



**CITY COUNCIL WORK SESSION
CITY COUNCIL CHAMBER CONFERENCE ROOM
1005 BAKER AVENUE
MONDAY, JULY 18, 2016
5:00 TO 6:15 PM**

1. Call to Order
 2. 5:00 to 5:45 – Discuss possibility of selling or leasing the parking lot at 3rd and Central Avenue for development consistent with Downtown Master Plan
 3. 5:45 to 6:00 - FY17 Budget Update – Cash balances at start of year
 4. Public Comment
 5. Provide direction to City Manager on the above topics
-

**CITY COUNCIL SPECIAL SESSION
6:15 TO 7:00 P.M.**

6. Call to Order
7. Interviews
 - a. 6:15 Ed Doctor – Wisconsin Avenue Corridor Steering Committee
 - b. 6:25 Reeves Stanwood – Wisconsin Avenue Corridor Steering Committee
 - c. 6:35 Mary Person – Wisconsin Avenue Corridor Steering Committee
 - d. 6:45 Steve Qunell- Whitefish Planning Board
8. Public Comment
9. Appointments
 - a. Wisconsin Avenue Corridor Steering Committee- 3 Positions- Council Appointment
 1. One (1) Residential owner-occupied property owner within the Wisconsin Corridor
 2. Two (2) “At large” Whitefish residents
 - b. Whitefish Planning Board – 1 Position – term ending December 31, 2017 – Council Appointment

Note - If time runs out before all appointments are made, time has been set aside to make them during the Regular Council Session under Communications from Mayor and City Councilors.

10. Adjourn

CENTRAL AVENUE SOUTH - RETAIL ANCHOR

A retail anchor is envisioned to replace the existing municipal parking lot at the southwest corner of Central and Third.

- As part of the redevelopment, a replacement parking facility (lot or long term future structure) site has been identified for the half block site between Third and Fourth Streets along Baker Avenue. The site should be acquired by the City and constructed before or concurrently with the redevelopment of the existing parking lot.
- Existing commercial uses fronting Third Street may remain or the parcels may be redeveloped as multi-story commercial buildings.
- The retail anchor building may be a single use or may include upper floor uses such as lodging, office, or residential uses.
- The removal of retail serving parking on the corner of Third and Central should not take place unless replacement parking is provided. Replacement parking should be relocated to serve Central Avenue retail.

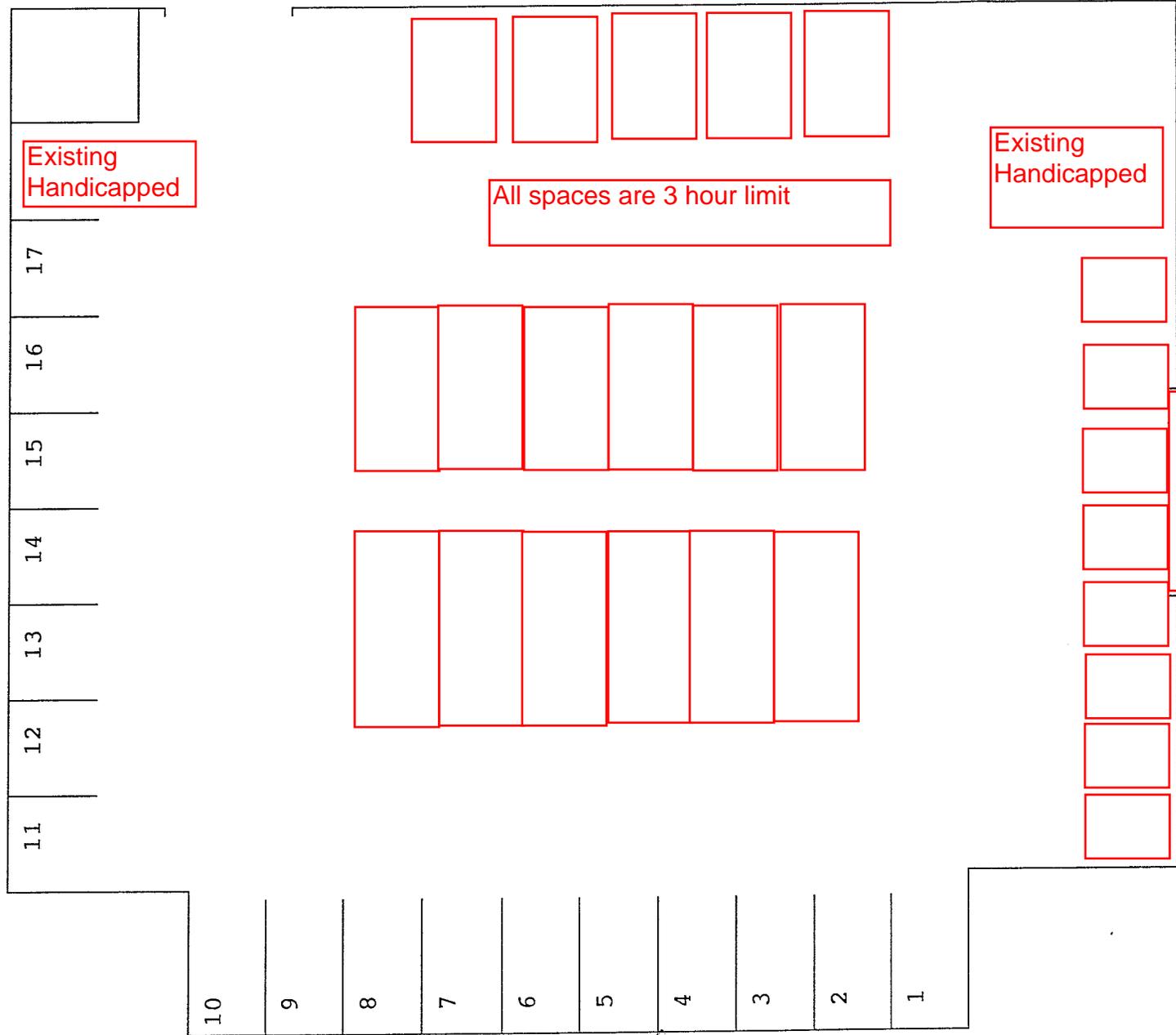
Retail Anchor & Parking Plan



North →

3RD STREET LOT
(Western Way Parking Lot)

(ALLEY)



3RD STREET - 44 spaces incl 2 hdcp

City owns 5 lots, each 25' X 130' for 16,250 square feet or 0.37 acres

Existing Handicapped

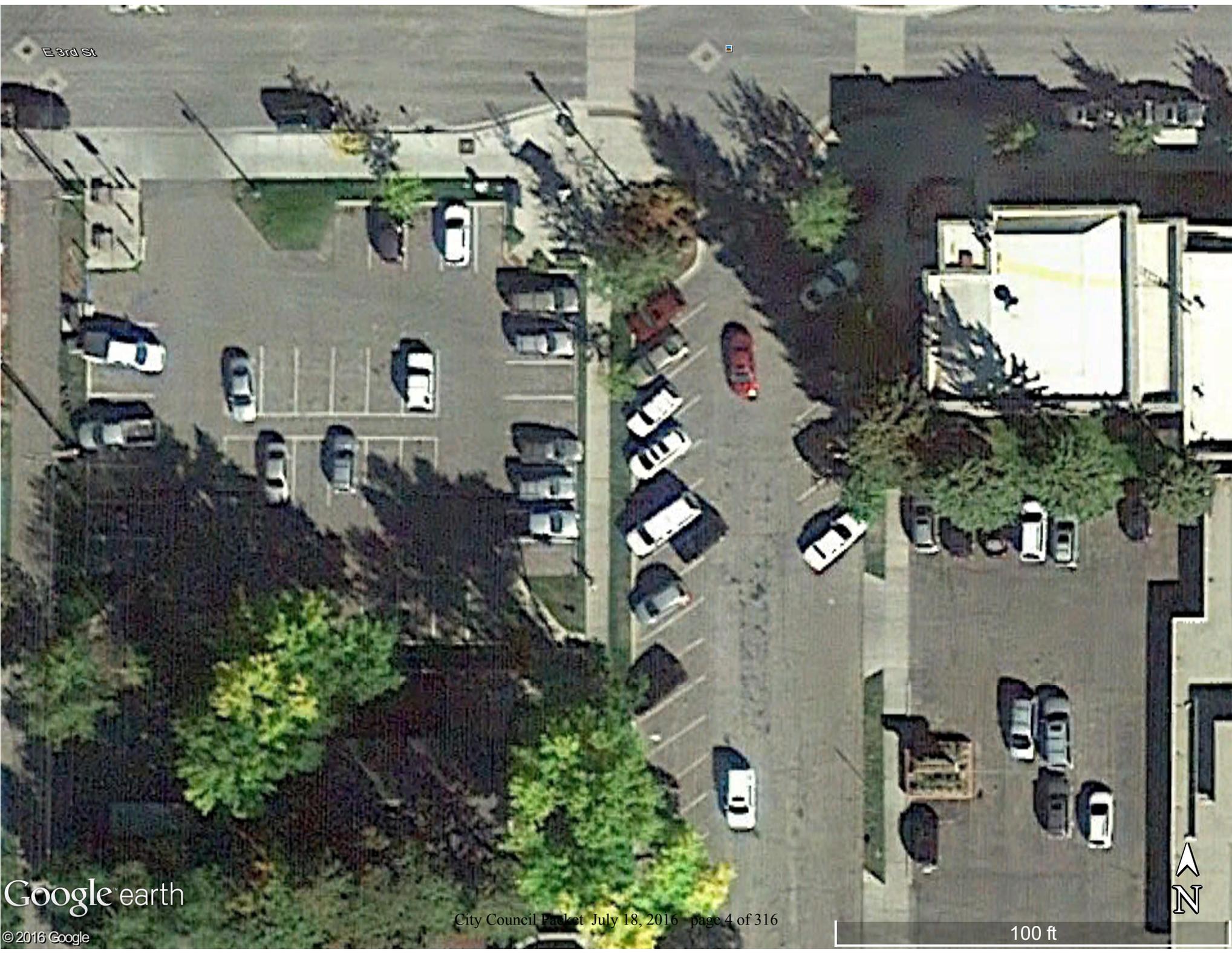
All spaces are 3 hour limit

Existing Handicapped

CENTRAL AVENUE

24 Hour

E 3rd St



Google earth

© 2016 Google



Michelle Howke

From: tamarack ski <tamarackski@gmail.com>
Sent: Thursday, July 07, 2016 5:20 PM
To: Michelle Howke
Subject: RE: My apologies

I am interested and I will make sure I am available for the next interview, thank you Michelle

On Jul 7, 2016 3:10 PM, "Michelle Howke" <mhowke@cityofwhitefish.org> wrote:

Ed,

I wanted to send one more reminder, tomorrow, July 8th, is the deadline if you are interested in serving on the Wisconsin Avenue Corridor Steering Committee.

Thank you,

Michelle Howke

Whitefish City Clerk

P.O. Box 158

Whitefish, MT 59937

[406-863-2402](tel:406-863-2402)

mhowke@cityofwhitefish.org

From: tamarack ski [mailto:tamarackski@gmail.com]
Sent: Wednesday, June 22, 2016 3:37 PM
To: Michelle Howke <mhowke@cityofwhitefish.org>
Subject: RE: My apologies

Thank you Michelle,
I will think long and hard about this as I did not imagine how busy I would really be once we opened this Tap House , again thanks a lot

On Jun 21, 2016 1:44 PM, "Michelle Howke" <mhowke@cityofwhitefish.org> wrote:

Ed,

Thank you for your apology. Council did appoint Tim Hinderman to represent commercial or retail interests. We will be re-advertising for one (1) residential owner-occupied property owner and two (2) members "at large". I can reschedule you for an interview July 18th, if you are still interested.

Please let me know prior to July 8th, 2016.

Thank you,

Michelle Howke

Whitefish City Clerk

P.O. Box 158

Whitefish, MT 59937

[406-863-2402](tel:406-863-2402)

mhowke@cityofwhitefish.org

From: tamarack ski [mailto:tamarackski@gmail.com]

Sent: Monday, June 20, 2016 9:44 PM

To: Michelle Howke <mhowke@cityofwhitefish.org>

Subject: My apologies

Mayor and Council,

Please accept my apology for missing tonight's interview, I was very busy at work and time got way from me. I hope you can understand. I did want to be a part of this committee, as I care about the future of Wisconsin

Ave. Again please accept my apology .
Ed Docter

Michelle Howke

From: tamarack ski <tamarackski@gmail.com>
Sent: Monday, June 20, 2016 9:44 PM
To: Michelle Howke
Subject: My apologies

Mayor and Council,

Please accept my apology for missing tonight's interview, I was very busy at work and time got way from me. I hope you can understand. I did want to be a part of this committee, as I care about the future of Wisconsin Ave.

Again please accept my apology .

Ed Docter

Michelle Howke

From: tamarack ski <tamarackski@gmail.com>
Sent: Friday, June 10, 2016 4:09 PM
To: Michelle Howke
Subject: RE: Wisconsin Ave corridor committee

To the Mayor and Council,

I am interested in a position on the Wisconsin Ave corridor committee. I have owned and operated Tamarack Ski and Lake Shop since 1999 and currently manage the new Montana Tap House on Wisconsin Ave. I have 16 years experience on Wisconsin Ave and would like to offer any input I can.

Ed Docter 505 Wisconsin Ave. 261-9535

Thanks you.

On Jun 10, 2016 12:02 PM, "Michelle Howke" <mhowke@cityofwhitefish.org> wrote:

I wanted to remind you I will need your information today by 5:00 pm. If you could just elaborate a bit more on your interest below and include your Name, Address and Phone Number.

Thank you,

Michelle Howke

Whitefish City Clerk

P.O. Box 158

Whitefish, MT 59937

[406-863-2402](tel:406-863-2402)

mhowke@cityofwhitefish.org

From: tamarack ski [mailto:tamarackski@gmail.com]
Sent: Tuesday, June 07, 2016 10:18 AM
To: Michelle Howke <mhowke@cityofwhitefish.org>
Subject: Wisconsin Ave corridor committee

Michele,

I am applying to be a part of the Wisconsin Ave corridor committee. I own Tamarack Ski and Lake Shop since 1999 and manage the new Montana Tap House located at 845 Wisconsin Ave.

received
6-13-16

Reeves Stanwood

Owner Piggyback BBQ

102 Wisconsin Ave Whitefish, MT
406-863-9895
reeves@piggybackbbq.com

6/10/2016

Mayor Muhlfeld & Council Members,

I am interested in joining the Wisconsin Corridor Committee. I have been the owner of Piggyback BBQ since April of 2010 and have just resigned my lease for 102 Wisconsin for another 5 years. I believe having a quality and respectful balance between the business community and residential community is imperative. I have felt for a long time that this area is as distinct, being the gateway to the city's biggest attractions, Whitefish Mountain Resort as well as city beach. In addition to my business we have been residents as well, 430 Wisconsin has been home to us for the last six years.

I am anticipating substantial growth in the area, both residential and commercial. The addition of a taproom, brewery, and distillery have increased revenues as well as creating "destination" type district in tandem with the preexisting shopping, dining, lodging and offices. As a business owner, I know the effect that this expansion is having, on not just the corridor but all of Whitefish. I also know the residential community is struggling with the additional volumes of traffic in the area. I realize the community has concerns with road safety, parking and noise. I feel I can bring the knowledge and experience you are looking for if you chose me to join the committee. Thank you for your time and consideration.

Warm regards,



Reeves Stanwood

Piggyback BBQ & Catering

102 Wisconsin Ave.

Whitefish, MT

Michelle Howke

From: Mary Person <harbor@centurytel.net>
Sent: Wednesday, June 29, 2016 7:04 PM
To: Michelle Howke
Subject: Re: Wisconsin Ave. Corridor Committee

Sure Michelle, that sounds fine. Will do my best to make it.
Best,
Mary

Mary Person
Broker/Owner
Harbor Mountain Properties
P.O. Box 4389
603 Wisconsin Ave.
Whitefish, Mt. 59937
800-883-2506
406-862-5511
harbor@centurytel.net
www.harbormtnproperties.com

On Jun 27, 2016, at 10:52 AM, Michelle Howke <mhowke@cityofwhitefish.org> wrote:

Mary,

I am glad you found it. If you are still interested I can include you in the interviews for July 18th.

Thank you,
Michelle

From: Mary Person [<mailto:harbor@centurytel.net>]
Sent: Monday, June 27, 2016 10:47 AM
To: Michelle Howke <mhowke@cityofwhitefish.org>
Subject: Fwd: Wisconsin Ave. Corridor Committee

Michelle;

I just found it, but I believe I now see that I had the address wrong.
So sorry!
Best,
Mary

Begin forwarded message:

From: Mary Person <harbor@centurytel.net>
Subject: Wisconsin Ave. Corridor Committee
Date: June 3, 2016 at 1:46:05 PM MDT
To: mhowke@cityofwhitefish.org

Hi Michelle;

I have a real estate/property management company on the corner of Wisconsin and Denver at 603 Wisconsin Ave. I have been meaning to send you my note of interest in participating in the Wisconsin Ave. corridor committee. It is a busy time of year for all of us, but I would do my best to attend the meetings and participate in any way I can.
Please let me know if I can be of service.

Best regards,

Mary Person
Broker/Owner
Harbor Mountain Properties
P.O. Box 4389
603 Wisconsin Ave.
Whitefish, Mt. 59937
800-883-2506
406-862-5511
406-250-6498

Michelle Howke

From: stevequnell@gmail.com on behalf of Steve Qunell <squnell@post.harvard.edu>
Sent: Thursday, July 07, 2016 2:43 PM
To: Michelle Howke
Subject: Planning Board opening

Hi Michelle,

I recently learned from Frank Sweeney that there is an opening on the Planning Board. I would like to be considered for the opening. I served on the Planning Board from 2006-2009 and I am currently on the Board of Adjustment.

Please let me know if you need me to write an official letter or if this email will suffice.

Regards,
Steve Qunell



PUBLIC NOTICE

VACANCIES ON CITY BOARDS/COMMITTEES

IMPACT FEE ADVISORY COMMITTEE – Two positions, openings are for a person from a Certified Public Accountant, term ending December 2017; and a Member at Large, term ending December 2016. Applicant either lives or works within the Whitefish zoning jurisdiction. The Committee meets once a year.

WISCONSIN AVENUE CORRIDOR PLAN STEERING COMMITTEE- Three (3) positions open to one (1) residential owner-occupied property owners within the Wisconsin Avenue Corridor, two (2) “at large” Whitefish residents. The Committee shall meet as often as necessary, and shall be disbanded as of June 1, 2017 or earlier.

WHITEFISH PLANNING BOARD- One (1) position, term ending December 31, 2017, open to City Resident. The Committee meets once a month.

Interested citizens – Please submit a letter of interest to serve on the above committees to the Whitefish City Clerk’s Office at 1005 Baker Avenue or mail to P.O. Box 158, Whitefish, MT 59937, by **Friday, July 8th, 2016**. Interviews will be July 18, 2016 as needed. Thereafter, if vacancies still exist, letters of interest will be accepted until the positions are filled. If you have any questions, please call the City Clerk’s Office at 863-2400 or visit the City’s website: www.cityofwhitefish.org *THANK YOU FOR YOUR INTEREST*

RESOLUTION NO. 16-16

A Resolution of the City Council of the City of Whitefish, Montana, establishing the Wisconsin Avenue Corridor Plan Steering Committee.

BE IT RESOLVED by the City Council of the City of Whitefish, Montana, as follows:

Section 1: There is hereby established the Wisconsin Avenue Corridor Plan Steering Committee (the "Committee").

Section 2: The general purpose of the Committee shall be to serve as the primary sounding board to work through the planning process with the consultant and members of the public to establish a development policy for the Wisconsin Avenue Corridor study district.

Section 3: The Committee shall consist of eleven (11) individuals appointed by the City Council with representation as follows: Two (2) City Council members, one (1) Whitefish City County Planning Board representative, one (1) business owner in the corridor representing resort or recreation interests; one (1) business owner representing commercial or retail interests; (1) business owner representing professional interests; (2) residential owner-occupied property owners; one (1) residential investment or multifamily property owner, two (2) "at large" Whitefish residents. City staff may be appointed as ex officio members. The Committee members shall select a Chairperson from the members of the Committee. The Committee shall appoint one member as Secretary of the Committee, who shall keep minutes of all meetings and submit them to the City Clerk. Six (6) members shall constitute a quorum. The Committee shall meet as often as necessary to accomplish its general purpose, as described above. The Committee shall cease to exist as provided in Section 4.

Section 4: The Committee shall begin its deliberations as soon as practical after creation of the Committee. The Committee shall meet for two hours at a time on at least six occasions, with the dates and times to be determined by the Planning Consultant, Applied Communications. The Committee shall be disbanded as of June 1, 2017, or earlier if the City Council completes its consideration of the Committee's report prior to that date.

Section 5: A member of the Committee may be removed by the City Council, after a hearing for misconduct or nonperformance of duty. Absences from three (3) consecutive meetings, including regular and special work sessions, or absences from more than fifty percent (50%) of such meetings held during the calendar year shall constitute grounds for removal. Circumstances of the absences shall be considered by the City Council prior to removal. Any person who knows in advance of his or her inability to attend a specific meeting shall notify the Chairperson of the Committee at least twenty-four (24) hours prior to any scheduled meeting.

Section 6: Any vacancy occurring on the Committee shall be filled in the same manner that the initial position was filled.

Section 7: The Committee shall not have authority to make any expenditure on behalf of the City or disburse any funds provided by the City or to obligate the City for any funds.

Section 8: The Committee shall have no authority to direct City staff with respect to any matter, but may request information and assistance from City staff.

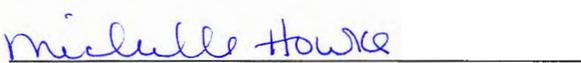
Section 9: This Resolution shall take effect immediately upon its adoption by the City Council, and signing by the Mayor thereof.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, ON THIS 18TH DAY OF APRIL, 2016.



John M. Muhlfeld, Mayor

ATTEST:



Michelle Howke, City Clerk

WISCONSIN AVENUE CORRIDOR STEERING COMMITTEE RES 16-16

- | | | |
|---|--|------------------------------------|
| 1. Councilor Feury | afeury@cityofwhitefish.org | 406-250-4179 |
| 2. Council Barberis | pbarberis@cityofwhitefish.org | 406-871-0223 |
| 3. City County Planning Board Member | | |
| 4. Kent Taylor
Resort-Recreation Interest | 1735 E. Lakeshore Dr, WF
info@hiddenmooselodge.com | (406)261-6516
(406)862-6516 (O) |
| 5. Tim Hinderman
Commercial or Retail Interest | PO Box 4848, Whitefish
tim.hinderman@fvsef.org | (406)885-2730 |
| 6. Tom Tornow
Professional Interests | 309 Wisconsin Ave, WF
tom@tornowlaw.com | (406)862-7450 (O) |
| 7. Toby Scott
Owner-occupied property owner | PO Box 367, WF
tobyscott2@gmail.com | (406)862-4708
(406)250-7004 (c) |

8. Resident owner-occupied property owners

- | | | |
|--|--|---------------|
| 9. Carol Atkinson
Residential investment or multifamily | PO Box 370, WF
rhcbatkinson@hotmail.com | (406)862-7591 |
|--|--|---------------|

10. "At large" Whitefish resident

11. "At large" Whitefish resident

Chapter 15

WHITEFISH PLANNING BOARD

2-15-1: STANDING COMMITTEE ESTABLISHED:

Pursuant to and under the provisions of title 76, Montana Code Annotated, the city council of the city of Whitefish does create and establish a city planning board to be known as the "Whitefish planning board" consistent with state law. (Ord. 14-08, 9-15-2014)

2-15-2: PURPOSE, POWERS AND DUTIES:

By this chapter, the city council of the city of Whitefish adopts all of the sections of the laws of Montana aforementioned that specifically pertain to a city planning board, granting and delegating to the Whitefish planning board all of the rights, privileges, powers, duties, and responsibilities thereto appertaining. The Whitefish planning board shall have such jurisdiction as provided by state law. (Ord. 14-08, 9-15-2014)

2-15-3: MEMBERSHIP:

The Whitefish planning board shall consist of seven (7) members, residing within the corporate limits of the city of Whitefish, to be appointed as follows:

- A. One member appointed by the city council from its own membership;
- B. One member appointed by the city council who, at the council's discretion, may be an employee of the city of Whitefish or hold public office in Whitefish or Flathead County;
- C. One member appointed by the mayor upon designation by the Flathead County board of commissioners, who may be a member of the board of county commissioners or an office holder or employee of the county; and
- D. Four (4) citizen members appointed by the mayor, who shall be qualified by knowledge and experience in matters pertaining to the development of the city.

Board members shall receive no compensation. (Ord. 14-08, 9-15-2014)

City Council Packet July 18, 2016 page 18 of 316

2-15-4: TERMS; POSITIONS:

Board terms shall be two (2) years. There are hereby created positions numbered 1 through 7 inclusive of the members of the Whitefish planning board. Members serving on the effective date of this chapter shall be assigned to positions that correspond with the following expiration dates:

Position Number	Term Expiration Date
1	December 31, 2015
2	December 31, 2015
3	December 31, 2015
4	December 31, 2015
5	December 31, 2016
6	December 31, 2016
7	December 31, 2016

As each of the above listed expiration dates has past, a member appointed to the position shall serve for a two (2) year term. Terms shall begin on January 1 following the initial expiration of the preceding term. At the discretion of the city council, members may be appointed for more than one term. (Ord. 14-08, 9-15-2014)

2-15-5: REMOVAL OF MEMBER:

A member of Whitefish planning board may be removed from the board by majority vote of the city council for cause upon written charges and after a public hearing. Wilful disregard of state statutes, city ordinances and the rules of procedure of the board, or absences from three (3) consecutive meetings, including regular and special work sessions, or absences from more than fifty percent (50%) of such meetings held during the calendar year shall constitute cause for removal. Circumstances of the absences shall be considered by the city council prior to removal. Any person who knows in advance of his or her inability to attend a specific meeting shall notify the chair or secretary of Whitefish planning board at least twenty four (24) hours prior to any scheduled meeting. (Ord. 14-08, 9-15-2014)

2-15-6: VACANCY:

Pursuant to sections [2-15-3](#) and [2-15-4](#) of this chapter, any vacancy on Whitefish planning board shall be filled by the city council acting in a regular or special session for the unexpired term of the position wherein the vacancy exists. The city council may appoint members of the city council to temporarily fill vacant positions on Whitefish planning board. (Ord. 14-08, 9-15-2014)

2-15-7: ORGANIZATION:

Whitefish planning board, at its first meeting after January 1 of each year, shall elect a chair and vice chair for the next twelve (12) month period. Upon the absence of the chair, the vice chair shall serve as chair pro tem. If a vacancy occurs in the chair or vice chair position, the board shall elect a member to fill the vacancy at the next meeting. (Ord. 14-08, 9-15-2014)

2-15-8: MEETINGS; RULES AND REGULATIONS:

Four (4) members of Whitefish planning board shall constitute a quorum. Not less than a quorum of the board may transact any business or conduct any proceedings before the board. The concurring vote of four (4) members of the board shall be necessary to decide any question or matter before the board, except a motion for a continuance and motions to elect a chair and vice chair may be decided by a simple majority vote of the board. The board shall adopt rules of procedure for the conduct of meetings consistent with statutes, the city charter, ordinances and resolutions. Meetings of the board shall be held at the call of the chair and at such other times as the board may determine. All meetings shall be open to the public. (Ord. 14-08, 9-15-2014)

2-15-9: EXPENDITURE AUTHORIZED:

Whitefish planning board shall not have authority to make any expenditures on behalf of the city or disburse any funds provided by the city or to obligate the city for any funds except as has been included in the city budget and after the city council shall have authorized the expenditure by resolution, which resolution shall provide the administrative method by which funds shall be drawn and expended. (Ord. 14-08, 9-15-2014)

WHITEFISH PLANNING BOARD- WCC 2-15 MEET 3RD THURSDAY OF THE MONTH - 2 YEAR TERMS

Councilor Hildner	PO Box 158	862-2831	12/31/2017 Council Appoint
Councilor Sweeney-Alternate	PO Box 158	862-2831	12/31/2017 Council Appoint
Vacant			12/31/2017 Council Appoint
Jim Laidlaw	1230 Lion Mountain Drive	250-1473	12/31/2017 County Appoint
Ken Meckel- Chairmain	1129 W. 7th Street	862-5682	12/31/2016 Mayoral Appoint
Ken Stein	509 E. 6th Street	250-0599	12/31/2016 Mayoral Appoint
Rebecca Norton	530 Scott Ave	406-762-8175	12/31/2016 Mayoral Appoint
John Ellis	PO Box 520	250-4328	12/31/2016 Mayoral Appoint

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CITY COUNCIL REGULAR MEETING AGENDA

The following is a summary of the items to come before the City Council at its regular session to be held on Monday, July 18, 2016, at **7:10 p.m.** at Interim City Hall, 1005 Baker Avenue.

Ordinance numbers start with 16-13. Resolution numbers start with 16-30.

- 1) CALL TO ORDER
- 2) PLEDGE OF ALLEGIANCE
- 3) PRESENTATIONS – FY15 Audit Report – Bob Denning of Denning, Downey, and Associates (p. 36)
- 4) COMMUNICATIONS FROM THE PUBLIC – (This time is set aside for the public to comment on items that are either on the agenda, but not a public hearing or on items not on the agenda. City officials do not respond during these comments, but may respond or follow-up later on the agenda or at another time. The Mayor has the option of limiting such communications to three minutes depending on the number of citizens who want to comment and the length of the meeting agenda)
- 5) COMMUNICATIONS FROM VOLUNTEER BOARDS
- 6) CONSENT AGENDA
 - a) Minutes from July 5, 2016 Special Meeting (p. 113)
 - b) Minutes from July 5, 2016 Regular Meeting (p. 114)
 - c) Ordinance No. 16-11; An Ordinance rezoning approximately 4.73 acres of land located at 325 Haugen Heights Road, in Section 27, Township 31 North, Range 22 West, Whitefish, Montana, from County R-2.5 (Rural Residential District) to City WER (Estate Residential District) and adopting findings with respect to such rezone (2nd Reading) (p. 131)
 - d) Ordinance No. 16-12; An Ordinance rezoning approximately 0.11 acres of land known as Tract 1MA in the Southeast Quarter of the Northwest Quarter (SE1/4NW1/4) Northern Portion, and Tract 1B, Tract 1-0 in the Southeast Quarter of the Northwest Quarter (SE1/4NW1/4) Southern Portion, of Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County, from County RR-1 (Low Density Resort Residential District) to City WRR-1 (Low Density Resort Residential District) and adopting findings with respect to such rezone (2nd Reading) (p.138)

- 7) **PUBLIC HEARINGS** (Items will be considered for action after public hearings) (Resolution No. 07-33 establishes a 30 minute time limit for applicant's land use presentations. Ordinances require 4 votes for passage – Section 1-6-2 (E)(3) WCC)
- a) Resolution No. 16-___; A Resolution denying a conditional use permit for a three story 81-room Marriott TownePlace Suites at 6361 Highway 93 South (p. 138)
 - b) Resolution No. 16-___; A Resolution extending the corporate limits of the City of Whitefish, Montana, to annex within the boundaries of the City certain tracts of wholly surrounded land on West Lakeshore Drive (p. 233)
- 8) **COMMUNICATIONS FROM PARKS AND RECREATION DIRECTOR**
- a) Consideration of approving Amendment #1 to the contract with TD&H Engineering for final design, bidding, and construction services for Riverside Tennis Courts (p. 273)
- 9) **COMMUNICATIONS FROM CITY MANAGER**
- a) Written report enclosed with the packet. Questions from Mayor or Council? (p. 282)
 - b) Other items arising between July 13th and July 18th
 - c) Resolution No. 16-___; A Resolution adopting revisions to the Consultant Selection Policy (p. 297)
- 10) **COMMUNICATIONS FROM CITY ATTORNEY**
- a) Resolution No. 16-___; A Resolution adopting revisions to the Sanitary Sewer Connection Policy contained in the City Council Policy Manual and establishing a Deferred Annexation Policy for areas affecting Whitefish Lake with Septic Leachate (p. 308)
- 11) **COMMUNICATIONS FROM MAYOR AND CITY COUNCILORS**
- a) Resolution No. 16-___; A Resolution expressing support for and solidarity with the City of Whitefish Police Department and other emergency service providers in the area (forthcoming from Councilor Sweeney – not in packet)
 - b) Consideration of making appointments to volunteer boards, committees, and commissions not made during special session earlier tonight (p. 1)
- 12) **ADJOURNMENT** (Resolution 08-10 establishes 11:00 p.m. as end of meeting unless extended to 11:30 by majority)



The following Principles for Civil Dialogue are adopted on 2/20/2007 for use by the City Council and by all boards, committees and personnel of the City of Whitefish:

- We provide a safe environment where individual perspectives are respected, heard, and acknowledged.
- We are responsible for respectful and courteous dialogue and participation.
- We respect diverse opinions as a means to find solutions based on common ground.
- We encourage and value broad community participation.
- We encourage creative approaches to engage public participation.
- We value informed decision-making and take personal responsibility to educate and be educated.
- We believe that respectful public dialogue fosters healthy community relationships, understanding, and problem-solving.
- We acknowledge, consider and respect the natural tensions created by collaboration, change and transition.
- We follow the rules and guidelines established for each meeting.

