

# Town of West Yellowstone

Tuesday, February 17, 2015

West Yellowstone Town Hall, 440 Yellowstone Avenue

7:00 PM

## TOWN COUNCIL MEETING AGENDA

Pledge of Allegiance

Purchase Orders

Treasurer's Report/Securities Report

Claims ∞

Consent Agenda: **February 3, 2015, Town Council Meeting** ∞

**February 10, 2015 Special Town Council Meeting** ∞

Business License Applications

- Lynette M. West, Therapy ∞

Advisory Board Report(s)

Operations Manager & Department Heads Reports

Assignments Report

### Comment Period

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

### UNFINISHED BUSINESS

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Appraisal Contract for Emergency Services Building, 400 Yellowstone Avenue

Discussion/Action ∞

### NEW BUSINESS

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Resort Tax Penalties Reduction Request

Discussion/Action ∞

West Yellowstone Aquatic Center

Discussion/Action ∞

HRDC/Habitat for Humanity Letter of Support

Discussion/Action ∞

FY 2014 Audit Results & Representation Letter

Discussion/Action ∞

Correspondence/FYI

- Amended HB 262, Resort Tax Increase ∞
- Resort Tax Community Comparisons ∞
- MMIA, Early Rate Adjustment Indication Memo for 2015-2016 ∞

Meeting Reminders

Operations Manager Evaluation (Executive Session, if Requested-Closed to the Public)

Operations Manager Contract Review

Discussion/Action ∞



**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](http://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](http://www.townofwestyellowstone.com).

\* ... Over spent expenditure

Claim	Vendor #/Name/	Document \$/	Disc \$						Cash
Check	Invoice #/Inv Date/Description	Line \$		PO #	Fund Org Acct	Object	Proj	Account	
40642	2891 GC Systems, Inc.	449.03							
30080	01/29/15 repair kit	449.03		WATER	5210 430530	398		101000	
40644	2088 Town West Yellowstone	585.30							
02/01/15	utility chrgs, Chamber, 895	30.94		BLDGS	1000 411257	340		101000	
02/01/15	utility chrgs, UPDL, 892	51.45		BLDGS	1000 411252	340		101000	
02/01/15	utility chrgs, PS Shops, 884	23.68		BLDGS	1000 411253	340		101000	
02/01/15	utility chrgs. Povah Ctr, 887	46.96		BLDGS	1000 411255	340		101000	
02/01/15	utility chrgs, Police Dept, 886	30.45		BLDGS	1000 411258	340		101000	
02/01/15	utility chrgs, City Park, 885	280.03		BLDGS	1000 411253	340		101000	
02/01/15	utility chrgs, Library, 891	23.94		LIBRAR	2220 460120	340		101000	
02/01/15	utility chrgs, Lift #1, 903	10.60		SEWER	5310 430600	340		101000	
02/01/15	utility chrgs, Twn Hall, 921	87.25		TWNHAL	1000 411250	340		101000	
40646	2851 Amatics CPA Group	300.00							
32230	01/31/15 audit work thru 1/31/15	300.00		FINADM	1000 410530	353		101000	
40648	95 Energy West-Montana	2,986.78							
01/29/15	nat gas - 62211 - updh	110.00		UPDH	1000 411252	344		101000	
01/29/15	nat gas - 62017 - police sta.	23.80		POLICE	1000 411258	344		101000	
01/29/15	nat gas - 12204-pub.svcs	28.14		STREET	1000 430200	344		101000	
01/29/15	nat gas - 62214- old firehall	193.91		PARK	1000 460430	344		101000	
01/29/15	nat gas - 01603 - old bld insp	143.06		STREET	1000 430200	344		101000	
01/29/15	nat gas - 61962 - library	332.09		LIBRAR	2220 460120	344		101000	
01/29/15	nat gas - 07154 - Povah Ctr.	579.62		POVAH	1000 411255	344		101000	
01/29/15	nat gas - 62207 - pub svcs	640.37		PUBSVC	1000 430200	344		101000	
01/29/15	nat gas -17279 -Town Hall	909.09		TWNHAL	1000 411250	344		101000	
01/29/15	nat gas -17569-Sewer Lift	26.70		SEWER	5310 430600	344		101000	
40649	2789 WEX Bank	5,421.72							
02/01/15	07 Ford Expedition 6-54563A	146.11		SS	1000 450135	231		101000	
02/01/15	06 Dodge Durango 6-1374	72.07		POLICE	1000 430200	231		101000	
02/01/15	10 Ford Crown Vic 6-34157A	38.30		POLICE	1000 420100	231		101000	
02/01/15	08 Ford Crown Vic 6-1437	25.37		POLICE	1000 420100	231		101000	
02/01/15	10 Ford Expedition 6-000046	185.04		POLICE	1000 420100	231		101000	
02/01/15	11 Ford Expedition 6-21425A	238.08		POLICE	1000 420100	231		101000	
02/01/15	77 Intl Dumptruck	0.00		STREET	1000 430200	231		101000	
02/01/15	78 Chevy Dumptruck	0.00		STREET	1000 430200	231		101000	
02/01/15	78 Autocar Dumptruck	0.00		STREET	1000 430200	231		101000	
02/01/15	85 Ford Dumptruck	0.00		STREET	1000 430200	231		101000	
02/01/15	140 G Grader	389.61		STREET	1000 430200	231		101000	
02/01/15	CAT 936 Loader	534.37		STREET	1000 430200	231		101000	
02/01/15	93 Dodge 6-582	75.65		STREET	1000 430200	231		101000	
02/01/15	95 Mobile Sweeper	0.00		STREET	1000 430200	231		101000	
02/01/15	97 Athey Sweeper	0.00		STREET	1000 430200	231		101000	
02/01/15	99 SS Snowblower	863.30		STREET	1000 430200	231		101000	

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TOWN OF WEST YELLOWSTONE  
Claim Approval List  
For the Accounting Period: 2/15

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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	
	02/01/15 00 Freightliner Dump 6-60700A	366.84		STREET	1000 430200	231		101000	
	02/01/15 Snowmobile	0.00		STREET	1000 420100	231		101000	
	02/01/15 02 Freightliner Dump 6-54564A	170.81		STREET	1000 430200	231		101000	
	02/01/15 08 Ford Pickup 6-1450	287.83		STREET	1000 430200	231		101000	
	02/01/15 08 GMC Pickup 6-1484	160.49		STREET	1000 430200	231		101000	
	02/01/15 08 CAT 938H Loader	973.86		STREET	1000 430200	231		101000	
	02/01/15 08 904B MiniLoader	91.13		STREET	1000 430200	231		101000	
	02/01/15 YNP Truck #1	218.67		STREET	1000 430200	231		101000	
	02/01/15 YNP Truck #2	348.91		STREET	1000 430200	231		101000	
	02/01/15 08 Ford Escape (multi-use)	0.00		DISPAT	1000 420100	231		101000	
	02/01/15 14 Police Interceptor	235.28		POLICE	1000 420100	231		101000	
40650	2558 Hebgen Basin Fire District	45,563.00							
	02/15/15 February 2015	45,563.00		FIRE	1000 420400	357		101000	
40651	146 Morrison-Maierle, Inc	130.00							
	20383 02/10/15 PD online backup	70.00		DISPAT	1000 420160	398		101000	
	20384 02/10/15 Town Offices online backup	60.00		FINADM	1000 410510	356		101000	
40652	1514 Verizon Wireless	1,382.93							
	01/20/15 640-0512, SS Assist	31.91		SOCSER	1000 450135	345		101000	
	01/20/15 640-1103, Operator	31.94		STREET	1000 430200	345		101000	
	01/20/15 640-1438, SS Director	31.94		SOCSER	1000 450135	345		101000	
	01/20/15 640-1460, Library Dir, SP	61.94		LIBRAR	2220 460100	345		101000	
	01/20/15 640-1461, Facilities Tech, SP	61.94		STREET	5210 430500	345		101000	
	01/20/15 640-1462, Operator, SP	61.94		STREET	5210 430500	345		101000	
	01/20/15 640-1463, Deputy PSS, SP	61.94		STREET	5310 430600	345		101000	
	01/20/15 640-1472, Ops Mgr, SP	61.94		ADMIN	1000 410210	345		101000	
	01/20/15 640-1676, Rec Coord, SP	61.94		REC	1000 460440	345		101000	
	01/20/15 640-1754, COP, SP	61.94		POLICE	1000 420110	345		101000	
	01/20/15 640-1755, Police	31.94		POLICE	1000 420110	345		101000	
	01/20/15 640-1756, Police	31.94		POLICE	1000 420110	345		101000	
	01/20/15 640-1757, Police	31.94		POLICE	1000 420110	345		101000	
	01/20/15 640-1758, Police	31.94		POLICE	1000 420110	345		101000	
	01/20/15 640-1759, Police	31.94		POLICE	1000 420110	345		101000	
	01/20/15 640-7547, Facilities Tech	31.94		PARKS	1000 460430	345		101000	
	01/20/15 640-9074, PSS, SP	61.94		BLDINS	5310 430600	345		101000	
	01/20/15 phone-will be refunded next mo	599.98			1000 420100	220		101000	
40653	2546 Century Link QCC	52.79							
	01/23/15 long dist chg 406-646-7795	26.39		FINADM	1000 410510	345		101000	
	01/23/15 long dist chg 406-646-7600	26.40		finadm	1000 410510	345		101000	

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40681		489 MSE ANALYTICAL LABORATORY		207.00					
	1501083	02/10/15 water samples		207.00		WATER	5210 430500	357	101000
40682		725 Swan Cleaners		70.50					
	1561	02/03/15 laundry service		70.50		JAIL	1000 420230	390	101000
40683		951 Barnes & Noble		507.93					
	2961294	01/28/15 books		108.97		LIB	2220 460100	215	101000
	2963723	02/01/15 books		183.89		LIB	2220 460100	215	101000
	2963724	02/01/15 books		175.90		LIB	2220 460100	215	101000
	2963725	02/01/15 books		39.17		LIB	2220 460100	215	101000
40684		29 Terrell's Office Machines Inc		24.30					
	296363	02/01/15 copier contract + \$4.30 overag		24.30		LIB	2220 460100	398	101000
40685		2201 Grizzly Internet, Inc.		30.00					
	1292-20150	02/05/15 internet service		30.00		LIB	2220 460100	345	101000
40686		1085 JD Speciality Services		625.00					
	3094	02/05/15 fabricate blower chute		625.00		STREET	1000 430200	369	101000
40687		151 Gallatin County WY TS/Compost		177.60					
		01/31/15 transfer station charges		177.60		PARKS	1000 460430	534	101000
40688		764 General Distributing Co.		43.71					
	301670	01/31/15 compressed O2		43.71		STREET	1000 430200	220	101000
40689		471 Northwest Pipe Fittings, Inc.		5,270.00					
	3403067	01/27/15 battery pack		170.00		WATER	5210 430500	220	101000
	5408168	02/02/15 2" compound meters		5,100.00		WATER	5210 430590	251	101000
40690		2255 Machinery Power & Equipment Co.		636.25					
		01/23/15 parts		204.74		STREET	1000 430200	369	101000
	42CS0416159								
		01/15/15 parts		431.51		STREET	1000 430200	369	101000
	42CS0416039								
40691		379 Energy Laboratories, Inc		297.50					
	350250241	02/05/15 waste water samples		297.50		SEWER	5310 430640	357	101000
40692		950 Frank J. Zamboni & Co.		744.54					
	77053	01/29/15 parts		744.54		STREET	1000 430200	369	101000

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Claim	Vendor #/Name/ Check Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
40693	1454 Bozeman Chronicle/Big Sky 01/30/15 SC survey	164.00 164.00		STUDY	1000 411870	220	101000
40694	533 Market Place 01/31/15 11 Xmas gift certs 01/06/15 supplies	556.98 550.00 6.98		LEGIS LEGIS	1000 410100 1000 410100	220	101000 101000
40695	40 Jerry's Enterprises 01/31/15 supplies	9.99 9.99		FINADM	1000 410510	220	101000
40696	135 Food Roundup 02/01/15 2 Xmas gift certs 01/11/15 supplies 01/11/15 supplies 01/07/14 food bank supplies	159.44 100.00 26.36 6.29 26.79		LEGIS JAIL POLICE HELP	1000 410100 1000 420230 1000 420100 7010 450135	220 220 220 220	101000 101000 101000 101000
40697	2673 First Bankcard 20138 01/07/15 Commercial Tire 01/14/15 Home Depot 01/16/15 Home Depot 01/22/15 Home Depot, floor for Povah 01/22/15 Home Depot	3,030.05 494.95 392.00 139.00 1,612.10 392.00		STREET UPDL UPDL POVAH UPDL	1000 430200 1000 411252 1000 411252 1000 411255 1000 411252	239 366 366 366 366	101000 101000 101000 101000 101000
40698	2673 First Bankcard 12/30/14 Power Systems 01/07/14 Playmill, refund 01/07/15 Intoximeters 01/21/15 Bozeman Ford, 07 Ford Exp	1,125.46 190.33 -20.75 196.50 759.38		REC FINADM JAIL SOCSER	1000 460440 1000 410510 1000 420230 1000 450135	220 870 220 361	101000 101000 101000 101000
40699	2764 HD Supply Waterworks, Ltd. D501627 01/29/15 water supplies	55.06 55.06		WATER	5210 430500	369	101000
40700	2421 NAPA Auto Parts 01/31/15 supplies	766.51 766.51		STREET	1000 430200	220	101000
40701	148 Local Government Center 01/29/15 study commission handbook	18.00 18.00		STUDY	1000 411870	220	101000
40702	1331 West Yellowstone Foundation 01/27/15 5 bus vouchers	50.00 50.00		HELP	7010 450135	220	101000

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Check	Invoice #/Inv Date/Description	Line \$		PO #	Fund Org Acct	Object	Proj	Account	
40703	2507 Silvertip Pharmacy	74.39							
69939	12/29/14 Rx	15.00		HELP	7010 450135	351		101000	
70156	01/09/15 Rx	14.39		HELP	7010 450135	351		101000	
70259	01/16/15 Rx	20.00		HELP	7010 450135	351		101000	
70375	01/26/15 Rx	25.00		HELP	7010 450135	351		101000	
40704	2892 Norland Manufacturing, Inc.	8,500.00							
4291154	01/28/15 chute for snowblower	8,500.00		STREET	4000 460439	936		101000	
40705	2099 Quick Print of West Yellowstone	230.83							
6271	01/21/15 shipping	15.46		WATER	5210 430500	311		101000	
6296	01/26/15 shipping	20.37		SEWER	5310 430640	357		101000	
6308	01/29/15 leave forms	179.00		FINADM	1000 410510	220		101000	
6315	01/30/15 folding, water notices	16.00		WATER	5210 430500	357		101000	
40706	2268 Myslik, Inc.	69.76							
12715H	01/27/15 control valve handle knob	69.76		STREET	1000 430200	369		101000	
40707	2893 Wild Bill Productions, LLC	5,095.75							
02/02/15	Dominoes flyers	2,000.00		MAP	2101 410130	398		101000	
02/02/15	design services	2,010.25		MAP	2101 410130	398		101000	
02/02/15	billboard payment	890.00		MAP	2101 410130	398		101000	
02/02/15	posters, flyers	71.00		MAP	2101 410130	398		101000	
02/02/15	tickets	124.50		MAP	2101 410130	398		101000	
40708	73 Westmart Building Center	645.02							
01/27/15	supplies	196.79		STREET	1000 430200	366		101000	
01/27/15	supplies	21.83		POLICE	1000 420100	220		101000	
01/27/15	supplies	77.59		UPDL	1000 411252	220		101000	
01/27/15	supplies	266.19		TWNHAL	1000 411250	220		101000	
01/27/15	supplies	41.78		PARKS	1000 460430	220		101000	
01/27/15	supplies	40.84		UPDL	2220 460100	220		101000	
40709	2291 American Express	365.88							
02/03/15	Lodging, Gardiner	365.88		DISPAT	1000 420160	370		101000	
	# of Claims	38	Total:					86,423.00	



WEST YELLOWSTONE TOWN COUNCIL  
**Town Council Meeting & Work Session**  
**February 3, 2015**

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

OTHERS PRESENT: Town Attorney Jane Mersen, Finance Director Lanie Gospodarek, Public Services Superintendent James Patterson, Chief of Police Scott Newell, Social Services Assistant Kathi Arnado, Jeremy Weber-WY News, Randy Wakefield, Helene Rightenour, Ryan Barker-Forsgren & Associates, Scott Clark, Brian and Patty Watson, Tom Cherhoniak, Benny McCracken, Caleb Oldroyd, Katrina Mann, Travis Mann, Todd Stiles-US Forest Service, Richard Gibson, Assistant Fire Chief Shane Grube

The meeting is called to order by Mayor Brad Schmier 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**

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- 1) Motion carried to approve the claims which total \$123,364.64. (Johnson, Costello)
- 2) Motion carried to approve the Application to Maintain an Encroachment made by Wild Bill Productions, in accordance with the Sign ordinance, to hang four banner signs in Pioneer Park to advertise the upcoming Wild Bill Octane Nights concert event, March 13-14, 2015. (Costello, Parker)
- 3) Motion carried to table the appraisal contract for the Emergency Services Building. (Parker, Costello)
- 4) Motion carried to approve and fulfill the Town's risk-share agreement with Community Health Partners to provide a \$75,000. (Forsythe, Costello)
- 5) Motion carried to approve the request from China Town Restaurant to purchase four cash-in-lieu parking spaces at \$1200 each. (Costello, Johnson)
- 6) Motion carried to approve the grant application to the Montana Department of Transportation MACI Air Quality Equipment Purchase Program to apply for a new street sweeper. (Costello, Forsythe)
- 7) Motion carried to table the Operations manager's evaluation and Contract Review until the next meeting, February 17, 2015. (Johnson, Costello)
- 8) Motion carried to adjourn the meeting into executive session to discuss pending litigation, as recommended by the Town Attorney. (Forsythe, Costello) 8:45 PM

**Public Comment Period**

Todd Stiles addresses the Council on behalf of the Forest Service. He says that they wanted to update the Council about some issues at the SmokeJumper Base outside of Town. He explains that they recently had a very serious water break at the base and they suspect there are several million dollars of maintenance needs at the facility. He says that the USFS will bring in some engineers to evaluate the base. They anticipate the base will be open for 2015, but they are considering a couple options that include rehabilitating the base, continuing to operate the base in its current status, or closing the base and consolidating the district with another jump base in the region. Stiles and the Council briefly discuss the options.

