

WEST YELLOWSTONE TOWN COUNCIL
Town Council Meeting & Work Session
May 5, 2015

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

OTHERS PRESENT: Finance Director Lanie Gospodarek, Public Services Superintendent James Patterson, Chief of Police Scott Newell, Fire Chief Shane Grube, Helene Righenour, Wendy Swenson, Jan Stoddard, Ryan Barker, Marysue Costello, Richard & Teri Gibson, Randy Wakefield, Officer Chris Wiese, Katrina, Kayla, & little boy Wiese, Tom Cherhoniak

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

- 1) Motion carried to approve the claims which total \$97,447.35. (Forsythe, Parker) Johnson abstains from #40914.
- 2) Motion carried to approve the Consent Agenda, which includes the minutes from the April 21, 2015 Town Council Meeting and April 28, 2015 Work Session. (Parker, Johnson)
- 3) Motion carried to approve the new business license application for The Bookkeeper, made by Teri Gibson to operate a book keeping service from her home. (Costello, Forsythe)
- 4) Motion carried to approve the new business license application for WestEdge Retreat. (Costello, Forsythe)
- 5) Motion carried to approve the business license transfer from Pam Talasco to DD Holding, LLC, made by Blaize "Doc" Stewart to operate a business that includes long term rentals and a vacation rental. (Parker, Forsythe)
- 6) Motion carried to approve the request from Blaize "Doc" Stewart to waive the resort tax bond based on a satisfactory payment history. (Johnson, Forsythe)
- 7) Motion carried to not accept the offer from the Hebgen Basin Fire District to purchase the Emergency Services Building for \$200,000. (Costello, Johnson)
- 8) Motion carried to approve Ordinance No. 258 on 2nd Reading, Resort Tax, as amended and to include the revised Section N. (Parker, Forsythe)
- 9) Motion carried to approve Resolution No. 662, a Resolution revising the FY 2014-2015 Municipal Budget. (Johnson, Forsythe)
- 10) Motion carried to approve the recycling proposal with Two Seasons Recycling for a cost of \$500/month to provide recycling service for the Town. (Forsythe, Parker)
- 11) Motion carried to appoint Dan Hoskins to the Cemetery Board for a term of two years. (Parker, Costello)
- 12) Motion carried to approve Resolution No. 663, a resolution to write off \$46,001.82 of uncollectible ambulance debt. (Johnson, Forsythe)

- 13) Motion carried to approve the 3-year audit contract with Amatics CPA Group for the audit period of July 1, 2014 through June 30, 2017. (Johnson, Forsythe)
- 14) Motion carried to accept the settlement agreement. (Costello, Forsythe) Johnson is opposed.

Public Comment Period

No public comment is received.

Council Comments

Forsythe says that they have now received the appraisal from the US Forest Service and Rocky Mountain Appraisals for the 80 acres of Forest Service land south and west of Town, and asks what the next step is in the process. Patterson reports that he has made contact with Todd Stiles of the Forest Service and they want to schedule a meeting with the Town to discuss the next step. Patterson says he did not hear back from Stiles before this meeting but the group agrees to pick a date next week and anticipate that the Forest Service will be able to attend. Costello reports that he attended the housing meeting last week, moderated by a Vista Volunteer. He says that the meeting was well attended but he did not hear many new ideas. They are looking into various properties that might be rehabilitated in West Yellowstone to provide housing.

Presentation: WY Chamber of Commerce Marketing Plan

Wendy Swenson of the West Yellowstone Chamber presents the annual budget for the FY 2016 Accommodations Marketing Plan. She explains that the Chamber, as the designated Convention Visitors Bureau, is expecting to receive approximately \$227,000 from the State accommodations tax to use for marketing. She shares multiple statistics that indicate a strong increase in travel across Montana and a big increase in international travelers. She describes the target markets, primary goals, and objectives as well as research statistics. They have observed a substantial increase in internet, mobile, and social media advertising.

Public Hearing: Ordinance No. 258, Resort Tax

Mayor Schmier opens the hearing by explaining the most recent changes made to the ordinance. The public hearing was advertised in the April 24, 2015 and May 1, 2015 editions of the West Yellowstone News. Marysue Costello asks questions about the interpretation of Section N., which specifies that excursions outside the limits of the Town are taxable if they are booked by a business in town. Teri Gibson also points out that there are fly fishing shops in Town that do book trips outside the limits of the Town.