Adopted by Resolution 07-09
February 20, 2007

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July 13, 2016

The Honorable Mayor Muhlfeld and City Councilors
City of Whitefish
Whitefish, Montana

Mayor Muhlfeld and City Councilors:

Monday, July 18, 2016 City Council Agenda Report

There will be a work session at 5:00 p.m. to discuss the possibility of selling or leasing the parking lot at 3rd and Central for redevelopment, a possible budget update if we have beginning of the year cash balances, and interviews for committee vacancies. Food will be provided.

The regular Council meeting will begin at 7:10 p.m.

CONSENT AGENDA

- a) Minutes from July 5, 2016 Special Meeting (p. 113)
- b) Minutes from July 5, 2016 Regular Meeting (p. 114)
- c) Ordinance No. 16-11; An Ordinance rezoning approximately 4.73 acres of land located at 325 Haugen Heights Road, in Section 27, Township 31 North, Range 22 West, Whitefish, Montana, from County R-2.5 (Rural Residential District) to City WER (Estate Residential District) and adopting findings with respect to such rezone (2nd Reading) (p. 131)
- d) Ordinance No. 16-12; An Ordinance rezoning approximately 0.11 acres of land known as Tract 1MA in the Southeast Quarter of the Northwest Quarter (SE1/4NW1/4) Northern Portion, and Tract 1B, Tract 1-0 in the Southeast Quarter of the Northwest Quarter (SE1/4NW1/4) Southern Portion, of Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County, from County RR-1 (Low Density Resort Residential District) to City WRR-1 (Low Density Resort Residential District) and adopting findings with respect to such rezone (2nd Reading) (p. 134)

RECOMMENDATION: Staff respectfully recommends the City Council approve the Consent Agenda.

Items a and b are administrative matters. Items c and d are quasi-judicial matters.

PUBLIC HEARINGS (Items will be considered for action after public hearings) (Resolution No. 07-33 establishes a 30 minute time limit for applicant's land use presentations. Ordinances require 4 votes for passage – Section 1-6-2 (E)(3) WCC)

- a) Resolution No. 16-___; A Resolution denying a conditional use permit for a three story 81-room Marriott TownePlace Suites at 6361 Highway 93 South (p. 138)

From Senior Planner Wendy Compton-Ring's transmittal memo:

Background: At the City Council meeting on July 5, 2016, the Council did not pass a motion to approve the Conditional Use Permit for the Marriott Towneplace Suites. Instead, the Council directed staff to come back with findings of fact for denial of the project. This resolution is attached to this report for Council review.

Prior to this motion being adopted by the Council, a number of amendments were made to the Planning Board recommended conditions of approval. These are attached in Exhibit 'B' to this report for your reference. Also, the Planning Board recommended Findings of Fact are attached in Exhibit 'B'.

Summary of Requested Action: Jordan Scott on behalf of Whitefish TP, LLC is proposing to develop a three story 81-room Marriott Towneplace Suites with 90 off-street parking spaces at 6361 Highway 93 S. The property is undeveloped and is zoned WB-2 (Secondary Business District). The Whitefish Growth Policy designates this property as 'General Commercial'.

Planning & Building Department Recommendation: Staff recommended approval of the Conditional Use Permit applications dated May 2, 2016 subject to 16 conditions set forth in the staff report.

Public Hearing: The applicant and representatives spoke at the June 21, 2016 public hearing and two members of the public also spoke. These comments and the draft minutes for this item are attached as part of this packet.

Planning Board Action: The Whitefish Planning Board met on June 21, 2016 and considered the request. Following the hearing, the Planning Board unanimously recommended approval. In making their decision, the Planning Board adopted staff report WCUP 16-04 with Findings of Fact and recommended Conditions of Approval.

There are a full staff report, Planning Board draft minutes and other documents in the packet.

RECOMMENDATION:

If the Council Wishes to Deny the Project, Staff Suggests the Following Motion:

After considering the public testimony and the recommendations from the Planning Board and Staff, approve Resolution No. 16-___; A Resolution denying a conditional use permit for a three story 81-room Marriott TownePlace Suites at 6361 Highway 93 South.

Staff continues to recommend that the City Council pass the following motion:

Staff respectfully recommends the City Council, after considering the public testimony and the recommendations from the Planning Board and Staff, approve a Conditional Use Permit to develop a three story, 81-room Marriott Towneplace Suites with 90 off-street parking spaces at 6361 Highway 93 South based on the findings of fact in the original staff report.

This item is a quasi-judicial matter.

- b) Resolution No. 16-___; A Resolution extending the corporate limits of the City of Whitefish, Montana, to annex within the boundaries of the City certain tracts of wholly surrounded land on West Lakeshore Drive (p. 233)

There is a resolution, list of properties, map, a report on the extension of services to the proposed area of annexation and the fiscal impact of the annexation, along with correspondence from residents in the proposed annexation area. This proposed annexation is using the wholly surrounded method of annexation in state law whereby the City Council can annex the properties despite any protests. There are 25 properties along with the roads and rights-of-way proposed for annexation. The City is precluded from annexing the Flathead County Park in the area.

RECOMMENDATION: Staff respectfully recommends that the City Council, after considering the staff report and recommendation and testimony or letters presented at the public hearing, adopt Resolution No. 16-___; A Resolution extending the corporate limits of the City of Whitefish, Montana, to annex within the boundaries of the City certain tracts of wholly surrounded land on West Lakeshore Drive.

This item is a legislative matter.

COMMUNICATIONS FROM PARKS AND RECREATION DIRECTOR

- a) Consideration of approving Amendment #1 to the contract with TD&H Engineering for final design, bidding, and construction services for Riverside Tennis Courts (p. 273)

From Parks and Recreation Director Maria Butts' staff report:

On May 2, 2016 City Council approved Phase I of a contract with TD&H for services to include topographical surveying of the Riverside tennis courts and City Beach parking lot proposed project areas. Now that this phase is complete,

TD&H has provided a scope of services for the professional engineering & landscape final design services, bidding, construction management and inspection services for the Riverside Park Tennis Courts Reconstruction Project. Phase II of this proposed contract is for an amount not to exceed \$26,230. Contract amendments for the City Beach parking lot final design and construction services will be provide at a future date.

Resort Tax Funds have been committed to the Riverside Park Tennis Courts Reconstruction Project. The project will consist of demolition and reconstruction of the existing tennis courts, geotechnical engineering, grading and drainage design, and construction of new tennis courts at the same location. Construction of the Riverside Tennis Courts are anticipated to be completed by November of 2016.

The Parks and Recreation Department and TD&H have negotiated a contract for the services described above in an amount not to exceed \$26,230. This amount will be paid out of the Resort Tax. Currently, \$120,000 has been set aside for the Riverside Park Tennis Courts Reconstruction Project this fiscal year.

RECOMMENDATION: Staff respectfully recommends the City Council approve Amendment #1 to the contract with TD&H Engineering for final design, bidding, and construction services for Riverside Tennis Courts.

This item is a legislative matter.

COMMUNICATIONS FROM CITY MANAGER

- a) Written report enclosed with the packet. Questions from Mayor or Council? (p. 282)
- b) Other items arising between July 13th and July 18th
- c) Resolution No. 16- ____; A Resolution adopting revisions to the Consultant Selection Policy (p. 297)

In 1990, the City Council adopted a policy for Selection of Consultants for services including, but not limited to architectural, engineering, surveying, auditing, accounting, and management consulting, where the services would exceed \$10,000. This policy was amended and updated in 1996.

As state law has increased the threshold for such contracts to \$20,000 as provided for in §18-8-212(1) MCA (copy enclosed), we felt we should review this policy. On February 16, 2016, the City Council discussed the policy and decided to revise the policy rather than repeal it – repealing was an option given the specificity of the State law and procedures cited above. Since that time, Department Directors have reviewed the policy and provided me with suggestions for revision and updating. A redline draft of those proposed changes is attached to this memo.

There is no real cost associated with updating this policy or from its implementation.

RECOMMENDATION: Staff respectfully requests the City Council either direct us to prepare a Resolution repealing the current Consultant Selection Policy or enact a Resolution adopting revisions to the Consultant Selection Policy.

This item is a legislative matter.

COMMUNICATIONS FROM CITY ATTORNEY

- a) Resolution No. 16-___; A Resolution adopting revisions to the Sanitary Sewer Connection Policy contained in the City Council Policy Manual and establishing a Deferred Annexation Policy for areas affecting Whitefish Lake with Septic Leachate (p. 308)

From City Attorney Angela Jacobs' staff report:

In 2011, the Whitefish Lake Institute completed a study for the Whitefish County Water and Sewer District that identified three confirmed areas of septic leachate contamination in Whitefish Lake and identified two other areas of high potential for septic leachate contamination. One of the areas the Whitefish Lake Institute identified as having a high potential for contamination is at the Dog Bay/State Park located below the Lion Mountain Planning Area.

In April of 2016, Carver Engineering completed the Preliminary Engineering Report (PER) for Lion Mountain. The PER considered five alternatives to address wastewater management in the Lion Mountain area to resolve the problem of septic leachate reaching Whitefish Lake. The preferred alternative identified by Carver Engineering was to extend a section of the City's public wastewater collection system to serve all existing and proposed residences in the Lion Mountain Planning Area and to install individual packaged grinder pump systems at each residence.

On April 4, 2016, the City held a public work session to discuss the PER for Lion Mountain area and provide possible incentives for the area to connect to the City sewer system. The City's current policy regarding annexation, which requires property owners to consent to annexation in order to connect to City services, was discussed at the work session. Representatives from the Lion Mountain area expressed strong opposition to annexation. At the City Council meeting held the same evening, Council directed staff to present options with respect to the issue.

At the City Council meeting held May 2, 2016, staff presented the Council with several options for requiring or incentivizing areas around Whitefish Lake with demonstrated septic leachate problems, including the Lion Mountain area, to connect to the City sewer system. The third option presented was for the City to defer annexation of such areas for a certain period of time as long as the area exercises that option within a defined period of time. The City Council directed staff to revise the City Council Policy Manual to reflect the third option.

The Sanitary Sewer Connection Policy contained in the City Council Policy Manual, as revised by staff, is attached. The portion covering deferred annexation begins on page 6. If the revisions are acceptable, you need to decide what percentage of the term of the Rural Special Improvement District (50%?, 75%?, 100%?, etc.) for which the City would agree to defer annexation.

There is no immediate financial requirement or impact of adopting the proposed revisions to the City Council Policy Manual.

RECOMMENDATION: Staff respectfully recommends that the City Council adopt Resolution No. 16-___, a resolution adopting revisions to the Sanitary Sewer Connection Policy contained in the City Council Policy Manual and establishing a deferred annexation policy for areas affecting Whitefish Lake with Septic Leachate.

This item is a legislative matter.

COMMUNICATIONS FROM MAYOR AND CITY COUNCILORS

- a) Resolution No. 16-___; A Resolution expressing support for and solidarity with the City of Whitefish Police Department and other emergency service providers in the area (not in packet – forthcoming from Councilor Sweeney)
- b) Consideration of making appointments to volunteer boards, committees, and commissions not made during special session earlier tonight (p. 1)

ADJOURNMENT



Sincerely,
Chuck Stearns, City Manager

Table 1: Common Motions Used in a Meeting.¹

	Wording	Interrupt another speaker	Requires a second	Debatable	Amendable	Vote Required	Reconsider
Privileged Motions							
Fix time for next meeting (12)	"I move that we meet next at..."	No	Yes	No	Yes	Majority	Yes
Adjourn	"I move that we adjourn"	No	Yes	No	No	Majority	No
Take a recess (12)	"I move that we recess. . ."	No	Yes	No	Yes	Majority	No
Raise a question of privilege	"I rise to a question of privilege affecting the assembly"	Yes	No	No	No	(1)	No
Call for the orders of the day	"I call for the orders of the day"	Yes	No	No	No	(1) (15)*	No
Subsidiary Motions							
Lay on the table	"I move to lay the question on the table" or "I move that the motion be laid on the table"	No	Yes	No	No	Majority	(3)*
Previous question (to close debate)	"I move the previous question" or "I move we vote immediately on the motion"	No	Yes	No	No	2/3 of assembly	Yes
Limit-extend debate (12)	"I move the debate be limited to. . ." or "I move that the speaker's time be extended by. . ."	No	Yes	No	Yes	2/3 of assembly	Yes
Postpone to a definite time (12)	"I move that the question be postponed until. . ."	No	Yes	Yes	Yes	Majority	Yes
Refer to a committee (12)	"I move to refer the matter to the . . . committee"	No	Yes	Yes	Yes	Majority	Yes
Amendment to the main motion (12)	"I move to amend by adding/striking the words. . ."	No	Yes	(5)	Yes	Majority	Yes
Postpone indefinitely (12)	"I move that the motion be postponed"	No	Yes	Yes (16)	No	Majority	(4)
Main Motions							
Main Motion	"I move that we..."	No	Yes	Yes	Yes	Majority	Yes
Incidental Motions (11)							
Suspension of rules	"I move to suspend the rules so that. . ."	No	Yes	No	No	(9)*	No
Request to withdraw a motion (13)	"I move that I be allowed to withdraw the motion"	*	*	No	No	Majority*	(3)
Objection to the consideration of a question (10)	"I object to the consideration of the question"	Yes	No	No	No	2/3 of assembly (17)	(3)
Point of order	"I rise to a point of order" or "Point of order!"	Yes	No	No	No	(1)*	No
Parliamentary inquiry	"I rise to a parliamentary inquiry" or "A parliamentary inquiry, please"	Yes	No	No	No	(1)	No
Appeal to the chairperson	"I appeal from the decision of the chair"	Yes	Yes	Yes*	No	(7)	Yes

	Wording	Interrupt another speaker	Requires a second	Debatable	Amendable	Vote Required	Reconsider
Point of information	"I rise to a point of information" or "A point of information, please"	Yes	No	No	No	(1)	No
Division of assembly	"Division!" or "I call for a division"	Yes	No	No	No	(14)	No
Division of a question	"I move to divide the motion so that the question of purchasing ... can be considered separately."	No	Yes	No	Yes	Majority	No
Renewal Motions (8)							
Reconsider* (2)	"I move to reconsider the vote on the motion relating to. . ."	No*	Yes	(5) (16)	No	Majority	No
Take from table	"I move to take from the table the motion relating to. . ."	No	Yes	No	No	Majority	No
Rescind	"I move to rescind the motion passed at the last meeting relating to. . ."	No	Yes	Yes (16)	Yes	(6)	(3)
Discharge a committee	"I move that the committee considering . . . be discharged."	No	Yes	Yes (16)*	Yes	(6)	(3)

¹ Source: Robert, H. 2000. *Robert's Rules of Order* (Newly Revised, 10th Edition) New York: Perseus Books Group; Sturgis, A. 2000. *The Standard Code of Parliamentary Procedure* (4th Edition). New York: McGraw-Hill.

*** Refer to Robert's Rules of Order Newly Revised**

- (1) The chair decides. Normally no vote is taken.
- (2) Only made by a member who voted on the prevailing side and is subject to times limits.
- (3) Only the negative vote may be reconsidered.
- (4) Only the affirmative vote may be reconsidered.
- (5) Debatable when applied to a debatable motion.
- (6) Majority with notice, or 2/3 without notice or majority of entire membership.
- (7) Majority or tie vote sustains the chair.
- (8) None of these motions (except Reconsider) are in order when business is pending.
- (9) Rules of order, 2/3 vote—Standing rules, majority vote.
- (10) Must be proposed before debate has begun or a subsidiary motion is stated by the chair (applied to original main motions).
- (11) The Incidental Motions have no precedence (rank). They are in order when the need arises.
- (12) A Main Motion if made when no business is pending.
- (13) The maker of a motion may withdraw it without permission of the assembly before the motion is stated by the chair.
- (14) The chair can complete a Division of the Assembly (standing vote) without permission of the assembly and any member can demand it.
- (15) Upon a call by a single member, the Orders of the Day must be enforced.
- (16) Has full debate. May go into the merits of the question which is the subject of the proposed action.
- (17) A 2/3 vote in negative needed to prevent consideration of main motion.

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CITY OF WHITEFISH
FLATHEAD COUNTY, MONTANA

Fiscal Year Ended June 30, 2015

AUDIT REPORT

Denning, Downey & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF WHITEFISH
FLATHEAD COUNTY, MONTANA

Fiscal Year Ended June 30, 2015

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CITY OF WHITEFISH
FLATHEAD COUNTY, MONTANA

ORGANIZATION

Fiscal Year Ended June 30, 2015

John Muhlfeld

Mayor

CITY COUNCIL

Pam Barberis
Sarah Fitzgerald
Andy Feury
Jen Frandsen
Richard Hildner
Frank Sweeney

Council Member
Council Member
Council Member
Council Member
Council Member
Council Member

CITY OFFICIALS

Chuck Stearns
Mary VanBuskirk
Bradley Johnson
Necile Lorang
William Dial
Dana Smith

City Manager
Attorney
City Judge
Clerk/Treasurer
Chief of Police
Finance Director

**CITY OF WHITEFISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2015**

The discussion and analysis of the City of Whitefish's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2015. The City encourages readers to consider the information presented in conjunction with the City's financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- The total assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at June 30, 2015 by \$78,091,451 as reported in the statement of net position.
- The total fiscal year end governmental fund balance was \$11,856,402 as reported in the balance sheet for governmental funds.
- The unassigned general fund balance at fiscal year-end was \$1,041,002.

EXPLANATION OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components:

1. Government-wide financial statements
2. Fund Financial Statements
3. Notes to the Financial Statements

Other required supplementary information is also included at the end of the financial section.

The **government-wide financial statements** are designed to provide readers with a broad overview of the City's finances using the accrual basis of accounting.

The **statement of net position** presents information on all of the City's (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating.

The **statement of activities** presents information reflecting how the City's net position has changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. delinquent taxes and earned, but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, social and economic services, public works, planning, culture and recreation, housing and economic development, and debt service. The business-type activities of the City include water, wastewater, and solid waste operations.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - Governmental funds are used to account for those same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, the fund financial statements are prepared on the modified accrual basis. Under the modified accrual basis of accounting, revenues are recognized when measurable and available and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and similar long-term items which are recorded when due. Therefore, the focus is on near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year.

Since the focus of the governmental funds is on near-term resources, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison.

Proprietary Funds - There are two types of proprietary funds: enterprise and internal service funds. The City maintains only enterprise funds, which are used to report the same functions presented as business-type activities in the government-wide statements. The City uses enterprise funds to account for its water, sewer, and solid waste operations.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government and are not included in the government-wide financial statements as the resources of these funds are not available to support the City's own programs.

The Volunteer Fire Pension Trust Fund is used as a clearing account for assets held by the City until the funds are disbursed to the Fire Department Relief Association. Two administrative agency funds for payroll and claims are also used as clearing accounts.

Notes to Financial Statements

The notes to the financial statements provide additional narrative and information that is essential to obtaining a complete understanding of the data provided in the government-wide and fund financial statements.

Other Required Supplementary Information

In addition to the basic financial statements and accompanying notes, certain required supplementary information concerning the City's budgetary control, schedule of funding progress of other post-employment benefits, and schedule of net pension liability and contributions is provided.

FINANCIAL ANALYSIS OF THE CITY

Net position may serve over time as a useful indicator of a government's financial position. The net position for both governmental and business-type activities for the fiscal year ending June 30, 2015 totaled \$78,091,451. In fiscal year 2015, the City implemented GASB Statement No. 68, which impacted both governmental and business-type activities. As a result, net pension liability increased significantly and was the primary factor in the net position decrease of \$1,486,022 in fiscal year 2015 compared to the prior year. Although the pension retirement systems are administered by the State including determining the contributions for each plan, the City is required to report the related liability per GASB Statement No. 68. to the different plans. In addition, the City refunded the 2009 Tax Increment Revenue Bond and in the process pre-paid the payment due in the first month of fiscal year 2016.

The City's largest portion of net position reflects investment in capital assets (land, buildings, machinery and equipment, etc.) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to citizens. Although the City's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position represents resources that are subject to external restrictions on how they may be used. The unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

The following table presents consolidated information on the City's net position as of June 30, 2015 and June 30, 2014.

City of Whitefish - Net Position

	Governmental			Business-type		
	Activities			Activities		
	<u>FY15</u>	<u>FY14</u>	<u>Change</u> <u>Inc (Dec)</u>	<u>FY15</u>	<u>FY14</u>	<u>Change</u> <u>Inc (Dec)</u>
Current and other assets	\$ 15,055,973	\$ 17,191,182	\$ (2,135,209)	\$ 6,891,536	\$ 5,520,768	\$ 1,370,768
Capital assets	57,134,206	55,437,021	1,697,185	23,906,755	23,858,413	48,342
Total assets	\$ 72,190,179	\$ 72,628,203	\$ (438,024)	\$ 30,798,291	\$ 29,379,181	\$ 1,419,110
Long-term debt outstanding	\$ 11,789,690	\$ 14,606,766	\$ (2,817,076)	\$ 6,371,294	\$ 6,752,359	\$ (381,065)
Other liabilities	4,735,067	527,108	4,207,959	2,000,968	543,678	1,457,290
Total liabilities	\$ 16,524,757	\$ 15,133,874	\$ 1,390,883	\$ 8,372,262	\$ 7,296,037	1,076,225
Net investment in capital assets	48,340,070	43,440,081	4,899,989	18,454,537	17,947,648	506,889
Restricted	13,043,676	15,378,532	(2,334,856)	2,609,032	1,493,365	1,115,667
Unrestricted (deficit)	(5,718,324)	(1,324,284)	(4,394,040)	1,362,460	2,642,131	(1,279,671)
Total net position	\$ 55,665,422	\$ 57,494,329	\$ (1,828,907)	\$ 22,426,029	\$ 22,083,144	\$ 342,885

The City's revenues totaled \$23,997,622 for the fiscal year ending June 30, 2015. The total cost of all programs and services for that same period was \$20,013,735. Therefore, the increase in net position was \$3,983,888. The table below presents consolidated information on the City's change in net position for the fiscal years ending June 30, 2015 and June 30, 2014.

City of Whitefish – Changes in Net Position

	Governmental Activities			Business-type Activities		
	<u>FY15</u>	<u>FY14</u>	<u>Change Inc (Dec)</u>	<u>FY15</u>	<u>FY14</u>	<u>Change Inc (Dec)</u>
Revenues						
<i>Program revenues (by major source):</i>						
Charges for services	\$ 4,898,826	\$ 4,916,923	\$ (18,097)	\$ 6,678,146	\$ 6,329,476	\$ 348,670
Operating grants and contributions	371,332	393,682	(22,350)			
Capital grants and contributions	419,025	47,822	371,203	99,418	100,000	(582)
<i>General revenues (by major source):</i>						
Property taxes for general purposes	9,396,950	9,100,677	296,273			
Franchise/Utility Fees	353,953	334,539	19,414			
Miscellaneous	194,879	183,208	11,671	54		54
Interest/investment earnings	32,467	50,242	(17,775)	12,987	14,235	(1,248)
State entitlement	1,034,165	889,678	144,487			
Grants and entitlements no restricted	12,020		12,020			
On-Behalf payments	461,150	591,316	(130,166)	32,250		32,250
Total revenues	\$ 17,174,767	\$ 16,508,087	\$ 666,680	\$ 6,822,855	\$ 6,443,711	\$ 379,144
Program expenses						
General government	\$ 1,071,098	\$ 1,089,864	\$ (18,766)			
Public safety	6,813,407	6,323,895	489,512			
Public works	2,751,921	2,590,506	161,415			
Social and economic services	1,500	1,500				
Culture and recreation	2,110,743	2,134,878	(24,135)			
Housing and community development	2,038,217	1,818,957	219,260			
Debt service - interest	672,354	520,020	152,334			
Miscellaneous	30,392	51,730	(21,338)			
Amortization of bond premium	110,369	22,524	87,845			
Water				\$ 2,090,471	\$ 1,964,078	\$ 126,393
Sewer				2,166,450	2,219,186	(52,736)
Solid Waste				765,941	737,345	28,596
Total expenses	\$ 15,600,001	\$ 14,553,874	\$ 1,046,127	\$ 5,022,862	\$ 4,920,609	\$ 102,253
Increase (decrease) in net position	\$ 2,183,895	\$ 1,954,213	\$ 229,682	\$ 1,799,993	\$ 1,523,102	\$ 276,891
Transfers - net	\$ 35,375	\$ 47,012	\$ (11,637)	\$ (35,375)	\$ (47,012)	\$ 11,637
Total Increase (decrease in net position)	\$ 2,219,270	\$ 2,001,225	\$ 218,045	\$ 1,764,618	\$ 1,476,090	\$ 288,528

Governmental activities

Revenues for the fiscal year ending June 30, 2015 from governmental activities were \$17,174,767 while expenses were \$15,600,001. Thus, with the \$35,375 in transfers-in, net position increased \$2,219,270. Total governmental revenues increased from the prior year by \$666,680. The increase in revenues was primarily due to increased property taxes, increased capital contributions, increased state entitlement, and increased on-behalf payments as a result of the City implementing GASB Statement No. 68. Overall expenditures increased as well which was due to an increase in City staff wages and other budgeted costs.

Business-type activities

Revenues for the fiscal year ending June 30, 2015 from business-type activities were \$6,822,855. Expenses were \$5,022,862 and transfers-out totaled \$35,375, which resulted in an increase in net position of \$1,764,618. Charges for services revenue increased by \$348,670 from the previous year due primarily to an increase in water consumption and a rate increase for all utilities. Total expenses had a slight increase during fiscal year 2015, which is attributed to increased wages and other budgeted costs.

Fund Balance – Governmental Funds Balance Sheet

The City's governmental funds reported a total fund balance of \$11,856,402 at June 30, 2015, which is a \$2,169,885 decrease compared to the fund balance of governmental funds as of June 30, 2014. Of the fund balance at June 30, 2015, \$1,041,002 is unassigned in the General. The remaining fund balance is restricted based on the source of revenue or unassigned due to a negative fund balance.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budget is prepared in accordance with Title 7, Chapter 6, Part 40, MCA (Local Government Budget Act).

There were no significant variances between the final revenue and expenditure budget compared to the actual amounts received and expended in fiscal year 2015.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2015 total \$66,794,607 (net of related debt). The City's capital assets include land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress. The depreciation of capital assets is reflected in the various governmental and business-type expense activities. Total depreciation expense incurred for the governmental and business-type activities during fiscal year 2015 totaled \$2,694,136 and \$1,075,429, respectively.

Major capital assets events during fiscal year 2015:

- Started construction of the Skye Park Bridge (\$~800K est. total cost)
- Continued construction on the E. 2nd Street Reconstruction and Pedestrian Trail
- Continued working on the citywide wireless communications network
- Purchased and financed a new Fire Tender (~\$497K) and Fire Pumper (~\$290K)
- Continued making improvements to the Whitefish Trail and completed the Pavilion
- Continued design work and started construction for the Monegan Road project
- Purchased a Polaris Ranger for the Water Treatment Plant and a Bobcat Toolcat for the Parks and Recreation Department
- Purchased vehicles for Planning, Building, Police, and Street Departments
- Continued design work for the new City Hall and parking structure (demolition and excavation began in beginning of fiscal year 2016)
- Continued design and construction for multiple water and sewer projects

Long-term Debt

The City's total long-term debt increased by \$1,558,713 compared to prior fiscal year. The increase is primarily due to the implementation of GASB Statement No. 68 and recording the net pension liability beginning in fiscal year 2015. Below is a summary of the outstanding long-term debt of the City as of June 30, 2015 compared to June 30, 2014.

Outstanding Long-term Debt		
Purpose/Type	June 30, 2015	June 30, 2014
<u>Revenue Bonds:</u>		
TIF 2015 Refunding (ESC)	\$ 7,183,000	\$ 10,715,000
Water	2,793,000	3,272,000
Sewer	2,659,218	2,638,765
<u>Special Assessment Bonds:</u>		
SID 166	725,000	795,000
<u>Intercap Loans:</u>		
Ice Rink	79,364	110,575
Ambulance	123,519	153,780
Police Vehicle	10,935	16,399
Fire Engine	461,318	202,453
Fire Pumper	211,000	-
<u>Capital Leases:</u>		
Sharp Copier	-	3,734
<u>OPEB:</u>		
Governmental	1,948,080	1,626,165
Business-type	631,814	535,657
<u>Compensated Absences:</u>		
Governmental	1,047,474	983,661
Business-type	287,262	305,937
<u>Net Pension Liability:</u>		
Governmental	3,585,111	-
Business-type	1,171,744	-
TOTAL	\$22,917,839	\$21,359,126

ECONOMIC FACTORS AND FISCAL YEAR 2016 BUDGET

Property tax supported funds of the City are anticipating an increase in the property tax revenue of 3.85% for fiscal year 2016. Due to the reappraisal impacting the valuations across the state, the taxable value for the City decreased by 6.7%. Therefore, the budget accounts for an increase in the total mills from 120.605 mills to 134.424 mills to provide the tax revenues equal to the prior year plus a 3.85% increase, which is close to the normal growth experienced by the City. In addition, the Fiscal Year 2016 Adopted Budget provides for a 12.0% cash reserve in the property tax supported funds.

With construction activity on the increase in the City of Whitefish, the building license and permit revenue is continuing to maintain a positive trend of increased revenues that started in 2012. The increase in construction also has had a positive impact on the City's Impact Fee collections.

As of July 1, 2015, the Resort Tax rate increased from 2% to 3% as a result of voter approval to fund additional tax relief and the debt service payments for the Haskill Basin Conservation Easement purchase that was anticipated to be complete in February, 2016. Overall, the spending activity by consumers continues to be strong as the Resort Tax collections continue to track similar to the previous year. At the end of the first quarter of fiscal year 2016, Resort Tax collections by the businesses were down 2.0% compared to the prior year's first quarter. However, the decrease during the first quarter is likely attributed to the deteriorating Canadian exchange rate and the wildfires that left heavy smoke in Whitefish during summer 2015.

Water and Wastewater charges are expected to exceed the prior year due to a rate increase of 1.3% and 2.3%, respectively. In addition, water consumption was up during the end of fiscal year 2015 and the first quarter of fiscal year 2016 due to the high temperatures and little precipitation received during the summer months.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Whitefish, P.O. Box 158, Whitefish MT 59937.

Denning, Downey & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1740 U.S. Hwy 93 South, P.O. Box 1957, Kalispell, MT 59903-1957

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Whitefish
Flathead County
Whitefish, Montana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of Whitefish, Flathead County, Montana, as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Whitefish, Flathead County, Montana, as of and for the year ended June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2015, the City adopted new accounting guidance, GASB statement No. 68, *Accounting and financial Reporting for Pensions, (an amendment of GASB No. 27)*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding for other post-employment benefits other than pensions, schedules of proportionate share of the net pension liability, and schedules of contributions on pages 2 through 8, 61 through 65, 66, 67 and 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2016, on our consideration of the City of Whitefish, Flathead County, Montana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Whitefish, Flathead County, Montana's internal control over financial reporting and compliance.