### **Council Comments**

Cole Parker says he spoke to Glen Loomis today about House Bill 262. The resolution to support the bill was presented this morning. There was support for the bill and it is on the fast track to support or kill the bill. The representatives from Big Sky Area want to include “affordable housing” to the bill but Loomis inquired how the Council feels about it. The Council discusses the bill. Johnson suggests that rather than adding the words “affordable housing” they just add the word “infrastructure.” The resolution passed by the Council did not include either phrase and the Council agrees to stand by the resolution they already passed.

Johnson says he would like to send best wishes to Dittmann and Guay, the Council agrees. Schmier says they had a good weekend and credits the SnoWest event for making a difference.

### **DISCUSSION**

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- A) **Department Head Reports:** Public Services Superintendent James Patterson reports that they were able to fix the altitude valve on water tank on Friday, which has been causing significant water to run across the upper Rendezvous Ski Trails. He also says the chute has been added to new snowblower and they are plowing snow. Chief of Police Scott Newell reports that body cameras for the officers are on order and he is working on policy for the video recordings with the town attorney. Finance Director Lanie Gospodarek has received the FY 2014 audit books and is working on tallying resort tax info from other communities. Costello asks about resort tax collections, down for business in December. Arnado reports that Jack Dittmann had an operation today, not life threatening, but will be out for about two weeks.
- 2) After discussion, Mayor Schmier points out that the sign ordinance stipulates that temporary signs for special events may only be up for 30 days prior to the event and no longer than 7 days after the event. The Council agrees to approve the request subject to the provisions of the sign ordinance.
- 3) The Council discusses the proposed appraisal of the Emergency Services Building at 400 Yellowstone Avenue. Schmier says that they have a proposal to appraise the ESB for \$4000. Roos explains that she learned after the agenda went out that they have received another offer from a different appraiser to complete the project for \$2500. She suggests that the Council table the item until they can work that out. Johnson says he has heard rumor that the Fire Department is going to pull its offer to purchase the ESB. Forsythe says that he thinks the Council should decide if they are going to accept the \$200,000 offer from the fire department before they proceed with ordering an appraisal. Assistant Fire Chief Shane Grube joins the meeting and the Council inquires of the rumor, but Grube says his board will stand behind their offer of \$200,000 for the building.
- 5) The Council discusses the request from China Town Restaurant to expand the existing restaurant on Lot 2 of Block 27. In order to provide enough parking for the expansion, they are requesting permission to purchase four cash-in-lieu parking spaces. The Council discusses the request and the site plan with Public Services Superintendent James Patterson. Brian Watson, owner of the Alpine Motel, asks multiple questions about where the parking spaces will be and expresses concerns about blocking the parking spaces with buses. Johnson also expresses concerns that some of the parking spaces that used to serve other businesses in that area will now be used only by China Town. Following the motion, the Council discusses how the Town would or should find out when property changes owners. Costello illustrates that there could be problems if a property owner only sold the property that was designated as parking but kept a business. Mersen suggests that they give the question to the Planning Board to consider and the Council agrees.
- 6) The Council discusses a Memorandum from Jane Mersen about the pros and cons of leasing or deeding the proposed land for the West Yellowstone Aquatic Center. Mersen explains that that the Council asked her to evaluate the options and discusses the pros and

cons of leasing the property or a revisionary deed. Mersen answers multiple questions about liability and indemnification of the Town. She suggests that they consider a Memorandum of Understanding (MOU) prior to adopting a resolution. She suggests that they put a resolution on the next agenda for the Council to decide whether they are willing to proceed with a lease or a deed. Schmier clarifies that Scott Clark has indicated in the past that they feel that they have to have a deed rather than a lease in order to successfully pursue federal grants. Schmier asks Clark if they have raised any money but Clark says that none of their donators will contribute unless the Town shows its support by donating the property. He emphasizes that they think a deed with right of reversion will make fund-raising more favorable. Forsythe asks Mersen if the ownership of the property could be transferred. Mersen says that they could add language that stipulates that the property is not assignable. Johnson suggests that they direct Mersen to proceed with putting together a resolution to either lease or deed the property for Council consideration at the next Council Meeting. The Council agrees and also directs Mersen to work on the MOU with the project attorney, Mr. Shaw. Mersen points out that only the Council will sign the resolution so approving a MOU will outline what both parties are agreeing to. The Council discusses whether the resolution and/or MOU should specify the exact parcel. Johnson says he thinks it should not be specifically identified. Clark says that he does know the length of the building but needs to determine the parking requirements for his architect. The Council directs Clark to meet with Patterson to calculate the parking requirements.

#### **CORRESPONDENCE/FYI**

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Richard Gibson, Chair for Local Government Study Commission, says that he wants to make a comment about the article that ran in the newspaper this past week. He says that article quoted another member of the LGSC as saying that the commission will listen to all the comments made at the public hearing but will not make any comments. Gibson disagrees with that statement and thinks it is important to make it clear that the LGSC is very willing to discuss and answer questions at that hearing as well as at any other time.

Mayor Schmier mentions that Habitat for Humanity has requested a letter of support from the Town. Council Member Greg Forsythe says he attended Wild Bill Days planning meeting and encourages everyone to check with emergency services prior to approving events.

The meeting reconvenes from the Executive Session and is adjourned. (10:00 PM)

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Mayor

ATTEST:

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Town Clerk

WEST YELLOWSTONE TOWN COUNCIL  
**Special Town Council Meeting**  
**February 10, 2015**

COUNCIL MEMBERS PRESENT: Mayor Brad Schmier, Jerry Johnson, John Costello

OTHERS PRESENT: Finance Director Lanie Gospodarek, Public Services Superintendent James Patterson, Jeremy Weber-Editor, West Yellowstone News

The meeting is called to order by Mayor Brad Schmier at 6:00 PM in the West Yellowstone Town Hall, 440 Yellowstone Avenue, West Yellowstone, Montana

**Public Comment Period & Council Comments**

No comments are received.

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Mayor Schmier explains that the purpose of this meeting is to discuss the proposal from Grizzly Internet, Inc. to install a town-wide fiber optic communication network within the established right-of-way of West Yellowstone. Schmier asks Jason Pond of Grizzly Internet if anything has changed on his side of things. Pond says that everything is on track and mentions that he met with Public Services Superintendent and Town Engineer Dick Dyer a couple weeks ago and they have been able to work together to put the development agreement together. Schmier says that he did talk to Bryan Case, CEO of Fall River Electric, who had no concerns about this project. Pond says that he has met with the gas company and did receive copies of their “as-builts” yesterday so they understand where the gas lines are. Schmier asks Dyer if he has anything to add at this time. Dyer says that this is a very worthy project that will stimulate economic growth, but he also wants to ensure that the Town is protected. Schmier also asks Patterson if he has concerns. Patterson says they have looked at this closely and he will be inspecting things as they go along. He says that the depth that the lines will be buried should not interfere with any other utilities, including the gas lines, water/sewer lines, electric, or telephone. Pond also explains that they will only trench across the alleys, everything else will be put in through directional bore below the existing utilities. Schmier asks Gospodarek if there are any financial obligations for the Town and she confirms that there is not. Costello says he supports the project and encourages everyone to work together to accomplish this. Johnson asks if there has been any consideration of a franchise fee, possibly providing service to the Town owned buildings. Pond explains that in the State of Montana, the Town can be held responsible for up to 50% of the cost of moving the line, but he is willing to assume all of that cost in lieu of paying a franchise fee. Johnson asks about a completion bond and Dyer explains that a performance bond is required by the agreement. Johnson also asks if the Town should require a copy of the agreement between Grizzly Internet and his provider. Pond says that he could provide some of that information but would not want to share any proprietary information about his business. Johnson agrees, but clarifies that they really just want to be assured that he has a legitimate agreement to acquire the service. Dyer explains that it would not be unusual for the Town to require that kind of security. Schmier says that their right-of-ways already have almost all other types of utilities and suggests that there isn’t much that isn’t already there. Dyer agrees but says that they should expect the eventual betterment or the installation of new or improved lines of the various utilities. Dyer also explains that although the other utilities are spread all over town, the lines that the Town owns are laid out uniformly and should be easy to access if the Town needs. Johnson also asks how this project will affect current customers of Grizzly Internet. Pond explains that current customers should not be affected, contracts will not change. He adds that he will aggressively market the improved service once he has full permission to install it. Johnson inquires what would prevent his provider from seeking permission to also install lines throughout Town. Pond says that monopoly laws prevent them from only allowing one business to do that, but the Town could decide whether to grant such requests. He adds that Fremont Communications is very aware of this project. Dyer agrees with Pond but points out they could also approve a franchise agreement. Costello motions to approve the Encroachment Application, seconded by Johnson. Dyer suggests that they amend the motion to state that the approval is in accordance with the terms and conditions of the Development Agreement.

The Council discusses the Development Agreement. Schmier leads the discussion through each paragraph of the agreement. The group discusses the performance bond referenced in paragraph 3. The original number that was discussed for the bond was \$50,000, but the Town Attorney

recommended \$100,000. Pond points out that he is not hiring a contractor to do this project, but is doing it himself and is already a vested member of this community. Patterson says he thinks \$50,000 is sufficient, and points out that other projects in the region are adjacent to improved roads. The property being discussed is mostly dirt. Dyer agrees that \$50,000 is what was initially discussed and the risk is not great. He adds that Patterson will be overseeing the project, who will be able to identify any possible issues. The group agrees to a \$50,000 performance bond. Patterson also explains that the plan is to complete each parkway before moving to the next one. Pond explains that they will start with Parkway (Alley) A and install from Boundary to Iris, then move out to the Grizzly Park Addition, then go back to Parkways B, C, and D. The group moves through paragraphs 4-13 and accepts the latest edits. Dyer points out that the insurance coverage requirements listed in paragraph 14 are higher than they typically see in public works projects, but higher limits were recommended by the Town Attorney. Pond indicates that the higher limits are acceptable. The group discusses the rest of the agreement, makes only minimal changes. Johnson clarifies that in lieu of a franchise fee, the Town will not be responsible should one of the lines need to be moved. Under state law, the Town could be responsible for up to 50% of the cost to move a line, but Pond is willing to be responsible for all of the cost as outlined in the Development Agreement.

- 1) Motion carried to approve the Application to Maintain an Encroachment made by Grizzly Internet, Inc. to install a town-wide fiber optic communication network in the Town right-of-way, contingent upon the terms set form in the Development Agreement between the Town and Grizzly Internet, Inc. (Johnson, Costello)
- 2) Motion carried to approve and approve the Mayor to sign the Development Agreement between the Town and Grizzly Internet, Inc. subject to the changes discussed, dated February 10, 2015. (Johnson, Costello)

The meeting is adjourned. (7:10 PM)

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Mayor

ATTEST:

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Town Clerk

# Town of West Yellowstone Business License Application

Business Name: \_\_\_\_\_  
 Applicant: LYNETTE M. WEST  
 Contact Person: same  
 Mailing Address: P.O. Box 2096, W.Y. MT  
 Physical Address of Business: 303 Canyon St. - office suite inside only  
 Phone Number: 831-345-9292 Fax Number: \_\_\_\_\_  
 Email Address: healingarts@daymoon.com Website: www.iakp.com/LMWest

Signature of Property Owner of Record: [Signature]

Subdivision: B-3  
 Block: 1 (ONE) Lot: 9

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 of Rocky Hermanson
- Name Change

- Is this business licensed by the State of Montana?  Yes  No exempt form of therapy
- 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.

A therapy office; craniosacral is a light touch, hands-on, clothes-on, mobilization of restricted tissues used in recovery & enhancement of healing injuries. One client at a time (by appointment parking: 0 one for self, (although walking distance from home) & one for client @ 90 minute maximum use)

Business License Fee: \$ 50  
 Resort Tax Bond: \$ \_\_\_\_\_  
 Total Amount Due: \$ 50

Signature of Applicant \_\_\_\_\_  
 Signature of Applicant \_\_\_\_\_  
 Date 2/9/2015

FOR OFFICE USE ONLY				
Date Approved by Town Council: _____				
Date <u>2/9/15</u>	Check # <u>1426</u>	Amount \$ <u>50<sup>00</sup></u>	License # _____	
SCN _____	BLP _____	STX _____	BLC _____	RDX _____

# Site Plan

Business Name:

Business Owner:

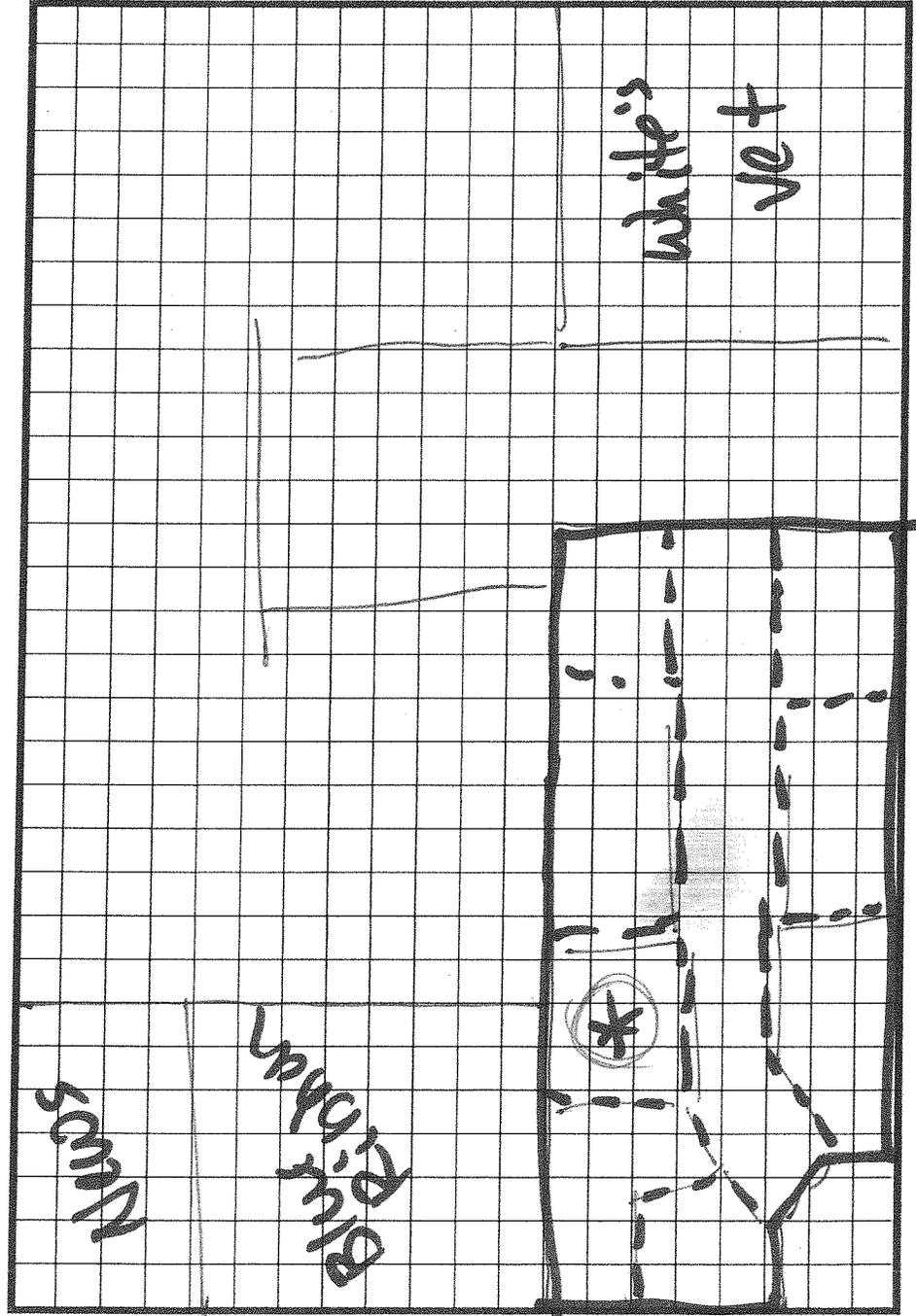
Business Street Address:

Block: 1

Lot: —

Subdivision:

Lynette M. West, CST, CMP. Therapy office  
within Rocky Hermonson's Real Estate office  
303 Canyon St. Unity, MT  
B-3



Gibson  
\* 303 Canyon St.  
\* Real Estate office  
Interior suite \*

Scale: 1 inch = 20 feet

Note: This grid represents a standard Town lot, 100 feet by 150 feet.