Public Hearing: Resolution No. 662, Budget Amendments

Mayor Schmier opens the hearing and reads the hearing notice. The public hearing was advertised in the April 24, 2015 and May 1, 2015 editions of the West Yellowstone News. No public comment is received.

DISCUSSION

- 1) Costello asks for an explanation about Claim # 40910 to the Gallatin County Treasurer in the amount of \$45,095.05. Gospodarek explains that amount reflects several years of court surcharges they have been holding on behalf of the County. It has taken a very long time to reconcile with the County but they are now releasing those funds.
- 7) Mayor Schmier recaps that Hebgen Basin Fire District proposed purchasing the Emergency Services Building at 400 Yellowstone from the Town for \$200,000. He says that the proposal was tabled pending a commercial appraisal. The appraisal was completed by Joel Peterson and came in at \$533,000. The Council discusses the details of the interlocal agreement between the Town and the District at length. Costello says that he has talked to a couple board members from the District about the issue. He says that they are concerned because the building needs repairs and the County is not in favor of the District spending money on a building they do not own. He suggests that they consider putting together a committee to review the interlocal agreement and extending it

for 15 or 20 years. The Council considers making a counter offer, reviewing the agreement, and possible leasing options. Rich Gibson says that he does not think they are losing \$200,000 by not accepting the offer but saving over \$300,000 of taxpayer money because the value of the building will endure. He thinks that the Fire Department will continue to act in good faith and provide service and by not accepting the offer they are doing the right thing.

- 8) Johnson apologizes for missing the last meeting but has a couple of suggestions. He suggests that they remove the word “unprepared” from Section 3., Section a., which defines luxuries. Town Attorney Jane Mersen points out that definition comes exactly out of Title 7 of Montana State Law. He also points out a section that is inconsistent with the language in another section of the ordinance and suggests that they change it so it reads “mayor or operations manager” in both instances. After further discussion, the Council agrees to amend Section 3., Section a., and removed the phrase “or unserved” and rearrange the sentence.
- 14) Town Attorney Jane Mersen explains that they have received a settlement offer from MPEA and the attorney representing Kevin Conlon. Mersen explains that by accepting the agreement they are agreeing to compensate Conlon in the amount of \$35,000 of back wages and reinstating Conlon to the same position and status as police officer/school resource officer. Johnson asks Chief Newell if he is comfortable with that. Newell indicates that he is and Johnson asks what he bases that opinion on. Newell refers to Mersen who elaborates that opinion is based on his experience with Mr. Conlon and his experience and knowledge of the department. Johnson apologizes for missing the executive session at the previous meeting and says that he can only vote according to the information that was provided to him from Mersen.
- A) **Advisory Board Reports:** Mayor Schmier reports that the Cemetery Board is meeting tomorrow. Forsythe says the Downtown Improvement District is going to meet next week and plans to meet monthly going forward.
- B) **Department Head Reports:** Patterson reports that the DOT paving project on Canyon Street is ahead of schedule and they finished laying new asphalt today. He says there have been some complaints from business owners because the rolling process vibrated things off of the shelves in their stores. He says that he checked Whiskey Springs today and the water supply looks good right now. He says his department will be cutting tree limbs that overhang on public property this week. He says that last year the Council adopted a plan for improvements in Pioneer Park and he would like to start on the new parking lot. He says that at this point it will just cost man hours until they decide how to finish the surface and budget for that next year. He mentions a couple other areas in Town where they are replacing and repairing sidewalks. He also reports on the status of the Railroad well, which has never been serviced that they know of. He says the only way to refurbish the well is to tear down the building and they will look into that more this fall. It is currently operating without any problem but needs to be maintained. Gospodarek reports that she and her office staff will be attending training in Billings the rest of this week. They are preparing to renew business licenses, the budget, and financing of the proposed 80 acres purchase. Chief Newell reports that calls have definitely increased at the Police Department since the Park opened, Sergeant Frank resigned April 23, 2015, one of the 2010 Ford Expeditions had some vehicle issues but has been repaired, Officer Kearney is patrolling independently, and Officer Chris Wiese started work yesterday. Patterson briefly reports that Social Services is operating well and traffic through that office has been quite slow.

