

MINUTES OF TOWN COUNCIL MEETING
July 1, 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, HPO Eric Barsness

Absent: Shane Leach PWD

Public Present: Tanya Engle, Don Mefford, Matt Mudd, Kal Poole, Pat Jacobs, Diana Bunitsky

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 David Bacon informed the public that a Planning Board Hearing will be held on July 18th at 6:00pm at the Elk's Lodge regarding short-term rentals in Virginia City. Councilmember Bacon urged the public to attend and give input.

b) Mayor Gatewood mentioned that the highway road construction project is now complete. The construction crew will be back in 30-45 days to do a final touchup.

c) Mayor Gatewood thanked Kal Poole, the new Executive Director for the Montana Heritage Commission, for attending this meeting. Kal Poole introduced himself to the public, noting that he is delighted to have this job and is excited to live and work here.

d) Mayor Gatewood noted that a taco truck was parked in the Montana Heritage Commission parking lot the past weekend. Mayor Gatewood thanked Tanya Engle for explaining to the operators of the taco truck that they are not allowed in Town. The truck was gone shortly after.

e) Mayor Gatewood congratulated Kace Doornbos and Bird Morris on their marriage last week, wishing them luck in the future.

3) Public Comments

a) Pat Jacobs informed the public that she had an update for the Madison County Courthouse, which has been closed since early 2023. Pat Jacobs met with SHPO and gained their support on the most recent designs for the Courthouse. Pat Jacobs mentioned that she is already receiving pushback over the design, largely from people who saw images of the proposed design in the local newspaper and found it overly complicated. The most recent designs include an addition that is larger than anticipated and Pat Jacobs is

trying to scale it down. Pat Jacobs hopes to continue working with HPO Eric Barsness and SHPO, while also looking for guidance and support from the community. There isn't a preliminary cost estimate available for the project yet, but a variety of funding sources are being investigated. Pat Jacobs added that it will potentially go to a public vote and may be on the May 2025 ballot, which would require all information to be together by the end of 2024.

i) Mayor Gatewood voiced concerns about going to the electorate and asking them to fund an \$8-10 million project without framing it against alternatives, noting that the voting population in Madison County is overwhelmingly conservative and that an exorbitant price tag in a vacuum could scare off many voters. Mayor Gatewood added that if the proposed addition were put on the ballot relative to a \$30 million dollar estimate for a new Law and Justice Center, there could be better results. Mayor Gatewood asked Pat Jacobs if she thinks the County Commissioners are planning on giving voters multiple options, to which Pat Jacobs replied that she is unsure. Pat Jacobs mentioned that the design process to create a completely new facility is arduous and would take a lot of time and input, making it difficult to include on a ballot in May.

i) Mayor Gatewood asked why the Courthouse building couldn't be reoccupied tomorrow. Pat Jacobs stated that in her personal opinion, the investment that it would take to get people back in would likely be dollars poorly spent. Mayor Gatewood added that the damage incurred by the accident would've been covered by insurance and those voters may be curious about this. Mayor Gatewood noted that he gives the County and Pat Jacobs lots of credit for trying to address shortcomings with the building during this period, but is confused on why it couldn't be occupied if the building was restored to the state it was in prior to the water leak. Pat Jacobs said that she couldn't speak to that.

i) Mayor Gatewood thanked Pat Jacobs for attending the meeting and giving an update on the Madison County Courthouse, mentioning that the Town supports the endeavor 100%.

b) Tanya Engle mentioned that there is a piano on the boardwalk in front of the Wells Fargo Steakhouse. HPO Barsness is investigating it.

4) Clerks Report:

Clerk Timber Pruett reported that the audit has been completed, and the audit report is included later in the agenda. Clerk Pruett mentioned that Resort Tax season is ramping up, and she is starting to receive remittances for the month of June. There are only a couple of missing Business Licenses.

5) HPO/HPAC Report:

a) HPO Eric Barsness informed the Council that he and Don Mefford, Fire Chief, spoke with the new owners of a property in Town regarding a campfire that the new owners were burning. Fire Chief Don Mefford asked them to put out the fire, but was met with resistance. The Sheriff's Department was called and made an appearance, after which the property owners put out the fire and left. HPO Barsness has been working with Clerk Timber Pruett to sort out the short-term rental data that will be presented later tonight.