Derrington, Downey and Associates, CPA's, P.C.

June 27, 2016

City of Whitefish, Flathead County, Montana
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 9,561,642	\$ 4,143,322	\$ 13,704,964
Taxes and assessments receivable, net	1,424,820	-	1,424,820
Special assessments receivable	39,243	-	39,243
Accounts receivable - net	182,164	590,120	772,284
Due from other governments	39,304	9,456	48,760
Prepaid expenses	3,000	-	3,000
Total current assets	\$ 11,250,173	\$ 4,742,898	\$ 15,993,071
Noncurrent assets			
Restricted cash and investments	\$ 2,470,933	\$ 2,048,004	\$ 4,518,937
Capital assets - land	8,426,718	602,783	9,029,501
Capital assets - construction in progress	4,331,464	3,152,048	7,483,512
Capital assets - depreciable, net	44,376,024	20,151,924	64,527,948
Special assessment receivables deferred	897,204	-	897,204
Total noncurrent assets	\$ 60,502,343	\$ 25,954,759	\$ 86,457,102
Total assets	\$ 71,752,516	\$ 30,697,657	\$ 102,450,173
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	\$ 437,663	\$ 100,634	\$ 538,297
LIABILITIES			
Current liabilities			
Accounts payable	\$ 206,368	\$ 24,671	\$ 231,039
Accrued payroll	194,273	45,512	239,785
Current portion of long-term capital liabilities	213,320	340,000	553,320
Current portion of compensated absences payable	820,110	183,828	1,003,938
Total current liabilities	\$ 1,434,071	\$ 594,011	\$ 2,028,082
Noncurrent liabilities			
Deposits payable	\$ -	\$ 231,653	\$ 231,653
Noncurrent portion of long-term liabilities	1,948,080	631,814	2,579,894
Noncurrent portion of long-term capital liabilities	8,580,816	5,112,218	13,693,034
Noncurrent portion of compensated absences	227,364	103,434	330,798
Net Pension Liability	3,585,111	1,171,744	4,756,855
Total noncurrent liabilities	\$ 14,341,371	\$ 7,250,863	\$ 21,592,234
Total liabilities	\$ 15,775,442	\$ 7,844,874	\$ 23,620,316
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources	\$ -	\$ 224,629	\$ 224,629
Deferred inflows of resources - pensions	749,315	302,759	1,052,074
Total Deferred Inflows of resources	\$ 749,315	\$ 527,388	\$ 1,276,703
NET POSITION			
Net investment in capital assets	\$ 48,340,070	\$ 18,454,537	\$ 66,794,607
Restricted for capital projects	7,292,168	1,940,667	9,232,835
Restricted for debt service	1,758,460	668,365	2,426,825
Restricted for special projects	3,993,048	-	3,993,048
Unrestricted	(5,718,324)	1,362,460	(4,355,864)
Total net position	\$ 55,665,422	\$ 22,426,029	\$ 78,091,451

See accompanying Notes to the Financial Statements

City of Whitefish, Flathead County, Montana
Statement of Activities
For the Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
						Governmental Activities	Business- type Activities	
Primary government:								
Governmental activities:								
General government	\$ 1,213,357	\$ (142,259)	\$ 364,040	\$ -	\$ -	\$ (707,058)	\$ -	\$ (707,058)
Public safety	6,156,063	48,215	2,339,947	171,861	129,117	(3,563,353)	-	(3,563,353)
Public works	2,737,408	14,513	1,497,499	146,659	-	(1,107,763)	-	(1,107,763)
Social and economic services	1,500	-	-	-	-	(1,500)	-	(1,500)
Culture and recreation	2,093,459	17,284	696,650	52,812	289,908	(1,071,373)	-	(1,071,373)
Housing and community development	2,011,345	26,872	690	-	-	(2,037,527)	-	(2,037,527)
Debt service - interest	672,354	-	-	-	-	(672,354)	-	(672,354)
Miscellaneous	30,392	-	-	-	-	(30,392)	-	(30,392)
Amortization of Bond Premium	110,369	-	-	-	-	(110,369)	-	(110,369)
Total governmental activities	\$ 15,026,247	\$ (35,375)	\$ 4,898,826	\$ 371,332	\$ 419,025	\$ (9,301,689)	\$ -	\$ (9,301,689)
Business-type activities:								
Water	\$ 2,072,768	\$ 17,703	\$ 3,281,704	\$ -	\$ -	\$ -	\$ 1,191,233	\$ 1,191,233
Sewer	2,150,110	16,340	2,584,613	-	99,418	-	517,581	517,581
Solid Waste	764,609	1,332	811,829	-	-	-	45,888	45,888
Total business-type activities	\$ 4,987,487	\$ 35,375	\$ 6,678,146	\$ -	\$ 99,418	\$ -	\$ 1,754,702	\$ 1,754,702
Total primary government	\$ 20,013,734	\$ -	\$ 11,576,972	\$ 371,332	\$ 518,443	\$ (9,301,689)	\$ 1,754,702	\$ (7,546,987)
General Revenues:								
Property taxes for general purposes						\$ 9,396,950	\$ -	\$ 9,396,950
Franchise/Utility fees						353,953	-	353,953
Miscellaneous						194,879	54	194,933
Interest/investment earnings						32,467	12,987	45,454
State entitlement						1,034,165	-	1,034,165
Grants and entitlements not restricted to specific programs						12,020	-	12,020
On-Behalf Payments						461,150	32,250	493,400
Transfers - net						35,375	(35,375)	-
Total general revenues, special items and transfers						\$ 11,520,959	\$ 9,916	\$ 11,530,875
Change in net position						\$ 2,219,270	\$ 1,764,618	\$ 3,983,888
Net position - beginning						\$ 57,494,329	\$ 22,083,144	\$ 79,577,473
Restatements						(4,048,175)	(1,421,733)	(5,469,908)
Net position - beginning - restated						\$ 53,446,154	\$ 20,661,411	\$ 74,107,565
Net position - end						\$ 55,665,422	\$ 22,426,029	\$ 78,091,451

See accompanying Notes to the Financial Statements

City of Whitefish, Flathead County, Montana
Balance Sheet
Governmental Funds
June 30, 2015

	General	Resort Tax	Tax Increment	Fire and Ambulance	Tax Increment Revenue Bond Debt	SID 166 Bond Debt	City Hall Project	Other Governmental Funds	Total Governmental Funds
ASSETS									
Current assets:									
Cash and investments	\$ 881,212	\$ 89	\$ 2,504,464	\$ 307,420	\$ 73,969	\$ -	\$ 2,297,384	\$ 3,497,104	\$ 9,561,642
Taxes and assessments receivable, net	311,445	-	809,715	86,800	-	12,740	-	204,120	1,424,820
Special assessments receivable	11,091	-	28,152	-	-	-	-	-	39,243
Accounts receivable - net	-	-	-	182,164	-	-	-	-	182,164
Due from other funds	13,448	-	-	-	-	-	-	-	13,448
Due from other governments	26,798	-	-	-	-	-	-	12,506	39,304
Prepaid expenses	-	-	3,000	-	-	-	-	-	3,000
Total current assets	\$ 1,243,994	\$ 89	\$ 3,345,331	\$ 576,384	\$ 73,969	\$ 12,740	\$ 2,297,384	\$ 3,713,730	\$ 11,263,621
Noncurrent assets:									
Restricted cash and investments	\$ -	\$ 1,751,457	\$ -	\$ -	\$ 719,476	\$ -	\$ -	\$ -	\$ 2,470,933
Advances from other funds	193,975	-	-	-	-	-	-	58,698	252,673
Special assessment receivables deferred	-	-	-	-	-	897,204	-	-	897,204
Total noncurrent assets	\$ 193,975	\$ 1,751,457	\$ -	\$ -	\$ 719,476	\$ 897,204	\$ -	\$ 58,698	\$ 3,620,810
Total assets	\$ 1,437,969	\$ 1,751,546	\$ 3,345,331	\$ 576,384	\$ 793,445	\$ 909,944	\$ 2,297,384	\$ 3,772,428	\$ 14,884,431
Current liabilities:									
Accounts payable	\$ 2,715	\$ 92,297	\$ 20,966	\$ -	\$ 72,850	\$ -	\$ -	\$ 17,540	\$ 206,368
Accrued payroll	58,268	-	6,033	65,708	-	-	-	64,264	194,273
Due to other funds	13,448	-	-	-	-	-	-	-	13,448
Total current liabilities	\$ 74,431	\$ 92,297	\$ 26,999	\$ 65,708	\$ 72,850	\$ -	\$ -	\$ 81,804	\$ 414,089
Noncurrent liabilities:									
Advances payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,698	\$ -	\$ 193,975	\$ 252,673
Total liabilities	\$ 74,431	\$ 92,297	\$ 26,999	\$ 65,708	\$ 72,850	\$ 58,698	\$ -	\$ 275,779	\$ 666,762
DEFERRED INFLOWS OF RESOURCES									
Deferred inflows of resources	\$ 322,536	\$ -	\$ 837,867	\$ 86,800	\$ -	\$ 909,944	\$ -	\$ 204,120	\$ 2,361,267
FUND BALANCES									
Restricted	\$ -	\$ 1,659,249	\$ 2,480,465	\$ 423,876	\$ 720,595	\$ -	\$ 2,297,384	\$ 3,482,075	\$ 11,063,644
Unassigned fund balance	1,041,002	-	-	-	-	(58,698)	-	(189,546)	792,758
Total fund balance	\$ 1,041,002	\$ 1,659,249	\$ 2,480,465	\$ 423,876	\$ 720,595	\$ (58,698)	\$ 2,297,384	\$ 3,292,529	\$ 11,856,402

See accompanying Notes to the Financial Statements

City of Whitefish, Flathead County, Montana
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
June 30, 2015

Total fund balances - governmental funds	\$ 11,856,402
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	57,134,206
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	2,361,267
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(15,374,801)
On-behalf payments and pension expenses for the current year are not recognized in the net pension liability, but will recognized in future periods, therefore they are deferred.	(311,652)
Total net position - governmental activities	\$ <u>55,665,422</u>

See accompanying Notes to the Financial Statements

City of Whitefish, Flathead County, Montana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	General	Resort Tax	Tax Increment	Fire and Ambulance	Tax Increment Revenue Bond Debt	SID 166 Bond Debt	City Hall Project	Other Governmental Funds	Total Governmental Funds
REVENUES									
Taxes and assessments	\$ 2,053,077	\$ 2,213,700	\$ 4,741,033	\$ 562,656	\$ -	\$ -	\$ -	\$ 1,450,369	\$ 11,020,835
Licenses and permits	66,490	-	-	107,242	-	-	-	833,678	1,007,410
Intergovernmental	996,917	-	248,865	60,719	-	-	-	363,436	1,669,937
Charges for services	252,258	-	-	1,305,566	-	-	-	1,099,172	2,656,996
Fines and forfeitures	204,938	-	-	-	-	-	-	6,829	211,767
Miscellaneous	41,664	-	2,451	12,282	-	112,738	-	119,791	288,926
Investment earnings	14,535	3,967	-	-	5,621	61	5,303	3,670	33,157
Total revenues	\$ 3,629,879	\$ 2,217,667	\$ 4,992,349	\$ 2,048,465	\$ 5,621	\$ 112,799	\$ 5,303	\$ 3,876,945	\$ 16,889,028
EXPENDITURES									
General government	\$ 644,218	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,829	\$ 651,047
Public safety	2,356,854	-	-	2,673,651	-	-	-	311,052	5,341,557
Public works	24,569	-	-	-	-	-	-	1,233,532	1,258,101
Social and economic services	1,500	-	-	-	-	-	-	-	1,500
Culture and recreation	9,928	-	-	-	-	-	-	1,486,899	1,496,827
Housing and community development	12,020	-	1,949,989	-	72,850	-	-	4,200	2,039,059
Debt service - principal	9,138	-	-	54,055	10,715,000	70,000	-	31,212	10,879,405
Debt service - interest	653	-	-	3,723	629,979	36,972	-	1,027	672,354
Miscellaneous	-	-	-	-	-	-	-	30,516	30,516
Capital outlay	100,129	1,730,463	237,300	589,915	-	-	594,975	1,037,430	4,290,212
Amortization of Bond Premium	-	-	-	-	110,369	-	-	-	110,369
Total expenditures	\$ 3,159,009	\$ 1,730,463	\$ 2,187,289	\$ 3,321,344	\$ 11,528,198	\$ 106,972	\$ 594,975	\$ 4,142,697	\$ 26,770,947
Excess (deficiency) of revenues over expenditures	\$ 470,870	\$ 487,204	\$ 2,805,060	\$ (1,272,879)	\$ (11,522,577)	\$ 5,827	\$ (589,672)	\$ (265,752)	\$ (9,881,919)
OTHER FINANCING SOURCES (USES)									
Proceeds of general long term debt	\$ -	\$ -	\$ -	\$ 493,659	\$ 7,183,000	\$ -	\$ -	\$ -	\$ 7,676,659
Transfers in	780,733	-	92,000	815,000	1,801,948	-	634,355	1,108,190	5,232,226
Transfers out	(1,543,290)	(688,731)	(2,416,161)	(34,910)	-	-	-	(513,759)	(5,196,851)
Total other financing sources (uses)	\$ (762,557)	\$ (688,731)	\$ (2,324,161)	\$ 1,273,749	\$ 8,984,948	\$ -	\$ 634,355	\$ 594,431	\$ 7,712,034
Net Change in Fund Balance	\$ (291,687)	\$ (201,527)	\$ 480,899	\$ 870	\$ (2,537,629)	\$ 5,827	\$ 44,683	\$ 328,679	\$ (2,169,885)
Fund balances - beginning	\$ 1,332,689	\$ 1,860,776	\$ 1,999,566	\$ 423,006	\$ 3,258,224	\$ (64,525)	\$ 2,252,701	\$ 2,963,850	\$ 14,026,287
Fund balance - ending	\$ 1,041,002	\$ 1,659,249	\$ 2,480,465	\$ 423,876	\$ 720,595	\$ (58,698)	\$ 2,297,384	\$ 3,292,529	\$ 11,856,402

See accompanying Notes to the Financial Statements

City of Whitefish, Flathead County, Montana
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2015

Amounts reported for *governmental activities* in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ (2,169,885)

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

- Capital assets purchased 4,290,212
- Depreciation expense (2,694,136)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

- Donated capital assets 101,109
- Long-term receivables (deferred revenue) (276,520)

The change in compensated absences is shown as an expense in the Statement of Activities

(63,813)

Repayment of debt principal is an expenditures in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Position:

- Long-term debt principal payments 10,879,405

Long term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position:

- Proceeds from the sale of long-term debt (7,676,659)
- Post-employment benefits other than retirement liability (321,915)

Special funding revenues from non-employers in support of the employer's pension expense are reported on the statement of activities

461,150

Changes in the net pension liability are required to be reported as pension expenses in the statement of activities.

(309,678)

Change in net position - Statement of Activities \$ 2,219,270

See accompanying Notes to the Financial Statements

City of Whitefish, Flathead County, Montana
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Non-major Enterprise	Totals
ASSETS				
Current assets:				
Cash and investments	\$ 2,334,405	\$ 1,658,813	\$ 150,104	\$ 4,143,322
Accounts receivable - net	307,798	212,194	70,128	590,120
Due from other governments	-	9,456	-	9,456
Total current assets	\$ 2,642,203	\$ 1,880,463	\$ 220,232	\$ 4,742,898
Noncurrent assets:				
Restricted cash and investments	\$ 1,603,980	\$ 444,024	\$ -	\$ 2,048,004
Capital assets - land	335,283	267,500	-	602,783
Capital assets - construction in progress	1,315,785	1,836,263	-	3,152,048
Capital assets - depreciable, net	8,992,731	11,159,193	-	20,151,924
Total noncurrent assets	\$ 12,247,779	\$ 13,706,980	\$ -	\$ 25,954,759
Total assets	\$ 14,889,982	\$ 15,587,443	\$ 220,232	\$ 30,697,657
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	\$ 48,449	\$ 48,241	\$ 3,944	\$ 100,634
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 9,826	\$ 14,845	\$ -	\$ 24,671
Accrued payroll	23,173	22,339	-	45,512
Current portion of long-term capital liabilities	246,000	94,000	-	340,000
Current portion of compensated absences payable	97,062	77,320	9,446	183,828
Total current liabilities	\$ 376,061	\$ 208,504	\$ 9,446	\$ 594,011
Noncurrent liabilities:				
Deposits payable	\$ 230,916	\$ 683	\$ 54	\$ 231,653
Noncurrent portion of long-term liabilities	296,238	322,426	13,150	631,814
Noncurrent portion of long-term capital liabilities	2,547,000	2,565,218	-	5,112,218
Noncurrent portion of compensated absences	53,382	43,809	6,243	103,434
Net Pension Liability	564,125	561,694	45,925	1,171,744
Total noncurrent liabilities	\$ 3,691,661	\$ 3,493,830	\$ 65,372	\$ 7,250,863
Total liabilities	\$ 4,067,722	\$ 3,702,334	\$ 74,818	\$ 7,844,874
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources	\$ 224,629	\$ -	\$ -	\$ 224,629
Deferred inflows of resources - pensions	145,761	145,132	11,866	302,759
Total deferred inflows of resources	\$ 370,390	\$ 145,132	\$ 11,866	\$ 527,388
NET POSITION				
Net investment in capital assets	\$ 7,850,799	\$ 10,603,738	\$ -	\$ 18,454,537
Restricted for capital projects	1,058,534	882,133	-	1,940,667
Restricted for debt service	545,446	122,919	-	668,365
Unrestricted	1,045,540	179,428	137,492	1,362,460
Total net position	\$ 10,500,319	\$ 11,788,218	\$ 137,492	\$ 22,426,029
Total liabilities and net position	\$ 14,568,041	\$ 15,490,552	\$ 212,310	\$ 30,270,903

See accompanying Notes to the Financial Statements

City of Whitefish, Flathead County, Montana
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds			
	<u>Water</u>	<u>Sewer</u>	<u>Non-major Enterprise</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for services	\$ 3,280,145	\$ 2,583,619	\$ 811,883	\$ 6,675,647
Special assessments	1,559	112	-	1,671
Total operating revenues	<u>\$ 3,281,704</u>	<u>\$ 2,583,731</u>	<u>\$ 811,883</u>	<u>\$ 6,677,318</u>
OPERATING EXPENSES				
Personal services	\$ 886,126	\$ 840,232	\$ 69,193	\$ 1,795,551
Supplies	197,506	207,881	2,241	407,628
Purchased services	334,851	222,037	693,425	1,250,313
Fixed charges	191,720	155,234	1,082	348,036
Depreciation	408,766	666,663	-	1,075,429
Other	6,667	6,867	-	13,534
Total operating expenses	<u>\$ 2,025,636</u>	<u>\$ 2,098,914</u>	<u>\$ 765,941</u>	<u>\$ 4,890,491</u>
Operating income (loss)	<u>\$ 1,256,068</u>	<u>\$ 484,817</u>	<u>\$ 45,942</u>	<u>\$ 1,786,827</u>
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental revenue	\$ 15,951	\$ 115,300	\$ 1,299	\$ 132,550
Interest revenue	8,291	4,353	343	12,987
Debt service interest expense	(64,835)	(67,536)	-	(132,371)
Total non-operating revenues (expenses)	<u>\$ (40,593)</u>	<u>\$ 52,117</u>	<u>\$ 1,642</u>	<u>\$ 13,166</u>
Income (loss) before contributions and transfers	<u>\$ 1,215,475</u>	<u>\$ 536,934</u>	<u>\$ 47,584</u>	<u>\$ 1,799,993</u>
Transfers out	(17,703)	(16,340)	(1,332)	(35,375)
Change in net position	<u>\$ 1,197,772</u>	<u>\$ 520,594</u>	<u>\$ 46,252</u>	<u>\$ 1,764,618</u>
Net Position - Beginning of the year	\$ 9,985,000	\$ 11,951,463	\$ 146,681	\$ 22,083,144
Restatements	(682,453)	(683,839)	(55,441)	(1,421,733)
Net Position - Beginning of the year - Restated	<u>\$ 9,302,547</u>	<u>\$ 11,267,624</u>	<u>\$ 91,240</u>	<u>\$ 20,661,411</u>
Net Position - End of the year	<u>\$ 10,500,319</u>	<u>\$ 11,788,218</u>	<u>\$ 137,492</u>	<u>\$ 22,426,029</u>

City of Whitefish, Flathead County, Montana
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2015

Business - Type Activities - Enterprise Funds

	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Totals</u>
Cash flows from operating activities:				
Cash received from providing services	\$ 3,180,155	\$ 2,554,889	\$ 808,075	\$ 6,543,119
Cash payments to suppliers	(386,067)	(355,137)	(3,323)	(744,527)
Cash payments for professional services	(334,851)	(222,037)	(693,425)	(1,250,313)
Cash payments to employees	(840,996)	(808,275)	(70,755)	(1,720,026)
Net cash provided (used) by operating activities	<u>\$ 1,618,241</u>	<u>\$ 1,169,440</u>	<u>\$ 40,572</u>	<u>\$ 2,828,253</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	\$ (346,294)	\$ (774,643)	\$ -	\$ (1,120,937)
Principal paid on debt	(479,000)	(165,000)	-	(644,000)
Interest paid on debt	(64,835)	(67,536)	-	(132,371)
Proceeds from bonds, loans and advances	-	185,454	-	185,454
Net cash provided (used) by capital and related financing activities	<u>\$ (890,129)</u>	<u>\$ (821,725)</u>	<u>\$ -</u>	<u>\$ (1,711,854)</u>
Cash flows from non-capital financing activities:				
Special assessment revenues	\$ 4,713	\$ 6,352	\$ -	\$ 11,065
Grants and donations from other institutions	-	89,962	1,299	91,261
Transfers to other funds	(17,703)	(16,340)	(2,631)	(36,674)
Net cash provided (used) from non-capital financing activities	<u>\$ (12,990)</u>	<u>\$ 79,974</u>	<u>\$ (1,332)</u>	<u>\$ 65,652</u>
Cash flows from investing activities:				
Interest on investments	\$ 8,291	\$ 4,353	\$ 343	\$ 12,987
Net cash provided (used) by investing activities	<u>\$ 8,291</u>	<u>\$ 4,353</u>	<u>\$ 343</u>	<u>\$ 12,987</u>
Net increase (decrease) in cash and cash equivalents	\$ 723,413	\$ 432,042	\$ 39,583	\$ 1,195,038
Cash and cash equivalents at beginning	3,214,972	1,670,796	110,521	4,996,289
Restatements - Includes beginning restricted cash				-
Cash and cash equivalents at end	<u>\$ 3,938,385</u>	<u>\$ 2,102,838</u>	<u>\$ 150,104</u>	<u>\$ 6,191,327</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 1,256,068	\$ 484,817	\$ 45,942	\$ 1,786,827
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	408,766	666,663	-	1,075,429
Other post-employment benefits	45,988	50,169	-	96,157
Pension Expense	(3,620)	(3,604)	(295)	(7,519)
Changes in assets and liabilities:				
Change in accounts receivable	(59,587)	(23,345)	(3,821)	(86,753)
Change in deferred inflows of resources	(61,855)	(6,017)	-	(67,872)
Change in deposit payables	19,893	520	13	20,426
Change in accounts payable	9,826	14,845	-	24,671
Change in payroll payables	3,582	3,475	(1,495)	5,562
Change in compensated absences	(820)	(18,083)	228	(18,675)
Net cash provided (used) by operating activities	<u>\$ 1,618,241</u>	<u>\$ 1,169,440</u>	<u>\$ 40,572</u>	<u>\$ 2,828,253</u>

See accompanying notes to the financial statements

City of Whitefish, Flathead County, Montana
Statement of Net Position
Fiduciary Funds
June 30, 2015

	Pension Trust	Agency Funds
ASSETS		
Cash and short-term investments	\$ 29,956	\$ 606,891
Taxes receivable	14,243	-
Total assets	\$ 44,199	\$ 606,891
LIABILITIES		
Warrants payable	\$ -	\$ 445,232
Due to others	40,316	161,659
Total liabilities	\$ 40,316	\$ 606,891
NET POSITION		
Assets held in trust	\$ 3,883	

See accompanying Notes to the Financial Statements

City of Whitefish, Flathead County, Montana
Statement of Changes in Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2015

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions:	
Tax	\$ 94,402
Intergovernmental	46,883
Total contributions	<u>\$ 141,285</u>
Investment earnings:	
Interest and change in fair value of investments	\$ 30
Total additions	<u>\$ 141,315</u>
 DEDUCTIONS	
Distributions from investment trust fund	\$ 137,921
Change in net position	<u>\$ 3,394</u>
 Net Position - Beginning of the year	 \$ 489
 Net Position - End of the year	 <u>\$ 3,883</u>

See accompanying Notes to the Financial Statements

CITY OF WHITEFISH
FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, is effective for years beginning after June 15, 2014 (fiscal year ended June 30, 2015, for the City). The statement establishes accounting and financial reporting standards for the recognition and disclosure requirements for employers with liabilities to a defined benefit pension plan. The statement requires the liability of employers for defined benefit pensions to be measured as the portion of the present, value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. The statement also requires employers to present, as required supplementary information, information about the changes in the net pension liability and the related ratios, including the plan's fiduciary net position as a percentage of total pension liability, and the net pension liability, as a percentage of covered-employee payroll. As a cost-sharing employer under this statement, the City is required to recognize a liability for its proportionate share of the net pension liability, and to recognize pension expense and report deferred outflows and deferred inflows. The City is further required to present as required supplementary information a 10- year schedule containing the net pension liability and certain related ratios, and information about statutorily or contractually required contributions, contributions to the pension plan, and related ratios. The City adopted GASB Statement No. 68 in 2015 by retroactively restating financial statements for all periods presented.

Financial Reporting Entity

In determining the financial reporting entity, the City complies with the provisions of GASB statement No. 14, *The Financial Reporting Entity*, as amended by GASB statement No. 61, *The Financial Reporting Entity: Omnibus*, and includes all component units of which the City appointed a voting majority of the component units' board; the City is either able to impose its' will on the unit or a financial benefit or burden relationship exists. In addition, the City complies with GASB statement No. 39 *Determining Whether Certain Organizations Are Component Units* which relates to organizations that raise and hold economic resources for the direct benefit of the City.

Primary Government

The City is a political subdivision of the State of Montana governed by an elected Mayor and Council duly elected by the registered voters of the City. The City utilizes the manager form of government. The City is considered a primary government because it is a general purpose local government. Further, it meets the following criteria: (a) It has a separately elected governing body (b) It is legally separate and (c) It is fiscally independent from the State and other local governments.

CITY OF WHITEFISH
FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Basis of Presentation, Measurement Focus and Basis of Accounting.

Government-wide Financial Statements:

Basis of Presentation

The Government-wide Financial Statements (the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole and its component units. They include all funds of the reporting entity except fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Eliminations have been made in the consolidation of business-type activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function. The City charges indirect expenses to programs or functions. The types of transactions reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and 2) operating grants and contributions, and 3) capital grants and contributions. Revenues that are not classified as program revenues, including all property taxes, are presented as general revenues.

Certain eliminations have been made as prescribed by GASB 34 in regards to inter-fund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The City generally applies restricted resources to expenses incurred before using unrestricted resources when both restricted and unrestricted net assets are available.

CITY OF WHITEFISH
FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Fund Financial Statements:

Basis of Presentation

Fund financial statements of the reporting City are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Funds are organized into three categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Each major fund is displayed in a separate column in the governmental funds statements. All of the remaining funds are aggregated and reported in a single column as non-major funds. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets combined with deferred outflows of resources, liabilities combined with deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets combined with deferred outflows of resources, liabilities combined with deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise funds are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Measurement Focus and Basis of Accounting

Governmental Funds

Modified Accrual

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The City defined the length of time used for "available" for purposes of revenue recognition in the governmental fund financial statements to be upon receipt. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds and proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

CITY OF WHITEFISH
FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Major Funds:

The City reports the following major governmental funds:

General Fund – This is the City’s primary operating fund and it accounts for all financial resources of the City except those required to be accounted for in other funds.

Resort Tax Fund – A special revenue fund established in 1995 to provide budget opportunity to implement City Ordinance 95-15, the Resort Tax Ordinance. The ordinance imposes a 2% resort tax on a range of good and services sold by establishments within the City. The Ordinance specifies that the property tax relief should be provided to Whitefish taxpayers in the amount equal to 25% of the tax revenues derived during the preceding fiscal year. An amount equal to 65% of these revenues shall be used for repair and improvement of existing infrastructure. An amount equal to 5% of the revenues shall be used for bicycle paths and other park improvements. Finally each collecting merchant is entitled to withhold 5% to defray costs of collecting the tax. In fiscal year 2016, the resort tax rate was increased and is described later in the notes to the financial statements.

Tax Increment Fund – A special revenue fund that was established in 1987 is used to account for urban renewal activities within the boundaries of the Whitefish Tax Increment District. In accordance with Montana Code Annotated (MCA) 7-15-4292, tax increment districts must be terminated 15 years after their creation or at a later date necessary to pay all bond obligations, termination of the district is projected to be July 15, 2020.

Fire and Ambulance Fund – A special revenue fund established to account for the activities of the City’s fire and ambulance services.

Tax Increment Revenue Bond Debt Fund – A debt service fund that was established to account for the payment of principle and interest on long-term debt.

Special Improvement District 166 Fund – A debt service fund that was created to service special assessment bonds for the JP Road Project.

CITY OF WHITEFISH
FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

City Hall Project Fund – A capital project fund established in fiscal year 2005 to account for revenues and expenses associated with the construction of the new city hall and parking structure

Proprietary Funds:

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connections with a proprietary fund's principal ongoing operations. The principal operating revenues for enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Major Funds:

The City reports the following major proprietary funds:

Water Fund – An enterprise fund that accounts for the activities of the City's water distribution operations.

Sewer Fund – An enterprise fund that accounts for the activities of the City's sewer collection and treatment operations and includes the storm sewer system.

Fiduciary Funds

Fiduciary funds presented using the economic resources measurement focus and the accrual basis of accounting (except for the recognition of certain liabilities of defined benefit pension plans and certain postemployment healthcare plans). The required financial statements are a statement of fiduciary net position and a statement of changes in fiduciary net assets. The fiduciary funds are:

Pension (and other employee benefit) Trust Funds – To report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

CITY OF WHITEFISH
 FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

Agency Funds – To report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). This fund primarily consist of assets held by the City as an agent for individuals, private organizations, other local governmental entities and the City’s claims and payroll clearing funds

NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash Composition

Composition of cash, deposits and investments at fair value on June 30, 2015, are as follows:

<u>Cash on hand and deposits:</u>	
Petty Cash	\$ 1,325
Cash in banks:	
Demand deposits	16,283,507
Savings deposits	385,974
Time deposits	2,162,573
<u>Investments:</u>	
State Short-Term Investment Pool (STIP)	27,369
Total	<u>\$ 18,860,748</u>

Credit Risk

Section 7-6-202, MCA, limits investments of public money of a local government in the following eligible securities:

(a) United States government treasury bills, notes and bonds and in the United States treasury obligations, such as state and local government series (SLGLS), separate trading of registered interest and principal of securities (STRIPS), or similar United States treasury obligations;

(b) United States treasury receipts in a form evidencing the holder’s ownership of future interest or principal payments on specific United States treasury obligations that, in the absence of payment default by the United States, are held in a special custody account by an independent trust company in a certificate or book entry form with the federal reserve bank of New York; or

(c) Obligations of the following agencies of the United States, subject to the limitations in subsection 2 (not included):

- (i) federal home loan bank;
- (ii) federal national mortgage association;
- (iii) federal home mortgage corporation; and
- (iv) federal farm credit bank.

With the exception of the assets of a local government group self-insurance program, investments may not have a maturity date exceeding 5 years except when the investment is used in an escrow account to refund an outstanding bond issue in advance.