Mayor Brad Schmier swears Officer Christopher Wiese in as a police officer for the Town of West Yellowstone.

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Mayor Schmier reports that they received seven applications for the Job & Social Services Director position and are putting together an interview panel. He asks the rest of the Council if anyone else wants to participate on the interview panel. None of the Council Members volunteer so Mayor Schmier offers to serve on the panel.

The meeting is adjourned. (8:15 PM)

Mayor

ATTEST:

Town Clerk

WEST YELLOWSTONE TOWN COUNCIL

Work Session

May 12, 2015

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

OTHERS PRESENT: Lauren Oswald, US Forest Service, 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

No public comment is received.

Council Comments

Council Member Parker asks Oswald if they have hired a new District Ranger for the Hebgen Lake Ranger District for the Custer-Gallatin National Forest. Oswald responds that they have hired a new ranger named Jason Brey who will report to work in June.

Mayor Schmier calls the meeting and defers to Lauren Oswald of the US Forest Service. Oswald distributes a draft memo and says that she is here to discuss the next steps in the process to acquire 80 acres of Forest Service land. Oswald explains that the Forest Service has reviewed and approved the appraised value of \$1,425,000. The Town will need to decide whether to purchase the entire 80 acres in one transaction or in two phases. Once this decision is made the Town will also need to provide written evidence of financial capability for the purchase. She explains that they need to know that up front so the Purchase and Sale agreement can be put together accordingly. She points out that it is critical to finalize the Purchase and Sale Agreement as soon as possible as that will lock in the appraised value. She says that if they can accomplish that in the next 30 days, they can anticipate closing on the sale by this fall or end of the calendar year. The Town will be responsible for the survey and posting of the boundary to Forest Service standards after the project is complete. Forest Service staff is scheduled to complete the right-of-way surveys in August 2015. The Council clarifies that the appraisal is valid for one year, but they did not receive it until nearly a month after it was completed so they have already lost some time. Oswald agrees and reiterates that time is of the essence and they should not delay progress. She says that they have the staff now to complete the project and this is a good time. Anna Callahan will be the Project Manager, but could not make this meeting tonight. Oswald answers multiple questions about the time frame the Town needs to comply with, pointing out that buying the property in two phases will be more complicated but must be completed within two years. Oswald explains that that the conditions of the sale stipulate that the Town must buy the entire 80 acres and cannot delay payment more than two years. Parker asks if the Forest Service will sell the property on the open market if the Town does not purchase it. Oswald responds that they will not and explains that original legislation and appraisal are based on the fact that the Forest Service will only sell the property to the Town. The group briefly discusses whether there are any advantages to splitting the purchase into two phases. Johnson asks if there is any requirement to hold a public meeting before they actually buy the property. Gospodarek points out that the purchase of this land has been on the Town's Capital Improvement Plan (CIP) for several years so the public has had opportunity to learn about the project. Johnson says that he thinks it would be good practice to have a public meeting to give the public a chance to comment before finalizing the sale. Schmier agrees and says that former Operations Manager Becky Guay also advised that, but said it was not required. The group discusses the existing special use permits on the subject property and snow storage. Oswald says that utility entities such as Qwest will have to negotiate their encroachments with the Town. Patterson asks if the Forest Service will allow the Town to store snow on Forest Service property once this sale is completed. Oswald says she cannot answer that but encourages them to plan long-term to provide for everything they need. She says that their general approach is no new usage of the Forest Service. She also clarifies that she has record of a previous agreement where the Forest Service indicated the Town would have two years to complete the sale. Costello asks Gospodarek if she has made any progress on financing options. Gospodarek indicates that she has explored a couple options including Intercap financing, bond counsel through Dorsey &

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Whitney or Piper Jaffrey, and will look into short-term financing through a local bank. She says she is still looking at options and will narrow that down for the Council to review. The group also discusses relocation of the existing roads and preserving access for the public to the forest. Oswald recommends that they carefully work through the reservations of the roads through the parcels so it is clear how those roads will be managed.