Canyon / 191

# AGREEMENT FOR PROFESSIONAL VALUATION SERVICES

400 Yellowstone Avenue  
West Yellowstone, Mt.

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**DATE OF AGREEMENT:** April 20, 2009

**PARTIES TO AGREEMENT:**

**Client:**

Becky Guay  
Operations Manager  
Town of West Yellowstone  
PO Box 1570  
West Yellowstone, MT, 59758  
406-646-7795  
406-640-1472 – cell  
[rguay@townofwestyellowstone.com](mailto:rguay@townofwestyellowstone.com)

**Appraiser:**

W. Toney Bishop, Jr. MAI/SRA  
Bishop Appraisals Services  
3100 Branding Iron Rd.  
Bozeman, MT 59715  
406-586-9995  
406-586-0086  
wtbishop@earthlink.net

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Client hereby engages Appraiser to complete an appraisal assignment as follows:

**PROPERTY IDENTIFICATION**

400 Yellowstone Avenue  
West Yellowstone, MT 59758

Legal Description: S34, T13 S, R05 E, ACRES 2.966, PLAT 89 FM 3122 REM. FIRE STATION

Assessment Code: 00RRG63836

**PROPERTY TYPE**

Existing Industrial - 6400 SF Building on 2.966 Acres of Land.

**INTEREST VALUED**

Fee simple

**INTENDED USERS**

Client and none other.

The client and intended user for this appraisal is The Town of West Yellowstone in connection with estimating a market value for sales purposes. It may not be distributed to or relied upon by other persons or entities without written permission of W. Toney Bishop, Jr. However, The Town of West Yellowstone the client and none other may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with securitization efforts. The appraiser is not required to explain or testify as to appraisal results other than to respond to the client for routine and customary questions.

Please note that my consent to allow an appraisal report prepared by W. Toney Bishop, Jr. or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at my sole discretion and, if given, will be on condition that will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to me, by a party satisfactory to me. I do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

*Note: No other users are intended by Appraiser. Appraiser shall consider the intended users when determining the level of detail to be provided in the Appraisal Report.*

**INTENDED USE**

To assist Client in negotiating a purchase price.

**TYPE OF VALUE**

Market value as defined by USPAP.

**DATE OF VALUE**

Current

**HYPOTHETICAL CONDITIONS, EXTRAORDINARY ASSUMPTIONS**

None anticipated

**APPLICABLE REQUIREMENTS OTHER THAN THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP)**

The Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

**CONTINGENT AND LIMITING CONDITIONS.**

**Attached Exhibit 1**

## **ANTICIPATED SCOPE OF WORK**

### **Site visit**

Interior and exterior observation, on-site.

### **Valuation approaches**

Sales comparison approach / Cost approach / Income approach

Note: Appraiser shall use all approaches necessary to develop a credible opinion of value.

## **APPRAISAL REPORT**

### **Report option**

Summary Appraisal Report.

### **Form or format:**

Narrative

### **CONTACT FOR PROPERTY ACCESS, IF APPLICABLE**

[name, phone number]

### **DELIVERY DATE**

February 20,2015

### **DELIVERY METHOD**

Email via PDF.

### **NUMBER OF COPIES**

The client may print 5 copies without further permission from the appraiser.

### **PAYMENT TO APPRAISER**

\$4,000.00

### **PROPOSED IMPROVEMENTS**

If the property appraised consists of proposed improvements, Client shall provide to Appraiser plans, specifications, or other documentation sufficient to identify the extent and character of the proposed improvements.

### **PROPERTIES UNDER CONTRACT FOR SALE**

If the property appraised is currently under contract for sale, Client shall provide to Appraiser a copy of said contract including all addenda per USPAP and State requirements.

### **CONFIDENTIALITY**

Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement with, any party other than Client, unless

Client authorizes, except as stipulated in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP).

#### **CHANGES TO AGREEMENT**

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new Agreement.

#### **CANCELLATION**

Client may cancel this Agreement at any time prior to the Appraiser's delivery of the Appraisal Report upon written notification to the Appraiser. Client shall pay Appraiser for work completed on assignment prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client in writing.

#### **NO THIRD PARTY BENEFICIARIES**

Nothing in this Agreement shall create a contractual relationship between the Appraiser or the Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

#### **USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS**

Appraiser may use employees or independent contractors at Appraiser's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Appraiser shall sign the written Appraisal Report and take full responsibility for the services provided as a result of this Agreement.

#### **TESTIMONY AT COURT OR OTHER PROCEEDINGS**

Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include the Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery, sworn testimony in a judicial, arbitration or administrative proceeding, or attendance at any judicial, arbitration, or administrative proceeding relating to this assignment.

#### **APPRAISER INDEPENDENCE**

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot insure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective by Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

#### **EXPIRATION OF AGREEMENT**

This Agreement is valid only if signed by both Appraiser and Client within 10 days of the Date of Agreement specified.

**GOVERNING LAW & JURISDICTION**

The interpretation and enforcement of this Agreement shall be governed by the laws of the state in which the Appraiser's principal place of business is located, exclusive of any choice of law rules.

By Appraiser:

By Client:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

\_\_W. Toney Bishop, Jr. MAI/SRA\_\_  
(Printed name)

\_\_\_\_\_  
(Printed name)

\_\_\_\_January 27, 2015\_\_\_\_  
(date)

\_\_\_\_\_  
(date)

DRAFT

## Exhibit 1

# Limiting Conditions and Assumptions

Bishop Appraisal Services © 2015

*All rights to this appraisal report are reserved by Bishop Appraisal Services and W. Toney Bishop, Jr. All drawings, written materials and opinions of value or any other material linked to this appraisal report written or described herein are the sole property of Bishop Appraisal Services and as such may not be altered, duplicated, used or disclosed to any other entity other than the "Intended User" expressly noted on the front page without the written consent from Bishop Appraisal Services. Any attempt to do so is a violation of the Federal Copyright laws and USPAP. This includes the borrower using the report for any other purpose than the purpose stated in the appraisal report within the addendum. The borrowers may not distribute the appraisal report to any other parties for any other purpose. The opinion of value is valid only in this specific circumstance.*

*By this notice, all persons and firms reviewing, utilizing or relying on this report in any manner bind themselves to accept these assumptions and limiting conditions. Do not use this report if you do not so accept. These conditions are a part of the appraisal report, they are a preface to any certification, definition, fact or analysis, and are intended to establish as a matter of record that the appraiser's function is to provide a present market value indication for the subject property based upon the appraiser's observations as to the subject property and the local and/or regional real estate market. This appraisal report is an economic study to estimate value as defined in it. It is not an engineering, construction, legal or architectural study nor survey and expertise in these areas, among others, are not implied. **IN THE EVENT THE CLIENTS DO NOT AGREE WITH THE METHODS AND CONCLUSIONS IN THIS REPORT THEY ARE ENCOURAGE IN SEEKING A SECOND OPINION.***

### 1. LIMIT OF LIABILITY:

The liability of the firm **Bishop Appraisal Services** and employees and affiliated independent contractors is limited to the **CLIENT ONLY AND TO THE FEE ACTUALLY RECEIVED BY APPRAISER (TOTAL PER APPRAISAL)**. **FURTHER, THERE IS NO ACCOUNTABILITY, OBLIGATION, OR LIABILITY** to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such assignment and related discussions. The Appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in real estate, client agrees that in case of lawsuit (brought by lender, partner, or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements of any type in such

suit, regardless of outcome, client will hold Appraiser completely harmless in any such action.

**2. COPIES, PUBLICATION, DISTRIBUTION, USE OF REPORT:**

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use; the physical report(s) remain the property of Bishop Appraisal Services for the use of the client; the fee being for the analytical services only.

The Bylaws and Regulations of the Appraisal Institute require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate except as hereinafter provided, the client may distribute copies of this appraisal report in its entirety to such third parties as he may select; HOWEVER selected portions of this appraisal report shall NOT be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of the Appraiser.

**3. CONFIDENTIALITY:**

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the Appraiser(s) whose signature(s) appear on the appraisal report, unless indicated as "Review Appraiser". No change of any item in the report shall be made by anyone other than the Appraiser and/or officer of the firm. The Appraiser and firm shall have no responsibility if any such unauthorized change is made.

The Appraiser may not divulge the material (evaluation) contents of this report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by the Appraisal Institute as they may request in confidence for ethics enforcement, or by a court of law or body with the power of subpoena. Sales information obtained during the course of this appraisal assignment is the Appraiser's and it can be used or exchanged without consent of the client.

**4. TRADE SECRETS:**

This appraisal was obtained from Bishop Appraisal Services and/or its individuals or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosures under 5 U.S.C. 552 (b) (4). Notify the Appraiser(s) signing report or a

principal in Bishop Appraisal Services, for any request to reproduce this appraisal in whole or in part.

**5. INFORMATION USED:**

No responsibility is assumed for accuracy of information furnished by work of or work by others, the client, his designee, or public records. We are not liable for such information or the work of possible subcontractors. Be advised that some of the people associated with Bishop Appraisal Services and possibly signing the report are independent contractors.

The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other source thought reasonable: all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitment of funds for subject property.

**6. TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE:**

The contract for appraisal, consultation or analytical service is fulfilled, and the total fee is payable prior to delivery of the report. The Appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

**7. EXHIBITS:**

The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose as of the date of the photos. Site plans are not surveys unless shown from separate surveyor.

**8. LEGAL, ENGINEERING, FINANCIAL, STRUCTURAL OR MECHANICAL NATURE HIDDEN COMPONENTS, SOIL:**

The Appraiser and/or firm have no responsibility for matters legal in character or nature, nor of any architectural, structural, mechanical, or engineering nature. No

opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.

The legal description is assumed to be correct as used in this report as furnished by the client, his designee, or as derived by the Appraiser. Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy nor soils and potential for settlement, drainage, and such (seek legal assistance) and such. The lender and owner should inspect the property before any disbursement of funds; further it is likely that the lender or owner may wish to require mechanical or structural inspections by qualified and licensed contractor, civil or structural engineer, architect, or other expert.

The Appraiser has inspected as far as possible. by observation, the land and the improvements; however; it was not possible to personally observe conditions beneath the soil or hidden structural or other components. We have not critically inspected mechanical components within the improvements and no representations are made herein as to these matters unless specifically stated and considered in the report. The value estimate considers there being no such conditions that would cause loss of value. The land or the soil of the are being appraised appears firm; however, subsidence in the area is unknown. The Appraiser(s) do not warrant against this condition or occurrence of problems arising from soil conditions. The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil, or structures or toxic materials which would render it more or less valuable. The Appraiser and firm have no responsibility for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment may be made by us to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment which is assumed standard for subject age and type.

If the Appraiser has not been supplied with a deficiency or hazard inspection, surveyor occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranties are made concerning obtaining the above mentioned items.

The Appraiser has no responsibility for any costs or consequences arising due to the need, or the lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

**9. LEGALITY OF USE:**

The appraisal is based on the premise that, there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building, use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

**10. COMPONENT VALUES:**

The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

**11. AUXILIARY AND RELATED STUDIES:**

No environmental or impact studies, special market study or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report.

**12. DOLLAR VALUES, PURCHASING POWER:**

The market value estimated, and the costs used, are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of dollar as of the date of value estimate.

**13. INCLUSIONS:**

Furnishings and equipment or personal property or business operations except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered in the value estimate unless otherwise stated. In some property types, business and real estate interests and values are combined and essentially integrated to comprise the property in total, i.e. Hotels/Motels.

**14. PROPOSED IMPROVEMENTS. CONDITIONED VALUE:**

Improvements proposed, if any, on or off-site, as well as any repairs required are considered. for purposes of this appraisal to be completed in good and workmanlike manner according to information submitted and/or considered by the Appraiser(s). In cases of proposed construction, the appraisal is subject to

change upon inspection of property after construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed and operating at levels shown and projected.

**15. VALUE CHANGE, DYNAMIC MARKET. INFLUENCES, ALTERATION OF ESTIMATE BY APPRAISER:**

The estimated market value that is defined in the report is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value or investment value or value in use is a reflection of such benefits and Appraiser(s) interpretation of income and yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value: they are thus subject to change as the market and value is naturally dynamic.

"The Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised. Appraisal report and value estimate are subject to change if physical or legal entity or financing is different than that envisioned in the report.

**16. MANAGEMENT OF THE PROPERTY:**

It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management; neither inefficient nor super-efficient.

**17. CONTINUOUS EDUCATION CURRENT:**

The Appraisal Institute conducts a voluntary and a mandatory program of continuing education for its designated members depending upon date of membership. W. Toney Bishop, Jr. MAI/SRA is under the voluntary portion of the program. Those who meet the minimum standards of this program are awarded periodic educational certification.

**18. FEE:**

The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report or the physical report itself. Amount of payment of fee for services is not contingent on any result, approval amount or other estimates or statements.

**19. MOLD, INSULATION, TOXIC AND OTHER HAZARDOUS MATERIALS:**

Unless otherwise stated in this report, the existence of hazardous material, that may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. The appraiser does not guarantee that the property is free of defects or environmental problems.

**20. REVIEW:**

Unless otherwise noted herein, any named Review Appraiser of/from Bishop Appraisal Services has reviewed the report as to general appropriateness of technique and format, and has agreed to accept full responsibility for the contents and conclusions noted therein.

**21. CHANGES, MODIFICATIONS:**

The Appraiser(s) and/or principals of Bishop Appraisal Services reserve the right to alter statements, analyses, conclusions or any value estimate(s) in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown to us when the report was finished.

**22. AFTER TAX ANALYSIS AND/OR VALUATION:**

Any "after" tax income or investment analysis and resultant measures of return on investment are intended to reflect only possible and general market considerations, whether as part of estimating value or estimating possible returns on investment at an assumed value or price paid; note that the Appraiser(s) does not claim expertise in tax matters and advises client and any other using the appraisal to seek competent tax advice as the Appraiser(s) is in no way to be considered a tax advisor or investment advisor.

