

MINUTES OF TOWN COUNCIL MEETING
June 6, 2024, 7:00 p.m.
TOWN OF VIRGINIA CITY, MONTANA
Elk's Lodge

Council Present: Justin Gatewood, David Bacon, Amy Grice, Kacey Smart, Greg Jorczyk

Absent: None

Staff Present: Timber Pruett Clerk/Treasurer, Shane Leach PWD, HPO Eric Barsness

Absent: None

Public Present: Tanya Engle, Dirk Smits, Jack Albrecht, Becky DiGiovanna, Ty Cselle (via Zoom), Brittany Cselle (via Zoom), Abby Thomas (via Zoom)

1) Call to Order: Meeting was called to order at 7:03 by Justin Gatewood, Mayor

2) Mayor and Commissioner's Reports/Comments:

a) Councilmember Amy Grice informed the public that she attended a Montana Heritage Commission meeting following the resignation of Elijah Allen, Executive Director. Councilmember Grice asked what the plan for Stonewall Hall is; the response received by Councilmember Grice was that the MHC is committed to finishing the project, but are unsure what that will look like. Councilmember Grice was told that a contractor from Bristlecone would be visiting the site to make an assessment and an estimate for completion. There is a meeting at the Rehearsal Hall tomorrow from 9am to noon for further information.

b) Councilmember Amy Grice mentioned that meetings have been held over the last couple months to see what the public wants to see for the future of Virginia City. The first meeting, which was held in March, was well attended. The second meeting focused on strengths, weaknesses, opportunities, and threats for Virginia City as we move forward. Councilmember Grice has been writing a biweekly column in the Madisonian as a lack of communication was noted as a weakness. The public wants to see the maintenance of a sense of community and participation within the community.

c) Mayor Gatewood noted that the Highway 287 construction project is going as well as can be expected, with chip sealing planned to begin next Thursday, followed by a 30-45 day waiting period before the final paint is applied, including painting a pedestrian/bike lane on either side of the road.

d) Mayor Gatewood mentioned that a number of people have noticed the change in street signs down Wallace Street, which are now green metal signs. According to the highway department, it was necessary to put these up in order to receive the federal funding that paid for the recent construction project. The old signs will return once construction is finished. Mayor Gatewood added that there are currently no plans for a pedestrian lane going up the highway to the campground, and that it would be incumbent upon the Town to get it on the agenda for 2027 in order for that to happen.

e) Mayor Gatewood informed the public that the Town of Virginia City Local Government Review was approved by voters in the recent election, as well as the Madison County Local Government Review. It will be a 18-24 month review process.

3) Public Comments

a) Tanya Engle informed the public that Brothel Days is taking place this weekend.

b) Becky DiGiovanna mentioned that there will be an open house at the Fairweather Inn from 3-6pm next Thursday to show the recent changes.

4) Clerks Report:

Clerk Timber Pruett reported that the audit will take place prior to the next Town Council meeting and that she would be giving a summary of the audit at the next meeting. Clerk Timber Pruett also mentioned that budget work would begin in July, with a preliminary budget being presented to the Town Council in August. Additionally, Clerk Pruett mentioned that nearly all business license applications have been returned and remittances for May are beginning to be turned in.

5) HPO/HPAC Report:

a) HPO Eric Barsness noted that it was a quiet month for HPAC until the discussion about short-term rentals came up. HPAC and HPO Barsness have been working on an excavation permit for excavation done on private property as well. The idea will go back through HPAC and the Public Works Department prior to being seen by the Town Council.

6) New Business:

a) Requested Donation Increase – Thompson Hickman Library

i) Jack Albrecht, the Library Director for the Thompson Hickman Library, presented the plans for the proposed parking lot to the Town Council, noting that a large number of residents don't utilize the library due to inconvenient and inaccessible parking. Jack Albrecht informed the Council and public that Madison County will be putting \$22,000 towards the project, but the full project cost will be around \$100,000. Jack Albrecht, on behalf of the Thompson Hickman Library, is requesting an increase in the annual donation given to the Thompson Hickman Library from the Town of Virginia City.

ii) Mayor Gatewood mentioned that what the Town had of the plans was reviewed by Public Works. Shane Leach, Public Works Director, added that it was unclear where the approach would be for the proposed parking lot. Jack Albrecht explained that the approach would come in from where the schoolhouse is.

iii) Mayor Gatewood noted that this project would have benefit to the Town and that he is in favor of the broad brushstrokes of the project, but that the Town would need more details prior to increasing the donation in support of the project.