CITY OF WHITEFISH
 FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

Section 7-6-205 and Section 7-6-206, MCA, state that demand deposits may be placed only in banks and Public money not necessary for immediate use by a county, city, or town that is not invested as authorize in Section 7-6-202 may be placed in time or savings deposits with a bank, savings and loan association, or credit union in the state or place in repurchase agreements as authorized in Section 7-6-213.

Section 7-6-202, MCA, as amended, now limits authorized investments in certain securities that previously were permissible investments. The amendment does not apply to and does not require the sale of securities that were legal investments before the effective date of this act. However, the investments reported as collateralized mortgage obligations above are not authorized investments at the current time.

The government has no investment policy that would further limit its investment choices.

The government has no investments that require credit risk disclosure.

Short Term Investment Pool (STIP) Credit Quality ratings by the S&P’s rating services as of June 30, 2015:

<u>Security Investment Type</u>	<u>Amortized Cost</u>	<u>Credit Quality Rating</u>	<u>Weighted Average Maturity</u>
Asset Backed Commercial Paper	\$ 779,579,000	A1	25
Corporate Commercial Paper	101,299,000	A1	102
Corporate Variable-Rate	571,672,000	A1+	42
Certificates of Deposit Fixed Rate	150,000,000	A1	259
Certificates of Deposit Variable-Rate	450,000,000	A1+	47
Other Asset Backed	27,821,000	NR	NA
U.S. Government Agency Fixed	54,498,000	A1+	236
U.S. Government Agency Variable -Rate	239,008,000	A1+	42
Money Market Funds (Unrated)	161,592,000	NR	1
Money Market Funds (Rated)	<u>3,000,000</u>	A1+	1
Total Investments	\$ <u>2,538,469,000</u>		52
Securities Lending Collateral Investment Pool	\$ <u>5,806,000</u>	NR	30*

“*As of June 30, 2015, the Securities Lending Quality Trust liquidity pool had an average duration of 30 days and an average weighted final maturity of 115 days for U.S. dollar collateral. In March 2015, all holdings in the Securities Lending Duration Pool were sold.”

Audited financial statements for the State of Montana’s Board of Investments are available at 555 Fuller Avenue in Helena, Montana.

CITY OF WHITEFISH
 FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. All deposits are carried at cost plus accrued interest. As of June 30, 2015 the government's bank balance of \$18,809,866 was exposed to custodial credit risk as follows:

	June 30, 2015
<u>Depository Account</u>	<u>Balance</u>
Insured	\$ 750,000
- Collateral held by the pledging bank's trust department but not in the City's name.	11,128,531
- Amount uninsured and uncollateralized	6,931,335
Total deposits and investments	\$ <u><u>18,809,866</u></u>

Deposit Security

Section 7-6-207, MCA, states (1) The local governing body may require security only for that portion of the deposits which is not guaranteed or insured according to law and, as to such unguaranteed or uninsured portion, to the extent of:

- (a) 50% of such deposits if the institution in which the deposit is made has a net worth of total assets ratio of 6% or more; or
- (b) 100% if the institution in which the deposit is made has a net worth of total assets ratio of less than 6%.

The amount of collateral held for the City's deposits at June 30, 2015, equaled or exceeded the amount required by State statutes.

Cash equivalents

For purposes of the statement of cash flows, the enterprise and internal services funds consider all funds (including restricted assets) held in the City's cash management pool to be cash equivalents.

NOTE 3. RESTRICTED CASH/INVESTMENTS

The following restricted cash/investments were held by the City as of June 30, 2015. These amounts are reported within the cash/investment account on the Statement of Net Position.

CITY OF WHITEFISH
 FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2015

<u>Description</u>	<u>Amount</u>
Debt service	\$ 1,387,841
Construction	1,173,234
Replacement and depreciation	206,405
Park improvements	530,297
Street improvements	541,825
Tax relief	<u>679,335</u>
Total	<u>\$ 4,518,937</u>

NOTE 4. RECEIVABLES

An allowance for uncollectible accounts was not maintained for real and personal property taxes receivable. The direct write-off method is used for these accounts.

Property tax levies are set in August, after the County Assessor delivers the taxable valuation information to the County, in connection with the budget process and are based on taxable values listed as of January 1 for all property located in the Entity. Taxable values are established by the Montana Department of Revenue, and a revaluation of all property is required to be completed on a periodic basis. Taxable value is defined by Montana statute as a fixed percentage of market value.

Real property (and certain attached personal property) taxes are billed within ten days after the third Monday in October and are due in equal installments on November 30 and the following May 31. After those dates, they become delinquent (and a lien upon the property). After three years, the County may exercise the lien and take title to the property. Special assessments are either billed in one installment due November 30 or two equal installments due November 30 and the following May 31. Personal property taxes (other than those billed with real estate) are generally billed no later than the second Monday in July (normally in May or June), based on the prior November's levies. Personal property taxes, other than mobile homes, are due thirty days after billing. Mobile home taxes are billed in two halves, the first due thirty days after billing; the second due September 30. The tax billings are considered past due after the respective due dates and are subject to penalty and interest charges.

Taxes that become delinquent are charged interest at the rate of 5/6 of 1% a month plus a penalty of 2%. Real property on which taxes remain delinquent and unpaid may be sold at tax sales. In the case of personal property, the property is to be seized and sold after the taxes become delinquent.

NOTE 5. INVENTORIES

The cost of inventories are recorded as an expenditure when purchased.

CITY OF WHITEFISH
 FLATHEAD COUNTY, MONTANA
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 June 30, 2015

NOTE 6. CAPITAL ASSETS

The City's assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold as noted below. Gifts or contributions of capital assets are recorded at fair market value when received. The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Buildings	10 – 40 years	\$ 25,000
Improvements	5 – 20 years	\$ 25,000
Equipment	3 – 40 years	\$ 5,000
Infrastructure	10 – 40 years	\$ 75,000

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with Statement No. 34, the City has included the value of all infrastructure into the 2015 Basic Financial Statements.

A summary of changes in governmental capital assets was as follows:

Governmental activities:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2015</u>
Capital assets not being depreciated:				
Land	\$ 8,409,629	\$ 17,089	\$ -	\$ 8,426,718
Construction in progress	1,829,484	3,327,326	(825,346)	4,331,464
Total capital assets not being depreciated	<u>\$ 10,239,113</u>	<u>\$ 3,344,415</u>	<u>\$ (825,346)</u>	<u>\$ 12,758,182</u>
Other capital assets:				
Buildings	\$ 21,528,047	\$ 59,061	\$ 369,855	\$ 21,956,963
Improvements other than buildings	2,114,791	38,081	-	2,152,872
Machinery and equipment	6,485,144	921,343	6,693	7,413,180
Infrastructure	33,575,688	28,421	448,798	34,052,907
Total other capital assets at historical cost	<u>\$ 63,703,670</u>	<u>\$ 1,046,906</u>	<u>\$ 825,346</u>	<u>\$ 65,575,922</u>
Less: accumulated depreciation	<u>\$ (18,505,762)</u>	<u>\$ (2,694,136)</u>	<u>\$ -</u>	<u>\$ (21,199,898)</u>
Total	<u><u>\$ 55,437,021</u></u>	<u><u>\$ 1,697,185</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 57,134,206</u></u>

CITY OF WHITEFISH
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Governmental activities depreciation expense was charged to functions as follows:

Governmental Activities:	
General government	\$ 35,755
Public safety	545,376
Public works	1,496,584
Culture and recreation	<u>616,421</u>
Total governmental activities depreciation expense	<u>\$ 2,694,136</u>

A summary of changes in business-type capital assets was as follows:

Business-type activities:

	Balance July 1, 2014	Additions	Transfers	Adjustment	Balance June 30, 2015
Capital assets not being depreciated:					
Land	\$ 602,783	\$ -	\$ -	\$ -	\$ 602,783
Construction in progress	2,284,440	1,086,991	(219,381)	-	3,152,050
Total capital assets not being depreciated	<u>\$ 2,887,223</u>	<u>\$ 1,086,991</u>	<u>\$ (219,381)</u>	<u>\$ -</u>	<u>\$ 3,754,833</u>
Other capital assets:					
Buildings	\$ 792,287	\$ -	\$ -	\$ -	\$ 792,287
Machinery and equipment	134	-	-	-	134
Pumping plant	3,151,859	-	-	-	3,151,859
Treatment plant	16,481,858	-	-	-	16,481,858
Transmission and distribution	14,934,528	16,435	88,702	-	15,039,665
General plant	1,519,390	17,512	130,679	(23,601)	1,643,980
Total other capital assets at historical cost	\$ 36,880,056	\$ 33,947	\$ 219,381	\$ (23,601)	\$ 37,109,783
Less: accumulated depreciation	\$ (15,908,866)	\$ (1,075,429)	\$ -	\$ 26,434	\$ (16,957,861)
Total	<u>\$ 23,858,413</u>	<u>\$ 45,509</u>	<u>\$ -</u>	<u>\$ 2,833</u>	<u>\$ 23,906,755</u>

NOTE 7. LONG TERM DEBT OBLIGATIONS

In the governmental-wide and proprietary financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, are expensed at the date of sale.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

Changes in Long-Term Debt Liabilities - During the year ended June 30, 2015, the following changes occurred in liabilities reported in long-term debt:

CITY OF WHITEFISH
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Governmental Activities:

	Balance				Balance	Due Within
	<u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Restatement</u>	<u>June 30, 2015</u>	<u>One Year</u>
Special assessment bond	\$ 795,000	\$ -	\$ (70,000)	\$ -	\$ 725,000	\$ 70,000
Revenue bonds	10,715,000	7,183,000	(10,715,000)	-	7,183,000	-
Compensated absences	983,661	63,813	-	-	1,047,474	820,110
Capital lease	3,734		(3,734)		-	
Intercap loans	483,207	493,660	(90,731)	-	886,136	143,320
Net pension liability*	-	-	(883,139)	4,468,250	3,585,111	-
Other post-employment benefits**	1,626,165	321,915	-	-	1,948,080	-
Total	\$ 14,606,767	\$ 8,062,388	\$ (11,762,604)	\$ 4,468,250	\$ 15,374,801	\$ 1,033,430

*See Note 10

**See Note 8

In prior years the general fund was used to liquidate compensated absences and claims and judgments.

Business-type Activities:

	Balance				Balance	Due Within
	<u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Restatements</u>	<u>June 30, 2015</u>	<u>One Year</u>
Revenue bonds	5,910,764	185,454	(644,000)	-	5,452,218	340,000
Compensated absences	305,937	-	(18,675)	-	287,262	183,828
Net pension liability*	-	-	(336,111)	1,507,855	1,171,744	-
Other post-employment benefits**	535,657	96,157	-	-	631,814	-
Total	\$ 6,752,358	\$ 281,611	\$ (998,786)	\$ 1,507,855	\$ 7,543,038	\$ 523,828

*See Note 10

**See Note 8

Special Assessment Debt - Special assessment bonds are payable from the collection of special assessments levied against benefited property owners within defined special improvement districts. The bonds are issued with specific maturity dates, but must be called and repaid earlier, at par plus accrued interest, if the related special assessments are collected. Rural special improvement districts bonds were issued with revolving fund backing. The City is not obligated to levy and collect a general property tax on all taxable property in the Entity to provide additional funding for the debt service payments. The cash balance in the Revolving Fund must equal at least 5% of the principal amount of bonds outstanding. Special assessment bonds outstanding as of June 30, 2015 were as follows:

<u>Purpose</u>	<u>Origination Date</u>	<u>Interest Rate</u>	<u>Bond Term</u>	<u>Maturity Date</u>	<u>Bond Amount</u>	<u>Annual Payment</u>	<u>Balance June 30, 2015</u>
SID #166 – JP Road Project	7/6/06	3.65- 4.80%	20yrs	7/1/2026	\$ <u>1,360,000</u>	Varies	\$ <u>725,000</u>

Reported in Governmental-Type Activities

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Annual requirement to amortize debt:

<u>For Fiscal</u> <u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 70,000	\$ 33,577
2017	70,000	30,497
2018	70,000	27,382
2019	65,000	24,232
2020	65,000	21,275
2021	65,000	18,285
2022	65,000	15,262
2023	65,000	12,207
2024	65,000	9,120
2025	65,000	6,000
2026	60,000	2,880
Total	\$ <u>725,000</u>	\$ <u>200,717</u>

Revenue Bonds - The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at year-end were as follows:

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<u>Purpose</u>	<u>Origination Date</u>	<u>Interest Rate</u>	<u>Bond Term</u>	<u>Maturity Date</u>	<u>Bonds Amount</u>	<u>Annual Payment</u>	<u>Balance June 30, 2015</u>
DNRC – Water 1998 (2)	7/6/98	2.00%	20yrs	7/1/18	\$ 400,000	Varies	\$ 80,000
DNRC – Water 1999 (2)	6/21/99	2.00%	20yrs	7/1/19	5,839,000	Varies	1,519,000
Water DWSRF #06098-2007 (2)	6/15/06	2.25%	20yrs	7/1/26	248,699	Varies	546,000
Water WRF #8110 – 2006 (2)	9/6/07	2.25%	20yrs	7/1/27	900,000	Varies	564,000
Water SRF (2009B) (2)	10/21/09	0.75%	20yrs	7/1/29	120,100	Varies	84,000
Sewer SRF 2002 Series (2)	7/1/02	2.00%	20yrs	7/1/22	200,000	Varies	77,000
Sewer DNRC (2008A) (2)	12/11/08	2.25%	20yrs	7/1/28	500,000	Varies	305,000
Sewer DNRC (2008B) (2)	1/16/09	2.25%	20yrs	1/1/29	1,711,000	Varies	1,034,000
Sewer DNRC (2010B) (2)	2/4/10	0.75%	20yrs	1/1/30	48,211	Varies	38,000
Sewer 2011B (2)	8/1/11	3.00%	20yrs	7/1/31	340,000	Varies	287,000
Sewer 2011C (2)	8/1/11	3.00%	20yrs	7/1/31	350,000	Varies	312,764
Sewer 2014 (2)	3/6/14	3.00%	20yrs	1/1/34	452,300	Varies	426,000
Sewer – River Lakes (2)	11/20/14	2.50%	20 yrs	1/1/35	185,454	Varies	179,454
2015 Tax Increment Urban Renewal Refunding Bond 2015A (1)	6/10/15	2.62%	5 yrs.	7/15/20	3,591,500	Varies	3,591,500
2015 Tax Increment Urban Renewal Refunding Bond 2015B (1)	6/10/15	2.62%	5 yrs	7/15/20	<u>3,591,500</u>	Varies	<u>3,591,500</u>
					<u>\$ 18,477,764</u>		<u>\$ 12,635,218</u>

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- (1) Reported in Governmental-Type Activities
 (2) Reported in Business-Type Activities

Revenue bond resolutions include various restrictive covenants. The more significant covenants 1) require that cash be restricted and reserved for operations, construction, debt service, and replacement and depreciation; 2) specify minimum required operating revenue; and 3) specific and timely reporting of financial information to bond holders and the registrar. The City was in compliance with applicable covenants as of June 30, 2015.

Annual requirement to amortize debt:

<u>For Fiscal</u> <u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 340,000	\$ 174,822
2017	2,701,000	284,683
2018	2,103,000	225,340
2019	2,141,000	173,152
2020	1,984,000	120,141
2021	1,055,000	71,918
2022	298,000	55,043
2023	303,000	48,010
2024	302,000	40,922
2025	308,000	33,743
2026	319,000	26,410
2027	301,000	18,862
2028	87,000	13,164
2029	90,000	10,871
2030	84,000	8,498
2031	78,764	6,069
2032	60,000	3,599
2033	40,000	2,137
2034	40,454	996
Total	\$ <u>12,635,218</u>	\$ <u>1,318,380</u>

Intercap Loans

Intercap loans have variable interest rates. Interest rates are subject to change annually. Interest rates to the borrower are adjusted on February 16th of each year and are based on a spread over the interest paid on one-year term, tax-exempt bonds which are sold to fund the loans.

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Intercept loans outstanding as of June 30, 2015 were as follows:

<u>Purpose</u>	<u>Origination Date</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Balance June 30, 2015</u>
Ice Rink	10/1/12	1.25%	5yrs	8/15/17	\$ 140,000	\$ 79,364
Police Dept. Admin Vehicle	3/14/14	1.00%	3yrs	2/15/17	16,399	10,935
Emergency Vehicle	3/14/14	1.00%	5yrs	2/15/16	155,597	123,519
Fire Pumper Type 1	6/20/14	1.00%	10yrs	8/15/24	485,112	192,501
Fire Pumper	10/3/14	1.25%	10yrs	8/15/24	282,659	268,817
Water Tender Fire Apparatus	2/13/15	1.25%	7yrs	2/15/22	<u>211,000</u>	<u>211,000</u>
Total					<u>\$ 1,079,767</u>	<u>\$ 886,136</u>

Reported in the governmental activities.

Annual requirement to amortize debt:

<u>For Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 143,320	\$ 10,638
2017	144,765	8,320
2018	124,335	7,048
2019	109,410	5,274
2020	78,938	4,185
2021	79,730	3,254
2022	80,514	2,298
2023	49,973	1,440
2024	50,473	866
2025	24,678	216
Total	<u>\$ 886,136</u>	<u>\$ 43,538</u>

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Compensated Absences

Compensated absences are absences for which employees will be paid for time off earned for time during employment, such as earned vacation and sick leave. It is the City's policy and state law to permit employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from City service. Employees are allowed to accumulate and carry over a maximum of two times their annual accumulation of vacation, but no more than 90 days into the new calendar year. There is no restriction on the amount of sick leave that may be accumulated. Upon separation, employees are paid 100 percent of accumulated vacation and 25 percent of accumulated sick leave. The liability associated with governmental fund-type employees is reported in the governmental activities, while the liability associated with proprietary fund-type employees is recorded in the business-type activities/respective proprietary fund.

Advance Refunding of Long-Term Debt (Year of Refunding)

On May 21, 2015, the City issued \$7,183,000 in revenue bonds with an average interest rate of 2.62% to advance refund \$9,365,000 of outstanding revenue bonds with an average interest rate of 4.625%. The net proceeds of \$7,183,000 plus the additional \$3,175,493 of restricted cash that was on the City's books was used to pay the \$73,025 in bond issuance costs, \$719,475 to establish and new reserve account on the City's books, and \$9,565,993 was deposited with an escrow agent to cover the July 2015 principal payment due on the Series 2009 Bonds in the amount of \$1,405,000, the July 15, 2015 interest payment due on the Series 2009 Bonds in the amount of \$200,993, and the redemption of principal of the Series 2009 Bonds scheduled to mature in the years 2016-2020 in the aggregate principal amount of \$7,960,000 on July 15, 2015. As a result, the revenue bonds are considered to be defeased and the liability for those bonds has been removed from the governmental activities.

The City advance refunded the bonds to reduce its total debt service payments over the next 6 years by approximately \$1,517,456 and to obtain an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$1,478,714.

NOTE 8. POSTEMPLOYMENT HEALTHCARE PLAN

Plan Description. The healthcare plan provides for, and Montana State Law (2-18-704) requires local governments to allow employees with at least 5 years of service and who are at least age 50 along with surviving spouses and dependents to stay on the government's health care plan as long as they pay the same premium. Since retirees are usually older than the average age of the plan participants they receive a benefit of lower insurance rates. This benefit is reported as the Other Post Employment Benefits (OPEB) liability. The government has less than 100 plan members and thus qualifies to use the "Alternative Measurement Method" for calculating the liability. The above described OPEB plan does not provide a stand-alone financial report.

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Funding Policy. The government pays OPEB liability costs on a pay-as-you-go basis. A trust fund for future liabilities has not been established.

Funding Status and funding Progress. The funded status of the plan as of June 30, 2013, was as follows:

Actuarial Accrued Liability (AAL)	\$	2,917,871
Actuarial value of plan assets	\$	-
Unfunded Actuarial Accrued Liability (UAAL)	\$	2,917,871
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active plan members)	\$	4,966,132
UAAL as a percentage of covered payroll		58.76%

Annual OPEB Cost and Net OPEB Obligation. The government's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount determined in accordance with the parameter of GASB statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The following table shows the components of the government's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the government's net OPEB obligation.

Annual Required Contribution (ARC)	\$	418,072
Interest on net OPEB obligation	\$	-
Adjustment to ARC	\$	-
Annual OPEB cost (expense)	\$	418,072
Contributions made	\$	-
Increase in net OPEB obligation	\$	418,072
Net OPEB obligation - beginning of year	\$	2,161,822
Net OPEB obligation - end of year	\$	2,579,894

Actuarial Methods and Assumptions. The following actuarial methods and assumptions were used:

	Unit Credit Cost Method
Actuarial cost method	
Average age of retirement (based on historical data)	62
Discount rate (average anticipated rate)	2.00%
Average salary increase (Consumer Price Index)	2.80%
<u>Health care cost rate trend (Federal Office of the Actuary)</u>	

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<u>Year</u>	<u>% Increase</u>
2016	6.2%
2017	6.0%
2018	6.4%
2019	6.8%
2020	6.9%
2021	6.7%
2022 and after	6.9%

NOTE 9. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2015, was as follows:

<u>Purpose</u>	<u>Due to/from other funds:</u>	<u>Payable Fund</u>	<u>Amount</u>
	<u>Receivable Fund</u>		
Cover Negative Cash	General – Major Governmental	Law Enforcement – Nonmajor Governmental	\$ 13,448

Interfund Transfers

The following is an analysis of operating transfers in and out during fiscal year 2015:

<u>Purpose</u>	<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Operating	General – Major Governmental	Parks, Recreation and Community – Nonmajor Governmental	\$ 693,919
Operating	General – Major Governmental	Library – Nonmajor Governmental	34,371
Operating	General – Major Governmental	Fire and Ambulance – Major Governmental	815,000
Urban renewal project	Impact Fees – Nonmajor Governmental	Tax Increment – Major Governmental	92,000
Parkland improvements	Tax Increment – Major Governmental	Parkland Acquisition and Development – Nonmajor Governmental	360,000
Debt payments	Tax Increment – Major Governmental	Tax Increment Revenue Bond Debt – Nonmajor Governmental	1,769,988
Debt payments	Tax Increment – Major Governmental	Tax Increment Revenue Bond Debt – Major Governmental	31,960
Property tax relief	Resort Tax – Nonmajor Governmental	General – Major Governmental	668,831
Parkland improvements	Resort Tax – Major Governmental	Parkland Acquisition and Development – Nonmajor Governmental	19,900
Construction	Tax Increment – Major	City Hall Project – Major	250,000

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Construction	Governmental Impact Fees – Nonmajor Governmental	Governmental City Hall Project – Major Governmental	384,355
Interfund cost allocation plan	Street and Alley – Nonmajor Governmental	General – Major Governmental	13,707
Interfund cost allocation plan	Parks, Recreation and Community Services – Nonmajor Governmental	General – Major Governmental	14,543
Interfund cost allocation plan	Library – Nonmajor Governmental	General – Major Governmental	2,741
Interfund cost allocation plan	Tax Increment – Major Governmental	General – Major Governmental	4,213
Interfund Cost Allocation Plan	Fire and Ambulance – Nonmajor Governmental	General – Major Governmental	34,910
Interfund Cost Allocation Plan	Building Code Enforcement – Nonmajor Governmental	General – Major Governmental	5,607
Interfund Cost Allocation Plan	Light District #1 – Nonmajor Governmental	General – Major Governmental	403
Interfund Cost Allocation Plan	Light District #4 – Nonmajor Governmental	General – Major Governmental	403
Interfund Cost Allocation Plan	Water – Major Governmental	General – Major Governmental	17,703
Interfund Cost Allocation Plan	Sewer – Major Governmental	General Major Governmental	16,340
Interfund Cost Allocation Plan	Solid Waste – Nonmajor Governmental	General – Major Governmental	<u>1,332</u>
			<u>\$ 5,232,226</u>

NOTE 10. NET PENSION LIABILITY

Plan Descriptions

PERS

The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan covers the State, local governments, certain employees of the Montana University System, and school districts.

All new members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be members of both the *defined contribution* and *defined benefit* retirement plans. For members that choose to join the PERS-DCRP, a percentage of the employer contributions will be used to pay down the liability of the PERS-DBRP.

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The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are established by state law and can only be amended by the Legislature. Benefits are based on eligibility, years of service, and highest average compensation. Member rights are vested after five years of service.

MPORS

The Municipal Police Officers' Retirement System (MPORS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan that was established in 1974 and is governed by Title 19, chapters 2 & 9 of the MCA. This plan covers all municipal police officers employed by first- and second-class cities and other cities that adopt the plan. Benefits are established by state law and can only be amended by the Legislature. The MPORS provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and final average compensation. Member rights for death and disability are vested immediately. All other rights are vested after five years of service.

FURS

The Firefighters' Unified Retirement System (FURS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan established in 1981, and governed by Title 19, chapters 2 & 13, MCA. This system provides retirement benefits to firefighters employed by first- and second-class cities, other cities and rural fire district departments that adopt the plan, and to firefighters hired by the Montana Air National Guard on or after October 1, 2001. Benefits are established by state law and can only be amended by the Legislature. The FURS provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and either final monthly compensation or final average compensation. Effective July 1, 2005, the benefits are based on highest average compensation and highest average compensation. Member rights for death and disability are vested immediately. All other member rights are vested after five years of service.

Summary of Benefits

PERS

Member's highest average compensation (HAC)

Hired prior to July 1, 2011 - highest average compensation during any consecutive 36 months; Hired on or after July 1, 2011 – highest average compensation during any consecutive 60 months; Hired on or after July 1, 2013 – 110% annual cap on compensation considered as part of a member's highest average compensation.

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*At this time, as a result of permanent injunction issued in the *AMRPE vs State* litigation, the GABA rate in effect is being used in the calculation. Clarification of the GABA rate for members hired on or after July 1, 2013 is pending.

MPORS

Member's final average compensation (FAC)

Hired prior to July 1, 1977 - average monthly compensation of final year of service;

Hired on or after July 1, 1977 - final average compensation (FAC) for last consecutive 36 months. Hired on or after July 1, 2013 – 110% annual cap on compensation considered as a part of a member's final average compensation.

Eligibility for benefit

20 years of membership service, regardless of age.

Early Retirement

Age 50, 5 years of membership service.

Vesting

5 years of membership service

Monthly benefit formula

2.5% of FAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

Hired on or after July 1, 1997, or those electing GABA - after the member has completed 12 full months of retirement, the member's benefit increases by a maximum of 3% each January, inclusive of all other adjustments to the member's benefit

Minimum benefit adjustment (non-GABA)

If hired before July 1, 1997 and member did not elect GABA - the monthly retirement, disability or survivor's benefit may not be less than ½ the compensation of a newly confirmed officer in the city that the member was last employed.

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Deferred Retirement Option Plan (DROP): Beginning July 2002, eligible members of MPORS can participate in the DROP by filing a one-time irrevocable election with the Board. The DROP is governed by Title 19, Chapter 9, Part 12, MCA. A member must have completed at least twenty years of membership service to be eligible. They may elect to participate in the DROP for a minimum of one month and a maximum of 60 months and may participate in the DROP only once. A participant remains a member of the MPORS, but will not receive membership service or service credit in the system for the duration of the member's DROP period. During participation in the DROP, all mandatory contributions continue to the retirement system. A monthly benefit is calculated based on salary and years of service to the date of the beginning of the DROP period. The monthly benefit is paid into the member's DROP account until the end of the DROP period. At the end of the DROP period, the participant may receive the balance of the DROP account in a lump-sum payment or in a direct rollover to another eligible plan, as allowed by the IRS. If the participant continues employment after the DROP period ends, they will again accrue membership service and service credit. The DROP account cannot be distributed until employment is formally terminated.

FURS

Member's compensation

Hired prior to July 1, 1981 and not electing GABA - highest monthly compensation (HMC);

Hired after June 30, 1981 and those electing GABA – highest average compensation (HAC) during any consecutive 36 months.

Hired on or after July 1, 2013 – 110% annual cap on compensation considered as a part of a member's highest average compensation.

Eligibility for benefit

20 years of membership service, regardless of age.

Early Retirement

Age 50, 5 years of membership service.

Vesting

5 years of membership service

Monthly benefit formula

Members hired prior to July 1, 1981 and not electing GABA are entitled to the greater of:
2.5% of HMC per year of service, OR
if less than 20 years of service -
2% of HMC for each year of service;
if more than 20 years of service -

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50% of the member's HMC plus 2% of the member's HMC for each year of service over 20 years.

Members hired on or after July 1, 1981 and those electing GABA:

2.5% of HAC per year of membership service

Guaranteed Annual Benefit Adjustment (GABA)

Hired on or after July 1, 1997, or those electing GABA - after the member has completed 12 full months of retirement, the member's benefit increases by a maximum of 3% each January, inclusive of all other adjustments to the member's benefit

Minimum Benefit Adjustment (non-GABA)

If hired before July 1, 1997, the monthly retirement, disability or survivor's benefit may not be less than ½ the compensation of a newly confirmed firefighter employed by the city that last employed the member (provided the member has at least 10 years of membership service). If a benefit falls below that minimum, the benefit is increased and paid to the benefit recipient.

Overview of Contributions

PERS

1. Rates are specified by state law for periodic employer and employee contributions.
 - a. The State legislature has the authority to establish and amend contribution rates to the plan.
2. Member contributions to the system:
 - a. Plan members are required to contribute 7.90% of member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.
 - b. The 7.90% member contributions is temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.
3. Employer contributions to the system:
 - a. Local government entities are required to contribution 8.17% of members' compensation.
 - b. School district employers contributed 7.90% of members' compensation.

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- c. Following the 2013 Legislative Session, PERS-employer contributions were temporarily increased. Effective July 1, 2013, employer contributions increased 1.0%. Beginning July 1, 2014, employer contributions will increase an additional 0.1% a year over 10 years, through 2024. The employer additional contributions including the 0.27% added in 2007 and 2009, terminates on January 1 following actuary valuation results that show the amortization period of the PERS-DBRP has dropped below 25 years and would remain below 25 years following the reductions of both the additional employer and member contributions rates.
 - d. Effective July 1, 2013, the additional employer contributions for DCRP is allocated to the defined benefit plan's Plan Choice Rate unfunded liability.
 - e. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
4. Non Employer Contributions
- a. Special Funding
 - i. The State contributes 0.1% of members' compensation on behalf of local government entities.
 - ii. The State contributes 0.37% of members' compensation on behalf of school district entities.
 - b. Not Special Funding
 - i. The State contributes from the Coal Tax Severance fund

MPORS

- 1. Rates are specified by state law for periodic employer and employee contributions
 - The State legislature has the authority to establish and amend contribution rates to the plan.
- 2. Member contributions to the system:
 - Member contribution rates are dependent upon date of hire as a police officer. For fiscal year 2015:
 - If employed on or before June 30, 1975, member contributions as a percentage of salary are 5.8%;
 - If employed after June 30, 1975 and prior to July 1, 1979, member contributions as a percentage of salary are 7.0%;
 - If employed after June 30, 1979 and prior to July 1, 1997, member contributions as a percentage of salary are 8.5%; and,
 - If employed on or after July 1, 1997 and for members electing GABA, member contributions as a percentage of salary were 9.0%.
- 3. Employer contributions to the system:
 - The employers are required to contribute 14.41% of member's compensation.
 - The State contributes 29.37% of member's compensation from the general fund.

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FURS

1. Rates are specified by state law for periodic employer and employee contributions.
 - i. The State legislature has the authority to establish and amend contribution rates to the plan.
2. Member contributions to the system:
 - i. For members hired prior to July 1, 1997 and not electing GABA, member contributions as a percentage of salary are 9.5%, and
 - ii. For members hired on or after July 1, 1997 and members electing GABA, member contributions as a percentage of salary are 10.7%.
3. Employer contributions to the system:
 - i. The employers are required to contribute 14.36% of member's compensation.
 - ii. The State contributes 32.61% of member's compensation from the general fund.
 - iii. Effective July 1, 2013, employer and state contributions are required to be paid on working retiree compensation. Member contributions are not required for working retirees.

