ waved because
I've had another
business in
town previously
Sue

Signature of Applicant: James O Burton
 Signature of Applicant: Sue Burton
 Date: Jan 22, 2016

Burton Snowmobile

FOR OFFICE USE ONLY				
Date Approved by Town Council: _____				
Date _____	Check # _____	Amount \$ _____	License # _____	
SCN _____	BLP _____	STX _____	BLC _____	RDX _____

January 29, 2016

Council Members,

James and Sue Burton have requested that the Council consider waiving the resort tax bond for their new business, Doc's Place, based on payment history of their previous business, Burton Snowmobile. Burton Snowmobile has not been an active business for many years and we have been unable to locate any relevant records for the business. Therefore, the staff cannot make a fair recommendation on whether it is appropriate to waive the bond.

Liz, Town Clerk