The meeting is adjourned. (7:15 PM)

Mayor

ATTEST:

Town Clerk

WEST YELLOWSTONE TOWN COUNCIL
Town Council Meeting & Work Session
May 19, 2015

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

OTHERS PRESENT: Finance Director Lanie Gospodarek, Public Services Superintendent James Patterson, Chief of Police Scott Newell, WY News Editor Jeremy Weber

Helene Rightenour, Ryan Barker, Judge Katy Brandis, Richard & Teri Gibson, John Greve, Randy Wakefield, Head Dispatcher Brenda Martin

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

- 1) Motion carried to approve the claims which total \$110,155.95. (Forsythe, Johnson) Forsythe abstains from claim # 40957, Schmier abstains from claim #40947.
- 2) Motion carried to approve the minutes of May 5, 2015 Town Council Meeting and the May 12, 2015, Work Session with recommendation that the Town Clerk clarify time period tied to the two year- window in the minutes. (Johnson, Forsythe)
- 3) Motion carried to approve the business license for SnoDaisie Salon. (Forsythe, Parker)
- 4) Motion carried to approve the business license for Tao's Sushi Bar. (Schmier, Johnson)
- 5) Motion carried to approve the resort tax bond waiver request for Tao's Sushi Bar. (Forsythe, Johnson) Forsythe approves, Johnson, Parker and Schmier oppose. Motion fails.
- 6) Motion carried to approve the business license for Tao's Inn. (Johnson, Forsythe) Second by Forsythe is withdrawn. Motion fails for lack of a second.
- 7) Amended motion carried to approve the business license for Tao's Inn contingent upon receipt of required state permits and completion of the paving of the parking lot that constitutes enough parking for this year's completed portion of the project. (Johnson, Schmier) Johnson and Schmier vote to approve and Parker and Forsythe oppose. Motion fails.
- 8) Motion carried to approve the letter to US Forest Service indicating the intention of the Town to proceed with the purchase of the 80 acres of identified land south and west of West Yellowstone. (Schmier, Parker)
- 9) Motion carried to approve the Outside Amplification Permit for Music in the Park 2015 on July 3, 4, 18, and August 1, 2015. (Johnson, Parker)
- 10) Motion carried to approve Resolution No. 662, a resolution exempting the concert area of Pioneer Park from the open container ordinance during the 2015 Music in the Park events. (Johnson, Forsythe)
- 11) Motion carried to approve the Marketing and Promotions Fund Award Recommendation to award \$8000 to the West Yellowstone Chamber of Commerce for Visitor Information Center staffing assistance. (Parker, Forsythe)

- 12) Motion carried to increase Judge Brandis' salary to \$35,000 annually plus an annual cost of living adjustment plus .5% every July. (Parker, motion dies for lack of a second)
- 13) Motion carried to increase the salary for Judge Kathleen Brandis to \$34,000 annually (effective moving forward) plus an annual cost of living adjustment plus .5% every July. (Forsythe, Schmier) Johnson is opposed.
- 14) Motion carried to adopt the amended staffing plan, which eliminates the Police Sergeant position and replaces it with a patrol officer and changes the seasonal facilities tech position to a seasonal equipment operator. (Schmier, Forsythe)

Council Comments

Kirstin Goldstein introduces herself, an Ameri-Corps Vista, who is working in West Yellowstone to facilitate the Community Development Block Grant to develop a housing needs assessment and housing plan for the Town of West Yellowstone.

Public Comment Period

Mayor Schmier reminds the Council to review the Capital Improvement Plan from FY 2015 so as they move into the budget process they are ready to move forward. Johnson mentions a meeting later this week in Driggs, ID, that is about the proposed loop trail from Jackson Hole through Driggs, Island Park, and West Yellowstone.