MOTION: To table the potential increase in donation to the Thompson Hickman Library until further information is provided and reviewed by Public Works. Motion made by Justin Gatewood; Seconded by Amy Grice. **The question was called.** The motion passed by voice vote, Justin Gatewood, David Bacon, Kacey Smart, Greg Jorczyk, and Amy Grice in favor. None opposed.

b) Cherry Stand – Sean Bogue

- i)** Attendance is required in order for a requested agenda item to be discussed. Sean Bogue, who submitted the Agenda Item Request Form for this agenda item, was not present at the meeting.
- ii)** Mayor Gatewood noted that Virginia City has never allowed itinerant vendors unless they were part of a larger event, such as the Farmers' Market. Mayor Gatewood emphasized the importance of protecting businesses in Town and continuing the aesthetic of Virginia City.

c) Conditional Use Permit – Virginia City Farmacy

- i)** Councilmember David Bacon would like to see more detail on what a micro-cultivation involves. Brittany Cselle, owner of Virginia City Farmacy, explained that they are currently growing product at another location in Ennis, which they plan to use to grow product for as long as possible, but that if something were to happen where growing at that location in Ennis was no longer possible, they would need another physical location for growing in order to maintain their license. There would be no changes to the building and the amount being grown would not exceed the amount that an individual is allowed to grow recreationally without a license.
- ii)** Mayor Gatewood noted that the potential negative impact would be the smell, but that the application outlines carbon filters inside the building as a way of mitigating that. Mayor Gatewood asked if 100% of the smell would be eliminated. Ty Cselle, the other owner of Virginia City Farmacy, explained that the filters scrub the air, filter it, and pull the smell out and that while the vast majority of scent would be eliminated, it would not be 100%. Ty Cselle explained that the plants don't produce an odor until they flower, which would be for around three weeks every three months. Ty Cselle noted that they could schedule the grow process so that the smell wouldn't be present during the high-traffic part of the season.
- iii)** Councilmember Greg Jorczyk mentioned that he would like to see data that shows what percentage of the smell is eliminated by the carbon filters. Mayor Gatewood added that bakeries and restaurants emit an odor that could be offensive to some, and that this Conditional Use isn't to approve the odor but rather to approve the low-medium impact business activity.

MOTION: To approve the Conditional Use Permit for Virginia City Farmacy, with the caveat that a review will occur 3-6 months after growing begins. Motion made by Amy Grice; Seconded by David Bacon. **The question was called.** The motion passed by voice vote, **Justin Gatewood, David Bacon, Kacey Smart, Greg Jorczyk, and Amy Grice** in favor. **None opposed.**

d) Resolution 2024-03 to Establish a Moratorium on Further Addition of Short-Term Rentals within the Town of Virginia City for a Period of Six Months

- i)** Councilmember Amy Grice provided the Town Council with a handout for short-term rental statistics, specifically within Montana and Madison County.
- ii)** Becky DiGiovanna mentioned that a number of the existing short-term rentals are homes that are unlivable in the winter, part of a lived-in home, or a hotel-type structure. Becky DiGiovanna added that we need housing for tourists.
- iii)** Councilmember David Bacon noted that as a tourist town, Virginia City will have a higher percentage of short-term rentals than a lot of other municipalities, but that it is unwise to leave it unlimited.
- iv)** Mayor Gatewood suggested changing the period of time from six months to nine months.

MOTION: To approve Resolution 2024-03 to Establish a Moratorium on Further Addition of Short-Term Rentals within the Town of Virginia City, with the amendment that “six months” is changed to “nine months” across the whole document. Motion made by David Bacon; Seconded by Amy Grice. **The question was called.** The motion passed by voice vote, Justin Gatewood, David Bacon, Kacey Smart, Greg Jorczyk, and Amy Grice in favor. None opposed.

e) Bids for Spring 2 Fence Replacement

i) Two bids have been received for the replacement of fencing around Spring 2. Mayor Gatewood will be removing himself from the discussion and voting and he was one of the bids submitted.

ii) Both bids fit the specifications needed to do the project. One is priced lower than the other.