**23. Americans with Disabilities Act (ADA) of 1990**

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Bishop Appraisal Services

Commercial has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal.**

DRAFT



From the desk of  
**Joel Peterson**  
**Joel Peterson Appraisal Inc.**  
**1910 N 22<sup>nd</sup> Avenue, Suite 2**  
**Bozeman, MT 59718**

February 8, 2015

Elizabeth Roos, Town Clerk  
Town of West Yellowstone  
Town Hall  
West Yellowstone, MT 59758  
[eroos@townofwestyellowstone.com](mailto:eroos@townofwestyellowstone.com)

RE: Appraisal of Emergency Services Building

Dear Ms. Roos:

Pursuant to your request, I am happy to submit a proposal for the appraisal of the property located at 400 Yellowstone and further identified by tax parcel number RRG63836.

The appraisal shall be prepared for the Town of West Yellowstone and is for the sole and exclusive use of the Town of West Yellowstone and its legal advisors. I request that you seek my written authorization before releasing the report to any other party.

The assignment will be to formulate an opinion of current market value for the property. The legal property to be appraised is identified under parcel number RRG63836 and is abbreviated as Plat 89 FM 3122 rem. Fire Station located in Section 34, Township 13 South, Range 5 East, Gallatin County and in the fee simple interest.

The property will be valued as of date of the inspection.

The appraisal will be prepared in accordance with the Uniform Standards of Professional Appraisal Practice. Attached to this letter you will find a copy of my Qualifications which are attached to all appraisals prepared by this office.

The estimated completion date of the appraisal is between mid-March to the end of March, 2015. I can only complete the appraisal by this date if I receive from you in a timely manner any relevant information needed for the preparation of the report. In order to complete this appraisal, the following information will be needed: 1) estimated year of construction; 2) name of the contractor and 3) the total cost of construction.

My fee for this appraisal will be \$2,500. A bill for the \$2,500 appraisal fee will be presented and immediate payment will be requested at the time the report is completed and delivered.

I will proceed with the preparation of this appraisal upon receipt of a signed copy of this letter. If you have any questions about anything contained in this letter, please let me know.

Sincerely,



Joel Peterson  
Joel Peterson Appraisal Inc.  
1910 N 22<sup>nd</sup> Avenue, Suite 2  
Bozeman, MT 59718

Engagement Letter Accepted:

\_\_\_\_\_  
(client signature)                      (date)

Enc: Qualifications



**JOEL PETERSON**  
**Certified General Appraiser**  
**Montana License #REA-RAG-LIC-163**

Proprietor of:

**Joel Peterson Appraisal Inc**  
**421 W Mendenhall**  
**Bozeman, MT 59715**  
**406.587.5641**  
**joel@ncwheeler.com**

<b>Summary of Qualifications</b>	<p>1992-Present Owner/Operator of Joel Peterson Appraisal, Bozeman, MT</p> <ul style="list-style-type: none"><li>• Certified General Appraiser-primary emphasis in rural, recreational and income properties.</li><li>• Clients include lending institutions, banks, attorneys and private individuals</li><li>• Extensive appraisal experience with small commercial units and small recreational properties.</li></ul>
<b>Education</b>	<p>- Bachelor of Science Degree, South Dakota State University Major in Economics/Minor in Mathematics 1969-1973</p>
<b>Continuing Education</b>	<p>USPAP Education Compliance – Current Completed courses specializing in residential, agricultural and commercial appraisal procedures, approaches to valuation and analysis.</p>
<b>Work Experience</b>	<p>1992-Present Owner/Operator of Joel Peterson Appraisal, Inc. 1982-1992 Lead Residential Appraiser for Department of Revenue, State of Montana</p>
<b>Accreditations</b>	<p>State of Montana Certified General Appraiser #REA-RAG-LIC-163 Certified Residential and Commercial Appraiser by the International Association of Assessing Officers</p>



State of Montana  
Business Standards Division  
Board of Real Estate Appraisers

This certificate verifies licensure as:  
**CERTIFIED GENERAL APPRAISER**

**License #:** REA-RAG-LIC-163  
**Status:** Active  
**Expiration Date:** 3/31/2015

**Endorsement:** REAL ESTATE  
APPRAISER MENTOR

**JOEL PETERSON  
JOEL PETERSON APPRAISAL INC  
421 WEST MENDENHALL ST  
BOZEMAN, MT 59715**



RENEW OR VERIFY YOUR LICENSE AT  
<https://ebiz.mt.gov/pol/>



*Received  
2-6-15  
GHC*

February 6, 2015

Town of West Yellowstone  
440 Yellowstone Avenue  
West Yellowstone, MT 59758

Members of the Town Council:

I am writing to request a reduction in penalties for late resort tax payments for 3 separate companies – Yellowstone IMAX Theatre, Yellowstone Trading Post, & Buffalo Crossing RV Park.

On Jan. 6, 2015 I received an email copy of a letter stating resort tax had not been paid for the 3 above named companies. I notified my accounts payable office at which point we realized there had been a mistake made between our two office locations – each thought the other had been making payment to the town. In fact, payments were being recorded on our accounting software, but neither office was writing a check. As soon as I had verified this I took checks totaling the amount due to the town offices for the owing resort tax. Shortly thereafter, I received notice that the 3 companies owe nearly \$5,200 in late fees.

I'm asking for a reduction in these penalties due to the fact that this was a mistake made between two bookkeepers and not an attempt to avoid payment of the resort tax. I'm asking for consideration given the payment record of the last 20 years of the IMAX Theatre and Trading Post, and more recently the RV Park entity. There was no malice in this case as is evidenced by the immediate payment of the back taxes once I was able to sort out the mistake. I appreciate your consideration in this matter and look forward to your decision.

Respectfully,

Glenn Hales  
GM  
Yellowstone IMAX Theatre

# Memo

To: Town Council

From: Lanie Gospodarek

Date: February 13, 2014

Re: Resort Tax Penalties Waiver Request

This memo is to provide information to the Council about the processes of collecting resort tax as applied by the Town's Finance Office. Copies of the pertinent sections of the Resort Tax Ordinance are attached for reference.

A review of the current process used to assess resort tax penalties may be enlightening. On August 20, 2013 the Town Council considered a similar request from another business owner who requested that penalties for non-payment of resort tax for the month July 2012 be waived. At this time, as recommended by the Council, the Finance Office implemented a procedure whereby resort tax delinquencies would be reviewed on a quarterly basis, and courtesy notices would be issued to any business that had a delinquency. This practice has been employed since that time. Currently resort tax delinquencies are reviewed in March, June, September and December of each year.

The first month of delinquency for Glenn Hales' three (3) businesses were for resort taxes collected by the businesses in August 2014 and due in September 2014. Delinquency notices produced in September do not include August resort tax delinquencies since August collections are not delinquent until October 1<sup>st</sup>. Mr. Hales did not receive a courtesy notice at this time since none of the businesses were in delinquent status.

The December delinquency review indicated that Mr. Hales' businesses were in a delinquent status. The courtesy notice (attached) dated December 19, 2015 was the first time that Mr. Hales was notified by the Finance Office that the three businesses had failed to remit resort tax payments for the months of August, September and October. The office did not receive a response from Mr. Hales at that time, so the Deputy Town Clerk followed up with an email to Mr. Hales on January 6, 2015, to address delinquencies in both resort taxes and utility payments and pointed out that with the passage of an additional month the three businesses are now delinquent for November, 2014, as well. On January 14, 2014, Mr. Hales remitted resort taxes for all three businesses for all 4 months of delinquency on January 14, 2014.

Once Mr. Hales remitted the delinquent resort taxes and the accompanying paperwork that identified the amount of gross receipts collected by the businesses for the delinquent months, staff was able to calculate the penalties that had accrued (since the amount of the penalty is based on the gross receipts). The Deputy town Clerk calculated the penalties on January 15, 2015. The penalties accrued for each month for each business are shown on the schedule provided to the Council under separate cover (since by ordinance, resort tax information, including gross receipts, are confidential).

I believe the Finance Office has followed the procedure prescribed by the Town Council. It is unfortunate that Mr. Hales' delinquencies began at a time that allowed for four months of penalties to accrue, but as his own previously good payment history attests, he is aware that taxes are due by the last day of the next month to avoid penalty. Whatever the decision with regard to Mr. Hales' request, the Finance Office requests that the Council maintain a process to assess resort tax penalties that is fair and consistently applied to all.

### 3.12.030 Imposed.

There is imposed a duty on each operator of any of the establishments mentioned in this chapter to collect, upon sale, the tax imposed as set forth in this chapter. (Ord. 113 §2, 1985)

### 3.12.040 Luxuries tax.

Each business subject to the tax shall collect the same on the retail value of all goods and services sold within the town by the establishments set forth in Section [3.12.010](#). All luxuries shall be taxed, and luxuries shall mean any gift item, luxury item, or other item, or other item normally sold to the public or to transient visitors or tourists; but the term does not include food purchased unprepared or unserved, medicine, medical supplies and services, or any necessities of life. Luxuries shall be further defined to mean sporting goods, rentals on snowmobiles, automobiles, all-terrain vehicles, motorcycles, bicycles, skis, boats, campers, boat motors; recreational services, including float trips, guided trips and tours; all souvenir and localized items such as imprinted hats and T-shirts and curios; all nonfood items such as cleaning supplies, housewares (other than household appliances), automotive supplies and parts; ice; retail liquor, beer and wine, except that sold at state stores. (Ord. 211 §3, 2003; Ord. 113 §12, 1985)

### 3.12.050 Rate--Duration.

- A. The exact rate of the resort tax is three percent.
- B. The duration of the resort tax as approved by the voters on November 5, 1985 is twenty years from its effective date. The effective date of the resort tax is January 1, 1986.
- C. The duration of the resort tax renewal as approved by the voters on November 5, 2002, is twenty years from its effective date. The effective date of the resort tax renewal is January 1, 2006. (Ord. 211 §4, 2003; Ord. 112 §§3, 4, 5, 1985)

### 3.12.060 Resort tax payment.

The resort taxes collected by a business in any month are to be paid to the town on or before the twentieth day of the following month, or if such day falls on a Saturday, Sunday or holiday, then on the next business day. Resort tax payments sent by mail or private courier must be received by the town on or before the twentieth day of each month, or if such day falls on a Saturday, Sunday or holiday, then on the next business day. (Ord. 224 §1, 2007; Ord. 219 §1, 2006; Ord. 113 §3, 1985)

### 3.12.070 Collection duties and responsibilities.

- A. The office responsible for receiving and accounts for the resort tax receipts is the town clerk and treasurer.
- B. The operations manager and his/her agents shall be responsible for enforcing the collection of resort taxes and shall be responsible for overseeing the methods and procedures to be used in enforcing the collection of the resort taxes. (Ord. 172 §1, 1995; Ord. 113 §§4, 5, 1985)

### 3.12.080 Resort tax collection fee.

B. There is established a marketing and promotion (MAP) fund for the town. Two and one-half percent of the three percent resort tax collected by the collecting merchant shall be dedicated exclusively to the MAP fund, which fund shall be used solely for the marketing and promotion of West Yellowstone and the surrounding area, as well as the associated costs of administering the fund. The town council may appropriate additional resort tax receipts to the MAP fund.

C. The town council shall by resolution establish a board of not less than three nor more than seven qualified persons to oversee the MAP fund. At least one member of this board shall be a sitting member of the town council or the council's designee. The board shall establish policies and procedures for its operation and the general management of the fund in accordance with the council's resolution establishing the board. The board shall also select individual marketing and promotion projects and approve expenditure of funds for such projects, subject to approval by the town council. (Ord. 222 §2, 2007; Ord. 112 §6, 1985)

#### **3.12.150 Reduction of property tax levy.**

Annually anticipated receipts from the resort tax must be applied to reduce the municipal property tax levy for the fiscal year in an amount equal to five percent of the resort tax revenues derived during the preceding fiscal year. (Ord. 112 §7, 1985)

#### **3.12.160 Property tax relief fund.**

In the event the town receives more resort tax revenues than had been included in the annual municipal budget, it shall establish a municipal property tax relief fund, and all resort tax revenues received in excess of the budget amount must be placed in the fund. The entire fund must be used to replace municipal property taxes in the ensuing fiscal year. (Ord. 112 §8, 1985)

#### **3.12.170 Resort tax administration.**

The town shall administer resort tax collections according to the following rules:

- A. Resort tax payments shall be made to the town finance office by the established deadline.
- B. Failure to report or make resort tax payments by the payment deadline shall result in forfeiture of the resort tax collection fee for the month in which the payment is due.
- C. Failure to pay resort tax before the end of the month in which the payment is due shall result in an administrative fee of either: (1) twenty-five dollars for businesses with gross sales of one thousand five hundred dollars or less for the reported month; or (2) fifty dollars for businesses with gross sales in excess of one thousand five hundred dollars for the reported month, which shall be in addition to any civil penalties awarded to the town in a suit for collection of resort tax.
- D. At the end of each subsequent month after the original payment is due, the town will assess an additional administrative fee equal to ten percent of the sum of any delinquent resort tax and penalties, which shall be assessed on the first business day of the subsequent month. This and all administrative fees shall be assessed in addition to any civil penalties awarded to the town in a suit for collection of resort tax.

TOWN OF WEST YELLOWSTONE  
MONTANA  
*Nationally recognized  
Nationally awarded*

December 19, 2014

Buffalo Crossing RV Park/Yellowstone IMAX/Trading Post  
Glenn & Carri Hales  
PO Box 504  
WEST YELLOWSTONE MT 59758

COPY

Re: Resort Tax

Dear Glenn & Carri,

Review of the recent resort tax collections indicate **ALL OF THE ABOVE MENTIONED BUSINESSES** have not remitted resort tax for 08/14, 09/14 AND 10/14. *If your business was closed for any of these months, please let us know so we can mark our records appropriately.*

Business Licenses expire May 31, 2015 and licenses cannot be renewed if there are any outstanding months of resort tax or TBID (if applicable).

Please remit the taxes for 08/14, 09/14, 10/14 and the appropriate penalties before the end of the month to avoid any additional penalties. If you have any questions, please feel free to contact the Town Office at (406) 646-7795.

Sincerely,

Sheri Holtzen  
Town of West Yellowstone



**sholtzen@townofwestyellowstone.com**

---

**From:** sholtzen@townofwestyellowstone.com  
**Sent:** Tuesday, January 06, 2015 12:56 PM  
**To:** 'lockwood65@msn.com'  
**Subject:** RT, Utilities  
**Attachments:** doc20150106125715.pdf

Dear Glenn & Carri,

The attached information is an FYI. The Resort Tax Letter now includes November 2014 also.

Sincerely,

Sheri Holtzen  
Deputy Town Clerk  
Town of West Yellowstone

**From:** David Magistrelli [<mailto:jdavid@habitatbozeman.org>]  
**Sent:** Monday, February 02, 2015 12:21 PM  
**To:** Brad Schmier ([bschmier@townofwestyellowstone.com](mailto:bschmier@townofwestyellowstone.com))  
**Cc:** Lanie Gospodarek  
**Subject:** Letter of Support

Hello Brad,

I have a request. Habitat is applying for a Rural Development funding grant to continue our rehab program in West Yellowstone. This funding will allow us the opportunity to help more families in West with their housing repairs and upgrades. Currently we have two families where the gentleman is either 90 or older that are in need of repairs that they can no longer do by themselves.

Therefore, your support from the Town Council will help us to help them as part of our giving a helping hand up rather than a hand out.

If you would like me to appear before the Town Council tomorrow night, Feb. 3<sup>rd</sup> or at some other time in order to gain your support of our request for the letter of support, please let me know.

To help you out I've attached a potential/possible letter of support from the Town Council that might be acceptable to your Council Members.

Please let me know if you have any additional questions. And, as with many of these applications, timely is critical. Let me know if there is anything I can do to help speed the process.

Sincerely,

David

Cc: Lanie Gospodarek

*J. David Magistrelli,  
Executive Director  
Habitat for Humanity of Gallatin Valley, Inc.  
406-388-8225  
Fax 406-388-8226*

*Building Communities by Building Decent Affordable Housing for Qualified Families*

# TOWN OF WEST YELLOWSTONE MONTANA

*Naturally inviting!*

February 17, 2015

Rural Housing Service Program Director  
USDA/Rural Development  
2229 Boothill CT.  
Bozeman, MT 59715

RE: Support for Habitat for Humanity of Gallatin Valley, Inc.