6) New Business:

a) Update on ARPA Water Project

i) Matt Mudd, Town Engineer from Great West Engineering, attended the meeting to give the ARPA Water Project Update. The water project was substantially complete in December of 2023, but there are contingency funds remaining in the project budget. The contractor, Hard Rock, was

willing to put in a proposal for a couple of change order items that would use just over \$24,000 of the roughly \$150,000 in contingency funds. The Council recently approved these change order items. There is also a bypass piping system that will be put in around the tank. The DEQ gave comments on the design of the bypass today; the calculations were fine, but some type of blowoff hydrant needed to be added to the design. The design should be approved soon. The cost of the bypass will be roughly \$78,000. All funds need to be allocated by the end of 2024 and spent by the end of 2025. As far as future projects go, a hydrologist has been helping the Town with a petition for a controlled groundwater area in the spring recharge zone. The hydrologist and Matt Mudd have been in calls with the DNRC and the Town Attorney, Ed Guza. Progress is being made and the application is nearly ready to submit.

b) Development Permit Application – Campbell (Fence)

i) The Campbells have proposed a four-foot fence with wood posts and four inch welded wires. HPAC felt that it was not historic, as the Design Review Guidelines require the fence to be either iron or wood. HPAC denied the application and suggested wood or partial wood fencing. Public Works has not reviewed this permit application for proper setbacks.

MOTION: To table the Development Permit Application for the Campbells (Fence). 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.**

c) Short-Term Rental Data and Discussion

i) A temporary moratorium on the addition of further short-term rentals was passed at the last Council meeting. The first order of business is to see what data we have to work with. HPO Barnsness and Clerk Pruett found that there are 172 residences in Virginia City, 13 of which are used as short-term rentals. This puts the Town at 7.5% of residences being used as short-term rentals.

ii) Mayor Gatewood mentioned that the pushback the Town has received so far has been largely based off misinformation that the Town has shut down short-term rentals in perpetuity. It is temporary, though, while the Town Council and Planning Board assess the situation and develop policy to benefit the community.

d) Miller Conditional Use Application

i) The Millers submitted a Conditional Use Application in August of 2023 and followed the process to obtain a conditional use for a short-term rental. This application should've gone before the Town Council in November of 2023, prior to the passage of the temporary moratorium on short-term rentals. The Town Attorney advised the Town Council to put it before the Council at our next meeting, as the moratorium is not retroactive.

MOTION: To approve the Miller Conditional Use Application for a Short-Term Rental, subject to a County permit being obtained. 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.**

e) July 4th Celebration and Fire Department Actions – Fire Chief Don Mefford

i) Don Mefford, Fire Chief, informed the public that the weather has been good, with lots of moisture. Chief Mefford confirmed that fireworks will take place, barring any abnormal weather

on the 4th. Signs will be posted to remind the public that personal fireworks are prohibited in Town.

f) Audit Report for FY2022-2023

i) Corrections to be made:

- Page 37: change “County” to “Town”
- Page 43: the stamp is no longer in use

g) Closing Applications for the Public Works/Parks and Recreation Employee

i) Applications for this position were opened at the June meeting. There is currently one application submitted and a couple of other interested parties.

MOTION: To close the application process on July 8, 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.

h) HB355 Pump Quote – APE

MOTION: To approve the quote for the pumps from APE. 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.

7) Public Works Report:

PWD Shane Leach was unable to attend the meeting, but prepared the following report to be given in his absence: There was a sewer overflow on June 23rd. Public Works brought out the jetter and got it flowing. A camera was ran up the line on Monday and found what is believed to be another chunk of concrete. Excavation will be needed to remove the blockage and prevent future overflows. A Sanitary Sewer Overflow form was filled out and sent to the DRQ, which will possible help with funding for the repair. A screen was placed in the sewer line to help prevent more overflows.

8) Consent Agenda:

a) Minutes from June 6, 2024

i) Changes to be made:

- Agenda Item 7: change “week” to “weed”
- Agenda Item 2b: change “maintenance of sense of community” to “public want sto maintain a sense of community”
- Agenda Item 6b: fix spelling of “never”
- Agenda Item 6b: add “art show” after “farmers market”
- Agenda Item 6e: change “and he was one of the bids submitted” to “as he is one of the bidders”

MOTION: To approve the Minutes from June 6, 2024 as amended. 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) Invoices and Checks June 2024

MOTION: To approve the Invoices and Checks for June 2024, with the caveat that the Northwestern Energy bill will be received and paid outside of this forum. 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.

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

MOTION: To approve the Accounts Payable, Receivable, Adjustments, and Electronic Checks June 2024. 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) Bank Reconciliation for April 2024

MOTION: To approve the Bank Reconciliation for April 2024. Motion made by Justin Gatewood; 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.

e) Bank Reconciliation for May 2024

MOTION: To approve the Bank Reconciliation for 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.

e) Great West Draw

None this month.

9) Public Comment:

None.

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 8:50 pm.

Respectfully submitted and attested,

Justin Gatewood
Mayor

Timber Pruett
Clerk Treasurer