Stand-Alone Statements

The PERS, MPORS, FURS stand-alone financial statements, actuarial valuations and experience studies can be found online at <http://mpera.mt.gov/annualReports.shtml> and <http://mpera.mt.gov/actuarialValuations.asp>

Net Pension Liability

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers are required to recognize and report certain amounts associated with their participation in the Public Employees' Retirement System(PERS), Municipal Police Officers' Retirement System (MPORS) and Firefighters' Unified' Retirement System (FURS) Statement 68 became effective June 30, 2015 and includes requirements to record and report their proportionate share of the collective Net Pension Liability, Pension Expense, Deferred Inflows and Deferred Outflows of resources associated with pensions. In accordance with Statement 68, the System has a special funding situation in which the State of Montana is legally responsible for making contributions directly to PERS, MPORS, FURS that are used to provide pension benefits to the retired members. Due to the existence of a special funding situation, employers are also required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability that is associated with the employer.

The State of Montana also has a funding situation that is not Special Funding whereby the State General Fund provides contributions from the Coal Severance Tax and interest to PERS. All employers are required to report the portion of Coal Tax Severance Tax and interest attributable to the employer.

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	PERS NPL as of 6/30/13	PERS NPL as of 6/30/14	Percent of Collective NPL	MPORS NPL as of 6/30/13	MPORS NPL as of 6/30/14	Percent of Collective NPL	FURS NPL as of 6/30/13	FURS NPL as of 6/30/14	Percent of Collective NPL	Total NPL as of 6/30/13	Total NPL as of 6/30/14	Percent of Collective NPL
Employer Proportionate Share	\$ 3,855,635	\$ 2,996,189	0.2405%	\$ 1,078,547	\$ 946,627	0.6024%	\$ 1,041,921	\$ 814,039	0.8339%	\$ 5,976,103	\$ 4,756,855	1.6768%
State of Montana Proportionate Share associated with Employer	47,083	36,588	0.3055%	2,178,795	1,912,300	1.8194%	2,350,524	1,836,432	2.7664%	4,576,402	3,785,320	4.8912%
Total	\$ 3,902,718	\$ 3,032,777	0.5459%	\$ 3,257,342	\$ 2,858,927	2.4218%	\$ 3,392,445	\$ 2,650,471	3.6003%	\$ 10,552,505	\$ 8,542,175	6.5680%

At June 30, 2015, the employer recorded a liability of \$4,756,855 for its proportionate share of the Net Pension Liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The employer's proportion of the net pension liability was based on the employer's contributions received by PERS, MPORS, FURS during the measurement period July 1, 2013, through June 30, 2014, relative to the total employer contributions received from all of PERS, MPORS, FURS participating employers. At June 30, 2014, the employer's proportion was 1.6768 percent.

Changes in actuarial assumptions and methods:
 PERS, MPORS, FURS

There were no changes in assumptions or other inputs that affected the measurement of the Total Pension Liability for PERS, MPORS, FURS.

Pension Expense as of 6/30/14

	PERS	MPORS	FURS	Total
Employer Proportionate Share	\$ 149,139	\$ 101,824	\$ 90,368	\$ 341,331
State of Montana Proportionate Share associated with the Employer	84,720	205,697	203,865	494,282
Total	\$ 233,859	\$ 307,521	\$ 294,233	\$ 835,613

At June 30, 2015, the employer recognized a Pension Expense of \$835,613 for its proportionate share of the pension expense. The employer also recognized grant revenue of \$494,282 for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the employer.

Recognition of Beginning Deferred Outflow

At June 30, 2015, the employer recognized a beginning deferred outflow of resources for the employers FY 2014 contributions of \$513,738.

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Deferred Inflows and Outflows

At June 30, 2015, the employer reported its proportionate share of PERS, MPORS, FURS deferred outflows of resources and deferred inflows of resources related to PERS, MPORS, FURS from the following sources:

	PERS Deferred Outflows of Resources	PERS Deferred Inflows of Resources	MPORS Deferred Outflows of Resources	MPORS Deferred Inflows of Resources	FURS Deferred Outflows of Resources	FURS Deferred Inflows of Resources	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
Difference between projected and actual investment earnings	\$ -	\$ 774,166	\$ -	\$ 116,221	\$ -	\$ 161,687	\$ -	\$ 1,052,074
Difference between actual and expected contributions	5,331	99	-	-	-	-	5,331	99
*Contributions paid subsequent to the measurement date - FY 2015 Contributions	264,782	-	125,085	-	156,669	-	546,536	-
Total	\$ 270,113	\$ 774,265	\$ 125,085	\$ 116,221	\$ 156,669	\$ 161,687	\$ 551,867	\$ 1,052,173

*Amounts reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

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Deferred Inflows and Outflows

PERS: Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount recognized in Pension Expense as an increase or (decrease) to Pension Expense
2016	\$ -	\$ 191,798	\$ (191,798)
2017	\$ -	\$ 191,798	\$ (191,798)
2018	\$ -	\$ 191,798	\$ (191,798)
2019	\$ -	\$ 193,542	\$ (193,542)
2020	\$ -	\$ -	-
Thereafter	\$ -	\$ -	-

MPORS: Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount recognized in Pension Expense as an increase or (decrease) to Pension Expense
2016	\$ -	\$ 29,055	\$ (29,055)
2017	\$ -	\$ 29,055	\$ (29,055)
2018	\$ -	\$ 29,055	\$ (29,055)
2019	\$ -	\$ 29,055	\$ (29,055)
2020	\$ -	\$ -	-
Thereafter	\$ -	\$ -	-

FURS: Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount recognized in Pension Expense as an increase or (decrease) to Pension Expense
2016	\$ -	\$ 40,422	\$ (40,422)
2017	\$ -	\$ 40,422	\$ (40,422)
2018	\$ -	\$ 40,422	\$ (40,422)
2019	\$ -	\$ 10,422	\$ (10,422)
2020	\$ -	\$ -	-
Thereafter	\$ -	\$ -	-

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Actuarial Assumptions

PERS, MPORS, FURS

The Total Pension Liability as of June 30, 2014, is based on the results of an actuarial valuation date of June 30, 2014. There were several significant assumptions and other inputs used to measure the Total Pension Liability. The actuarial assumptions used in the June 30, 2014 valuation were based on the results of the last actuarial experience study, dated May 2010 for the six year period July 1, 2003 to June 30, 2009. Among those assumptions were the following:

- General Wage Growth* 4.00%
- *includes Inflation at 3.00%
- Merit Increases - PERS 0% to 6%
- Merit Increases – SRS 0% to 7.3%
- Investment Return 7.75%
- Postretirement Benefit Increases
 - 3% for members hired **prior to** July 1, 2007
 - 1.5% for members hired **on or after** July 1, 2007

PERS

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of other adjustments to the member's benefit.

FURS

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage each January, inclusive of other adjustments to the member's benefit.

Minimum Benefit Adjustment is 50% of a newly confirmed officer

- Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2015 with scale AA.
- Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Employee and Annuitant Mortality Tables with no projections. No future mortality improvement is assumed.

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Discount Rate

PERS, MPORS, FURS

The discount rate used to measure the Total Pension Liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non- employer contributing entities will be made based on the Board’s funding policy, which establishes the contractually required rates under Montana Code Annotated.

For PERS, the State contributes 0.1% of salaries for local governments and 0.37% for school districts. In addition, the State contributes coal severance tax and interest money from the general fund. The interest is contributed monthly and the severance tax is contributed quarterly.

For MPORS, the State contributes 29.37% of salaries pensionable payroll paid by employers.

For FURS, the State contributes 32.61% of salaries pensionable payroll paid by employers.

Based on those assumptions, the System’s fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2122. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. No municipal bond rate was incorporated in the discount rate.

Target Allocations

PERS, MPORS, FURS

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash Equivalents	2.00%	-0.25%
Domestic Equity	36.00%	4.80%
Foreign Equity	18.00%	6.05%
Fixed Income	24.00%	1.68%
Private Equity	12.00%	8.50%
Real Estate	<u>8.00%</u>	4.50%
Total	<u>100.00%</u>	

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The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for the System. The most recent analysis, performed for the period covering fiscal years 2003 through 2009, is outlined in a report dated May 2010, which is located on the MPERA website. Several factors are considered in evaluating the long-term rate of return assumption including rates of return adopted by similar public sector systems, and by using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. Best estimates are presented as the arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2014, is summarized in the above table.

Sensitivity Analysis

	1.0% Decrease	Current	1.0% Increase
	-6.75%	Discount Rate	-8.75%
PERS	\$ 4,766,628	\$ 2,996,189	\$ 1,502,998
FURS	\$ 1,307,777	\$ 814,039	\$ 411,042
MPORS	\$ 1,364,859	\$ 946,627	\$ 614,611

In accordance with GASB 68 regarding the disclosure of the sensitivity of the Net Pension Liability to changes in the discount rate, the above table presents the Net Pension Liability calculated using the discount rate of 7.75%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1.00% lower (6.75%) or 1.00% higher (8.75%) than the current rate.

Summary of Significant Accounting Policies

The Montana Public Employee Retirement Administration (MPERA), (for PERS, MPORS, FURS) prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the Net Pension Liability, deferred inflows of resources and deferred outflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same accrual basis as they are reported by MPERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. MPERA adhere to all applicable Governmental Accounting Standards Board (GASB) statements.

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NOTE 11. LOCAL RETIREMENT PLANS

Deferred Compensation Plan

The Entity offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan available to all Entity employees permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Fire Department Relief Association Disability and Pension Fund

City volunteer firefighters are covered by the Fire Department Relief Association Disability and Pension Fund, which is established by State Law. The Association is managed by a Board of Trustees made up of members of the fire department, and is accounted for as a pension trust fund of the town.

A member of a volunteer fire department who has served 20 years or more is entitled to benefits regardless of age. Volunteer serving less than 20 years but more than 10 years may receive reduced benefits. The amount of the pension benefits are set by the Association's Board of Trustees.

NOTE 12. FUND BALANCE CLASSIFICATION POLICIES AND PROCEDURES

The government considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

The government considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Restricted Fund Balance

<u>Major Fund</u>	<u>Amount</u>	<u>Purpose of Restriction</u>
Resort Tax	\$ 1,659,249	Street and Park improvements
Tax Increment	2,480,465	Urban development
Fire and ambulance	423,876	Emergency services
Tax Increment Revenue Bond Debt	720,595	Debt service
City Hall Project	2,297,384	Construction
All Other Aggregate:		
	573,818	Culture and recreation services and improvements
	186,619	Debt service
	1,918,553	Improvements
	1,357	Miscellaneous
	738,620	Storm drainage
	<u>63,108</u>	Utility services
Total	<u>\$ 11,063,644</u>	

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NOTE 13. DEFICIT FUND BALANCES/NET POSITION

<u>Fund Name</u>	<u>Amount</u>	<u>Reason for Deficit</u>	<u>How Deficit will be Eliminated</u>
Building Code Enforcement	\$ 16,729	Prior year's deficit cash balances	Future Building permit fees
Drug Forfeiture	172,817	Prior year's deficit cash balances	Future drug forfeiture charges
SID 166 Bond Debt	<u>58,698</u>	Prior year's deficit cash balances	Future assessments
Total	<u>\$ 248,244</u>		

NOTE 14. RESTATEMENTS

During the current fiscal year, the following adjustments relating to prior years' transactions were made to fund balance and net position.

<u>Fund</u>	<u>Amount</u>	<u>Reason for Adjustment</u>
Water	\$ (681,006)	GASB 68 Implementation
Sewer	\$ (678,072)	GASB 68 Implementation
Solid Waste	\$ (55,441)	GASB 68 Implementation
Water	\$ (4,281)	SID 158 correction
Sewer	\$ (5,767)	SID 158 correction
Water	\$ 2,834	Prior year capital asset error
Governmental Activities	\$ (4,048,235)	GASB 68 Implementation
Governmental Activities	60	Prior year long term debt error

NOTE 15. INTERLOCAL AGREEMENT

The City of Whitefish, Montana and the City of Columbia Falls, Montana entered into an interlocal agreement for the provision of building code inspection services in August 1999. The City of Whitefish through its building department agreed to provide plan review, site review, and site inspection services relating to the enforcement of the State and City of Columbia Falls technical, building and plumbing codes within the extended jurisdictional limits of Columbia Falls. Columbia Falls agreed to pay Whitefish a sum equal to 65% of the permitting fees paid by the permit applicant on the project inspected, payable on a monthly basis. Whitefish agreed to provide Columbia Falls, on a monthly basis, a report concerning all services provided to Columbia Falls.

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NOTE 16. JOINT VENTURES

Joint ventures are independently constituted entities generally created by two or more governments for a specific purpose which are subject to joint control, in which the participating governments retain 1) an ongoing financial interest or 2) an ongoing financial responsibility.

Flathead County 911 Emergency Coordination Center

Flathead County along with the City of Kalispell, the City of Columbia Falls, and the City of Whitefish, participate in a County-wide enhanced 911 public safety answering point call Flathead County 911 Emergency Coordination Center (ECC) that was established by an interlocal agreement in February 1999. The ECC was formed for the purpose of providing for police/law enforcement public safety dispatch point (PSDP) districts, fire service areas, and licensed emergency services for all fire departments, fire local and county-wide multi-agency and/or multi-jurisdictional emergencies and disaster response. The Board consists of five members: Flathead County Sheriff, one member of the Flathead County Board of Commissioners, and one member for each of the City's operations for the ECC are accounted for in the 011 fund and reported in the general purpose financial statements of Flathead County within a Special revenue fund. The salaries for the dispatch services are reported under the participating entities sheriff and police departments.

Big Mountain County Sewer District

The City permits the District to connect to the City's sanitary sewage collection system. The usage rate charged by the City to the District is \$40.00 for each customer classified as SC2/Outside.

NOTE 17. SERVICES PROVIDED BY OTHER GOVERNMENTS

County Provided Services

The City is provided various financial services by Flathead County. The County also serves as cashier and treasurer for the City for tax and assessment collections and other revenues received by the County which are subject to distribution to the various taxing jurisdictions located in the County. The collections made by the County on behalf of the City are accounted for in an agency fund in the City's name and are periodically remitted to the City by the County Treasurer. No service charges have been recorded by the City or the County.

NOTE 18. RISK MANAGEMENT

The City faces considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability, i.e., errors and omissions, (d) environmental damage, (e) workers' compensation, i.e., employee injuries, and (f) medical insurance costs of employees. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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Insurance Policies:

Commercial policies transferring all risks of loss, except for relatively small deductible amounts are purchased for property and content damage, employees torts, and professional liabilities. Employee medical insurance is provided for by a commercial carrier. And, given the lack of coverage available, the City has no coverage for potential losses from environmental damages.

Insurance Pools:

The City participates in the state-wide public safety risk pool, Montana Municipal Insurance Authority for workers' compensation.

In 1986, the City joined together with other Montana cities to form the Montana Municipal Insurance Authority which established a workers' compensation plan and a tort liability plan. Both public entity risk pools currently operate as common risk management and insurance programs for the member governments. The liability limits for damages in tort action are \$750,000 per claim and \$1.5 million per occurrence with a \$3,750 deductible per occurrence. State tort law limits the City's liability to \$1.5 million. The City pays an annual premium for its employee injury insurance coverage, which is allocated to the employer funds based on total salaries and wages. The agreements for formation of the pools provide that they will be self-sustaining through member premiums.

Separate audited financial statements are available from the Montana Municipal Insurance Authority.

NOTE 19. RESORT TAX

In 1995, the citizens of the City of Whitefish approved a 2% resort tax. City Ordinance 95-15 restricted the tax proceeds as follows:

Administration fee to business owners	5%
Parks Improvements	5%
Street Improvements	65%
Tax Relief	25%

On June 30, 2015 the Resort Tax Fund has a cash balance of \$1,751,456. This balance was restricted as follows:

Park Improvements	\$530,297
Street Improvements	\$541,825
Tax Relief	\$679,335

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In April of 2015 it was voted and approved for the resort tax to increase 1% to a total of 3% starting July 1, 2015. Of the additional 1%, 70% will go to debt service for the repayment of the debt associated with the Haskill Basin conservation easement purchase, as noted under the subsequent events, which occurred in fiscal year 2016. 25% of the additional 1% will go to property tax relief, and the remaining 5% will be added on to the administrative fee to business owners.

NOTE 20. WHITEFISH LAKE GOLF COURSE

In January 2011, the City leased the Whitefish Lake Golf Course to the Whitefish Lake Golf Club, Inc. The term of the lease is 30 years beginning January 1, 2011 and ending December 31, 2040. The annual rental payments due to the City are \$22,375 per year and shall increase by the December to December change in the Consumer Price Index every five years beginning with the payment due in June 2016. In addition, the City will receive a net profits payment beginning February 2012 of 3% of the prior year's net profits for the Whitefish Lake Golf Club, Inc.

NOTE 21. PENDING LITIGATION

The following is a list of litigation pending against the City and the amount of damages claimed by the Plaintiff. The City Attorney has made no evaluation as to the outcome of each case. The City has liability insurance which may cover all or part of the damages requested.

<u>Case</u>	<u>Damages Requested</u>	<u>Potential of Loss</u>
<i>Montana Public Employees' Association Inc. v. City of Whitefish. Cause No. DV-15-036C</i>	Not Stated	Not Stated
<i>Scott Wurster v. Whitefish City Council, Dave Taylor and Virgil Bench. Cause No. DV-13-900A</i>	Not Stated	Not Stated
<i>Frank Lloyd Wright Building, LLP v. City of Whitefish, Cause No. DB-15-856A</i>	Not Stated	Not Stated
<i>Lakeshore Group, LLC v. The City of Whitefish, Cause No. DV-15-1022D</i>	Not Stated	Not Stated

CITY OF WHITEFISH
FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 22. SUBSEQUENT EVENTS

Resort Tax Increase and the Haskill Basin Conservation Easement Project

At a special election on April 18, 2015, Whitefish voters approved by a margin of 1718 to 334 to increase to the existing resort tax rate from 2% to 3% to be effective July 1, 2015. The resort tax revenues resulting from the 1% increase are restricted as follows: (i) 25% property tax relief; (ii) 70% to secure and be pledged to the repayment of a loan or a bond to finance a portion of the costs of, or to otherwise pay for, the acquisition of the Haskill Basin Conservation Easement or other interests, except that if such portion of resort tax revenues received in a fiscal year is more than is needed in that fiscal year for such loan or bond, the excess will be applied to additional property tax relief in the next fiscal year; and 5% for the merchants' costs of administration.

The Haskill Basin Project includes the acquisition by the City, as co-grantee with the Montana Department of Fish, Wildlife and Parks, of a conservation easement with respect to approximately 3,020 acres in and around Haskill Basin for the purposes of protecting and preserving water quality and quantity, including the source drinking water supply for the City's municipal water system. On February 16, 2016, the City, as co-grantee with the Montana Department of Fish, Wildlife, and Parks (FWP), closed on the purchase of the Haskill Basin Conservation Easement with F.H. Stoltz Land and Lumber Company. The City's contribution for this project totaled \$7,700,000 with an additional \$519,500 of closing costs and cash reserves required for the revenue bond from the Montana State Revolving Fund loan program. FWP provided \$9,000,000 for the project through two grants including the Habitat Conservation Grant and the U.S. Federal Forest Legacy Grant. Furthermore, F.H. Stoltz Land and Lumber Company also donated \$3,280,000 of the appraised value. The total cost of the acquisition was \$20,449,500, including bond counsel costs of \$60,000 and reserves of \$459,500.

City Hall and Parking Structure Project and Financing

In August 2015, the City relocated City Hall to a temporary location to allow for demolition and construction to begin on the new City Hall and Parking Structure. The most recent approved budget for the project occurred at the January 19, 2016 council meeting where the total budget was unanimously approved for \$16,041,550. Furthermore, on March 1, 2016, the City closed on the Series 2016 Tax Increment Urban Renewal Revenue Bonds that will partially fund the project. The total amount issued was \$9,800,000 with a maturity date of July 15, 2020 and an interest rate of 2.21%. The amount spent on the project as of May 26, 2016 totals \$4,483,357.

Highway 93 West – Phase II Project Financing and Project Completion

On December 7, 2015 the City Council approved Resolutions 15-50 and 15-51 authorizing a \$120,000 water revenue bond and a \$960,000 wastewater revenue bond to partially fund the Highway 93 North – Whitefish West Phase II project. The project has been completed and the bond closing took place on December 17, 2015. The total cost of the project is \$1,408,050. The remainder of the cost was covered by impact fees for the extension and increased capacity of water and sewer lines.

**REQUIRED SUPPLEMENTAL
INFORMATION**

City of Whitefish, Flathead County, Montana
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2015

	General			
	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	WITH FINAL
			(BUDGETARY	BUDGET
			BASIS) See Note A	
RESOURCES (INFLOWS):				
Taxes and assessments	\$ 2,017,659	\$ 2,017,659	\$ 2,053,077	\$ 35,418
Licenses and permits	60,600	60,600	66,490	5,890
Intergovernmental	1,343,243	1,343,243	802,208	(541,035)
Charges for services	240,550	240,550	252,258	11,708
Fines and forfeitures	228,250	228,250	204,938	(23,312)
Miscellaneous	63,000	63,000	29,378	(33,622)
Investment earnings	15,000	15,000	14,535	(465)
Amounts available for appropriation	<u>\$ 3,968,302</u>	<u>\$ 3,968,302</u>	<u>\$ 3,422,884</u>	<u>\$ (545,418)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General government	\$ 540,996	\$ 540,996	\$ 644,218	\$ (103,222)
Public safety	2,798,966	2,798,966	333,358	2,465,608
Public works	59,257	59,257	24,569	34,688
Social and economic services	-	-	1,500	(1,500)
Culture and recreation	-	-	9,928	(9,928)
Housing and community development	-	-	12,020	(12,020)
Debt service - principal	3,400	3,400	3,734	(334)
Debt service - interest	-	-	515	(515)
Miscellaneous	12,000	12,000	-	12,000
Capital outlay	51,800	51,800	17,085	34,715
Total charges to appropriations	<u>\$ 3,466,419</u>	<u>\$ 3,466,419</u>	<u>\$ 1,046,927</u>	<u>\$ 2,419,492</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of general long term debt	\$ -	\$ -	\$ -	\$ -
Transfers in	2,553,831	2,553,831	(1,104,267)	(3,658,098)
Transfers out	(3,428,290)	(3,428,290)	(1,512,933)	1,915,357
Total other financing sources (uses)	<u>\$ (874,459)</u>	<u>\$ (874,459)</u>	<u>\$ (2,617,200)</u>	<u>\$ (1,742,741)</u>
Net change in fund balance			<u>\$ (241,243)</u>	
Fund balance - beginning of the year			<u>\$ 1,315,291</u>	
Fund balance - end of the year			<u><u>\$ 1,074,048</u></u>	

City of Whitefish, Flathead County, Montana
Budgetary Comparison Schedule - Continued
For the Fiscal Year Ended June 30, 2015

Resort Tax				
	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS (BUDGETARY BASIS) See Note A	WITH FINAL BUDGET
RESOURCES (INFLOWS):				
Taxes and assessments	\$ 2,087,995	\$ 2,087,995	\$ 2,213,700	\$ 125,705
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Investment earnings	5,000	5,000	3,967	(1,033)
Amounts available for appropriation	\$ 2,092,995	\$ 2,092,995	\$ 2,217,667	\$ 124,672
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Social and economic services	-	-	-	-
Culture and recreation	-	-	-	-
Housing and community development	-	-	-	-
Debt service - principal	-	-	-	-
Debt service - interest	-	-	-	-
Miscellaneous	-	-	-	-
Capital outlay	2,527,214	2,527,214	1,730,463	796,751
Total charges to appropriations	\$ 2,527,214	\$ 2,527,214	\$ 1,730,463	\$ 796,751
OTHER FINANCING SOURCES (USES)				
Proceeds of general long term debt	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-
Transfers out	(708,631)	(708,631)	(688,731)	19,900
Total other financing sources (uses)	\$ (708,631)	\$ (708,631)	\$ (688,731)	\$ 19,900
Net change in fund balance			\$ (201,527)	
Fund balance - beginning of the year			\$ 1,860,776	
Fund balance - end of the year			\$ 1,659,249	

City of Whitefish, Flathead County, Montana
Budgetary Comparison Schedule - Continued
For the Fiscal Year Ended June 30, 2015

	Tax Increment			
	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS (BUDGETARY BASIS) See Note A	WITH FINAL BUDGET
RESOURCES (INFLOWS):				
Taxes and assessments	\$ 4,626,600	\$ 4,626,600	\$ 4,741,033	\$ 114,433
Licenses and permits	-	-	-	-
Intergovernmental	248,865	248,865	248,865	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	149,365	149,365	2,451	(146,914)
Investment earnings	-	-	-	-
Amounts available for appropriation	<u>\$ 5,024,830</u>	<u>\$ 5,024,830</u>	<u>\$ 4,992,349</u>	<u>\$ (32,481)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Social and economic services	-	-	-	-
Culture and recreation	-	-	-	-
Housing and community development	2,264,667	2,264,667	1,949,989	314,678
Debt service - principal	-	-	-	-
Debt service - interest	-	-	-	-
Miscellaneous	500,000	500,000	-	500,000
Capital outlay	965,633	965,633	237,300	728,333
Total charges to appropriations	<u>\$ 3,730,300</u>	<u>\$ 3,730,300</u>	<u>\$ 2,187,289</u>	<u>\$ 1,543,011</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of general long term debt	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	92,000	92,000
Transfers out	(2,379,988)	(2,379,988)	(2,416,161)	(36,173)
Total other financing sources (uses)	<u>\$ (2,379,988)</u>	<u>\$ (2,379,988)</u>	<u>\$ (2,324,161)</u>	<u>\$ 55,827</u>
Net change in fund balance			<u>\$ 480,899</u>	
Fund balance - beginning of the year			<u>\$ 1,999,566</u>	
Fund balance - end of the year			<u><u>\$ 2,480,465</u></u>	

City of Whitefish, Flathead County, Montana
Budgetary Comparison Schedule - Continued
For the Fiscal Year Ended June 30, 2015

Fire and Ambulance				
	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	WITH FINAL
			(BUDGETARY	BUDGET
			BASIS) See Note A	
RESOURCES (INFLOWS):				
Taxes and assessments	\$ 548,956	\$ 548,956	\$ 562,656	\$ 13,700
Licenses and permits	100,300	100,300	107,242	6,942
Intergovernmental	439,682	439,682	60,719	(378,963)
Charges for services	1,257,000	1,257,000	1,305,566	48,566
Fines and forfeitures	-	-	-	-
Miscellaneous	2,500	2,500	12,282	9,782
Investment earnings	-	-	-	-
Amounts available for appropriation	\$ 2,348,438	\$ 2,348,438	\$ 2,048,465	\$ (299,973)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	3,093,593	3,093,593	2,673,651	419,942
Public works	-	-	-	-
Social and economic services	-	-	-	-
Culture and recreation	-	-	-	-
Housing and community development	-	-	-	-
Debt service - principal	69,500	69,500	54,055	15,445
Debt service - interest	-	-	3,723	(3,723)
Miscellaneous	-	-	-	-
Capital outlay	574,547	574,547	589,915	(15,368)
Total charges to appropriations	\$ 3,737,640	\$ 3,737,640	\$ 3,321,344	\$ 416,296
OTHER FINANCING SOURCES (USES)				
Proceeds of general long term debt	\$ 504,547	\$ 504,547	\$ 493,659	\$ (10,888)
Transfers in	815,000	815,000	815,000	-
Transfers out	-	-	(34,910)	(34,910)
Total other financing sources (uses)	\$ 1,319,547	\$ 1,319,547	\$ 1,273,749	\$ (45,798)
Net change in fund balance			\$ 870	
Fund balance - beginning of the year			\$ 423,006	
Fund balance - end of the year			\$ 423,876	

City of Whitefish, Flathead County, Montana
Budgetary Comparison Schedule
Budget-to-GAAP Reconciliation

Note A - Explanation of differences between budgetary inflows and outflows and GAAP Revenues and Expenditures

	<u>General</u>	<u>Resort Tax</u>	<u>Tax Increment</u>	<u>Fire and Ambulance</u>
Sources/Inflows of resources				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 3,422,884	\$ 2,217,667	\$ 4,992,349	\$ 2,048,465
Combined funds (GASBS 54) revenues	206,995	-	-	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds.	<u>\$ 3,629,879</u>	<u>\$ 2,217,667</u>	<u>\$ 4,992,349</u>	<u>\$ 2,048,465</u>
Uses/Outflows of resources				
Actual amounts (Budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,046,927	\$ 1,730,463	\$ 2,187,289	\$ 3,321,344
Combined funds (GASBS 54) expenditures	2,112,082	-	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 3,159,009</u>	<u>\$ 1,730,463</u>	<u>\$ 2,187,289</u>	<u>\$ 3,321,344</u>

City of Whitefish, Flathead County, Montana
REQUIRED SUPPLEMENTAL INFORMATION
Schedule of Funding Progress
For the Fiscal Year Ended June 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Unit Credit Cost Method (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/(c))
July 1, 2009	\$ -	\$ 2,138,344	\$ 2,138,344	0%	\$ 5,340,271	40.0%
July 1, 2012		\$ 2,917,891	\$ 2,917,891	0%	\$ 4,966,132	58.8%

City of Whitefish, Flathead County, Montana
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2015

	PERS <u>2015</u>	MPORS <u>2015</u>	FURS <u>2015</u>
Employer's proportion of the net pension liability	\$ 2,996,189	\$ 946,627	\$ 814,039
Employer's proportionate share of the net pension liability associated with the Employer	0.240463%	0.602426%	0.833914%
State of Montana's proportionate share of the net pension liability associated with the Employer	<u>36,588</u>	<u>1,912,300</u>	<u>1,836,432</u>
Total	\$ <u>3,032,777</u>	\$ <u>2,858,927</u>	\$ <u>2,650,471</u>
Employer's covered-employee payroll	\$ 2,722,032	\$ 808,297	\$ 1,083,229
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	110.072%	117.114%	75.149%
Plan fiduciary net position as a percentage of the total pension liability	79.9%	67.0%	76.7%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City of Whitefish, Flathead County, Montana
Required Supplementary Information
Schedule of Contributions
For the Year Ended June 30, 2015

Schedule of Contributions	PERS <u>2015</u>	MPORS <u>2015</u>	FURS <u>2015</u>
Contractually required contributions	\$ 239,651	\$ 117,524	\$ 156,563
Contributions in relation to the contractually required contributions	\$ 239,651	\$ 117,524	\$ 156,563
District's covered-employee payroll	\$ 2,722,032	\$ 808,297	\$ 1,083,229
Contributions as a percentage of covered-employee payroll	8.804%	14.540%	14.453%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City of Whitefish, Flathead County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year ended June 30, 2015

Public Employees' Retirement System of Montana(PERS)

Changes of assumptions:

Assumptions related to future member contribution rates have been updated based on revised projections, which incorporate Plan experience over the year ending on the valuation date.

Assumptions related to the Guaranteed Annual Benefit Adjustment (GABA) for members hired on or after July 1, 2013 have been added, given new guidance on the GABA applicable to these members.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates are determined on an annual basis for the fiscal year beginning July 1, 2014, determined as of June 30, 2014.

The following actuarial methods and assumptions were used to determine actuarial contribution rates reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Open
Remaining amortization period	30 years
Asset valuation method	4-year smoothed market
Inflation	3 percent
Rate of Increase in Total Payroll	4 percent
Investment rate of return	7.75 percent

Montana Municipal Police Officers' Retirement System of Montana(MPORS)

Changes of assumptions: None

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates are determined on an annual basis for the fiscal year beginning July 1, 2014, determined as of June 30, 2014.

The following actuarial methods and assumptions were used to determine actuarial contribution rates reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Open
Remaining amortization period	30 years
Asset valuation method	4-year smoothed market
Inflation	3 percent
Rate of Increase in Total Payroll	4 percent
Investment rate of return	7.75 percent, net of pension plan investment expense, and including inflation

Montana Firefighters' Unified Retirement System of Montana (FURS)

Changes of assumptions: None

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates are determined on an annual basis for the fiscal year beginning July 1, 2014, determined as of June 30, 2014.