The Town of West Yellowstone is pleased to support Habitat for Humanity of Gallatin Valley, Inc., (HfHGV) application for USDA 523, Mutual Self Help Rehabilitation funding so that they may continue the important efforts they have undertaken in West Yellowstone.

HfHGV has been working with West Yellowstone homeowners since 2010 to provide opportunities for much needed home repairs and improvements. Habitat focuses on the home improvement needs of moderate to low income families in our community and their efforts are certainly making a difference for our residents. The Town is hopeful that HfHGV can continue to support our residents in the manner into the future.

The Town of West Yellowstone is very supportive of HfHGV's application for technical assistance funding to continue provide this program in our area. Please do not hesitate to contact us if you need any follow-up information.

Sincerely,

Brad Schmier  
Mayor





220 West Lammie St Ste 3A  
Bozeman, MT 59715

P. O. Box 1207  
Bozeman, MT 59771

T 406.404.1925  
F 406.404.1926

January 6, 2015

To the Honorable Mayor and Town Council  
Town of West Yellowstone, Montana:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of West Yellowstone, Montana for the year ended June 30, 2014. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Governmental Auditing Standards

As stated in our engagement letter dated August 25, 2014, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the Town’s internal control. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Town’s compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with such provisions was not an objective of our audit.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on September 23, 2014.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of West Yellowstone are described in Note 1 to the financial statements. Under GASB Statement No. 65, new accounting policies for items previously reported as assets and liabilities were adopted during the fiscal year ended June 30, 2014. The application of existing policies was not changed during the year ended June 30, 2014. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimate affecting the financial statements was:

Management's estimate of the capital assets' useful lives, potential impairments, and depreciation are estimates. We evaluated the key factors and assumptions used to develop the estimates in determining that the capital asset balance is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the summary of significant accounting policies and the disclosure of annual debt service requirements for long-term debt.

The disclosures in the financial statements are neutral, consistent and clear

#### Difficulties Encountered in Performing the Audit

We are pleased to report that we encountered no difficulties with management in performing and completing our audit.

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. All adjusting journal entries proposed by us were subsequently recorded by management. Refer to the attachment to this letter for a detailed listing of the adjusting journal entries.

#### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

#### Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 6, 2015.

#### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or, a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant check with us to determine that the consultant has all the relevant facts. There were no such consultations with other accountants.

#### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and audit standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Other Matters

We applied certain limited procedures to the management discussion and analysis, schedules of funding progress – other post-employment healthcare benefits, and budgetary comparison schedules – general fund and major special revenue funds, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements and budgetary comparison information, which accompany the basic financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

#### Prior Year Finding and Current Status

- I. *Finding:* During field work, we tested a sample of expenditures. In our testing, we noted that the Town's internal controls are not always followed consistently. In the sample of 40 expenditures, we noted two with no account coding and three with no department approval.

*Recommendation:* The Town's internal controls and procedures relating to expenditures should be followed consistently. (The Town's policies require account coding and department approval on all expenditures)

*Status:* We noted no instances of noncompliance in the year under audit.

- II. *Finding:* During expenditures testing, we noted on expense reimbursement to the Operations Manager that did not have separate approval.

*Recommendation:* To achieve adequate segregation of duties, all expense reimbursements to the Operations Manager should be approved by a Town Council member.

*Status:* We noted that most of the Operations Manager's expense reimbursements are now being approved by the Mayor. This process should be continued for all Operations Manager's expense reimbursements going forward.

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the Town.

This report is intended solely for the information and use of the Mayor, Members of the Town Council, the Audit Committee, the Town's management, and the Montana Department of Administration and is not intended to be used and should not be used by anyone other than the specified parties.

Sincerely,

*Amatics CPA Group*  
Bozeman, Montana

Attachment

**TOWN OF WEST YELLOWSTONE, MONTANA**  
**AUDIT DIFFERENCE EVALUATION FORM ("Iron Curtain Method")**  
**6/30/2014**

Use this spreadsheet to accumulate audit differences greater than the amount considered clearly trivial.

Do not include normal closing entries.

At the end of the audit, evaluate all uncorrected audit differences, individually and in the aggregate, and conclude whether they materially misstate the financial statements as a whole.

Before completing, compute final materiality.

Description of Audit Difference (AD)	Error is: Factual (F) Judgmental (J) or Projected (P)	Cause	WP Ref	Financial Statement Effect Potential Adjustment Will Increase (Decrease):			
				Total Assets	Total Liabilities	Total Equity	Net Income
<b>GENERAL FUND</b>							
Payroll calculation error	P	One employee was not paid for 8 hours	R-1		7,194		(7,194)
Resort Tax Error	P	Errors discovered during D+G AUP	B-3-5		3,116		(3,116)
							-
							-
							-
		Net Unadjusted AD - Current Year		-	10,310	-	(10,310)
		Financial Statement Caption Totals		1,333,752	84,685	1,215,454	
		Current Year AD as a % of FS Captions		0.0%	12.2%	0.0%	#DIV/0!
		General Fund Materiality (APM-4)		43,000	43,000	43,000	43,000
		Above Materiality?		no	no	no	no

If net effect of audit differences is above materiality threshold, need to evaluate which differences need to be booked in order for the financial statements not to be materially misstated.

TOWN OF WEST YELLOWSTONE  
 June 30, 2014

PROPOSED ADJUSTING JOURNAL ENTRIES

Fund	Account	Debit	Credit
General	1000.342050 Ambulance Services	11,652.67	
General	1000.223970 Deferred Revenue CBO Ambulance		11,652.67
	<i>[To adjust ambulance deferred revenue to match ambulance accounts receivable.]</i>		
General	1000.223100 Deferred Revenue		10,582.00
General	1000.311010 Tax Revenue	28,756.00	
General	1000.132000 Due from Other Governments		28,756.00
General	1000.113000 Tax Revenue Receivable	10,582.00	
	<i>[To adjust accrual of revenue for property taxes measurable and available at fiscal year end.]</i>		
<b>REVERSING ENTRIES TO BE MADE 7/1/2014:</b>			
General	1000.311010 Tax Revenue	8,842.00	
General	1000.223100 Deferred Revenue		8,842.00
General	1000.113000 Tax Revenue Receivable	8,842.00	
General	1000.132000 Due from Other Governments		8,842.00
	<i>[To reverse revenue accrual for property taxes measurable and available.]</i>		

TOWN OF WEST YELLOWSTONE  
STATEMENT OF NET POSITION - CONVERSION WORKSHEET  
JUNE 30, 2014

	Total Governmental Funds	Dr. (Cr) Adjustments	Dr. (Cr) Reclassifications	Total Governmental Activities
<b>ASSETS</b>				
Cash and investments	2,294,743	-	(1)	2,294,743
Restricted cash and investments	209,962			209,962
Receivables, net	94,956	-	(1)	94,956
Inventories				-
Notes receivable	18,249			18,249
Deferred charges	-	-	(12)	-
Internal balances	-	-	(1)	-
Capital assets (Note 1):				
Land and construction in progress	-	596,400	(2)	596,400
		445,739	(2)	445,739
Other capital assets, net of depreciation	-	-	(1)	6,584,957
		-	(13)	
		6,881,491	(2)	
		(296,534)	(8)	
Total assets	<u>2,617,910</u>			<u>10,245,006</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	40,289	-	(12)	40,289
Fiduciary fund payable	-			-
Compensated absences payable			(34,000) (C)	34,000
Current portion capital leases			- (A)	-
Unearned revenues and CDBG loan	70,750	18,249	(4)	-
		52,501	(5)	
		-	(7)	
Current portion long-term debt	-		(230,821) (A)	230,821
Long-term liabilities (Note 2)				
Compensated absences			(1)	140,575
		(153,561)	(3)	
		(21,014)	(11)	
Capital leases			- (A)	-
Legal settlement payable		-	(12)	-
Due in more than one year		(2,944,330)	(3)	2,698,307
		191,342	(10)	
		(176,140)	(10)	
Total liabilities	<u>111,039</u>			<u>3,143,992</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of tax revenues	33,613	33,613	(6)	-
<b>NET POSITION</b>				
Net investment in capital assets				
Nonspendable	15,840			-
Restricted	459,772			-
Restricted - expendable			459,772 (F)	-
Restricted - non expendable			(21,625) (F)	21,625
Restricted for Gen Gov			(15,840) (F)	15,840
Restricted for Pub Safe			-	-
Restricted for Pub Works			-	-
Restricted for Pub Health			(91,145) (F)	91,145
Restricted for Social and Economic			-	-
Restricted for Cult and Rec			-	-
Restricted for Housing and Comm Dev			(6,242)	6,242
Restricted for Other			-	-
Restricted for Debt Service			-	-
Restricted for Capital Projects			(362,385) (F)	362,385
Committed	970,529		-	-
Assigned	21,625		970,529 (F)	-
Unassigned	1,005,492	(4,627,756)	21,625 (F)	-
			3,727,439 (F)	1,905,809
Total net position	<u>2,473,258</u>			<u>7,101,014</u>
Total liabilities, deferred inflows and net position	<u>2,617,910</u>			<u>10,245,006</u>

TOWN OF WEST YELLOWSTONE  
STATEMENT OF ACTIVITIES - CONVERSION WORKSHEET  
JUNE 30, 2014

	<u>Total Governmental Funds</u>	<u>Dr. (Cr) Adjustments</u>	<u>Dr. (Cr) Reclassifications</u>	<u>Total Governmental Activities</u>
<b>REVENUES</b>				
Taxes and assessments	\$ 3,752,458	(2,616) (6)	(3,472,046) (B) 283,028 (E)	-
Property taxes			575,432 (B)	575,432
Local option taxes			46,666 (B)	46,666
Resort taxes			2,849,948 (B)	2,849,948
Licenses and permits	47,907		47,907 (E)	-
Intergovernmental	686,208		686,208 (G) - (H)	-
Grants and cont - unrestricted			(271,926) (G)	271,926
Operating grants and cont			(185,943) (G)	185,943
Capital grants and cont			(228,339) (G)	228,339
Charges for services	34,000	12,959 (5)	(351,266) (E) - (H)	372,307
Fines and forfeitures	20,331		20,331 (E)	-
Interest on investments	7,166	- (4)		7,166
Loan repayment	1,528	1,528 (4)		-
Other	72,917		- (G)	72,917
Total revenues	<u>4,622,515</u>			<u>4,610,644</u>
<b>EXPENDITURES</b>				
Current				
General government	1,052,005	54,226 (8) (14,010) (11)		1,120,241
Public safety	1,432,253	88,299 (8) 7,004 (11) - (12)		1,527,556
Public works	386,775	47,807 (8) - (11) - (12) - (9)		434,582
Public health	1,681	- (5) - (11) - (12) 181 (8)		1,862
Social and economic services	128,089			128,089
Culture and recreation	379,827	106,021 (8)		485,848
Other	254,378	(1) (4) - (9) - (12)		254,377
Capital outlay	959,165	(959,165) (2)		-
Debt service				
Principal payments	191,342	(191,342) (10)		-
Interest and fiscal fees	71,412			71,412
Total expenditures	<u>4,856,927</u>			<u>4,023,967</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	669,820	- (9)	669,820 (D)	-
Operating transfers out	(669,820)	- (9)	(669,820) (D)	-
Proceeds of long-term debt	176,140	176,140 (10)		-
Sale of capital assets	-	-	- (H)	-
Total other financing sources (uses)	<u>176,140</u>			<u>-</u>
Net change in fund balances	(58,272)			586,677
<b>FUND BALANCE -</b>				
beginning of year	<u>2,531,530</u>	(3,982,807)		6,514,337
<b>Prior period adjustment</b>		-		-
<b>FUND BALANCE -</b>				
end of year	<u>\$ 2,473,258</u>			<u>\$ 7,101,014</u>

TOWN OF WEST YELLOWSTONE  
 ADJUSTING JOURNAL ENTRIES  
 JUNE 30, 2014

Adjusting Entry Number	Account	Debit	Credit
(2)	Land	596,400	
	Construction in progress	445,739	
	Other capital assets, net of depreciation	6,881,491	
	Capital asset expenditures		959,165
	Net position - beginning		6,964,465
	Loss on disposal	-	
	To record capital assets and to capitalize capital asset expenditures		
(3)	Net position - beginning	3,097,891	
	Long-term debt - Due in more than one year		2,944,330
	Long-term compensated absences		153,561
	To record beginning balance in long-term liabilities.		
(4)	Deferred revenue	18,249	
	Net position - beginning		19,776
	Other expenditure		1
	Investment revenue		-
	Loan repayment	1,528	-
	To adjust revenue based on modified accrual accounting in the fund financial statements to the accrual basis for the government-wide financial statements for CDBG.		
(5)	Deferred revenue	52,501	
	Taxes and assessments revenue	12,959	
	Net position - beginning		65,460
	To adjust revenue based on modified accrual accounting in the fund financial statements to the accrual basis for the government-wide financial statements for general fund.		
(6)	Deferred inflows of tax revenues	33,613	
	Taxes and assessments revenue	(2,616)	
	Net position - beginning		30,997
	To adjust revenue based on modified accrual accounting in the fund financial statements to the accrual basis for the government-wide financial statements for SID's and property taxes.		
(8)	General government expenditure	54,226	
	Public safety expenditure	88,299	
	Public works expenditure	47,807	
	Public health expenditure	181	
	Culture and recreation	106,021	
	Other capital assets, net		296,534
	To record depreciation expense and allocate to governmental activities.		
(10)	Capital debt issued other financing source	176,140	
	Debt service - principal expenditure		191,342
	Long-term liabilities more than one year	191,342	
	Long-term liabilities more than one year		176,140
	To adjust debt related other financing source and uses to zero and to adjust effect on long-term liabilities.		
(11)	General Government Expenditures	14,010	
	Public Safety Expenditures	7,004	
	Long-term compensated absences		21,014
	To adjust for change in compensated absences in current year.		

TOWN OF WEST YELLOWSTONE  
RECLASSIFICATION JOURNAL ENTRIES  
JUNE 30, 2014

Reclassification Entry	Account	Debit	Credit
(A)	Long-term debt Current Portion of Long-Term Debt	230,821	230,821
	To reclassify current portion of long-term debt and capital lease.		
(B)	Taxes and assessments Property taxes Local option taxes Resort taxes	3,472,046	575,432 46,666 2,849,948
	To reclass taxes to reporting categories on Statement of Activities		
(C)	Long-term compensated absences payable Compensated absences payable	34,000	34,000
	To reclass current portion of long-term compensated absences payable.		
(D)	Transfers in Transfers out	669,820	669,820
	To offset transfers and correct internal service transfers.		
(E)	Fines and forfeitures revenues Licenses and permits revenues TBID Charges for services revenues	20,331 47,907 283,028	351,266
	Reclass certain revenues into charges for services for reporting purposes.		
(F)	Net investment in capital assets Nonspendable Restricted - expendable Restricted - non expendable Restricted for general government Restricted for public safety Restricted for public works Restricted for culture and recreation Restricted for housing and community development Restricted (uncategorized) Restricted for debt service Restricted for capital projects Committed Assigned Unrestricted net position	15,840        459,772  970,529 21,625 3,727,439	4,697,968 21,625 15,840 - - 91,145 6,242 - 362,385 -
	To reclass to proper net position categories.		
(G)	Intergovernmental revenues Unrestricted grants and contributions Capital grants and contributions Operating grants and contributions	686,208	271,926 228,339 185,943
	To reclass grants to those restricted for operations and capital purchases.		

**TOWN OF WEST YELLOWSTONE  
440 YELLOWSTONE AVE  
WEST YELLOWSTONE, MONTANA 59758**

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January 6, 2015

Amatics CPA Group  
PO Box 1207  
Bozeman, MT 59771-1207

This representation letter is provided in connection with your audit of the financial statements of the Town of West Yellowstone, Montana (the Town), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of January 6, 2015, the following representations made to you during your audit.

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 25, 2014, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or schedule of findings and responses.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. In addition, you have proposed adjusting journal entries that have been posted to the Town's accounts. We are in agreement with those adjustments.
9. We are in agreement with the adjusting journal entries you have proposed and they have been posted to the accounts.
10. The effect of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
11. Guarantees, whether written or oral, under which the Town is contingently liable, if any, have been properly recorded or disclosed.