DISCUSSION

- 3) Johnson clarifies with James what businesses are now in the building at the address that now includes SnoDaisy Salon.
- 4) Johnson asks questions about the submitted parking plan. Patterson states that there is a trailer where parking for the parking spaces numbered 7,8 &9 are marked, that needs to be moved.
- 5) Helene Rightenour asked why there is a resort tax bond waiver request with the business license. Mayor Schmier explains that owners of current businesses that apply for a second business license may show good resort tax payment history that can be applied to the new business giving the Council the latitude not to require posting of a second resort tax bond. Johnson has concerns about this resort tax bond waiver request because the business being used for payment history has only remitted tax for three months.
- 6) Patterson recommends not approving the business license application without a current parking plan. Patterson explains that the original plan was the project in total and that they subsequently have done the project in phases. Patterson recommends requiring paving the parking that is required for what will open with this phase. Patterson says that approximately 20 spaces are required for the 16 rooms plus what will be craned in in July. The resort tax bond waiver request is not considered since the license was not approved.
- 12) Mayor Schmier summarizes that Judge Brandis has requested reconsideration of her salary. The Council considered a similar request in January of this year and granted an increase of 3.25% but indicated that they would revisit her request after the bargaining unit contract was settled. Judge Brandis is present and the Council discusses her request to have her salary increased from \$32,065.32 per year to \$35,000 plus an annual increase every July of either COLA + .5% or akin to the Department Heads of 3.5%. Johnson asks if the court workload has increased since 2011. Brandis says that 2011 was her heaviest caseload, but because of multiple issues including the introduction and then elimination of electronic ticketing plus morale issues in the police department caused the number of issued citations to decrease significantly. She believes that now that they have hired a new chief and are rebuilding the department, citations will definitely increase.

- 13) Johnson says he thinks they need to be consistent. He says that they granted 3.0% to the employees unit and still favors the 3.25% that was given to the Judge in January.
- 14) Johnson points out that making this change in the police department will require them in the future to hire from within when they are ready to hire a sergeant.
- A) **Advisory Board Reports** – Mayor Schmier reports on efforts of the Cemetery Board to replace the sign at the cemetery with the intention that the sign be designed in continuity with the West Yellowstone signs at the edge of town and that the sign at the Town Hall. Johnson reports on the Teton Trail feasibility study that the Town participated in. The feasibility study is now out and they are having a meeting about the study in Driggs, ID on May 22, 2015. Johnson says that he will try to attend this meeting. Forsythe states there will be a Parks & Rec Advisory Board meeting Wednesday May 20th at the Povah Center at 4:00pm, and Parker states there will be Planning and Zoning meeting on Wednesday May 20th at 4:30 pm in the Town Hall Conference Room.
- B) **Operations Manager Report:** Mayor Schmier states that they are proceeding with the purchase of 80 acres with the Forest Service and will be meeting again on May 26th as a work session. Schmier gives an update on the hiring of the Social Services Director position. Applications have been reviewed and they are moving on to the interview phase of the process. Annual performance reviews for the Department Heads are coming up and will be performed by the Mayor in conjunction with the Deputy Mayor. It has been recommended by the Chief of Police that the town participate in the law enforcement testing consortium. Mayor Schmier supports this and will let Chief Newell explain the program in more detail during the Department Head reports.
- C) **Department Head Reports:** Public Services Director James Patterson reports on the final stages of the Canyon Street Project. Schmier asks about marking for the proposed parking lot in the city park. Patterson says that the new parking lot is marked out if anyone wants to check it out before they begin digging it up to put in the new lot. Patterson reports that Dick Anderson’s crew was coming to work on the Town Hall tomorrow. Patterson also recommends to the council that they not schedule a new town cleanup date since his crew and other community service volunteers have done a fair amount of clean up already. Deputy Mayor Johnson suggests putting something in the paper appealing to those who have snow encroachments with the town to pick up the trash they have plowed up with their snow. Patterson wraps up his report by sharing that they have begun to address the pot holes around town but were rained out on Monday.

Newell says that starting this Sunday, they will be start covering all of the police shifts and will no longer require assistance from Gallatin County. Newell reports on the Montana law enforcement testing consortium. He explains that there are several cities across the state that have joined it and it is a way for potential applicants to pass all the written and physical testing prior to being considered for hire by member cities. He says it is not expensive for the Town to join and says it really helps with the recruiting process. Newell recommends that they participate in the consortium and describes the testing procedures. Newell also recognizes Dispatcher Sabrah VanLeeuwen who recently was a vital part of saving a man’s life by talking him through the steps of CPR while paging and relaying information to emergency responders.