The following actuarial methods and assumptions were used to determine actuarial contribution rates reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Open
Remaining amortization period	30 years
Asset valuation method	4-year smoothed market
Inflation	3 percent
Rate of Increase in Total Payroll	4 percent
Investment rate of return	7.75 percent, net of pension plan investment expense, and including inflation

Denning, Downey & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1740 U.S. Hwy 93 South, P.O. Box 1957, Kalispell, MT 59903-1957

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Mayor and City Council
City of Whitefish
Flathead County
Whitefish, Montana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of Whitefish, Flathead County, Montana, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Whitefish's basic financial statements and have issued our report thereon dated June 27, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Whitefish, Flathead County, Montana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Whitefish, Flathead County, Montana's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Whitefish's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Whitefish's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Derring, Downey and Associates, CPAs, P.C.

June 27, 2016

Denning, Downey & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1740 U.S. Hwy 93 South, P.O. Box 1957, Kalispell, MT 59903-1957

REPORT ON PRIOR AUDIT REPORT RECOMMENDATIONS

Mayor and City Council
City of Whitefish
Flathead County
Whitefish, Montana

The prior audit report contained no recommendations.

Denning, Downey and Associates, CPA's, P.C.

June 27, 2016

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WHITEFISH CITY COUNCIL MEETING
JULY 5, 2016
SPECIAL SESSION 6:30-7:00PM

1. Call to Order

Mayor Muhlfeld called the meeting to order. Councilors present Barberis, Williams, Hildner, Feury, Sweeney. Staff present were City Manager Stearns, City Clerk Howke.

2. Interview for Committee Vacancies

Council interviewed incumbent Resort Tax Monitoring Committee member Trek Stephens and new applicant Mariah Joos for the Whitefish Convention and Visitors Bureau (WCVB) for downtown retail.

3. Public Comment – None

4. Appointments

Councilor Hildner made a motion, second by Councilor Feury to reappoint Trek Stephens to the Resort Tax Monitoring Committee and appoint Mariah Joos to the WCVB representing downtown retail. The motion passed unanimously.

5. Adjournment

Mayor Muhlfeld adjourned the meeting at 7:00 pm.

Mayor Muhlfeld

Attest:

Michelle Howke, City Clerk

WHITEFISH CITY COUNCIL

July 5, 2016

7:10 P.M.

1) CALL TO ORDER

Mayor Muhlfeld called the meeting to order. Councilors present were Hildner, Feury, Barberis, Sweeney, and Williams. Councilor Frandsen arrived at 7:26p.m. City Staff present were City Manager Stearns, City Clerk Howke, Finance Director Smith, Planning and Building Director Taylor, Public Works Director Workman, Parks and Recreation Director Butts, Police Chief Dial and Senior Planner Compton-Ring. Approximately twenty-four people were in the audience.

2) PLEDGE OF ALLEGIANCE

Mayor Muhlfeld asked Mike Jenson to lead the audience in the Pledge of Allegiance.

3) PRESENTATIONS – City Hall/Parking Structure Construction Update – Owner’s Representative Mike Cronquist (p.81)

Owner’s Representative Mike Cronquist was absent; City Manager Stearns gave the staff report that is provided in the packet on the website.

4) COMMUNICATIONS FROM THE PUBLIC – (This time is set aside for the public to comment on items that are either on the agenda, but not a public hearing or on items not on the agenda. City officials do not respond during these comments, but may respond or follow-up later on the agenda or at another time. The Mayor has the option of limiting such communications to three minutes depending on the number of citizens who want to comment and the length of the meeting agenda)

Tom Gilfillan, owner of Whitefish Pottery, 355 Twin Bridges Road, would like to see something done with the speed limit on Highway 93 West near the Whitefish Cemetery. He was almost rear-ended coming out of the Whitefish Lake Restaurant. He feels the speed limit should change to 45mph past the Grouse Mountain entrance or the turn off to State Park Road.

Mike Jenson, 919 Dakota Avenue, states he supports the United Methodist Church and its activities, but does not support their interest in putting up a cell tower. He is here to alert the Council that the 150-200-foot metal tree is being proposed for private property off of Wisconsin Avenue. He questions this possibility and does not believe that any conditional use permit should allow an entity to enter into activities and agreements that degrade their neighborhood property. If for some reason it is approved and they argue it is not an imposition to the neighborhood, he suggests they put it up by their steeple.

5) COMMUNICATIONS FROM VOLUNTEER BOARDS - None

6) CONSENT AGENDA

- a) **Minutes from the June 20, 2016 Special Meeting (p. 93)**
- b) **Minutes from the June 20, 2016 Regular Meeting (p. 94)**

Councilor Sweeney made a motion, second by Councilor Hildner to approve the consent agenda. The motion passed 5-0, Councilor Frandsen was absent.

- 7) **PUBLIC HEARINGS** (Items will be considered for action after public hearings) (Resolution No. 07-33 establishes a 30-minute time limit for applicant's land use presentations. Ordinances require 4 votes for passage – Section 1-6-2 (E)(3) WCC)
- a) **Ordinance No. 16-11; An Ordinance rezoning approximately 4.73 acres of land located at 325 Haugen Heights Road, in Section 27, Township 31 North, Range 22 West, Whitefish, Montana, from County R-2.5 (Rural Residential District) to City WER (Estate Residential District) and adopting findings with respect to such rezone (First Reading) (p. 103) (WZC16-02) (CD1 14:00)**(Councilor Frandsen attended the meeting during Senior Planner Compton-Ring's report, 7:26p.m.)

Senior Planner Compton-Ring gave the staff report that is provided in the packet on the website.

Mayor Muhlfeld opened the Public Hearing

Henry Elsen and Andree' Larose, 901 Stuart Street, Helena Montana, are the owners of the property and were present for any questions.

Nick Polumbus, 303 Stumptown Loop, said there has been a lot of rezoning, annexation and development in the area, and his concern is the traffic component as a whole for the safety of the neighborhood.

Joel Shehan, 400 Icehouse Terrace, which is on the corner of Haugen Heights Road and east of the current Tamarack Ridge subdivision. He wanted to bring the Council's attention when the rezoning was approved there was an amendment that although the zoning was designated WER, there was a stipulation of a maximum of 32 residences being constructed there, which matched the acreage that was being rezoned. He also emphasized the concerns for increased traffic use.

Councilor Hildner made a motion, second by Councilor Feury to approve Ordinance No. 16-11; An Ordinance rezoning approximately 4.73 acres of land located at 325 Haugen Heights Road, in Section 27, Township 31 North, Range 22 West, Whitefish, Montana, from County R-2.5 (Rural Residential District) to City WER (Estate Residential District) and adopting findings with respect to such rezone in staff report WZC16-02. The motion passed unanimously.

- b) **Consideration of not demolishing the Depot Park Building in the future as planned for in the Depot Park Masterplans and instead leasing it out (p. 130)(CD1 21:51)**

City Manager Stearns gave the staff report provided in the packet on the website.

Mayor Muhlfeld opened the Public Hearing

Dan Graves, 192 Sweetgrass Way, board member for the Chamber of Commerce, says he hopes the Council considers the aspects of the building. There are several organizations that need a home; the Big Mountain Commercial Association, The Chamber of Commerce, the Convention and Visitor Bureau (WCVB), and then a Visitor Center. All four organizations would fit beautifully in the building, and it is a great location. He knows it is a part of the masterplans to

demolish and take it back to some type of greenspace. He said masterplans change all the time. On the 4th of July he was at the train station and looked over at the Depot Park and saw a man, a woman and a yellow Labrador, that was the extent of the traffic in the park. City of Whitefish is surrounded by thousands and thousands of acres, the largest National Park in Montana, and a river that runs through the middle of town, he asks “Do we really think people come here to utilize our park?” Yes, it is great for Tuesday markets, one weekend a month from May to October, but other than that it is a delightful green area and it can remain that way, but we don’t need to take down a building that would suit 365 days a year of function for an industry that drives this area. It would make a great home for those organizations.

Bruce Boody, Landscape Architect, was the lead person on the Depot Park Masterplans. One of the important things to remember is that was a continuation of the Downtown Masterplan. The Downtown Masterplan was 8 years’ worth of work, which was the original decision to acquire the park and remove the structures in the park. The decision was not made lightly, there was a lot of debate about it. When we started the Depot Park Masterplan, we just reaffirmed that decision and moved forward with that. All told we probably have 10-12 years of decision making that reaffirmed how valuable that park was to the downtown business district. That is why the City spent \$3.8 million to buy it. There are two very eloquent letters from John Phelps and Tee Bauer reaffirming the decision from all different directions. He echoes John Phelps and Tee Bauer’s comments, and the statements and the masterplans, and asks the Council to take a long view and reaffirm the decision to keep the park as green open space.

Turner Askew, 3 Ridgecrest Court, said one of the opportunities while serving on the Council was to interview people to do the masterplan, and hired Crandall Arambula as consultants for the Downtown Masterplan. They came up with some really interesting ideas and the masterplans came out. That doesn’t mean they are God, they were consultants and they were making us think. It looks like there are people that could use the building. Maybe for the next 5 years to get income, it’s a good idea to keep the building. If you tear it down, we can’t go back, we can’t put the Chamber of Commerce there. He encourages the Council to consider the options and go for it.

Kevin Gartland, 622 Somers Ave, Director of the Chamber of Commerce and serves on the Depot Park Steering Committee. The Chamber of Commerce has not come to the City and asked the City to reconsider the Depot Park Masterplan so that they can live there for the rest of their lives. We are here because from Council to Staff came the idea for a potential to drive revenue, which the City needs at this point in time. The Chamber has discussed it, and he referenced the letter from Tony Veseth that is included in the packet on the website. Kevin said that if it is a 5-year lease, at least two of the four non-profit organizations would dropout. The economy savings isn’t there, and the Chamber of Commerce is not interested in a five-year lease. If the building stays, the parking lot is not needed, he and his employees can park down past the railroad. Depot Park is supposed to be a park and we should maximize it for a park, but could also serve a very important purpose for the Chamber as well.

Mike Jenson, 919 Dakota Avenue, agrees with moving the non-profits into a central location. They can have a common receptionist in the front, save everybody money. In all his travels, every town he has encountered has an information center. Plans evolve all the time and to be bound in a rigid plan that is not flexible is not a valid plan. It’s hard to argue we need everything that building can provide, and can’t find it anywhere else. He believes we should keep the building.

Rebecca Norton, 530 Scott Avenue, prefers to demolish the building and continue with the regular plan. She likes the idea of the non-profits being together, but thinks there are other places that can be used for that purpose. Once you commit to that purpose you will never get that piece of property back. The people who have been designing our plan for years have shown incredible vision for downtown, and the opportunity to have that space function as it is designed. She votes for greenspace.

Joey Kositzky, Director of the Whitefish Community Library, urges the Council to read the letter from the Board of Trustees that is provided in the packet on the website. As a Library Director she is very much in favor of keeping the building and opening it up to non-profit. The Library gets walk-ins every day, five to ten to twenty people wanting to know where the visitors center is, where the Chamber of Commerce is, and where to get information? So she and her staff are stepping outside their building, pointing down the street, and hope they find it. If you do keep the building, she hopes to keep the parking lot, every decision you make about that park impacts the Library.

Ashley Meyette, Whitefish Gift and Gear, said keeping the building for a visitor center, or Chamber of Commerce would be ideal for them as a business. People ask where to go, what's around here; so they play tour guide a lot of times. Where do we find a visitor center, so staff directs them to the Chamber and they can't find, they don't know where the building is, they come back or they say they went over to the library. Having a central location down the street of all the businesses would be perfect to point them in the direction and then the Chamber can point them back. Or finding a different use for the building but keeping it for volunteer purposes. It's still centrally located, it's in a good spot and in good condition. There is no reason to throw it away,

Nick Polumbus, 303 Stumptown Loop, representing the Whitefish Convention and Visitor Bureau (WCVB), their core mission is to go to the world and convince people to come here for a vacation. The WCVB currently has a good deal in rent where they are at, and because their core mission is to go into the world and drive people in, their take on it would boil down to the terms of the lease and the cost. Of course an info center in a high profile location in town would be a benefit, that it a very rational thing we can all agree to. The WCVB's position depends on the dollars and cents, by they don't want to take resources away from their core mission to put towards increased rent for their purposes.

Rhonda Fitzgerald, 412 Lupfer Avenue, chairs the State Tourism Research Committee and they do a lot of research on all matters, visitor and recreation, and there is significant body of literature there now, saying that the walk up visitor information center is a very much declining concept. Most people are getting their information from their phone or at some sort of 24/7 kiosk which is why the WCVB partnered with the Heart of Whitefish and the City to provide the information kiosks around town. People are not wanting information 9-5 Monday thru Friday, they want it on Sunday night, or Friday night at 10:00. Even though the manned visitor center is a feel good thing, it really is not the wave of the future at all. Typically, the more techno savvy people are the less apt to use it, and we do market to a high value low impact visitor that is really quite sophisticated in their travel. She would say over time that function is going to become less and less important. The State of Montana no longer funds visitor information centers around the State. Their mission is use their funds for more affective visitor outreach. She participated on the Depot

Park Masterplan Committee as a representative for the Whitefish Market, and she referred to item #2 of John Phelps's letter that is provided in the packet on the website and reiterated his point. In this particular case the purchase with significant funds for the Depot Park was the number two catalyst project to create a town square, a public square viewed from Central Avenue to connect the Depot. The building squats right on the sight line for entrance into the park. As a private citizen she reached out to the consultants that helped out with the Downtown Masterplan, and they submitted a letter that is provided in the packet.

Donna Maddux, incoming Whitefish Library Association President, found Mr. Phelps words very convicting, however she brings the Council's attention to we are just recovering from the Great Recession. Work has come back into our area, but salaries have not yet come back in our area. We look to the leadership of our community to make wise decisions on our behalf and the masterplan has that piece of continuity, and she can't deny that value in that, but what she does deny is that its responsible to tear a perfectly good building because we apparently are very concerned about the view. Those are mentioned several times in that draft document. She guesses she has to say why in the dickens are we building a potentially three story City Hall if we are so concerned about the view? What happens at that park impacts the Library and at the moment she is a library association member, she wants the Council to think that we are a community recovering, we are not recovered yet. Please take that into account as you weigh a lot of valuable testimony tonight.

Tom Gilfillan, Whitefish Pottery, 355 Twin Bridges Road, agrees with Dan Graves, Mike Jenson, and Tony Veseth. He is a downtown businessman, and the two questions he gets asked the most at Whitefish Pottery is where are the public restrooms, and where is the visitor information center? It would be easier to tell visitors the center is at the end of the street, and you can find all the information you want. The information could be a valuable ticket outlet for the O'Shaughnessy Center, Alpine Theatre Project, events on the mountain, lift tickets. The building is a viable useful building and to tear it down would be financially irresponsible. Masterplans change. He doesn't think everybody sees how valuable the building could actually be. If it needs a new roof, let's get some donations and in-kind services to fix the roof, he will head it up. He stresses to the Council how valuable the building could be for a number of organizations, and the viability of the people coming to town.

Don Kaltschmidt, 230 JP Road, member of the Chamber of Commerce Board, also agrees with those who spoke towards keeping the building. As a lessee, if improvements are needed the investment needs to be paid back in a period of time. He suggests a five-year lease with an extension of time.

Tee Bauer, 211 Huckleberry Lane, served on the Park Board two years ago and served on the Park Planning Committee. He has written a letter that is provided in the packet on the website. The Depot Park is a special asset for the community, and he thinks that the potential of Depot Park for the downtown is underutilized and unrealized at this point. He thinks the work that was done on the Planning Committee will help us realize the real potential of Depot Park, the result is to take the building down. It will create an opportunity for the growth of downtown. Downtown today has become more urbanized. To have a greenspace in a park as beautiful as Depot Park as the masterplan has dictated would be a real asset, and even help the urban properties grow. We are not here to find a place for the Chamber or the WCVB, there is space in downtown to re-locate.

The opportunity now is to make Depot Park the potential it can be. He would like to propose to the Council he would be happy to make a gift to the City for the demolition cost of the building so the project can move forward as the masterplan has dictated. He asks Maria Butts to get three bids and he will work with her toward the demolition.

There being no further comments, Mayor Muhlfeld closed the Public Hearing and turned the matter over to the Council for their consideration.

Councilor Frandsen said she was on board for keeping the building. She is not ready to tear down a building that might have 5-years left in it, if that is the responsible and prudent thing to do. If we can earn a little revenue on the side to pay back to the TIF fund that is great. We need a more centrally located visitor information center, she is not convinced the City will be able to offer terms that would suffice those needs, nor would we be able to provide the improvements needed in that building for a longer term. She hadn't been looking at this as a long term move, and she had only been looking at this as keeping it alive for a little while longer, get a little more life out of it, with a term set for removing the building as planned.

Councilor Hildner asked the usable square feet in the existing building versus the square feet available in the space in the parking garage. Manager Stearns said the existing building is 2386 square feet and the parking structure is 2824 square feet. Councilor Hildner asked if a condition survey has been done for the building? Manager Stearns said no, other than when the decision was made for Parks and Recreation to move in, Building Inspector Bench looked at it. Director Taylor and Director Butts would have a feel for limitations or conditions. Councilor Hildner then asked if there has been any consideration to moving the building either to convert to affordable housing or to a City owned property for City use. Manager Stearns said there has been thought of putting it out for bid to buy and move. The front part is slab on grade, the back part has a crawl space and could be moved if a viable use. We haven't identified viable city use at this time. Councilor Hildner referred to page 133 of the packet, looking at aerial photos of 1961 and 2006 and number of trees are approximately 51 trees to now 19 trees. The southwest corner, triangle to the southeast is not usable space so we lose roughly 20% of the park with the building. He agrees with Jen and wants to have a full and robust discussion.

Discussion followed between Councilor Frandsen and Manager Stearns regarding the Montana Annotated Code and City Code and who has authority to make the decision to set the lease. Manager Stearns said the City Council provided the funding for the Depot Park Masterplan, therefore it is the City Council decision.

Councilor Barberis said she came into tonight thinking it would make sense to keep the building and it would be a great spot for a visitor center, but if in fact folks don't want to lease it for five years because of improvements, she doesn't want the City to spend money on making improvements, and thinks the retail space in the Parking Garage is a good alternative. She is in favor to demolition the building or moving all or some of it for storage for the Parks Department.

Councilor Sweeney, stated this is an uncomfortable place to be because he is squarely on the fence. He can see the benefits of retaining this building for a period of time and he thinks there is some fiscal responsibility for retaining it. At the same time, he respects the work that has been done on both the Downtown Masterplan and the Depot Park Masterplan. You would expect there

would be changes to masterplans overtime. It is important that we challenge this and all parts of masterplans to implement them. He had convinced himself at one point that retaining this building we would be affectively delaying or deciding when to implement various parts of the masterplan. This simply is a timing issue and not an overall concept of what we want that park to be. He would like to understand what renovation would be proposed for the building for the uses that have been articulated and who is going to fund those costs and whether or not under the circumstances makes sense to retain this building. Under no circumstances is he willing to retain the building for something less than a near market value. It doesn't make economic sense to do that. The City paid good money for that building and that park with the full intention to tear it down. If people are interested in it given the economics of it, he thinks we have made our decision. We are not willing to trade a community benefit for a revenue stream and visitor center or a community oriented building, because it doesn't make economic sense for a tradeoff.

Manager Stearns said he doesn't think we ever envisioned we would do a lot of improvements to the building, we think they would be tenant improvements, at the same time anytime tenants do improvements they either expect a break on their market lease or amortize it over a length of time. The original genesis of this thought was to use the revenue for the Parking Structure.

Councilor Feury echoes what Councilor Sweeney says that it is a very difficult issue. The only thing he heard in arguments in keeping the building is to provide a home for 3 possibly 4 perspective tenants. But what he has not heard in any of the argument is the impact of the function of the park. Ultimately the Depot Park Masterplan was how well will that park function as a park. When he looks at the photo on page 133 of the packet, he sees 45% of the park unusable because of the buildings. Dan Graves mentioned he saw a man and a women and a yellow Labrador on a leash, therefor it doesn't get any use, in part that is a good observation and very correct. The reason for that is if you are standing on Central Avenue there is zero to draw you into that park. He spent nine years standing across selling bread for his wife at the farmer's market, and watching, and states the building really does inhibit the function of the park. This park doesn't function well because of the building. Even though he thinks it is a great location for visitor center, and thinks they would be great uses and valuable, he thinks it would be at the detriment of the park. Therefor he can't support any change in the masterplan.

Councilor Williams understands and sees value in both sides of the argument. She believes that circumstances have changed, we need to be fiscally conservative and be smart about how we are spending our money and how we are generating revenue. Right now we have the opportunity to keep the building and she echo's Councilor Sweeney's concern in making sure it is actually worth our time and efforts to keep the building and bring in the revenue that we want. If we do keep the building, we need to set termination date of 5 years and echo the ideas of the Depot Park Masterplan. Circumstances change and who is to say circumstances won't change and we have actually made the positive additions to the building and that building becomes a very workable part of the park. She thinks with all the testimony she heard today, she would like to know more about the fiscal balance sheet of what needs to be done in terms of remodel and renovations to house tenants and not set a 5-year termination date, will make it approachable for tenants. In that case move forward and demolish the building.

Councilor Hildner made a motion, second by Councilor Feury to honor the Depot Park Masterplan and remove the building in the southwest corner of the park so that we may continue to develop the park as designed.

Councilor Hildner said in listening to the public and reviewing the masterplan he thinks there are options for those organizations who presented several hypotheticals, for them to pursue other alternatives. He thinks that the idea of parkland is one that is part and parcel of not only this community but really the preservation of parklands as part of our genetics as citizens of the United States. He thinks that it is incumbent upon us as elected officials to consider those alternatives, but given the opportunity he wants to come down on the side of future generations who will be able to enjoy this open space in the center of the community. He reminded himself when he looked again this morning, the approval of the Depot Park Masterplan was one the first votes he cast as a City Councilor, he thinks it was a proper vote then and it's the vote today.

Councilor Sweeney is not ready to make a decision to demolish the building with the set of facts he has in front of him. His concern is if there is no economic viability to retain the building, and set those parameters out, by all means tear it down. He can't support it at this time.

Councilor Frandsen said she thinks it is an important point to consider at this time whether or not to remove the building. However, it stands its coming down, and this is whether or not we should reconsider that effort. Tonight we also do not have a report on the condition of the building, how long the viability is of the building, the cost of improving it, how would lease negotiations look like with potential tenants, or who is really willing to be in the space. What is the economic impact of moving in a visitor center as to a park? She feels uncomfortable making a decision without some of those facts at hand, and wished it could have been tabled until having all the facts.

Councilor Feury said to address Councilor Frandsen's concerns, we are not going to moving out of there for more than a year. He would be more concerned in making a decision to go ahead and keep it at this point. By reaffirming the Depot Park Masterplan doesn't preclude anybody providing that information in the future or revisiting this decision. This is supporting the masterplan and in the future the issue could be revisited.

The motion dies on a 4 to 3 vote with Councilors Sweeney, Frandsen, Williams and Mayor Muhlfeld voting against the motion.

Councilor Sweeney made a motion, second by Councilor Frandsen to affirm the Downtown Masterplan and the Depot Park Masterplan calling for the removal of the building upon our vacation of that building, pending a detailed proposal from potential tenants within four months.

Councilor Sweeney doesn't know enough to make an argument about the fiscal important of retaining that building. The reality is if the tenants have interest in the building and they want something specific that is important to them, they will have to spend money to get it. If they come with a viable real proposal, he would entertain keeping the building.

Councilor Feury said the Chamber was uncomfortable with a 5-year lease and some wanted 10 years, and stated very clearly that after 5 years they could prove how valuable the building is.

He said you enter into a lease with somebody, it will be impossible to move a tenant out. This is not a five-year decision. Councilor Sweeney agrees with Councilor Feury, but at the same time he thinks there is some fiscal reasons and as a result some community benefit for us to look at whether or not over the next four months.

Mayor Muhlfeld said the reason this is on the agenda may be his responsibility when we were dealing with some budget issues related to the new City Hall and Parking Structure. He and Manager Stearns started investigating alternative revenue streams the City could perhaps tap and this of course rose to the top of the list. He voted for the Downtown Masterplan and the Depot Park Masterplan and there are certain elements of both plans that have changed. With a plan it is important to keep in mind that as long as most of the parts are retained and implemented, it still can be a functioning plan. He sees the same with this, retaining for a period of time and it is one of the few revenue generating assets the City owns outright and looking at a revenue stream of \$35,000 to \$40,000 a year even over a five-year life cycle is a significant source of revenue to help offset some of the escalated costs for City Hall. Furthermore, looking down the road it has always been contemplated that as the city grows and staff is added, we would have the opportunity to add a third floor to City Hall. When that third floor gets contemplated the TIF will no longer be available to the City, and how it will be paid for has been a question in his mind. A logical department for the City in the event we do need to expand to relocate back to this building would be the Parks and Recreation Department. It would be a logical fit to the park, not only in the short term but also the long term. The Council doesn't have all the information to make the best and informed decision.

The motion passes on a 4-3 vote with Councilors Barberis, Feury and Hildner voting in opposition.

c) Consideration of an application from Whitefish TP, LLC for a Conditional Use Permit to develop a three story, 81-room Marriott Towneplace Suites with 90 off-street parking spaces at 6361 Highway 93 South (WCUP 16-04)(p. 164) (CD1 1:53:30)

Senior Planner Compton-Ring gave her staff report that is provided in the packet on the website. The Conditional Use Permit is required due to the size of the footprint exceeding 15,000 square feet and is not granting a variance to the standards of the city, this is extra review and gives the city an opportunity to look at possible impacts.

Councilor Frandsen asked and Compton-Ring said the footprint of the building is 17,565 square feet, and staff reviews the landscape and fencing plans at the time they submit it for building permit. Councilor Hildner asked and Planner Compton-Ring said the demonstrable public benefit is only part of Planned Unit Development (PUD) requests. Councilor Sweeney asked Planner Compton-Ring said any use of that property would have an impact on the intersection and doing nothing will make it worse.

Mayor Muhlfeld opened the Public Hearing

The applicant Jordon Scott, 11011 N 92nd Street in Scottsdale, Arizona and the President of Glacier House Hotels, has been a visitor of Whitefish for 22 years. As a tourist he looks forward to visiting all the shops and restaurants downtown Whitefish provides. One of the great things

about downtown Whitefish is it is unique, and does not have the chains and the brands that you will find in other cities in the United States. As a hotel developer that specializes in brands. Every unit has its own suite, and it's a very nice expensive product to build, but it does not have a full service restaurant, full service bar or a gift shop. That is important to make sure the guests use and maximize the downtown amenities Whitefish has to offer.

Eric Mulcahy with Sands Surveying worked with the design team on this project. As Planner Compton-Ring pointed out in her staff report, this is the second run on this project. The original plan had a CUP for the size of the building and a PUD for the height of the building. In that process there was quite a bit of feedback from the residential neighbors and also the Planning Board in regards to the height, the character and the size of the structure. So Jordan and his team of architects really went to work on this project and essentially selected a sight that is south the of the original site and further removed from the residences and then they started working on the height of the building and the unit count. The building is within the 35-foot height envelope that is in the zoning ordinance and reduced the size of the structure from 111 suites to 81 suites. They tried to preserve as many as those trees as they could, through the layout of the parking lot. Bike parking, is provided for the guest in the front of the building and provided in the back for the employees, and the refuse and recycling for the building is located at the back of the building.

Mayor Muhlfeld asked and Eric said there is a 20-foot setback from the property and a number of islands in the parking lot for now storage and in the larger snow years they will haul the snow.

David Mitchell, 2 Main Street, Kalispell with CTA Architects reviewed the design plans that are provided on page 237-240 in the packet on the website.

Councilor Hildner asked and Dave said the large rectangle on the roof is screening for the mechanical units, and there is no use for patrons on the roof. Jordon said there is no alcohol sales at this hotel, there will be a warm dish breakfast that is free to the guests.

Judy Spivey, 117 Park Knoll Lane quoted Alexis de Tocqueville, and questions why must we accept a request for a variance to our rules. Have we considered the increased pressures, the 81+ bathrooms have on the already compromised sewer system? Do we actually need this new hotel/motel facility? How will the facility affect our present hotel/motel owners? Don't allow the City to become another "any town USA". We can lead with our hearts, act with empathy and civility as we exercise the courage of our conviction. Is it impossible to simply say no?

Don Spivey, 117 Park Knoll Lane, compliments the current design and he has some concerns. One of the issues is the traffic congestion we are experiencing on Highway 93 between JP Road and the signal at the mall. Does the City's current sewer system have the capacity to deal with the additions, and is the City going to be able to manage the odor problem? What is being requested has already been granted several times, which is a variance to the foot print size. His concern is we are establishing so much precedent by it over and over again, we are going to set a precedence that we are not going to be able to work around. We need to either fix that regulation or we need to not approve the CUP. His recommendation is to deny the CUP largely on the premise that we don't need to continue to set precedence that we are going to set in time.

Kent Taylor, 1735 East Lakeshore Drive, owner of Hidden Moose Lodge, said Whitefish is losing its charm and character. The new hotels coming in don't have restaurants, where are the people going to eat? Where are they going to park? It's like the Lowe's and the Home Depot, once they are in, Applebee's, and Chili's, will be knocking on our front door and that is going to the entrance to Whitefish. It is going to negatively impact the lodging community, because we are diluting the shoulder season. There is more inventory, there is not more people coming. They are a franchisee so people are going to be making reservations and that is going to be taking away from existing lodging businesses. He thinks any new property that comes in should have to pay in, because they are getting the benefit of all the hard work and money that has gone into the effort to bring people into Whitefish. Look forward down the road, this is just one applicant that looking to build a hotel, but what is it going to bring? The brands are here and they are capturing the business as people are coming into town. He requests that the Council deny the CUP.

Rhonda Fitzgerald, 412 Lupfer Avenue passed out a graph to the Council that is provided in the packet on the website. The graph reflects the last twenty years of hotel/motel Resort Tax collections. It shows not much has changed, July and August are the really strong months, and the rest of time there is not much business around here. In a way is a good thing because we are not a tourist town, we are a town of people who live here year around and work hard. That is a charming thing, it has a character and is very appealing to visitors. The WCVB has worked hard to build the shoulders months. Because she is in the lodging business, everybody she knows asks her what is with all these hotels. She doesn't understand how it is going to work because there is just no more business to be shared. It is really going to dilute the other ten months of the year. She thinks we are losing our town, and thinks we are at a tipping point. If we are going to be a town of hotels and restaurants and art galleries and t-shirt shops, most of us don't want to live her. The City's standards are probably pretty loose. This CUP is just to go from 15,000 square feet to 17, 565 square feet with is less than 20% increase. She thinks the City needs to go back and look at the standards, and franchise standards. She thinks we are making a huge mistake in our community. Not just this applicant but in general.

Michael Morton, 101 Lakeside Boulevard, owner of the property of the proposed hotel. He asked the Council if they really want to get into the business of deciding when we have enough rooms in Whitefish? Was this a discussion when you the Hampton Inn or the Firebrand Hotel was approved? He doesn't think it is the business of the Council to decide when we have enough rooms in Whitefish, he thinks the market will decide that. If you are going to get into that, what are the criteria?

There being no further comment, Mayor Muhlfeld closed the Public Hearing and turned the matter over to the Council for their consideration.

Councilor Frandsen appreciates the effort the owners have taken to revise their plan. This is a use by right, and we don't get to see it. We don't get to add conditions to it. We don't get to say no. She would say at this moment this is a good opportunity to shape what we want this property to look like and how we want it to fit into that neighborhood to set some expectations for some standards we would like to see. This property is sitting a little closer to the highway than some previous ones we have looked at in the past. As unfortunate as it is so many brands popping up in the entrance to our community, that is what it is zoned for.

Councilor Frandsen made a motion, second by Councilor Sweeney to approve the Conditional Use Permit to develop a three story, 81-room Marriott Towneplace Suites with 90 off-street parking spaces at 6361 Highway 93 South for Whitefish TP, LLC.

Councilor Frandsen said there are a few areas that concerns her, besides the mass of the structure, she hopes it could have been a little smaller, but she thinks it looks pleasing given the size of the property. She asked and Planner Compton-Ring said the buffering is 20 feet along the eastern edge past the parking.