**Information Provided**

12. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the Town from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the Town Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
13. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
15. We have no knowledge of any fraud or suspected fraud affecting the Town involving:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Town's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the identity of the Town's related parties and all the related party relationships and transactions of which we are aware.

**Government – specific**

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have a process to track the status of audit findings and recommendations.
21. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
22. We have provided our views on reporting findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
23. The Town has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
24. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
25. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
26. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
27. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
28. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis of recording a loss contingency, or for reporting on noncompliance.

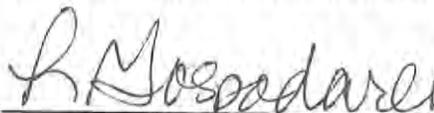
29. As part of your audit, you assisted with the preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
30. The Town has satisfactory title to all owned assets, and there or no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as made known to you.
31. The Town has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
32. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
33. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
34. All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
35. Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified, and, if applicable, approved.
36. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
37. Provisions for uncollectible receivables have been properly identified and recorded.
38. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
39. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
40. Interfund, internal, and intra-entity activity balances have been appropriately classified and reported.
41. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
42. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
43. We have appropriately disclosed the Town's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

44. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one source classification is available. That policy determines the fund balance classifications for financial reporting purposes.
45. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
46. With respect to the combining and individual nonmajor fund financial statements and budgetary comparison schedules.
  - a. We acknowledge our responsibility for presenting the combining and individual nonmajor financial statements and budgetary comparison schedules in accordance with accounting principles generally accepted in the United States of America, and we believe that the combining and individual nonmajor fund financial statements and budgetary comparison schedules, including their form and content, are fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the combining and individual nonmajor fund financial statements and budgetary comparison schedules have not changed from those used in the prior period, and we have disclosed to you significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b. If the combining and nonmajor individual fund financial statements and budgetary comparison schedules are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

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Brad Schmier, Mayor

  
Rebecca Guay, Operations Manager

  
Lanie Gospodarek, Finance Director

**TOWN OF WEST YELLOWSTONE, MONTANA**  
**AUDIT DIFFERENCE EVALUATION FORM ("Iron Curtain Method")**  
**6/30/2014**

Use this spreadsheet to accumulate audit differences greater than the amount considered clearly trivial.

Do not include normal closing entries.

At the end of the audit, evaluate all uncorrected audit differences, individually and in the aggregate, and conclude whether they materially misstate the financial statements as a whole.

Before completing, compute final materiality.

Description of Audit Difference (AD)	Error is: Factual (F) Judgmental (J) or Projected (P)	Cause	WP Ref	Financial Statement Effect Potential Adjustment Will Increase (Decrease):			
				Total Assets	Total Liabilities	Total Equity	Net Income
<b>GENERAL FUND</b>							
Payroll calculation error	P	One employee was not paid for 8 hours	R-1		7,194		(7,194)
Resort Tax Error	P	Errors discovered during D+G AUP	B-3-5		3,116		(3,116)
							-
							-
							-
		Net Unadjusted AD - Current Year		-	10,310	-	(10,310)
		Financial Statement Caption Totals		1,333,752	84,685	1,215,454	
		Current Year AD as a % of FS Captions		0.0%	12.2%	0.0%	#DIV/0!
		General Fund Materiality (APM-4)		43,000	43,000	43,000	43,000
		Above Materiality?		no	no	no	no

If net effect of audit differences is above materiality threshold, need to evaluate which differences need to be booked in order for the financial statements not to be materially misstated.

**TOWN OF WEST YELLOWSTONE**  
**June 30, 2014**

**PROPOSED ADJUSTING JOURNAL ENTRIES**

<b>Fund</b>	<b>Account</b>	<b>Debit</b>	<b>Credit</b>
General	1000.342050 Ambulance Services	11,652.67	
General	1000.223970 Deferred Revenue CBO Ambulance		11,652.67
	<i>[To adjust ambulance deferred revenue to match ambulance accounts receivable.]</i>		
General	1000.223100 Deferred Revenue		10,582.00
General	1000.311010 Tax Revenue	28,756.00	
General	1000.132000 Due from Other Governments		28,756.00
General	1000.113000 Tax Revenue Receivable	10,582.00	
	<i>[To adjust accrual of revenue for property taxes measurable and available at fiscal year end.]</i>		
<b>REVERSING ENTRIES TO BE MADE 7/1/2014:</b>			
General	1000.311010 Tax Revenue	8,842.00	
General	1000.223100 Deferred Revenue		8,842.00
General	1000.113000 Tax Revenue Receivable	8,842.00	
General	1000.132000 Due from Other Governments		8,842.00
	<i>[To reverse revenue accrual for property taxes measurable and available.]</i>		

TOWN OF WEST YELLOWSTONE  
STATEMENT OF NET POSITION - CONVERSION WORKSHEET  
JUNE 30, 2014

	Total Governmental Funds	Dr. (Cr) Adjustments	Dr. (Cr) Reclassifications	Total Governmental Activities
<b>ASSETS</b>				
Cash and investments	2,294,743	-	(1)	2,294,743
Restricted cash and investments	209,962			209,962
Receivables, net	94,956	-	(1)	94,956
Inventories				-
Notes receivable	18,249			18,249
Deferred charges	-	-	(12)	-
Internal balances	-	-	(1)	-
Capital assets (Note 1):				
Land and construction in progress	-	596,400	(2)	596,400
		445,739	(2)	445,739
Other capital assets, net of depreciation	-	-	(1)	6,584,957
		-	(13)	
		6,881,491	(2)	
		(296,534)	(8)	
Total assets	<u>2,617,910</u>			<u>10,245,006</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	40,289	-	(12)	40,289
Fiduciary fund payable	-			-
Compensated absences payable			(34,000) (C)	34,000
Current portion capital leases			- (A)	-
Unearned revenues and CDBG loan	70,750	18,249	(4)	-
		52,501	(5)	
		-	(7)	
Current portion long-term debt	-		(230,821) (A)	230,821
Long-term liabilities (Note 2)				
Compensated absences		-	(1)	140,575
		(153,561)	(3)	
		(21,014)	(11)	
Capital leases			- (A)	-
Legal settlement payable		-	(12)	-
Due in more than one year		(2,944,330)	(3)	2,698,307
		191,342	(10)	
		(176,140)	(10)	
Total liabilities	<u>111,039</u>			<u>3,143,992</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of tax revenues	33,613	33,613	(6)	-
<b>NET POSITION</b>				
Net investment in capital assets				-
Nonspendable	15,840			-
Restricted	459,772			-
Restricted - expendable			459,772 (F)	-
Restricted - non expendable			(21,625) (F)	21,625
Restricted for Gen Gov			(15,840) (F)	15,840
Restricted for Pub Safe			-	-
Restricted for Pub Works			-	-
Restricted for Pub Health			(91,145) (F)	91,145
Restricted for Social and Economic			-	-
Restricted for Cult and Rec			-	-
Restricted for Housing and Comm Dev			(6,242)	6,242
Restricted for Other			-	-
Restricted for Debt Service			-	-
Restricted for Capital Projects			(362,385) (F)	362,385
Committed	970,529		-	-
Assigned	21,625		-	-
Unassigned	1,005,492	(4,627,756)	3,727,439 (F)	1,905,809
Total net position	<u>2,473,258</u>			<u>7,101,014</u>
Total liabilities, deferred inflows and net position	<u>2,617,910</u>			<u>10,245,006</u>

TOWN OF WEST YELLOWSTONE  
STATEMENT OF ACTIVITIES - CONVERSION WORKSHEET  
JUNE 30, 2014

	<u>Total Governmental Funds</u>	<u>Dr. (Cr) Adjustments</u>	<u>Dr. (Cr) Reclassifications</u>	<u>Total Governmental Activities</u>
<b>REVENUES</b>				
Taxes and assessments	\$ 3,752,458	(2,616) (6)	(3,472,046) (B) 283,028 (E)	-
Property taxes			575,432 (B)	575,432
Local option taxes			46,666 (B)	46,666
Resort taxes			2,849,948 (B)	2,849,948
Licenses and permits	47,907		47,907 (E)	-
Intergovernmental	686,208		686,208 (G) - (H)	-
Grants and cont - unrestricted			(271,926) (G)	271,926
Operating grants and cont			(185,943) (G)	185,943
Capital grants and cont			(228,339) (G)	228,339
Charges for services	34,000	12,959 (5)	(351,266) (E) - (H)	372,307
Fines and forfeitures	20,331		20,331 (E)	-
Interest on investments	7,166	- (4)		7,166
Loan repayment	1,528	1,528 (4)		-
Other	72,917		- (G)	72,917
Total revenues	<u>4,622,515</u>			<u>4,610,644</u>
<b>EXPENDITURES</b>				
Current				
General government	1,052,005	54,226 (8) (14,010) (11)		1,120,241
Public safety	1,432,253	88,299 (8) 7,004 (11) - (12)		1,527,556
Public works	386,775	47,807 (8) - (11) - (12) - (9)		434,582
Public health	1,681	- (5) - (11) - (12) 181 (8)		1,862
Social and economic services	128,089			128,089
Culture and recreation	379,827	106,021 (8)		485,848
Other	254,378	(1) (4) - (9) - (12)		254,377
Capital outlay	959,165	(959,165) (2)		-
Debt service				
Principal payments	191,342	(191,342) (10)		-
Interest and fiscal fees	71,412			71,412
Total expenditures	<u>4,856,927</u>			<u>4,023,967</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	669,820	- (9)	669,820 (D)	-
Operating transfers out	(669,820)	- (9)	(669,820) (D)	-
Proceeds of long-term debt	176,140	176,140 (10)		-
Sale of capital assets	-	-	- (11)	-
Total other financing sources (uses)	<u>176,140</u>			<u>-</u>
Net change in fund balances	(58,272)			586,677
<b>FUND BALANCE -</b> beginning of year	<u>2,531,530</u>	(3,982,807)		6,514,337
<b>Prior period adjustment</b>		-		-
<b>FUND BALANCE -</b> end of year	<u>\$ 2,473,258</u>			<u>\$ 7,101,014</u>

TOWN OF WEST YELLOWSTONE  
 ADJUSTING JOURNAL ENTRIES  
 JUNE 30, 2014

Adjusting Entry Number	Account	Debit	Credit
(2)	Land	596,400	
	Construction in progress	445,739	
	Other capital assets, net of depreciation	6,881,491	
	Capital asset expenditures		959,165
	Net position - beginning		6,964,465
	Loss on disposal		
	To record capital assets and to capitalize capital asset expenditures.		
(3)	Net position - beginning	3,097,891	
	Long-term debt - Due in more than one year		2,944,330
	Long-term compensated absences		153,561
	To record beginning balance in long-term liabilities.		
(4)	Deferred revenue	18,249	
	Net position - beginning		19,776
	Other expenditure		1
	Investment revenue		-
	Loan repayment	1,528	-
	To adjust revenue based on modified accrual accounting in the fund financial statements to the accrual basis for the government-wide financial statements for CDBG.		
(5)	Deferred revenue	52,501	
	Taxes and assessments revenue	12,959	
	Net position - beginning		65,460
	To adjust revenue based on modified accrual accounting in the fund financial statements to the accrual basis for the government-wide financial statements for general fund.		
(6)	Deferred inflows of tax revenues	33,613	
	Taxes and assessments revenue	(2,616)	
	Net position - beginning		30,997
	To adjust revenue based on modified accrual accounting in the fund financial statements to the accrual basis for the government-wide financial statements for SID's and property taxes.		
(8)	General government expenditure	54,226	
	Public safety expenditure	88,299	
	Public works expenditure	47,807	
	Public health expenditure	181	
	Culture and recreation	106,021	
	Other capital assets, net		296,534
	To record depreciation expense and allocate to governmental activities.		
(10)	Capital debt issued other financing source	176,140	
	Debt service - principal expenditure		191,342
	Long-term liabilities more than one year	191,342	
	Long-term liabilities more than one year		176,140
	To adjust debt related other financing source and uses to zero and to adjust effect on long-term liabilities.		
(11)	General Government Expenditures	14,010	
	Public Safety Expenditures	7,004	
	Long-term compensated absences		21,014
	To adjust for change in compensated absences in current year.		

TOWN OF WEST YELLOWSTONE  
RECLASSIFICATION JOURNAL ENTRIES  
JUNE 30, 2014

Reclassification Entry	Account	Debit	Credit
(A)	Long-term debt Current Portion of Long-Term Debt	230,821	230,821
	To reclassify current portion of long-term debt and capital lease.		
(B)	Taxes and assessments Property taxes Local option taxes Resort taxes	3,472,046	575,432 46,666 2,849,948
	To reclass taxes to reporting categories on Statement of Activities		
(C)	Long-term compensated absences payable Compensated absences payable	34,000	34,000
	To reclass current portion of long-term compensated absences payable.		
(D)	Transfers in Transfers out	669,820	669,820
	To offset transfers and correct internal service transfers.		
(E)	Fines and forfeitures revenues Licenses and permits revenues TBID Charges for services revenues	20,331 47,907 283,028	351,266
	Reclass certain revenues into charges for services for reporting purposes.		
(F)	Net investment in capital assets Nonspendable Restricted - expendable Restricted - non expendable Restricted for general government Restricted for public safety Restricted for public works Restricted for culture and recreation Restricted for housing and community development Restricted (uncategorized) Restricted for debt service Restricted for capital projects Committed Assigned Unrestricted net position	15,840        459,772  970,529 21,625 3,727,439	4,697,968 21,625 15,840 - - 91,145 6,242 - - 362,385 -
	To reclass to proper net position categories.		
(G)	Intergovernmental revenues Unrestricted grants and contributions Capital grants and contributions Operating grants and contributions	686,208	271,926 228,339 185,943
	To reclass grants to those restricted for operations and capital purchases.		

## 1 HOUSE BILL NO. 262

2 INTRODUCED BY K. WHITE

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LIMIT ON THE RESORT TAX RATE; ALLOWING  
5 AN ADDITIONAL RESORT TAX LEVY AT ~~THE RATE OF~~ A RATE OF UP TO 1%; PROVIDING THAT THE  
6 ADDITIONAL REVENUE FUND HISTORIC PRESERVATION OR WORKFORCE HOUSING; AND AMENDING  
7 SECTIONS 7-6-1501, 7-6-1503, AND 7-6-1504, MCA."

8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10

11 **SECTION 1. SECTION 7-6-1501, MCA, IS AMENDED TO READ:**

12 **"7-6-1501. Resort tax -- definitions.** As used in 7-6-1501 through 7-6-1509, the following definitions  
13 apply:

14 (1) "Luxuries" means any gift item, luxury item, or other item normally sold to the public or to transient  
15 visitors or tourists. The term does not include food purchased unprepared or unserved, medicine, medical  
16 supplies and services, appliances, hardware supplies and tools, or any necessities of life.

17 (2) "Medical supplies" means items that are sold to be used for curative, prosthetic, or medical  
18 maintenance purposes, whether or not prescribed by a physician.

19 (3) "Medicine" means substances sold for curative or remedial properties, including both physician  
20 prescribed and over-the-counter medications.

21 (4) "Resort area" means an area that:

22 (a) is an unincorporated area and is a defined contiguous geographic area;

23 (b) has a population of less than 2,500 according to the most recent federal census;

24 (c) derives the major portion of its economic well-being from businesses catering to the recreational and  
25 personal needs of persons traveling to or through the area for purposes not related to their income production;

26 and

27 (d) has been designated by the department of commerce as a resort area prior to its establishment by  
28 the county commissioners as provided in 7-6-1508.

29 (5) "Resort community" means a community that:

30 (a) is an incorporated municipality;

- 1 (b) has a population of less than 5,500 according to the most recent federal census;
- 2 (c) derives the primary portion of its economic well-being related to current employment from businesses
- 3 catering to the recreational and personal needs of persons traveling to or through the municipality for purposes
- 4 not related to their income production; and
- 5 (d) has been designated by the department of commerce as a resort community.
- 6 (6) "Workforce housing" means affordable housing for households with earned income that is insufficient
- 7 to secure quality housing in reasonable proximity to the workplace."

8

9 **Section 2.** Section 7-6-1503, MCA, is amended to read:

10 **"7-6-1503. Limit on resort tax rate -- goods and services subject to tax.** (1) ~~The (a) Except as~~

11 provided in subsection (1)(b), the rate of the resort tax must be established by the election petition or resolution

12 provided for in 7-6-1504, but the rate may not exceed 3%.