The meeting is adjourned. (9:00 PM)

Mayor

ATTEST:

Town Clerk

WEST YELLOWSTONE TOWN COUNCIL
Special Town Council Meeting
May 26, 2015

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

OTHERS PRESENT: Public Services Superintendent James Patterson, Jeremy Weber-Editor, West Yellowstone News, US Forest Service Service Representatives Todd Stiles, Anna Callahan, Lauren Oswald, Town Engineer Dick Dyer, Fire Chief Shane Grube, Forsgren Associates Representatives Ryan Barker and Huck, VISTA Kirstin Goldstein, Tom Cherhoniak, Montana Aeronautics Division Representatives Tim Conway and Jeff Kadlec

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.

- 1) Motion carried to approve the Banking Services Agreement with First Security Bank for two years. (Johnson, Parker)
- 1) Parker asks if there were any other responses. Roos responds that First Security was the only bank to submit a response although it was sent to all the banks in the area.
- A) Mayor Schmier explains that the first item of discussion is the acquisition of the USFS 80 acres. District Ranger Lauren Oswald introduces Realty Specialist Anna Callahan and Todd Stiles of the US Forest Service. Callahan distributes a revised implementation schedule for the council to review. The schedule outlines the steps that have been completed, what needs to be updated, and outstanding work and target dates. She explains that USFS surveyors will be on site in August to complete the right of way survey for USFS reservations. Schmier asks if those surveyors will survey the entire parcel but Callahan responds that they will not. Costello asks for clarification about the timeline. USFS explains that they actually have until March 7, 2016 to sign the Buy/Sell agreement and two years after that to complete the sale. Costello clarifies that the Town doesn't need to really do anything until it receives the Buy/Sell from the Forest Service, which they should expect in August 2015. Callahan and Oswald explain that there are two things that the Town needs to work on at this point: financing for the purchase and the setback regulations as already contained in Town ordinances. Roos clarifies that the Forest Service will do the right of way survey and establish the reservations and the Town will need to pay for the boundary survey. The Town should budget this year for that survey, estimated to cost \$12,000. Schmier says that at the previous meeting, they were asked to provide proof of ability to pay. Callahan says that do not actually need that until they sign the Buy/Sell and it does not have to be formal, they just need evidence of how the Town will pay for the land. Stiles distributes copies of two maps, one that shows the existing roads and trails through the parcels and then a map that shows the proposed reservations or roads and trails. He also distributes a documentation that describes the reservations. Costello asks questions about the roads and trails that will remain through the parcels and about what trails could be consolidated. He thought the intention was to consolidate the Two Top trail (6973B) with the railroad grade (6973A), which is different from what is on the map. Stiles says that they did originally discuss that but came back to the Town with this proposal based on public comment they received, an issue with the mapping program, and multiple use on those roads/trails during the summer and winter snowmoible access. He says that he is certain they came back to the Town to ensure they were okay with that and that is what the appraisal was predicated on. The Council and Patterson indicate that they had no idea that change was presented or accepted. Patterson says that if they are stuck with that, could they straighten the Two Top trail out so Madison Avenue could extend that distance and the trail could take off from the end of that street. Stiles says that would probably be acceptable and also points out that there is a procedure the Town could follow to eliminate a reservation that may be found to be unnecessary. Stiles says that they have no way of knowing how this land will be