Councilor Frandsen made a motion, second by Sweeney to amend Condition #14 to add a 20-foot additional screening and landscaping in the southwest corner of the property starting at the fence line to screen the refuse facility and in addition along the west side of the property to the highway right-of-way. The motion was approved unanimously.

Councilor Hildner needed clarification regarding connectivity to the bike path system. Dan Mann, the engineer for the applicant said as part of the MK project, there is a sidewalk on the south side of Akers Lane that is a standard sidewalk and on the north side there is a bike path that goes from Whitefish Avenue to Highway 93, at one of the entry points a cross walk can be put in to cross to the bike path. There is currently not a connection on the west side.

Councilor Hildner made a motion, second by Councilor Sweeney to add Condition #17, building wash lighting shall not be permitted. The motion was approved unanimously.

Councilor Hildner made a motion, second by Councilor Sweeney to add Condition #18 to provide bicycle path connection on the west side of the project to Highway 93. The motion was approved unanimously.

Councilor Frandsen amended the original motion to include the findings of fact in the staff report WCUP 16-04. Councilor Sweeney being the second agreed.

Councilor Sweeney said there is some validity of concerns from Kent Taylor and Rhonda Fitzgerald particularly given the history with the City that in what we all want the City to be is not someplace else. He thinks Kent is probably right by allowing these kinds of formula development which we don't prohibit and have not gone through that discussion, he would invite that discussion as we go forward. What we can do under the circumstances is try to address that concern with our architectural standards, landscaping standards, as we approach each of these kinds of projects. We require that if we are going to allow those kinds of uses we at least insure that they are landscaped appropriately and screened appropriately so that it doesn't look like every town USA or the commercial strip in Kalispell. Under the circumstances, given these amendments, he can feel okay about approving this kind of formula use on Highway 93. He would like to be able to make an argument the traffic that will cause us a problem on bases as to which to deny it, but any use of this property will cause that intersection to drop to a D level operation. This particular use doesn't impact or negatively impact any use of that property. He hears what Kent and Rhonda are saying and thinks they are viable concerns and we need to address those.

Councilor Hildner thanked Judy Spivey for quoting Alexis de Tocqueville. He also stated with regards to Michael Morton's question of enough rooms, is not his concern, it's how we

provide those rooms. The argument that if we come back down to 15,000 square feet then it becomes a use by right and then all of the conditions of approval end up going away.

The original motion fails with a 4-2 vote, Councilors Feury, Barberis, Hildner and Williams voting in opposition.

Manager Stearns said that given the findings of facts support a motion to approve, the Council should ask staff and the City Attorney to come back with findings of fact for denial. Council could reopen the hearing. Land use decisions are based on the land use outlined in the code, not on economics. The one main criteria for addressing some of the comments made tonight is in 11-7-8J7e, which talks about community character. The Council, staff and City Attorney will need to look at 11-7-8J7e to come up with findings of fact for denial, and any enumeration or help you can provide tonight would help staff and the City Attorney draft those.

Councilor Frandsen hoped her fellow Councilors would reconsider their denial. This could come back as use by right at 15,000 square feet with whatever they like as long as it fits within current code. She thinks they outline some pretty good conditions, if the Council doesn't like what they are proposing, she hopes they would let the applicant know what they don't like. We can't govern competition; we can't tell somebody who probably has a financial stake in the game what we think is the right way to do business. We can tell them how they fit into our town and community and she thinks the applicant made a good faith effort.

Councilor Feury made a motion, second by Councilor Williams to reconsider the original motion. Councilor Feury states Councilor Frandsen makes a good point that we are not economic reason. He would like to see it moved to be tabled and see if there are a set of findings of conditions that would allow us to deny. **The motion to reconsider the original motion passed unanimously.**

Councilor Feury made a motion, second by Councilor Barberis to postpone to July 18th, and direct staff at the Planning Department and City Attorney Jacobs to provide alternate set of findings to deny. The motion passed unanimously.

- d) **Ordinance No. 16-12; An Ordinance rezoning approximately 0.11 acres of land known as Tract 1MA in the Southeast Quarter of the Northwest Quarter (SE1/4NW1/4) Northern Portion, and Tract 1B, Tract 1-0 in the Southeast Quarter of the Northwest Quarter (SE1/4NW1/4) Southern Portion, of Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County, from County RR-1 (Low Density Resort Residential District) to City WRR-1 (Low Density Resort Residential District) and adopting findings with respect to such rezone (First Reading)(WZC 16-04) (p. 247)(CD2 59:23)**

Senior Planner Compton-Ring gave her staff report provided in the packet on the website.

Mayor Muhlfeld opened the Public Hearing

Chris Hyatt, 547 Spokane Avenue, on behalf of the Department of Homeland Defense and Border Patrol said there are some concerns.

There being no further comment, Mayor Muhlfeld closed the Public Hearing and turned the matters over to the Council for consideration.

Mayor Muhlfeld asked Chris to elaborate on his comments. Chris stated the concerns are dealing with this agenda item and agenda item 7e. There is concerns from the Federal Government on safety of developing that road to a wider road. The Federal Government or Buttrey Realty Co. are the owners to the east and the west side of Nelson Lane and Highway 93 West, neither one has received any notice at this time.

Senior Planner Compton-Ring stated notices were mailed to property owners 150 feet along with the public notice in the paper. Manager Stearns had pulled up on the county GIS map the mailing address for both properties.

Councilor Feury made a motion, second by Councilor Hildner to approve Ordinance 16-12; An Ordinance rezoning approximately 0.11 acres of land known as Tract 1MA in the Southeast Quarter of the Northwest Quarter (SE1/4NW1/4) Northern Portion, and Tract 1B, Tract 1-0 in the Southeast Quarter of the Northwest Quarter (SE1/4NW1/4) Southern Portion, of Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County, from County RR-1 (Low Density Resort Residential District) to City WRR-1 (Low Density Resort Residential District) and adopting findings with respect to such rezone as stated in staff report WZC 16-04. The motion passed unanimously.

- e) **Consideration of an application from GMJ LLC for a Conditional Use Permit to develop twelve condominium cabins at 1325 & 1331 Nelson Lane (WCUP16-04) (p. 265)(CD2 01:05:18)**

Planner Compton-Ring gave her staff report that is provided in the packet on the website. The project is proposing to access off of Nelson Lane, which is connected to Highway 93 West. It is currently a narrow dirt road that is not constructed to City standards. The City is requesting a 24-foot-wide paved surface. The applicant owns the 10-foot wide parcel, however the actual dirt road is not located within that 10-foot area and is right up against the Border Patrol building. There is 26 ½ foot strip of land that has been discovered does not belong to anyone. It is between the 10-foot strip, and the eastern Grouse Mountain Park and the eastern Border Patrol building. Staff is recommending a condition of approval that the applicant obtains legal right to construct a roadway using that area, and then once obtained legal access give an easement for a water line that crosses the property.

Councilor Sweeney asked if there was discussion with Fox Hollow for primary access. Planner Compton-Ring said Fox Hollow is a private road. Councilor asked and Planner Compton-Ring said Fire Marshall Kennelly approved the plans with the designed a T-turnaround.

Mayor Muhlfeld opened the Public Hearing

Garth Boksich, 501 South Karrow Estates Road, is the applicant. The idea behind this is a condominium project with individual deeded condos, that are small cabins. These will be very high end, small units with little impact on the neighborhood. They have had ongoing discussions

with Fox Hollow and taken all of their suggestions into account. An HOA will be established, and a HOA manager, and possibly an onsite office.

Councilor Hildner asked and Garth said the pedestrian path goes to Nelson Lane after it dead ends at the east end of the property. The golf cart barn is really an equipment storage facility.

Councilor Frandsen asked if there was any additional snow storage available other than above Unit #1? Councilor Williams said there is snow storage on the west side above Unit #6.

Mark Tracy, 235 Fox Hollow, said his unit overlooks this development sight. He is not here tonight to oppose the development. He feels there is necessity for onsite management of this project, because, it's like a golfing destination facility. The existing house on the property over the years has had some pretty wild gatherings during the summer season. He is asking the Council to really look at onsite management especially during the high summer season.

Pete Glee, manages Fox Hollow Homeowners Association, and is in favor of the project but encourages an onsite manager. Fox Hollow has a mixture of owner occupied, long term rentals and short term rentals.

Chris Hyatt, 547 Spokane Avenue, on behalf of the Homeland Security and the Border Patrol said the concern comes from the fact that the new road would be less than 10-feet from the building. It would make it easy access to run a vehicle into the building. They are willing to work with the developer ask the Council to table until another date.

There being no further comment, Mayor Muhlfeld closed the Public Hearing and turned the matter over to the Council for consideration.

Councilor Hildner asked and Manager Stearns said the cabins will be subject to Resort Tax. Planner Compton-Ring added if each cabin is individually owned, each owner would have to submit a Short Term Rental Application, and get a Business License and report Resort Tax.

Discussion followed between Councilor Frandsen and staff. The City is asking for the road to be developed to 24-feet, leaving 12-feet undeveloped. Snow removal will be looked at during final review of the road. Typically, all improvements will need to be maintained within the right-of-way.

Councilor Hildner is concerned about the piece of property that nobody owns; somebody has to own it. Garth said 1963 the property was sold from a family to the federal government, the 26.5 feet was set aside and was not included in the sale. The Grouse Mountain Park property was sold to the City/County in 1973. The owners on Nelson Lane have been using that lane to access their homes.

Councilor Feury made a motion, second by Councilor Frandsen to extend the meeting to 11:30pm. The motion passed unanimously.

Doug Peppmeier, TDH Engineering, did a survey and met with the County and they have agreed it is an error.

Councilor Feury made a motion, second by Councilor Sweeney to approve WCUP16-04 findings of fact in the staff report relative to public comment both here and with the Planning Board. Councilor Feury said since the stake is 7 feet from the Border Patrol is not the applicants fault, the building was built too close to it. With regard to the location of that and if they can get the 26.5-feet and make it work, that is a condition of approval, it doesn't need to be debated. **The motion passed unanimously.**

8) COMMUNICATIONS FROM PUBLIC WORKS DIRECTOR (CD2 01:43:10)

- a) Consideration of approving a revised design and cost estimate for a parking lot at the James R. Bakke Nature Reserve on West 7th Street (p. 303)**

Public Works Director Workman gave his staff report that is included in the packet on the website.

Councilor Hildner made a motion, second by Councilor Williams to approve the revised design and cost estimate for a parking lot at the James R. Bakke Nature Reserve on W. 7th Street as described in the packet. The motion passed unanimously.

9) COMMUNICATIONS FROM CITY MANAGER (CD2 01:46:10)

- a) Written report enclosed with the packet. Questions from Mayor or Council? (p. 311)- None**
- b) Other items arising between June 29th and July 5th - None**
- c) Resolution No. 16-29; A Resolution authorizing an application for a Community Development Block Grant ("CDBG") Planning Grant for an Affordable Workforce Housing Implementation Plan (p. 315)**

Manager Stearns gave his staff report that is provided in the packet on the website. There is a correction to the packet on page 324, the planning close out is August 2017, and the narrative should read "for the reimbursement for professional planning services". The City has committed \$15,000, the matching funds are of total commitment of \$60,000 and associated administrative costs will be absorbed by the City, the Housing Authority and the Chamber of Commerce.

Mayor Muhlfeld asked and Kevin said this helps fund Phase II and to get \$45,000 of matching funds from the government.

Councilor Frandsen made a motion, second by Councilor Williams to approve Resolution No. 16-29; A Resolution authorizing an application for a Community Development Block Grant ("CDBG") Planning Grant for an Affordable Workforce Housing Implementation Plan. The motion passed unanimously.

- d) Resolution No. 16-30; A Resolution adopting revisions to the Consultant Selection Policy (p. 335)**

Councilor Hildner made a motion, second by Councilor Williams to postpone for further discussion on Resolution No. 16-30; A Resolution adopting revisions to the Consultant Selection Policy. The motion passed unanimously.

10) COMMUNICATIONS FROM MAYOR AND CITY COUNCILORS

Councilor Hildner will not be present for the July 18th meeting. Councilor Frandsen apologized for her tardiness.

11) ADJOURNMENT (Resolution 08-10 establishes 11:00 p.m. as end of meeting unless extended to 11:30 by majority)

Mayor Muhlfeld adjourned the meeting at 11:14pm.

Mayor Muhlfeld

Attest:

Michelle Howke, City Clerk

ORDINANCE NO. 16-11

An Ordinance of the City Council of the City of Whitefish, Montana, rezoning approximately 4.73 acres of land located at 325 Haugen Heights Road, in Section 27, Township 31 North, Range 22 West, Whitefish, Montana, from County R-2.5 (Rural Residential District) to City WER (Estate Residential District) and adopting findings with respect to such rezone.

WHEREAS, the City of Whitefish initiated a rezone with respect to property located at 325 Haugen Heights Road, and legally described as Tract 1 of Certificate of Survey No. 10428, lying and being within the Southeast Quarter of the Southeast Quarter of Section 27, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana; and

WHEREAS, in response to the City-initiated rezone, the Whitefish Planning & Building staff prepared Staff Report WZC 16-02, dated June 9, 2016, which analyzed the proposed rezone and recommended in favor of its approval; and

WHEREAS, at a lawfully noticed public hearing on June 16, 2016, the Whitefish Planning Board reviewed Staff Report WZC 16-02, received an oral report from Planning staff, invited public comment, and thereafter voted to recommend in favor of the proposed zone change; and

WHEREAS, at a lawfully noticed public hearing on July 5, 2016, the Whitefish City Council reviewed Staff Report WZC 16-02 and letter of transmittal, received an oral report from Planning staff, and invited public comment; and

WHEREAS, it will be in the best interests of the City of Whitefish, and its inhabitants, to approve the proposed rezone; and

WHEREAS, the proposed rezone meets zoning procedure and the criteria and guidelines for the proposed rezone required by MCA §§ 76-2-303 through 76-2-305 and WCC § 11-7-12.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Whitefish, Montana, as follows:

Section 1: All of the recitals set forth above are hereby adopted as Findings of Fact.

Section 2: Staff Report WZC 16-02 dated June 9, 2016, together with the June 28, 2016 letter of transmittal from the Whitefish Planning & Building Department, are hereby adopted as Findings of Fact.

Section 3: The real property located 325 Haugen Heights Road, and legally described as:

Tract 1 of Certificate of Survey No. 10428, lying and being within the Southeast Quarter of the Southeast Quarter of Section 27, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

previously zoned County R-2.5 (Rural Residential District) is hereby rezoned to City WER (Estate Residential District).

Section 4: The official Zoning Map of the City of Whitefish, Montana, shall be amended, altered and changed to provide that the rezone and zoning map amendment of the real property identified on the map attached hereto as Exhibit "A", and incorporated herein by reference, shall be designated City WER (Estate Residential District). The Zoning Administrator is instructed to change the City's official Zoning Map to conform to the terms of this Ordinance.

Section 5: In the event any word, phrase, clause, sentence, paragraph, section or other part of the Ordinance set forth herein is held invalid by a court of competent jurisdiction, such judgment shall affect only that part held invalid, and the remaining provisions thereof shall continue in full force and effect.

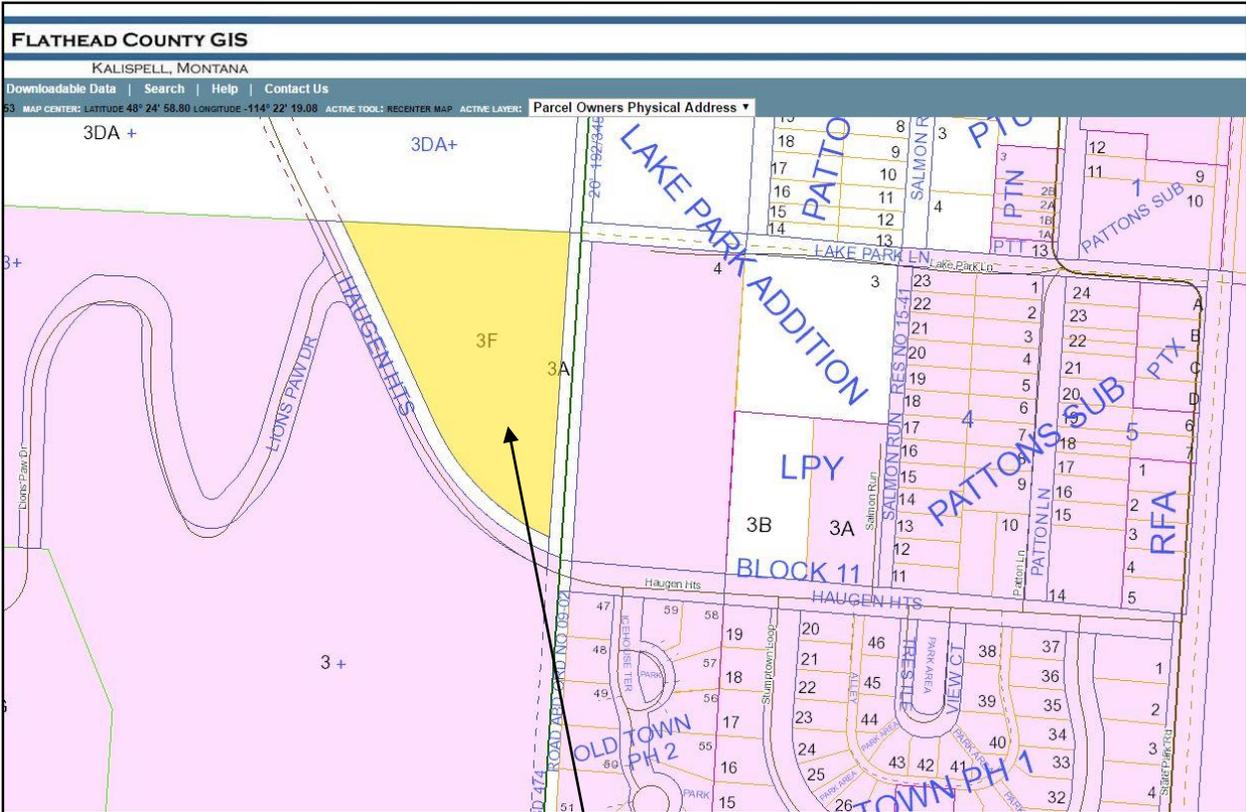
Section 6: This Ordinance shall take effect thirty (30) days after its adoption by the City Council of the City of Whitefish, Montana, and signing by the Mayor thereof.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, ON THIS _____ DAY OF _____, 2016.

John M. Muhlfeld, Mayor

ATTEST:

Michelle Howke, City Clerk



325 Haugen Heights Road
 Assessor No. 0979161

ORDINANCE NO. 16-12

An Ordinance of the City Council of the City of Whitefish, Montana, rezoning approximately 0.11 acres of land known as Tract 1MA in the Southeast Quarter of the Northwest Quarter (SE1/4NW1/4) Northern Portion, and Tract 1B, Tract 1-0 in the Southeast Quarter of the Northwest Quarter (SE1/4NW1/4) Southern Portion, of Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County, from County RR-1 (Low Density Resort Residential District) to City WRR-1 (Low Density Resort Residential District) and adopting findings with respect to such rezone.

WHEREAS, the City of Whitefish initiated a rezone with respect to unaddressed property commonly known as Nelson Lane, and legally described as Tract 1MA in the Southeast Quarter of the Northwest Quarter (SE1/4NW1/4) Northern Portion, and Tract 1B, Tract 1-0 in the Southeast Quarter of the Northwest Quarter (SE1/4NW1/4) Southern Portion, of Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County; and

WHEREAS, in response to the rezone, the Whitefish Planning & Building staff prepared Staff Report WZC 16-04, dated June 9, 2016, which analyzed the proposed rezone and recommended in favor of its approval; and

WHEREAS, at a lawfully noticed public hearing on June 16, 2016, the Whitefish Planning Board reviewed Staff Report WZC 16-04, received an oral report from Planning staff, invited public comment, and thereafter voted to recommend in favor of the proposed zone change; and

WHEREAS, at a lawfully noticed public hearing on July 5, 2016, the Whitefish City Council reviewed Staff Report WZC 16-04 and letter of transmittal, received an oral report from Planning staff, and invited public comment; and

WHEREAS, it will be in the best interests of the City of Whitefish, and its inhabitants, to approve the proposed rezone; and

WHEREAS, the proposed rezone meets zoning procedure and the criteria and guidelines for the proposed rezone required by MCA §§ 76-2-303 through 76-2-305 and WCC § 11-7-12.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Whitefish, Montana, as follows:

Section 1: All of the recitals set forth above are hereby adopted as Findings of Fact.

Section 2: Staff Report WZC 16-04 dated June 9, 2016, together with the June 28, 2016 letter of transmittal from the Whitefish Planning & Building Department, are hereby adopted as Findings of Fact.

Section 3: The real property unaddressed, commonly known as Nelson Lane, and legally described as:

The Easterly ten feet of the Northeast Quarter of the Southeast Quarter of the Northwest Quarter (NE¹/₄SE¹/₄NW¹/₄) and the Easterly ten feet of the North

216.11 feet of the Southeast Quarter of the Southeast Quarter of the Northwest Quarter (SE¼SE¼NW¼) of Section 35, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana.

Excepting therefrom that portion deeded to the State of Montana for highway purposes, recorded February 19, 2014, as Instrument No. 2014-00003072 and February 19, 2014, as Instrument No. 2014-00003073.

previously zoned County RR-1 (Low Density Resort Residential District) is hereby rezoned to City WRR-1 (Low Density Resort Residential District).

Section 4: The official Zoning Map of the City of Whitefish, Montana, shall be amended, altered and changed to provide that the rezone and zoning map amendment of the real property identified on the map attached hereto as Exhibit "A", and incorporated herein by reference, shall be designated City WRR-1 (Low Density Resort Residential District). The Zoning Administrator is instructed to change the City's official Zoning Map to conform to the terms of this Ordinance.

Section 5: In the event any word, phrase, clause, sentence, paragraph, section or other part of the Ordinance set forth herein is held invalid by a court of competent jurisdiction, such judgment shall affect only that part held invalid, and the remaining provisions thereof shall continue in full force and effect.

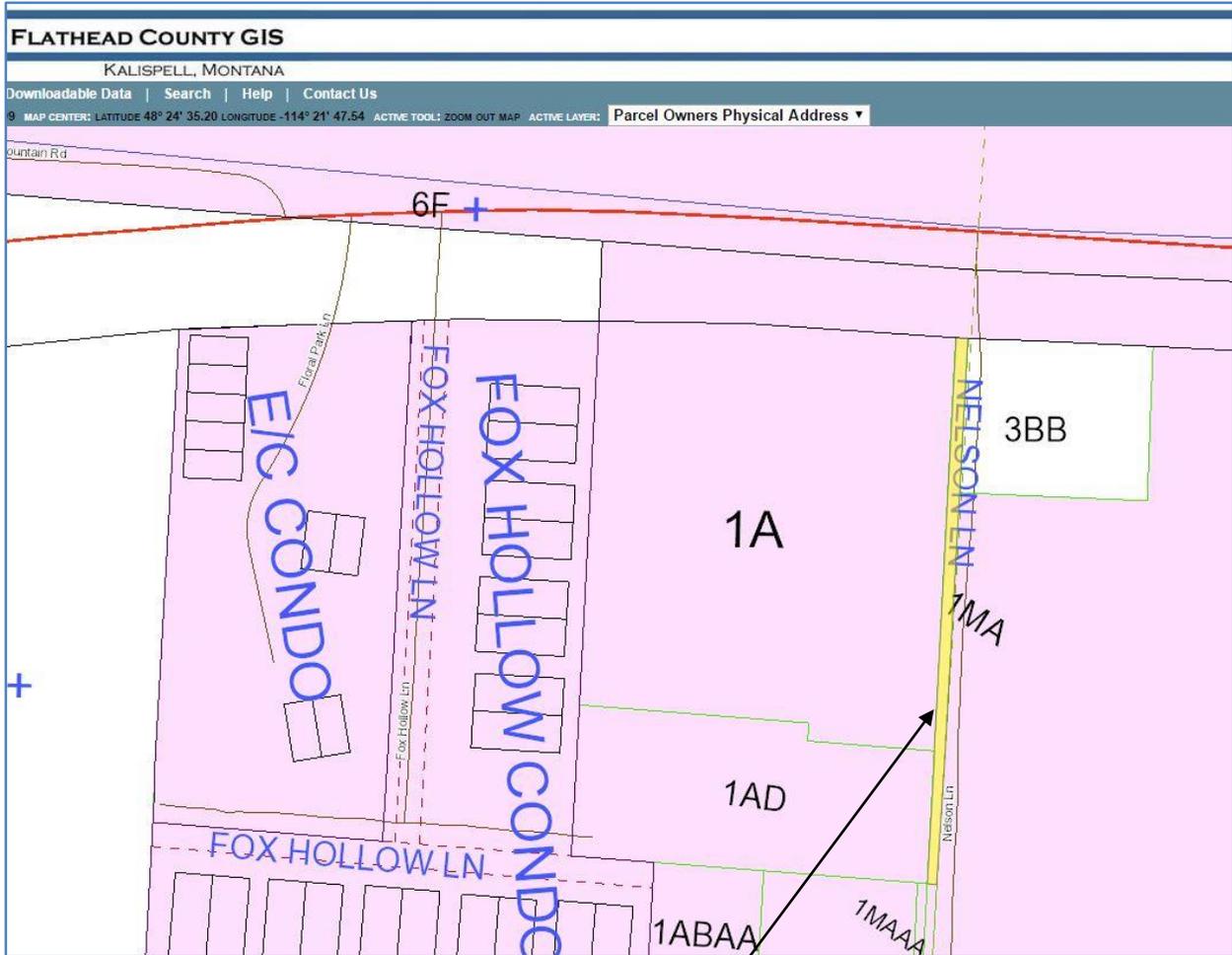
Section 6: This Ordinance shall take effect thirty (30) days after its adoption by the City Council of the City of Whitefish, Montana, and signing by the Mayor thereof.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, ON THIS _____ DAY OF _____, 2016.

John M. Muhlfeld, Mayor

ATTEST:

Michelle Howke, City Clerk



TR 1MA IN SE¼NW¼ NORTHERN PORTION
 TR 1B, TR 1-0 IN SE¼NW¼ SOUTHERN PORTION
 Assessor Nos. 0006303 and 0613050

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RESOLUTION NO. 16-___

A Resolution of the City Council of the City of Whitefish, Montana, denying a conditional use permit for a three story 81-room Marriott TownePlace Suites at 6361 Highway 93 South.

WHEREAS, Jordan Scott, on behalf of Whitefish TP, LLC, applied for a Conditional Use Permit ("CUP") to develop a three story 81-room Marriott TownePlace Suites at 6361 Highway 93 South; and

WHEREAS, § 11-2K-4 of the City Code requires that the applicant obtain a CUP for the proposed project because the footprint of the building exceeds 15,000 square feet in the WB-2 (Secondary Business District) zone; and

WHEREAS, the Whitefish Planning and Building Department prepared Staff Report WCUP 16-04, dated June 9, 2016, which recommended approval of the CUP application dated May 2, 2016, subject to 16 conditions of approval; and

WHEREAS, at a lawfully noticed public hearing on June 16, 2016, the Whitefish Planning Board received an oral report from Planning staff, reviewed Staff Report WCUP 16-04, invited public comment, and thereafter voted to recommend in favor of the proposed CUP; and

WHEREAS, at a lawfully noticed public hearing on July 5, 2016, the Whitefish City Council received an oral report from Planning staff, reviewed Staff Report WCUP 16-04, and invited public comment; and

WHEREAS, the City Council voted unanimously to postpone a decision on whether to approve the CUP until its July 18, 2016, meeting and directed staff to provide an alternative set of findings of fact supporting denial of the CUP; and

WHEREAS, § 11-7-8K of the City Code provides that "[t]he granting of a conditional use permit is a matter of grace, resting in the discretion of the city council and a refusal is not a denial of a right, conditional or otherwise"; and

WHEREAS, § 11-7-8L of the City Code requires that every decision of the City Council pertaining to the granting, denial, or amendment of an application for a CUP be based upon findings of fact.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Whitefish, Montana, as follows:

Section 1: In support of its denial of the application for a three story 81-room Marriott TownePlace Suites at 6361 Highway 93 South, the City Council adopts the recitals set forth above, and the following Findings of Fact:

- a) The proposed CUP complies with the Growth Policy designation of "General Commercial" because the property is zoned WB-2 and the proposed use is consistent with the WB-2 zone;

- b) The proposed CUP complies with the City's zoning regulations because all the zoning standards are being met or will be met with the conditions of approval;
- c) The site is suitable for the proposed use because there is adequate usable land area, the existing access meets all emergency standards, and there are no significant environmental constraints;
- d) The site plan for the proposed development has effectively dealt with relevant design issues because there is adequate parking for the proposed use, traffic circulation has been evaluated and landscaping, along with a landscaping buffer, will be installed;
- e) Public services and facilities are available and adequate because municipal water and sewer are located nearby and will be extended to serve the project, stormwater will be handled on-site, response time for police and fire are not anticipated to be affected due to the proposed development, and the property will have adequate access to a newly constructed right-of-way along the north property line;
- f) The proposed development may have a detrimental effect on the community in general because of an increase in traffic, an increase in usage of public infrastructure, a decrease in downtown parking, and lodging in excess of that which is needed and can be supported by the community; and
- g) The proposed development is not compatible with the surrounding neighborhood because of the structural bulk and mass of the building and is not compatible with the general "small town" community character of the City.

Section 2: The City Council hereby denies approval of the Application for Conditional Use Permit.

Section 3: This Resolution shall take effect immediately upon its adoption by the City Council, and signing by the Mayor thereof.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, ON THIS _____ DAY OF _____, 2016.

John M. Muhlfeld, Mayor

ATTEST:

Michelle Howke, City Clerk

11-7-8: CONDITIONAL USE PERMITS:

- A. Conditional Use Permit Required: No structure, building or land shall be used, constructed, altered or expanded where a conditional use permit is specifically required by the terms of these regulations until a conditional use permit for the use has been authorized by the city council and issued by the zoning administrator.
- B. Continuation Of Conditional Use Permit: Any use which was lawfully established prior to the adoption, extension or application of these regulations and the use is now permitted by these regulations subject to a conditional use permit, may continue in the same manner and to the same extent as conducted prior to the adoption or extension of these regulations without securing a conditional use permit; provided that before the structure or building in which the use is conducted may be altered, added to, enlarged, expanded or moved from one location to another on the lot, or before the use may be expanded within the building or extended over the lot on which the use is located, a conditional use permit shall be secured from the zoning administrator.
- C. Alter Or Enlarge Structures: Structures or buildings devoted to any use which is permitted under the terms of these regulations, subject to the securing of a conditional use permit, may be altered, added to, enlarged, expanded or moved from one location to another on the lot only after securing a new conditional use permit.
- D. Application:
1. Application for a conditional use permit may be made by the owner of the affected property, or his designated agent, on a form obtainable from the zoning administrator.
 2. The completed application and fee as set by the city council shall be submitted to the zoning administrator or his designee. The fee is not refundable. (Ord. A-407, 3-15-1982)
 3. All required conditional use permit applications and preliminary plat applications applicable to a single development project shall be submitted for review simultaneously. (Ord. 96-10, 6-17-1996)
- E. Procedure For Consideration:
1. After acceptance by the zoning administrator or his designee, the completed application shall be transmitted to the staff of the planning board for their review and evaluation.
 2. The planning staff shall set a public hearing date and publish a public notice which jointly advertises the public hearing before the planning board and the public hearing before the city council, at least once in a newspaper of general circulation in the community, at least fifteen (15) calendar days prior to the meeting of the planning board at which the application is to be considered.
 3. The planning staff shall also mail written notice to all adjacent property owners within one hundred fifty feet (150') of the subject property not less than fifteen (15) calendar days prior to the time of formal review by the planning board. Where the subject property abuts a public right of way, the one hundred fifty foot (150') measurement shall be in addition to the right of way along the abutting side.
 4. Written comment from adjacent property owners shall be specific when maintaining that the granting of the conditional use permit would adversely or injuriously affect their personal and legal interests.
 5. The planning board shall consider the application at its next regular meeting following the public notice process. The board shall make a recommendation to the city council to approve, conditionally approve or deny the application.
 6. Upon receipt of the recommendation of the planning board, the city council shall hold a public hearing and render a determination whether to approve, conditionally approve or deny the application for a conditional use permit based on public input, the staff report and findings of the planning board.
 7. Should a decision not be rendered by the city council within ninety (90) days after acceptance of the completed application by the zoning administrator and the payment of the appropriate fee, the application shall be deemed approved unless the time limit has been extended by an agreement between the zoning administrator and the applicant.