13 (b) An election petition or resolution provided for in 7-6-1504 may provide for an additional resort tax levy

14 at the rate of AT A RATE OF UP TO 1%. The revenue from the additional 1% tax must be used for the purpose

15 provided for in 7-6-1504(4)(d).

16 (2) (a) The resort tax is a tax on the retail value of all goods and services sold, except for goods and

17 services sold for resale, within the resort community or area by the following establishments:

- 18 (i) hotels, motels, and other lodging or camping facilities;
- 19 (ii) restaurants, fast food stores, and other food service establishments;
- 20 (iii) taverns, bars, night clubs, lounges, and other public establishments that serve beer, wine, liquor, or
- 21 other alcoholic beverages by the drink; and
- 22 (iv) destination ski resorts and other destination recreational facilities.

23 (b) Establishments that sell luxuries shall collect a tax on ~~such~~ those luxuries."

24

25 **Section 3.** Section 7-6-1504, MCA, is amended to read:

26 **"7-6-1504. Resort tax -- election required -- procedure -- notice.** (1) A resort community or area may

27 not impose or, except as provided in 7-6-1505, amend or repeal a resort tax unless the resort tax question has

28 been submitted to the electorate of the resort community or area and approved by a majority of the electors voting

29 on the question.

30 (2) The resort tax question may be presented to the electors of:

1 (a) a resort community by a petition of the electors as provided by 7-1-4130, 7-5-132, and 7-5-134  
2 through 7-5-137 or by a resolution of the governing body of the resort community; or

3 (b) a resort area by a resolution of the board of county commissioners, following receipt of a petition of  
4 electors as provided in 7-6-1508.

5 (3) If a resort area is in more than one county, the resort tax question must be presented to and approved  
6 by the electors in the resort area of each county.

7 (4) The petition or resolution referring the taxing question must state:

8 (a) the rate of the resort tax;

9 (b) the duration of the resort tax;

10 (c) the date when the tax becomes effective, which date may not be earlier than 35 days after the  
11 election; and

12 (d) the purposes that may be funded by the resort tax revenue. If the petition or resolution includes the  
13 additional 1% tax rate provided for in 7-6-1503(1)(b), the revenue from the additional 1% tax must fund the  
14 preservation or restoration of historic buildings OR WORKFORCE HOUSING.

15 (5) Upon receipt of an adequate petition, the governing body may:

16 (a) call a special election on the resort tax question; or

17 (b) have the resort tax question placed on the ballot at the next regularly scheduled election.

18 (6) (a) Before the resort tax question is submitted to the electorate of a resort community or area, the  
19 governing body of the resort community or the board of county commissioners in the county in which the resort  
20 area is located shall publish notice of the goods and services subject to the resort tax, in a newspaper that meets  
21 the qualifications of subsection (6)(b). The notice must be published twice, with at least 6 days separating  
22 publications. The first publication must be no more than 30 days prior to the election and the last no less than 3  
23 days prior to the election.

24 (b) The newspaper must be:

25 (i) of general, paid circulation with a second-class mailing permit;

26 (ii) published at least once a week; and

27 (iii) published in the county where the election will take place.

28 (7) The question of the imposition of a resort tax may not be placed before the electors more than once  
29 in any fiscal year."

30

- END -

**Bill Draft Number:** LC1860  
**Bill Type - Number:** HB 262  
**Short Title:** Revise resort tax laws  
**Primary Sponsor:** Kerry White (R) HD 64

**Bill Actions - Current Bill Progress:** In First House--Through 2nd Reading

**Bill Action Count:** 26

Action - Most Recent First	Date	Votes Yes	Votes No	Committee
(H) Scheduled for 3rd Reading	02/13/2015			
(H) 2nd Reading Passed	02/12/2015	57	43	
(H) Scheduled for 2nd Reading	02/12/2015			
(C) Printed - New Version Available	02/06/2015			
(H) Committee Report--Bill Passed as Amended	02/06/2015			(H) Taxation
(H) Committee Executive Action--Bill Passed as Amended	02/06/2015	14	6	(H) Taxation
(H) Hearing	02/03/2015			(H) Taxation
(H) Fiscal Note Printed	01/28/2015			(H) Taxation
(H) Fiscal Note Signed	01/27/2015			(H) Taxation
(H) Fiscal Note Received	01/27/2015			(H) Taxation
(C) Introduced Bill Text Available Electronically	01/20/2015			
(H) First Reading	01/20/2015			
(H) Referred to Committee	01/20/2015			(H) Taxation
(H) Fiscal Note Requested	01/20/2015			
(H) Introduced	01/20/2015			
(C) Draft Delivered to Requester	01/19/2015			
(C) Draft Ready for Delivery	01/12/2015			
(C) Draft in Assembly/Executive Director Review	01/12/2015			
(C) Draft in Final Drafter Review	01/12/2015			
(C) Bill Draft Text Available Electronically	01/12/2015			
(C) Draft in Input/Proofing	01/12/2015			
(C) Draft to Drafter - Edit Review [CMD]	01/10/2015			

**TOWN OF WEST YELLOWSTONE**  
**MONTANA**  
*naturally inviting!*

February 9, 2015

Dear Legislators:

Municipalities impacted by the tourism industry or by natural resource development need the option to have an additional revenue source that targets the activity causing the impact. Local governments in the present fiscal environment cannot adequately maintain and improve critical infrastructure and provide public safety services. A local option authority provides a community with tools to address infrastructure and public safety needs. The proposed local option tax would only be implemented upon voter approval, and would ease the burden on local property taxpayers.

The Town of West Yellowstone is in strong support of a local option impact authority bill during the 2015 Montana Legislative session.

Sincerely,



Brad Schmier, Mayor

cc: Town Council



Town/Region	Time Applied	% Collected	Duration	Admin Fee	Deliniation of RT Expenditure
Virginia City	May1 - Oct. 31	3%	20 years	5%	5% reduction in propery tax levy 15% dedicated for cooperative adverting fund
Big Sky Resort Area	year-round	3%	20 years	5%	pub. services, infastructure facilities ie. post office, EMS, pub. transportation systems, snowplowing, tourism development, public health/safety, costs of administering the resort tax.
Whitefish	year-round	2% 1%optional to CVB	29 years	5%	25% property Tax reductioni 65% streets, storm sewers, sidewalks/curb, under ground utilities 5% bike paths/park capital improvements
Cooke City	year round	3%	20 years	5%	10% property tax relief 1% County administration 84% capital improvements, EMS, tourism development & other local projects as identified
Red Lodge	year-round	3%	25 Years	5%	15% property Tax reduction 1% RT administration Remaining revenue capital improvements all departments
Craig/Wolf Creek	April1 - Nov. 15	3%	20 years	5%	85% to wastewater treatment system 10% maintenance of Craig School
West Yellowstone	year-round	3%	20 years	2.5% admin 2.5% MAP	5% property tax relief Remaining revenue to infastructure, capital improvement, all GF services
Gardiner	June 1 - Sept. 30	3%	24 years	5%	5% property tax relief 5% to rebate fees that appear on prop. Tax bill 5% to a Community Services and Cultural grant acct 5% to fund oeprational expenses of the tax 50% to an infastructure & community development grant account 15% to Visitor Ctr. capital grant acct. which goes to infastructure acct. once visitor's ctr. is fully funded 10% to visitor center operations
St. Regis	? (no response)	?			

**Exemption List Applied - Craig;**

Food purchased unperpared or unserved  
Utilities/services  
medicine, medical supplies/services  
Wholesale merchandise for resale at retail stores or used in the purchahser's business  
as supplies  
Gasoline and other motor vehicle fuel  
Alcoholic beverages sold by liquor store or by the bottle  
Propane and other home fules  
Automobiles and trucks  
Labor and parts for automobile & truck repair  
All non-luxury labor and services including but not limited to services prescribed  
by a physician  
Lumber, hardware supplies, tools and other construction related supplies  
Household appliances, furniture and fixtures  
Real estate sales  
All rental agreements when contracted for a period longer than 30 consecutive days  
Newspapers  
Office Supplies  
Garage Sales  
Services provided by non-profit religious organizations  
Personal hygiene and related products  
Industrial, commercial and household strenght cleaning materials  
including soaps, laundry and dishwashing detergents and disinfectants  
Postal products and services  
Other necessities of life

**Exemption list applied - Virginia City**

Nonluxury food items\*  
Utilities/Services  
Medical supplies, services and medicine  
Wholesale merchandise for resale at retail stores or used in the purchahser's business as supplies  
  
Gasoline and other motor vehicle fuel  
Liquor sold at sate liquor stores  
Propane and similar home fuels  
Automobiles trucks, snowvobiles, motorcycles, ATVs, boats outboard motors  
Labor on automobiles, trucks, nowmobiles, motorcycles, ATVs boats, outboard motors and chain saws  
Non-recreational labor, services and state licensed prfessions and trades  
  
Lumber, building supplies and tools  
Household appliances  
Estate probate auctions  
Lodging facilities occupied for a period of longer than 30 days  
Newspapers  
  
Household cleaning supplies  
  
Payroll and business and labor costs  
Bicycles, Sales and service  
Fishing and Hunting licenses  
Lodging provided for employees by employer  
Lottery tickets  
Pet Food

**Exemption list applied - Whitefish**

Food Purchased unprepared or Unserved

Utilities (see List)

Medicine, medical Supplies & Services (See list)

Wholesale merchandise purchased for resale at retail.

Gasoline - Other Items and Services (See List\*)

Propane - (See Necessities of Life\*)

Automobiles - (See Other Items and Services\*)

Automotive Accessories (See List\*)

Professional Services - Other Items and Services (see list\*)

Hardware Supplies and Tools

Appliances

Real Estate Commissions

Lodging based on rental periods in excess of 30 days

Newspapers

Other Items and Services (see list\*)

Non profit charitable organizations

Personal Hygiene (see List\*)

Cleaning Supplies (see list\*)

Shipping Agents

Necessities of Life (see list\*)

Tax services (see Other business & professional services list)

\* the list of exemptions is EXTENSIVE and DETAILED

**Exemptions - Red Lodge**

Food purchased unprepared or not served

Medicine, medical supplies & services

Goods and services sold for resale

Hardware supplies and tools

Appliances

Garage Sales; Ski/gear swaps

Tickets for not-for-profits fund raising events

Necessities of life

Individual /less than 2 liters of milk and water

Tips

Firearms

**Exemptions - Big Sky, Gardiner, Cooke City**

Food purchased unperpared or unserved

Utilities/services

Medicine, medical supplies/services

Wholesale merchandise for resale at retail stores or used in the purchahser's business as supplies

Gasoline and other motor vehicle fuel

Alcoholic beverages sold by liquor store or by the bottle

Propane and other home fules

Automobiles and trucks

Labor and parts for automobile & truck repair

All non-luxury labor and services including but not limited to services prescribed by a physician

Lumber, hardware supplies, tools and other construction related supplies

Household appliances, furniture and fixtures

Real estate sales

All rental agreements when contracted for a period longer than 30 consecutive days

Newspapers

Office Supplies

Garage Sales

Services provided by non-profit religious organizations

Personal hygiene and related products

Industrial, commercial and household streenght cleaning materials including soaps, laundry and dishwashing

detergents and disinfectants

Postal products and services

Massages prescribed by a physician

All business payroll & labor costs

Automobile rental used during emergency repair

Sales of goods from catalogs paid for from outside the boundaries of the town

**Exemptions list applied - West Yellowstone**

Food purchased unperpared or unserved

Utilities/services

medicine, medical supplies/services

Wholesale merchandise for resale at retail stores or used in the purchahser's business as supplies

Gasoline and other motor vehicle fuel

Liquor sold a state liquor stores

Propane and other home fules

Automobiles trucks, snowvobiles, motorcycles, ATVs, boats, outboard motors and chain saws

labor on automobile & truck repair

All non-luxury labor and services & nonrecreational services state licensed professions and trades

Lumber, building supplies, tools and other construction related supplies

Household appliances

Lodging facilities occupied for a period longer than 30 consecutive days

Newspapers

Nursery Items

All business payroll & labor costs

Fishing and Hunting licenses

Sales of goods from catalogs paid for from outside the boundaries of the town

**Taxable Applied - Red Lodge;**

Mirrors White Fish's list of taxable items with the additions listed below:

All goods and services sold by any business that does not operate more than 90 consecutive days within a calendar year (Temporary Vendor)

New clothing items that have been either screen printed, embroidered or otherwise imprinted with designs depicting or containing words such as Montana, Red Lodge, Carbon County, Yellowstone Park, Beartooth Mountains, Beartooth Highway or any combination thereof

Deli items except loaves of bread, sliced meats and cheeses

Single cans & bottles of beverages less than 2 liters (except milk and water)

**Taxable Applied - West Yellowstone**

**Lodging Rentals** less than 30 consecutive days including camping space rental

**Food** that is prepared or served to include food prepared and served for off-premise consumption (To-Go orders) and microwaved foods prepared on premises for consumption there or elsewhere.

**Beer Wine, liquor and other alcoholic beverages served by the drink at a public establishment**

**Luxury items:** Sporting goods (Rentals and rental insurance on snowmobiles, bicycles, skis, boats, campers, boat motors); Recreation Services (Guide services, float trips, guided trips, guided tours); Souvenirs and "localized" items (imprinted clothing and hats; curios); all nonfood items (Cleaning supplies, housewares automotive supplies and parts, Ice, Retail clothing sales, Retail liquor, beer & wine except when sold at state liquor store)

**Taxable - Big Sky, Gardiner, Cooke City**

**Luxuries:** Clothing items; Fishing Tackle & Sporting Goods; Rental & Sales of (snowmobiles, ATVs, motorcycles, bicycles, skis, ski lessons, lift tickets, snowboards, boats, campers, boat motors & all recreational equipment); Automobile rentals except for during emergency car repair; All recreational activities & services on land water or in air if purchased reserved, committed or occurred within the boundaries of the District; All Souvenirs, curios, jewelry, antiques, gift and art items & food gift items prepared and sold as a package or unit

All beverages, including wine, beer, liquor or other alcoholic beverages sold by the drink; All entertainment including tickets or other admissions to concerts, theaters, movies, shows, plays or sports events; gaming and movies, video games and related rental equipment; massages unless prescribed by a physician; rental agreements for lodging unless for longer than 30 consecutive days; Fundraising activities that are substantially commercial in character; items and services not exempt under Section 10. Tax Exempt Goods and Services

**All goods and services sold within the Resort Area District by the following establishments:** hotels motels & other lodging & camping facilities; restaurants, fast food stores & other food service establishments; Taverns, bars, night clubs, lounges and other public establishments that serve wine, beer, liquor or other alcoholic beverages by the drink; Destination ski resorts and other destination recreational facilities.

**Taxable Applied - White Fish;**

Each business subject to the tax shall collect the same on the retail value of all goods & services sold within the city:

...imposed a resort tax on the retail value of all goods & services sold w/in White Fish by the following establishments: hotels, motels, & other lodging or camping facilities; restaurants, fast food stores and other food service establishments; taverns, bars, nightclubs, lounges and other public establishments that serve beer, wine, liquor or other alcoholic beverages by the drink; and establishments that sell luxuries ...

The term luxuries include but are not limited to:

Destination Ski Resorts & Other Desitnation Recreational Facilities

Hotels, Motels & Other Lodging or Camping Facilities

Luxuries:

**Attractions:** Arcades, Bowling Alleys, Concerts, Golf Courses, Movie & Live Theaters, Rodeos

**Rentals** (cars, trucks, trailers, RVs, Conventions, Sports Equipment, Motorcycles, bicycles etc., Videos, Games, snowmobiles, boats, jet skis etc.)