developed, but their priority is to preserve access to the forest for the public. Costello asks if they can move 6973B over to the same location on 6973A now, before the surveying is completed. Stiles says that at a minimum, he would want to meet with the Snowmobile Grooming Committee to discuss moving that trail. The group discusses possible solutions to the issue. Stiles summarizes that they are discussing a slight alignment of 6973B or a different alignment or even elimination of 6973B. He emphasizes that their main priority is to maintain access through that area. Stiles also points out that the Town indicated that it would prefer to relocate the Whiskey Springs Road (6958) so it does not cut through the parcel, but it would be at the expense of the Town. Stiles cautions that they need to make sure they do not vary too much from the intent of the legislation, if they do they would have to engage in a NEPA process which would generate a lot of national publicity and public comment. The group agrees that the Whiskey Springs road will need to be moved but not necessarily as indicated on the map. The group also discusses the South Plateau Road (1700) and the options that concern that road. Johnson asks if they could pave the road and use it as a street and can it be moved east or west. Stiles says that moving the road to the east would put it out in the forest, but Schmier points out that the current markers indicate that the road is quite a bit west of the boundary. Oswalds says that they have a couple options such as a draft road use permit or a draft FRTA (Forest Road and Trails Act) to address an easement or place that road under the jurisdiction of the Town. Stiles says the private property pins for the Town lot on the southwest corner of town are there and they should be able to determine where that 40 acre parcel starts in relation to that road. Forsythe suggests the Council has a work session to discuss relocation of the Two Top Trail, but Johnson says he would first like to know what the Forest Service will accept. Oswald says she heard a couple suggestions and it would be better if the Town would discuss it and formally ask what they would prefer. The parties agree to work on the outstanding issues and report back. Oswald summarizes that the Town will get back to them with a formal request concerning the Two Top Trail, work on financing, and send the setback information. Johnson suggests that they further consider moving the Whiskey Springs Road (6958) to the south of the new 40 acre parcel, which potentially would alleviate some impact along the railroad grade. Schmier asks what does the Forest Service envision would be the effect of moving the roads on the ski races? Stiles says that would essentially be at the discretion of the Town, the USFS doesn't envision mandating that they maintain an easement for one day a year. Oswald says that they will keep working on things, but they probably won't need to meet again until the Buy/Sell agreement is ready in August. She does clarify that doesn't mean they won't need to communicate before then.

The second item for discussion on the agenda is the lease for the Sewer Lagoon area that is leased by the Town from the State Aeronautics Division, State of Montana. The current lease expires June 30, 2015 and the Aeronautics Division has provided a draft lease for the Town to consider. Jeff Kadlec, Airport Manager, is present along with Tim Conway, Airport Airways Chief and an aeronautics intern from Rocky Mountain College. Mayor Schmier says that they received the draft lease last Friday, and it is safe to say that they were shocked to see the substantial increase from \$11,000 per year to over \$61,000 for FY 2016, which is expected to go into effect in 30 days. He asks Kadlec to explain the reasoning behind asking for such a large increase. Kadlec says that the FAA (Federal Aviation Administration) mandates that public airports are self-sustaining and they are not. He says that the recommendation is to lease property for 5% to 10% of the appraised value. Schmier says that he read through the information that was provided and it appeared that all the other examples of leased property were to business or revenue producing entities. He says it is difficult to understand how a sewer lagoon could be compared that. Conway explains that they based their calculations on the recent appraisal that was prepared for the 80 acres. Schmier questions how they could compare land that can only be used as a sewer lagoon to developable land. Kadlec says that the land is developable and it could be used for storage or industrial uses. Town Engineer Dick Dyer disagrees and says the area is an RPZ zone and they cannot develop it. Kadlec says the RPZ zone is only 100 feet. Johnson asks Kadlec how did they structure the lease with Energy West? He points out that the Town didn't get the appraisal for the 80 acres until April so it could not have been based on the appraisal. After reflection, Conway and Kadlec agree that the Energy West lease was calculated by square footage. Johnson asks if they can sell the property, but Kadlec believes the land was conveyed by the Forest Service and selling it is prohibited. Johnson suggests that they probably have to give the

property back to the Forest Service if they no longer need it. The Council expresses disapproval with the proposal. Schmier points out that covering an increase of this amount would have to come out of user fees, which they could not raise in 30 days. Conway says that the proposed lease amount is based on the value of the land. He says that if they can come to an agreed value, that is how the lease amount is calculated. Dyer says the value of the land is based on what a willing owner will sell to a willing buyer. He says the value should be based on the history of what the Town has been willing to pay to the airport. Forsythe suggests that they just have the property appraised. Conway says they have tried to do that, but there are really no comparable properties. Johnson suggests that they consider a 6-month extension of the lease at the current rate in order to give them time to work something out. Conway says he thinks that would be acceptable. Conway says that they are trying to comply with the FAA regulations that they lease the property at fair market value. The group agrees to work on the proposal and anticipate having something worked out within six months. Dyer asks if the airport would consider any in-kind assistance in addition to cash, such as extending the sewer service to the airport. Conway responds that that they would be open to such proposals, they would just have to consider the costs and benefits.

The meeting is adjourned. (8:40 PM)

Mayor

ATTEST:

Town Clerk