MOTION: To approve the estimate from Lodgepole Legacy, as it is less expensive. Motion made by Amy Grice; Seconded by Dave Bacon. **The question was called.** Justin Gatewood recused himself from the vote. The motion passed by voice vote, David Bacon, Kacey Smart, Greg Jorczyk, and Amy Grice in favor. None opposed.

f) Seeking Public Works/Parks and Recreation Employee

i) Greg Smart is retiring, and the Town would like to find a replacement as soon as possible.

MOTION: To initiate the process for hiring a part-time public works/parks and recreation employee. Motion made by David Bacon; Seconded by Kacey Smart. **The question was called.** The motion passed by voice vote, Justin Gatewood, David Bacon, Kacey Smart, Greg Jorczyk, and Amy Grice in favor. None opposed.

g) Update on ARPA Water Project

i) Hard Rock Construction has agreed to three different projects that were approved via change order at a previous meeting. No date has been set for the work to begin, but hopefully it will start within the next couple months. The Town is still waiting for DEQ approval for the design of the bypass.

7) Public Works Report:

PWD Shane Leach attended a week class at the end of May and passed the test given there. PWD Leach will begin training with Brad, the Town’s weed sprayer, on the 16th. PWD Leach added that he got the pivot going today and has been performing vehicle maintenance. PWD Leach will be taking the water test this month and the wastewater test soon after.

8) Consent Agenda:

a) Minutes from May 1, 2024

i) Changes to be made:

- Cathy Leach’s amended motion is not amended
- Change “HPO Barsness” to “HPAC and Planning” in the HPAC Report

MOTION: To approve the Minutes from May 1, 2024 as amended. Motion made by Justin Gatewood; Seconded by Amy Grice. David Bacon recused himself from the vote as he was absent. **The question was called.** The motion passed by voice vote, Justin Gatewood, Kacey Smart, Greg Jorczyk, and Amy Grice, in favor. None opposed.

b) Invoices and Checks May 2024

MOTION: To approve the Invoices and Checks for May 2024. Motion made by David Bacon; Seconded by Amy Grice. **The question was called.** The motion passed by voice vote, Justin Gatewood, David Bacon, Kacey Smart, Greg Jorczyk, and Amy Grice in favor. None opposed.

c) Accounts Payable, Receivable, Adjustments, and Electronic Checks May 2024

MOTION: To approve the Accounts Payable, Receivable, Adjustments, and Electronic Checks May 2024. Motion made by Justin Gatewood; Seconded by David Bacon. **The question was called.** The motion passed by voice vote, Justin Gatewood, David Bacon, Kacey Smart, Greg Jorczyk, and Amy Grice in favor. None opposed.

d) Bank Reconciliation for April 2024

MOTION: To table the Bank Reconciliation for April 2024, as it was not included in the Council Packet. Motion made by Justin Gatewood; Seconded by Amy Grice. **The question was called.** The motion passed by voice vote, Justin Gatewood, David Bacon, Kacey Smart, Greg Jorczyk, and Amy Grice in favor. None opposed.

e) Great West Draw

MOTION: To approve the Great West Draw. Motion made by Justin Gatewood; Seconded by David Bacon. **The question was called.** The motion passed by voice vote, Justin Gatewood, David Bacon, Kacey Smart, Greg Jorczyk, and Amy Grice in favor. None opposed.

9) Public Comment:

a) Mayor Gatewood mentioned that the next Town Council meeting will take place on July 1st, as the first Thursday of July is Independence Day. Mayor Gatewood added that the Chamber of Commerce plans to do fireworks for the 4th of July, pending approval from the Fire Department.

10) Adjournment

MOTION: To Adjourn. Motion made by David Bacon; Seconded by Amy Grice. **The question was called:** Motion was passed by voice vote, all in favor. None opposed.

ADJOURNMENT:

Meeting adjourned at 9:29 pm.

Respectfully submitted and attested,

Justin Gatewood
Mayor

Timber Pruett
Clerk Treasurer