**Retail Sales:** Books, (including used), cameras & supplies  
Candles, Clothing, Curios (decorative boxes, & vases)  
Cut flowers and floral arrangements, fake trees/plants  
Finished craft items except those that are household furnishings, Fireworks, gifts & gift wrapping, Jewelry, Art  
Mail order & catalog sales, pets & pet supplies,  
Pictures, frames & cards, Records (CDs videos, DVDs)  
Secondhand stores/antiques,

**Super Market non food items:** Batteries & film, Magazines & greeting cards, Cosmetics, lotions and lint brushes, Perfume, Tobacco, matches, lighters and lighter fluid, Toys

**Services:** Guides & outfitters (hunting, fishing, rafting horseback rides etc., Recreation services & labor

**Restaurants, Fast Food & Other:** All goods & services sold including delivery charges but not tips; Chips, nuts, granola bars & jerky; Foodstuffs intended for immediate consumption; Fraternal organizations which provide food & beverage or rent their facilities to the public & nonmembers; Soda pop, gum, candy including individual,bulk & packaged candy; Vending machines

**Taverns, Bars, Nightclubs, Lounges & Other:** All alcoholic beverages sold by the drink or at retail, All goods and services sold; Private liquor stores

**Taxable Applied - Craig;**

Luxuries

All goods & services sold by the following establishments:

Hotels, motels, and other lodging establishments

Restaurants, fast food stores and other food service establishments

bars, taverns and other public establishments that serve alcoholic beverages by the drink

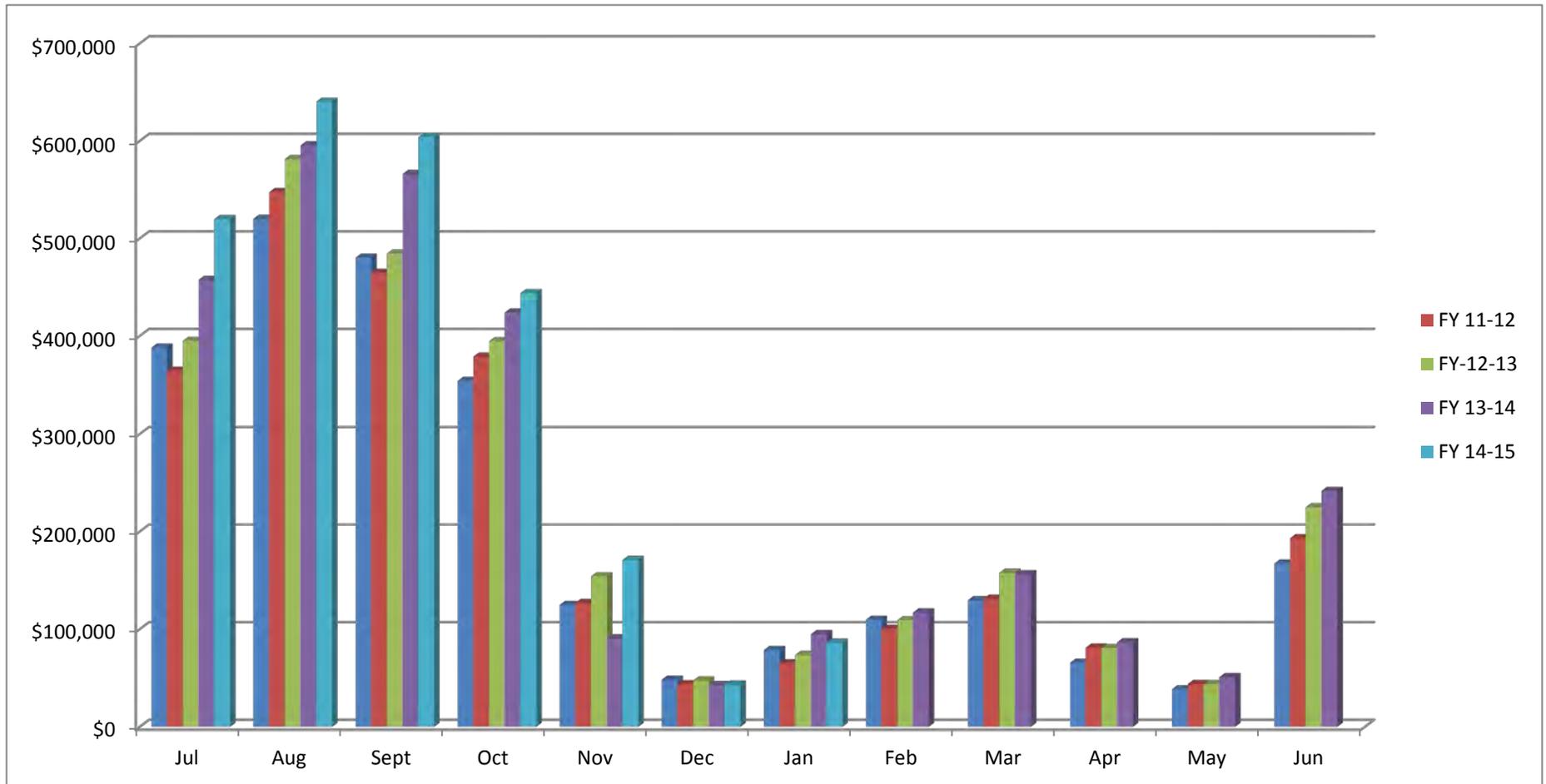
All other goods & services not exempt in Section 6 (which is the exemption list above)

**Taxable Applied - Virginia City;**

...imposed a resort tax on the retail value of all goods & services sold w/in town of Virginia City by the following establishments: hotels, motels, & other lodging or camping facilities; restaurants, fast food stores and other food service establishments; taverns, bars, nightclubs, lounges and other public establishments that serve beer, wine, liquor or other alcoholic beverages by the drink; and establishments that sell luxuries ...

## Resort Tax Collections for the Town of West Yellowstone Fiscal Years 2010-2014, Collections by Month

	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	FY % Change *
<b>FY 10-11</b>	\$388,032	\$520,203	\$480,276	\$353,840	\$124,853	\$48,255	\$78,543	\$109,680	\$129,678	\$65,566	\$38,601	\$167,264	\$2,504,791	11.05 %
<b>FY 11-12</b>	\$364,177	\$547,432	\$464,713	\$378,814	\$126,943	\$43,533	\$65,044	\$100,392	\$131,325	\$81,073	\$43,883	\$193,092	\$2,540,421	1.42 %
<b>FY 12-13</b>	\$394,959	\$581,421	\$484,531	\$394,594	\$154,195	\$47,401	\$73,622	\$109,121	\$157,783	\$80,524	\$43,624	\$224,910	\$2,746,685	8.12 %
<b>FY 13-14</b>	\$457,499	\$595,418	\$566,122	\$424,003	\$90,485	\$42,632	\$94,876	\$116,989	\$156,166	\$86,494	\$50,784	\$241,594	\$2,923,062	6.42 %
<b>FY 14-15</b>	\$519,795	\$640,248	\$603,895	\$443,969	\$170,880	\$43,147	\$86,237							16.30 %



Figures represent resort tax revenue in the month it was collected by the Town, but was typically generated in the previous month. It may also include penalties and late payments. Effective June 2007, the Town is collecting an additional 2.5% of the tax for the Marketing and Promotions Fund.

\* FY Change % represents the increase or decrease in collections as compared to the same time period of the previous fiscal year



## MEMORANDUM

TO: MMIA Employee Benefit Program Member Entities

FROM: Amanda Clark, MMIA EB Program Manager

DATE: February 12, 2015

RE: Early EB Rate Adjustment Indication for 2015-2016

The MMIA Employee Benefits Program will establish the preliminary rates for our medical, dental and vision plans by the beginning of April and will release the final rates for these plans by the beginning of May. Because the MMIA EB Program Agreements require notification of withdrawal no later than March 1<sup>st</sup>, we are providing an early indication of our estimated rate adjustment for the upcoming 2015-2016 coverage year, based on the most current claim data.

Based on current claims data, it appears that a rate adjustment between 7-9% for the medical plans is possible for the upcoming policy year. However, final rates will be set using claims data through March 31<sup>st</sup>. This additional data from the next couple months could impact final rates either positively or negatively. This indication is our best guess, based upon incomplete data, of where rates could end up for next year. This rate indication is non-binding and is meant only to provide preliminary information for early decision making.

Per the Employee Benefits Program Agreements, each participating member commits to participating in the program for five years. After that initial commitment, a member entity automatically renews their participation in the program for each succeeding coverage year, unless the member provides written notice of their desire to withdraw from the program at least 120 days notice prior to the start of the next coverage year. This means that a member that has participated for at least five years and wishes to withdraw from the program as of June 30 must send written notice to the MMIA Board of Directors by March 1<sup>st</sup>. Any member that does withdraw from the program will not be eligible to apply to rejoin the program for a period of three years. Final rates are set after any notifications of withdrawal have been received so that the actuary can rate appropriately, including the impact of changed participation levels.

Please also note that Open Enrollment for the program will be from May 15<sup>th</sup> to June 16<sup>th</sup>. This time period is the opportunity for employees to elect coverage changes, such as adding or dropping a dependent. If your entity allows individuals to choose between plan options, employees may also change their plan elections at this time. Prior to the start of Open Enrollment, your entity may also elect different benefit plan choices to offer your employees. You may choose to open up the medical plans to individual selection, or perhaps choose to offer the dental or vision plans to the group. We will send out group election forms for your benefit selections along with preliminary rates at the beginning of April. Please keep an eye out for further information on open enrollment from us as well. Please feel free to contact us if you have any questions regarding the benefit plan choices available to your entity.

The Employee Benefits Program Agreement can be found on our website at [www.mmia.net](http://www.mmia.net), under the Employee Benefits section and then the Program Documents section. Please let us know if you have any further questions regarding program participation, the 2015-2016 coverage year, or open enrollment.

## EMPLOYMENT AGREEMENT

**THIS AGREEMENT** is made and entered into this 21 day of February, 2012, by and between the TOWN OF WEST YELLOWSTONE ("Town"), a Montana municipal corporation, of P.O. Box 1570, West Yellowstone, Montana 59758, and REBECCA GUAY ("Employee"), of \_\_\_\_\_, West Yellowstone, Montana 59758.

### WITNESSETH

**WHEREAS**, the Town of West Yellowstone wishes to employ the services of Employee as Operations Manager of the Town;

**WHEREAS**, the Town and Employee desire to provide for certain procedures, benefits and requirements regarding the employment of Employee by the Town; and

**WHEREAS**, Employee wishes to accept employment as Operations Manager of the Town under the terms and conditions described herein.

**IN CONSIDERATION** of the mutual promises contained herein, the parties agree as follows:

1. Duties.

The Town agrees to employ REBECCA GUAY as the Operations Manager of the Town of West Yellowstone to perform the duties of Operations Manager as specified by Town charter, ordinance, resolution or law, and to perform such other duties as assigned by the Town Council or Mayor of West Yellowstone. Employee warrants that he or she will perform his or her duties with the highest degree of skill and judgment in accordance with accepted standards for the municipal management profession.

2. Salary.

The annual salary of Employee shall be Seventy-Five Thousand Dollars (\$75,000.00). The salary shall be paid in accordance with the pay periods for other Town employees. The Town will consider appropriate salary increases, considering all relevant factors, such as performance reviews for the employee and salary increases for other town employees, particularly department heads.

3. Term of Employment.

a. Employee's term of employment begins on April 23, 2012 and continues for the term of three years, until April 23, 2015.

b. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Town Council to terminate the services of Employee at any time before the term of the

Agreement expires at a duly authorized public meeting with the majority of the governing body or for the default of Employee, subject only to the provisions set forth in Section 4 of this Agreement.

c. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign at any time from his or her position with the Town, subject only to the provisions set forth in Section 5 of this Agreement.

d. Employee acknowledges that his or her employment with the Town is only for the specified term of this Agreement, subject to the termination provisions contained in Section 4 and Section 5 below, and that he or she accrues no legal right to continued employment as the Town's Operations Manager beyond the term specified herein.

e. The Employee acknowledges that his or her position as Operations Manager consists solely of executive, administrative and professional duties that exempt him or her from various state and federal wage, hour and labor laws.

#### 4. Termination of Employment by Town.

The Town may terminate the employment of Employee by giving written notice of termination to Employee by certified mail, return receipt requested. In the event the Town terminates such employment the Employee shall be entitled to receive (3) month's severance pay beginning on the date the notice is mailed. The severance pay mentioned in this paragraph shall include the Town's contribution to the Employee's health insurance, retirement fund, and all other benefits of the Employee. Any severance pay shall be paid within 48 hours of the last day of the Employee's employment, unless the parties agree otherwise. In the event Employee is terminated because of commission of a criminal act, then the Town shall have no obligation to provide severance pay. The operations manager has the same opportunity to utilize the grievance process as outlined in Section 10-02 of the personnel policy manual.

#### 5. Resignation by Employee.

Employee may voluntarily resign and terminate his/her employment with the Town by giving written notice of resignation to the Town by certified mail, return receipt requested, at least one (1) month before the effective date of resignation. In the event of such resignation, Employee shall not be entitled to receive any severance pay; however, Employee shall be entitled to receive accrued vacation pay and the applicable portion of sick leave accumulations to the effective date of resignation in accordance with the Town's employment personnel policy manual, Section 6-03(E) and Section 6-04(F) This provision supersedes any contrary provisions of the Town personnel policy manual.

#### 6. Performance Reviews.

The Town Council will conduct reviews of Employee's performance after the first 6 months of employment, then again before each anniversary date of hire outlined in this contract. After

each performance review the Town, in its sole discretion, may consider increasing the Employee's salary or benefits. There will be a performance review at least 60 days prior to the end of this contract.

7. Retirement Benefits.

The Town shall contribute to the Public Employment Retirement System (PERS) on behalf of the employee in accordance with the rules set forth by the Public Employment Retirement Administration as referenced in the MCA 19-3-315.

8. Insurance Coverage.

The Town shall provide the same group health, dental, vision and insurance benefits for Employee as provided for Town employees generally.

9. Vacation and Sick Leave.

The Employee shall accrue vacation leave and sick leave at the same rate as provided for Town employees generally accordance with Sections 06-03 and 06-04 of the Town personnel policy manual. In addition, the employee shall be allowed to take 40 hours of unpaid vacation time at his or her discretion. The Employee shall be entitled to take the same holidays from work as Town employees generally in accordance with Section 06-14 of the Town personnel policy manual. At the conclusion of the Employee's employment, the Employee shall be entitled to receive accrued vacation leave and sick leave to the same extent and in the same manner as is provided for Town employees generally in accordance with Sections 06-03 and 06-04 of the Town personnel policy manual and as referenced in MCA 2-18-604-617 and 39-31-102

10. Other Benefits.

In addition to the benefits cited herein, the Town shall provide the Employee with all other benefits that apply to Town employees generally. The Town shall also pay the Employee for relocation costs in the amount of \$2,500.

11. Work Week.

A normal work week for the employee is five days, Monday through Friday, of each week. This work week may vary depending upon the circumstances and needs of the Town and the Employee, including but not limited to special events and activities that may occur on weekends or holidays.

12. Review of Employment.

This Employment Agreement shall be reviewed by the parties at least 60 days prior to the end of its term. No changes, amendments or modifications of any kind to its terms and conditions shall be valid unless agreed upon by both parties and reduced to writing.

13. Outside Employment.

The Employee may maintain separate employment provided that: (1) the practice does not interfere with his duties as Operations Manager; (2) the practice does not present any conflict of interest with his or her duties as Operations Manager; (3) the employee uses accrued vacation time when necessary for his separate employment, unless the Town agrees to alternative arrangements; (4) all time off requested for the separate employment shall be scheduled to first accommodate the Town's business needs; (5) the employee shall communicate with the Town and with his or her separate employer, client, or other involved person to ensure that that person, and other persons affected by the employee's outside employment, are aware that such outside employment is not being done on behalf of or for the benefit of the Town, and that in engaging in such outside employment, the employee is not acting as an agent, officer or employee of the Town.

14. Conflict with Town Policies.

In the event that the terms of this Agreement conflict with any policy or procedure of the Town, including the Town's written policy and procedure manual, the terms of this Agreement shall govern.

15. Applicable Law.

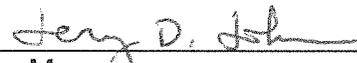
This Agreement shall be governed in all respects by the laws of the State of Montana. Any lawsuit arising from or alleging breach of this Agreement shall be filed in Gallatin County, Montana.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed the day and year first above written.

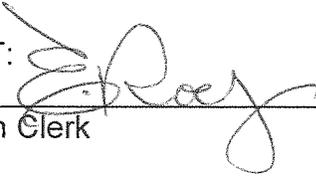
**EMPLOYEE**

  
REBECCA GUAY

**THE TOWN OF WEST YELLOWSTONE**

By   
Mayor

ATTEST:

By   
Town Clerk