8. In certain instances, the city council may elect to place certain required conditional use permits into an administrative review category, for example those that may be required for minor amendment to an already approved conditional use permit, whereby the zoning administrator may issue an administrative conditional use permit in compliance with guidelines set by the city council. This provision shall not be construed so as to give the power to grant or deny the conditional use permit to other than the city council, and shall apply only to specific categories or instances predetermined by the city council.

F. Approval Of Application, Granting Of Conditional Use Permit: Upon rendering a decision to grant a conditional use permit, with or without stipulations or conditions that must be adhered to by the applicant, the city council shall notify the zoning administrator of their decision, and he shall issue a conditional use permit, with stipulations if any referred to and itemized in brief on the face of the permit. The application and all subsequent information, correspondence, evaluations, recommendations and decisions shall then be placed on permanent file in the office of the zoning administrator.

G. Revocation: In the event of a violation of any of the provisions of these regulations or its amendments, or in the event of a failure to comply with any prescribed condition of approval or stipulations placed upon approval, the zoning administrator shall suspend any conditional use permit immediately, notify the city council and set a date for hearing to determine if the suspensions shall be lifted or if the conditional use permit shall be revoked. The city council shall be the hearing body. In the case of a revocation of a conditional use permit, the determination of the city council shall be final, unless recourse is sought in a court of record.

H. Termination And Transferability: Once granted, a conditional use permit with its terms and conditions, shall:

1. Run with the lot, building, structure or use and shall not be affected by changes in ownership.
2. Terminate eighteen (18) months from date of authorization if commencement of the authorized activity has not begun:
 - a. Unless otherwise spelled out in the conditions of approval; or
 - b. Unless the applicant can demonstrate and maintain a continuous good faith effort (preparing financing, securing state or federal permits, undertaking engineering and design, etc.) in commencing the activity.

I. Denial Of Application:

1. In the event an application is denied by the city council, no resubmittal of an application for a conditional use permit may be made for one year from the date of denial, unless sufficient new evidence or conditions are offered to the zoning administrator to demonstrate to him that circumstances have altered and that further consideration of the application is warranted. In such an event, the resubmitted application shall follow the same procedures as the original, and shall be treated as a new application.
2. Denial of an application for a conditional use permit may be appealed to a court of record within thirty (30) days from the date of denial. (Ord. A-407, 3-15-1982)

J. Criteria Required For Consideration Of A Conditional Use Permit (CUP): A CUP may be granted only if the proposal substantially conforms to all of the following criteria standards:

1. Growth policy compliance. The proposal conforms to applicable goals and policies of the Whitefish city-county growth policy.
2. Compliance with regulations. The proposal is consistent with the purpose, intent, and applicable provisions of these regulations.
3. Site suitability. The site must be suitable for the proposed use or development, including:
 - a. Adequate usable land area,
 - b. Access that meets the standards set forth in these regulations, including emergency access,

- c. Absence of environmental constraints that would render the site inappropriate for the proposed use or development, including, but not necessarily limited to, floodplains, slope, wetlands, riparian buffers/setbacks, or geological hazards.
4. Quality and functionality of design. The site plan for the proposed use or development has effectively dealt with the following design issues as applicable:
 - a. Parking locations and layout,
 - b. Traffic circulation,
 - c. Open space,
 - d. Fencing/screening,
 - e. Landscaping,
 - f. Signage,
 - g. Undergrounding of new utilities, and
 - h. Undergrounding existing overhead utilities based on scope and scale of project.
 5. Availability and adequacy of public services and facilities. The following services and facilities are available and adequate to serve the use or development as proposed and as applicable:
 - a. Sewer,
 - b. Water,
 - c. Storm water,
 - d. Fire protection,
 - e. Police protection,
 - f. Streets (public or private),
 - g. Parks (residential only),
 - h. Sidewalks, and
 - i. Bike/pedestrian ways (including connectivity to existing and proposed developments and destinations off site).
 6. **Neighborhood/community impact.** The proposed use or development will not have detrimental effects on adjacent properties, nearby neighborhoods, and the community in general. Adverse impacts may include, but are not necessarily limited to:
 - a. Excessive traffic generation and/or infiltration of neighborhoods,
 - b. Noise or vibration,
 - c. Dust, smoke, glare or heat,
 - d. Smoke, fumes, gas or odors, and
 - e. Hours of operation.

7. **Neighborhood/community compatibility.** The use or development is compatible with the surrounding neighborhood and community in general in terms of:

- a. Structural bulk and massing,
- b. Scale,
- c. Context of existing neighborhood,
- d. Density, and
- e. Community character. (Ord. 07-05, 3-5-2007)

K. **Burden On Applicant:** The burden of proof for satisfying the aforementioned criteria considered for approval shall rest with the applicant and not the city council. The granting of a conditional use permit is a matter of grace, resting in the discretion of the city council and a refusal is not the denial of a right, conditional or otherwise.

L. **City Council Decision Based On Findings:** Every decision of the city council pertaining to the granting, denial or amendment of a request for a conditional use permit shall be based upon findings of fact, and every finding of fact shall be supported in the records of its proceedings. The enumerated conditions as provided for in subsection J of this section, required to exist in any matter upon which the city council is required to pass under these regulations shall be construed as a limitation on the power of the city council to act in the matter of the issuance of conditional use permits. A mere finding or recitation of the enumerated conditions unaccompanied by findings of specific fact shall not be deemed in compliance with these regulations. (Ord. A-407, 3-15-1982)

M. **Administrative Conditional Use Permit Required:** An administrative conditional use permit shall be obtained by the property owner when specifically required by the zoning regulations. In no case, shall a project requiring a standard conditional use permit be allowed to utilize the administrative conditional use permit process.

1. Application:

- a. Application for an administrative conditional use permit shall be made on forms provided by the zoning administrator.
- b. A completed application and fee as set by the city council shall be submitted to the zoning administrator or designee. The fee is nonrefundable.
- c. An adjacent landowner list certified by Flathead County of owners of record adjacent to the subject parcel excluding any rights of way.

2. Procedures For Consideration:

- a. Once the application is deemed complete, the planning staff shall notify in writing each property owner on the certified list by regular mail at least fifteen (15) working days prior to the issuance of the permit. The notice shall include a site plan and city staff contact information. The notice shall also include instructions for submitting public comments and a deadline for submitting such comments.
- b. Written comments from adjacent property owners expressing concerns or objections, if any, shall be specific stating the granting of the conditional use permit would adversely or injuriously affect their personal and/or legal interest.
- c. If there are concerns that cannot be mitigated through standard conditions of approval, a public hearing before the planning board and city council shall be scheduled according to the process outlined in subsection E of this section. (Ord. 11-03, 4-18-2011)

PLANNING & BUILDING DEPARTMENT
510 Railway Street, PO Box 158, Whitefish, MT 59937
(406) 863-2410 Fax (406) 863-2409



July 19, 2016

Mayor and City Council
City of Whitefish
PO Box 158
Whitefish MT 59937

RE: Reconsideration of Whitefish TP, llc, 6361 Highway 93 S; (WCUP 16-04)

Honorable Mayor and Council:

Background: At the City Council meeting on July 5, 2016, the Council did not pass a motion to approve the Conditional Use Permit for the Marriott Towneplace Suites. Instead, the Council directed staff to come back with findings of fact for denial of the project. This resolution is attached to this report for Council review.

Prior to this motion being adopted by the Council, a number of amendments were made to the Planning Board recommended conditions of approval. These are attached in Exhibit 'B' to this report for your reference. Also, the Planning Board recommended Findings of Fact are attached in Exhibit 'B'.

Summary of Requested Action: Jordan Scott on behalf of Whitefish TP, llc is proposing to develop a three story 81-room Marriott Towneplace Suites with 90 off-street parking spaces at 6361 Highway 93 S. The property is undeveloped and is zoned WB-2 (Secondary Business District). The Whitefish Growth Policy designates this property as 'General Commercial'.

Planning & Building Department Recommendation: Staff recommended approval of the Conditional Use Permit applications dated May 2, 2016 subject to 16 conditions set forth in the staff report.

Public Hearing: The applicant and representatives spoke at the June 21, 2016 public hearing and two members of the public also spoke. These comments and the draft minutes for this item are attached as part of this packet.

Planning Board Action: The Whitefish Planning Board met on June 21, 2016 and considered the request. Following the hearing, the Planning Board unanimously recommended approval. In making their decision, the Planning Board adopted staff report WCUP 16-04 with Findings of Fact and recommended Conditions of Approval.

If the Council Wishes to Deny the Project, Staff Suggests the Following Motion:

- I move to deny WCUP 16-04 and adopt the Findings of Fact in Resolution 16-_____.

If the Council Wishes to Approve the Project, Staff Suggests the Following Motion:

- I move to approve WCUP 16-04, adopt the Findings of Fact recommended by the Whitefish Planning Board outlined in Exhibit 'A' of this report, and the 18 conditions, as amended by the Whitefish City Council on July 5, 2016 outlined in Exhibit 'B' of this report.

This item has been placed on the agenda for your regularly scheduled meeting on July 18, 2016. Should Council have questions or need further information on this matter, please contact the Planning Board or the Planning & Building Department.

Respectfully,



Wendy Compton-Ring, AICP
Senior Planner

Att: Exhibit A: Findings of Fact, as Recommended for Approval by the Whitefish Planning Board on 6-16-16
Exhibit B: Draft Conditions of Approval, as Amended by Council on 7-5-16, but Not Approved
Draft Minutes, Planning Board Meeting, 6-16-16

Exhibits from 6-16-16 Staff Packet

1. Staff Report – WCUP 16-04, 6-9-16
2. Adjacent Landowner Notice, 5-27-16
3. Advisory Agency Notice, 5-27-16

The following were submitted by the applicant:

4. Application for Conditional Use Permit, 5-2-16

The following item was submitted at the Planning Board meeting:

5. Letter, Don Spivy, 6-16-16

The following item was submitted to the City Council on July 5, 2016:

6. Table of WF Hotel/Motel Resort Tax Revenue, Rhonda Fitzgerald, 7-5-16

The following item was submitted after the City Council Meeting:

7. Letter, Michael Morton, 7-12-16

c: w/att Michelle Howke, City Clerk

c: w/o att Whitefish TP, llc, Jordan Scott 4340 Indian School Road #21-550 Phoenix,
AZ 85018
3 Engineering, Dan Mann 2929 E Camelback Road, suite 116 Phoenix,
AZ 85016
Eric Mulcahy, Sands Surveying 2 Village Loop Kalispell, MT 59901
PK Architects, Michael Porter 4515 S McClintock Dr Tempe, AZ 85282
CTA Architects & Engineers, David Koel 2 Main Street, suite 205 Kalispell,
MT 59901

Exhibit A
Whitefish TP, Ilc
WCUP 16-04
Findings of Fact
Recommended for Approval by the Whitefish Planning Board
June 16, 2016

Finding 1: The proposed use complies with Growth Policy Designation of General Commercial because it is zoned WB-2 (Secondary Business District), the proposed use is consistent with the WB-2 zone.

Finding 2: The project complies with the zoning regulations because all the zoning standards are being met or will be met with conditions of approval.

Finding 3: The project is suitable for the site because there is adequate usable land area, the existing access meets emergency standards and there are no environmental constraints.

Finding 4: The quality and functionality of the proposed development has effectively dealt with site design issues because there is adequate parking for the use, traffic circulation has been evaluated and landscaping, along with a landscaping buffer, will be installed.

Finding 5: Public services and facilities are adequate and available because municipal water and sewer are nearby and will be extended to the project, stormwater will be handled on-site, response times for police and fire are not anticipated to be affected due to the proposed development and the property will have adequate access to a newly constructed right-of-way along the north.

Finding 6: The proposed development is not anticipated to have a negative neighborhood impact because noise, dust, smoke, odor or other environmental nuisances are not expected and all outdoor lighting is required to meet city standards. The additional vehicles may have an adverse effect on traffic, however, this will be gradual over several years and mitigation of this intersection is outside City control because these projects do not meet warrants requiring an intersection light and MDT dictates when and where an intersection light will be installed.

Finding 7: The project is compatible with the neighborhood and community because design features are being implemented including, articulating the walls and roof forms making the building more interesting and reducing its mass, installing landscaping throughout the site and retaining existing trees within the site plan.

Exhibit B
Whitefish TP, Ilc
WCUP 16-04
Conditions of Approval
Amended by the Whitefish City Council
July 5, 2016

1. The project shall be in compliance with the site plan submitted on May 2, 2016, except as amended by these conditions. Minor deviations from the plans shall require review pursuant to §11-7-8E(8) and major deviations from the plans shall require review pursuant to §11-7-8. The applicant shall maintain and demonstrate continued compliance with all adopted City Codes and Ordinances.
2. Prior to any ground disturbing activities, a plan shall be submitted for review and approval by the City of Whitefish Public Works Department. The plan shall include, but may not necessarily be limited to, the following:
 - Dust abatement and control of fugitive dust.
 - Hours of construction activity.
 - Noise abatement.
 - Control of erosion and siltation.
 - Routing for heavy equipment, hauling, and employees, including signage to direct equipment and workers.
 - Construction office siting, staging areas for material and vehicles, and employee parking.
 - Measures to prevent soil and construction debris from being tracked onto public road, including procedures remove soil and construction debris from road as necessary.
 - Detours of vehicular, pedestrian, and bicycle traffic as necessary.
 - Notation of any street closures or need to work in public right-of-way. (Engineering Standards, Appendix K)
3. Prior to any construction, excavation, grading or other terrain disturbance, plans for all on and off-site infrastructure shall be submitted to and approved by the Whitefish Public Works Department. The improvements (water, sewer, roads, street lights, sidewalks, etc.) within the development shall be designed and constructed by a licensed engineer and in accordance with the City of Whitefish's design and construction standards. The Public Works Director shall approve the design prior to construction. Plans for grading, drainage, utilities, sidewalks and other improvements shall be submitted as a package and reviewed concurrently. No individual improvement designs shall be accepted by Public Works. (Engineering Standards, Chapter 1)
4. A 60-foot right-of-way shall be fully constructed along the project's north property line connecting Highway 93 S through to the eastern boundary of the project prior to occupancy of the building. The full 60-foot right-of-way shall be dedicated to

the City prior to submitting an application for Building Permit. (Findings #3, #4, #5, #6; City Engineering Standards 2009)

5. A new approach permit shall be obtained from Montana Department of Transportation. Road plans shall be submitted to MDT for review and approval – this shall also include the drainage plan. (Finding #6)
6. The applicant shall work with the Public Works Department and Montana Department of Transportation on appropriate intersection improvements at Highway 93 S, including conduit for a future stop light. (Finding #6)
7. Street lighting shall be required in accordance with the Whitefish Standards for Design and Construction. Street and other on-site lighting shall be dark sky compliant and meet the requirements of the City's Outdoor Lighting ordinance. (Zoning Regulations §11-3-25; City Engineering Standards, 2009)
8. The Fire Department requires the applicant to comply with all fire codes for this classification of occupancy. (IFC)
9. A Boundary Line Adjustment (BLA) shall be obtained prior to submitting an application to create the lot for the hotel. (§11, WCC)
10. Approval from the Architectural Review Committee shall be obtained prior to submitting an application for a building permit. (§11-3-3B, WCC)
11. Swimming pool standards in §11-3-20A shall be met and shown on the building plan submittal. (§11-3-20A, WCC)
12. The refuse and recycling location shall be reviewed and approved by the Public Works Department and North Valley Refuse. (§4-2, WCC)
13. All exterior mechanical equipment shall be screened visually and acoustically. (4.6.1., Arch Review Standards)
14. A landscaping plan shall be submitted for review and approval. A 20-foot depth landscape screening around the refuse area shall be installed as well as landscaping along the western boundary of the project in order to screen the parking lot shall be installed. A landscaping buffer shall be installed along the eastern boundary of the project pursuant to the requirements of §11-4-8. In addition, all standards within §11-4-5B shall be included. (§§11-4-5B, C, §11-4-8, WCC; Finding of Fact #4)
15. Large, healthy trees shall be protected during construction. Landscape areas may need to be modified in order to accommodate the tree retention. No trees outside the CUP requested area shall be removed with this project. (Finding of Fact #4)

16. The conditional use permit is valid for 18 months and shall terminate unless commencement of the authorized activity has begun. (§11-7-8, WCC)
17. No building wash lighting shall be permitted. (§11-7)
18. Provide an additional pedestrian/bicycle connection from the west side of the project to the sidewalk on Highway 93 S. (3.8.1.b., Arch Review Standards)

**WHITEFISH PLANNING BOARD
MINUTES OF MEETING
JUNE 16, 2016**

<p>CALL TO ORDER AND ROLL CALL</p>	<p>Vice Chair Melissa Picoli Philips called the regular meeting of the Whitefish Planning Board to order at 6:03 pm. Board members present were Councilor Frank Sweeney (substituting for Richard Hildner), John Ellis, Jim Laidlaw, Rebecca Norton, Melissa Picoli Philips and Ken Stein. Chairman Ken Meckel was absent. Planning Director David Taylor and Senior Planner Wendy Compton-Ring represented the Whitefish Planning and Building Department.</p> <p>There were approximately 23 people in the audience.</p>
<p>APPROVAL OF MINUTES 6:04 pm</p>	<p>Rebecca moved and Jim seconded to approve the April 21, 2016 minutes without changes. The motion passed unanimously.</p>
<p>COMMUNICATIONS FROM THE PUBLIC (ITEMS NOT ON THE AGENDA) 6:04 pm</p>	<p>None.</p>
<p>OLD BUSINESS: 6:04 pm</p>	<p>None.</p>
<p>PUBLIC HEARING 1: WHITEFISH TP, LLC, CONDITIONAL USE PERMIT 6:04 pm</p>	<p>A request by Whitefish TP, LLC, for a Conditional Use Permit to construct an 81-room hotel. The property is zoned WB-2 (Secondary Business District). It is located at 6361 Highway 93 South and can be legally described as Tract 1DBD in Section 1, Township 30N, Range 22W.</p>
<p>STAFF REPORT WCUP 16-04 (Compton-Ring)</p>	<p>Planner Compton-Ring reviewed her staff report and findings. This project previously came before the Planning Board as a larger project in a different location, and included a Planned Unit Development. That application was withdrawn prior to review by City Council. To date, no comments have been received on this most current proposal.</p> <p>Staff recommended adoption of the findings of fact and conditions of approval within staff report WCUP 16-04, and for approval to the Whitefish City Council.</p>
<p>BOARD QUESTIONS OF STAFF</p>	<p>Rebecca asked why the elevator shaft, at 42'10", is not required to be enclosed. Compton-Ring said elevator shafts are exempt from building height standards. Rebecca asked if that is different than downtown, and</p>

	<p>Compton-Ring replied downtown is different as it requires elevator shafts and all mechanical equipment stays under the 45' limit, but in the rest of town projections such as elevator shafts are exempt from building height standard of 35-feet. This has been in the Zoning Regulations since 1982. Rebecca also asked if they are using the Mky Project Geotech report and Compton-Ring replied this is one of the lots within the preliminary plat and the Geotech report was done for the entire site. Rebecca also asked what Condition No. 13 means regarding screening mechanical equipment acoustically and how it is enforced. Compton-Ring replied the requirement is included to prevent an annoyance to neighbors and will be reviewed during the building permit stage.</p>
<p>APPLICANT / AGENCIES</p>	<p>Jordan Scott, President of Glacier House Hotels, the applicant, Whitefish TP, LLC, 4340 Indian School Road, #21-550, Phoenix, said it is good to be back before the Planning Board and he felt they made a lot of mistakes the first time around. To address some of the issues raised last time, Mr. Ellis asked about the carbon footprint and Mr. Laidlaw asked why another hotel is needed. Marriott has over 11 branded hotels; this is a TownePlace hotel, which is their smallest hotel footprint product type. This is their extended-stay product, which means they try to target guests who will stay for a period of over seven days. Because people stay longer, sheets are only washed every seven days, unless a guest is staying less than seven days, which has a huge impact on their water and electricity usage. Part of the brand requirement is that they be part of the Greenhouse Global Initiative, which is an industry-wide carbon footprint tracking reduction tool. Consultants come in quarterly, evaluate all utility uses, and determine where they are not maximizing a reduction in utility consumption. They will also be participating in recycling, local sustainability programs, carpool initiatives for staff and biking options.</p> <p>As far as why another hotel, he thinks there is a need to have a Marriott product in the market, and they chose this location because they wanted to help keep Whitefish unique by not bringing national brands to downtown. They chose their initial location, behind the Mall, as they thought it was the least burdening part of the town being off the highway, but they didn't think too much about River's Edge, which was very valued and they took it into consideration when they started over. They met with Mr. Morton and chose this new location which is flat, does not have a lot of trees and is along the highway which is great for visibility. The only current extended-stay product is in Kalispell, so they will market and try to get them to come to Whitefish. Since there will be no restaurant/bar, guests will take advantage of the wonderful,</p>

independent restaurants, bars and shopping downtown Whitefish has to offer. They have tried to create an architectural look to work with rest of Whitefish, rather than a big-box look. As far as the competition, he feels when these groups come to Whitefish and stay at this corporate-type hotel, they see what Whitefish has to offer and will bring their families back to enjoy it. He thinks this is a value to other hotels rather than a competition, and they will work collectively with those hotels to ensure they are maximizing any overflow of rooms.

Rebecca asked Mr. Scott whether they vacated the original proposed hotel location next to the pond and bought property since that time. Mr. Scott replied they were under contract on the eight acres, which included the frontage and four acres on the pond, and they canceled escrow because it was contingent on this process, and are now under contract with Mr. Morton, M Kay Properties, on the four acres of his eight-acre property he is developing. They are a separate entity and not in business together.

Eric Mulcahy, Sands Surveying, 2 Village Loop, Kalispell, has been helping Mr. Scott and his group with the application process for this TownePlace Hotel. As has been pointed out, they were at Planning Board a couple of months ago, went through the public hearing process, and received a lot of input and feedback from the Board and the public. They ultimately got a recommendation for denial so rather than go and try to battle this with the City Council, the developer went back to the drawing board to see if he could come up with a project to address the concerns and issues. One of the prior issues was the impact and height on the neighborhood to the east, River's Edge. Mr. Scott contacted Mr. Morton and moved the project south to the vacant parcel north of Les Schwab Tire. The entrance road, Akers Avenue extension, is going to access the M Kay project, so will be built whether the Marriott goes in or not. This project will provide help in the cost of that construction. Where the project used to be approximately 100' from the River's Edge development, now it is approximately 500' away, so the impact to the residential neighborhood is reduced.

Height was the second issue, which is why they brought forward the Planned Unit Development previously. The applicants and architects worked extremely hard to lower the building to get three stories of units within the 35' height limit. They succeeded with the exception of the elevator shaft and mechanical equipment. He said pretty much every zoning code around the state and nation allow penetrations for mechanical and elevator shafts. The elevator shaft has to be raised because the mechanical equipment and clearance cannot fit within the

roof structure and meet the 35' height requirement.

The third item the public and Planning Board addressed was the size of the structure. At 111 units, it would have been the largest hotel on the highway corridor, and at 22,600 square feet, it would have been the biggest footprint on highway corridor. They inventoried the hotels on strip and found most, five out of eight, are three stories, and a number of them are in excess of 15,000 square feet. Mr. Scott reduced the unit count to 81, which is within the average of other hotels and reduced the footprint to 17,500 square feet, also within the average, but still exceeds 15,000, which requires the Conditional Use Permit. Those are the items they changed on this application before bringing it back to the Planning Board and they hope to garner some support. Mr. Mulcahy also addressed the site plan elements of the hotel and its zoning and growth policy designation. Also, most of this site is void of trees except in the southeast corner, which has a pretty good stand of trees. The parking and structure have been moved away from the southeast corner to allow keeping the trees to soften the view and preserve the wooded feel as folks come into the City. He thinks the architects and site planners did an excellent job working on the project and they have no arguments with any of the Conditions of Approval.

Rebecca asked Mr. Mulcahy to point out the elevator shaft on the diagram and he brought up David Mitchell, with CTA Architect and Engineers. Mr. Mitchell thinks the new site is absolutely a more appropriate site and the building fits in very gracefully. It is pulled towards the street so there is still a nice backdrop of the mountain and dense trees behind it and trees in the parking lot incorporated in two islands. The plan is oriented east to west so it doesn't look so long when driving down the highway, you catch a glimpse and then you are past it. With 35', the problem they had was to continue to give the building enough character. He described the different strategies including color, elements, depth and height to enhance the character and create a shadow effect. They put the parking in the front and had enough room to allow a nice greenbelt in front of the building with trees in the recessed areas, and canopies, wood, stone, and other products.

To answer a few of the questions, as far as the Geotech, it really is one big site with the same groundwater and soil conditions, so they were able to use the same report rather than digging new holes. He noted the location of the elevator shaft and three mechanical units which are condensed into one area and screened to limit sound. Acoustically, sound transmission is directional, so is either absorbed into the walls of the screen, or reflected up where it dissipates.

Jim asked Mr. Mitchell where they were able to save the six to seven feet to come in under the 35' height limit, and he replied they lowered the ceiling height in the rooms and used more expensive floor joists which are smaller to pick up inches from each floor.

Melissa asked and Mr. Mitchell said signs had not specifically been addressed or calculated yet other than they will comply with Whitefish's sign regulations and dark skies ordinance. Melissa asked and Mr. Mitchell responded that recycling and trash bins will be located to the east away from the highway, hidden back in the area of the fenced pool. She asked if there will be easily-accessible recycling bins throughout property and Mr. Mitchell said yes. She also asked if bikes will be available for guests to use and Mr. Scott said they typically do not provide them, but will include them if the Board wants them.

Rebecca asked and Mr. Scott stated an eight-person meeting room is planned for inside, but it is not for the community to rent. She also and Mr. Mitchell said no bike rack location is identified yet. Rebecca asked and Mr. Mitchell replied CTA has done two green roofs on commercial buildings on Whitefish Mountain and it would not be unreasonable, but you have to have a steel structure.

PUBLIC COMMENT
6:47 pm

Mark Owagio, 270 Fox Farm Court, Whitefish, moved here as a Park employee in 1997 and works at the Stillwater Fish House. He has been in the food service business for 30 years. He likes how the downtown has preserved its feel. He feels we are an untapped sort of town with a lot of potential and an opportunity to bring in a corporate brand. By not having a restaurant and/or meeting room, folks will be encouraged to go downtown so it is a great opportunity to generate revenue, but still maintain the uniqueness of downtown. In his experience, Marriott hotels are well-managed, and this is a pleasing-looking place and should bring folks to Whitefish in the shoulder seasons. He supports the project and does not feel it will have a terrible impact. The value of this hotel is better than accommodations he has looked at in Kalispell and he sees no reason why we would not want to support businesses in our community.

Don Spivey, 117 Park Knoll Avenue, Whitefish, distributed and read a memo dated June 16, 2016 (copy attached). He likes the new plan better, but still has concerns with traffic, sewage treatment capacity and odor control, and whether or not there is a need for more hotel rooms in Whitefish. He is also concerned with how often variances to the 15,000 square foot limit seem to be granted, since the limit was put in

	<p>place with a purpose. He suggested the Planning Board recommend denial of the proposed Conditional Use Permit to the City Council.</p> <p>There being no further comment, Vice Chair Picoli Philips closed the public hearing and turned the matter over to the Planning Board for consideration.</p>
<p>MOTION / BOARD DISCUSSION</p>	<p>John moved and Rebecca seconded to adopt the findings of fact within staff report WCUP 16-04, with the sixteen (16) Conditions of Approval as proposed by City Staff.</p> <p>Rebecca likes the design and how the structure is placed on the property. She appreciates the height being reduced to protect the viewshed and the lessened impact on the neighbors. She would like to see a bike rack, and Mr. Scott agreed. She is concerned about adding this many rooms, but is comfortable passing the project forward.</p> <p>Melissa asked Mr. Scott stated the windows open 4". She also asked if he is aware of the shortage of service staff in Whitefish and he said he was. She suggested bikes again and he will add a bike rack and rental bikes. She suggested they think about going even further than required to reduce light pollution.</p> <p>John said when the Planning Board previously denied the project, they were not saying a hotel could not be built on that property, they were simply saying the mass of the hotel, and its connection to the residential neighborhood were problems to be resolved. He thinks they could have built a great hotel on the other property, just by doing it a little differently. Secondly, he wanted to say to the applicant and the public, he doesn't, and he doesn't think any other member of the Board, take sides in the hotel business. He is not going to vote to deny the proposed hotel simply because we have other hotels in town. Those are business decisions Mr. Scott and other folks have made and it's not the Planning Board's function to get into picking favorites with hotels when making decisions. Although Mr. Averill stood up last time and recommended the Planning Board deny this proposed hotel based on his new hotel, that had no bearing on his decision and he doubted it was factor in any other Board member's decision. Third, in the landscaping he hopes they will use native trees. He feels a lot of people come to the northwest to see Spruce, Fir and Larch trees and it distresses him to see how many non-native trees get planted. Doing a good job with landscaping and not trying to save money there will go a long way towards making this hotel really cool place to stay.</p>

	Jim called for the question.
VOTE	The motion passed unanimously. The matter is scheduled to go before the Council on July 5, 2016.
PUBLIC HEARING 2: ANDREÉ LAROSE AND HENRY ELSÉN ZONING MAP AMENDMENT 7:10 pm	A request by Andréé Larose and Henry Elsen for a Zoning Map Amendment from County R-2.5 to Estate Residential District (WER). The property is located at 325 Haugen Heights Road and can be legally described as Tract 3F in Section 27, Township 31N, Range 22W.
STAFF REPORT WZC 16-02 (Compton-Ring)	Planner Compton-Ring reviewed her staff report and findings. To date, one email was received with concerns of density and traffic. Staff recommended adoption of the findings of fact within staff report WZC 16-02, and for approval to the Whitefish City Council.
BOARD QUESTIONS OF STAFF	Regarding the email received, John asked Compton-Ring to provide more information about the concerns of residents and City Council members in 2013 that lead to a directed limited amount of houses to be built in the Tamarack Ridge Subdivision. Compton-Ring replied the Council approved the subdivision as it was proposed by the applicant. The lots were between one-half acre and an acre, so the Council did not limit any development of that property. Jim asked if the Tamarack subdivision is the Collins' property and Compton-Ring replied yes. Jim said it was his understanding the sewer line has just been connected down the lane next to Maple Ridge was paid for and put in by developer. He asked if this property would be serviced by that line and Compton-Ring replied yes, there is a public main in the road. The lines and roads have not been dedicated to the City yet because it has not gone to final plat. She said the Public Works Director is here and could answer any more specific questions if necessary.
APPLICANT / AGENCIES	Andréé Larose, one of the property owners, 901 Stuart Street, Helena, said she is here, along with Bruce Boody, Bruce Boody Landscape Architect, and Andy Bestwick, TD&H Engineering, to answer any questions. She thanked Compton-Ring and other Planning Department staff, and Public Works Director Craig Workman for helping put this together.

WHITEFISH TP IIc
CONDITIONAL USE PERMIT
WCUP 16-04
June 9, 2016

This is a report to the Whitefish Planning Board and the Whitefish City Council regarding a request for a conditional use permit to construct a three-story 81-room hotel with 90 parking spaces with a building footprint greater than 15,000 square feet. This application has been scheduled before the Whitefish Planning Board for a public hearing on Thursday, **June 16, 2016**. A recommendation will be forwarded to the City Council for a subsequent public hearing and final action on Tuesday, July 5, 2016.

PROJECT SCOPE

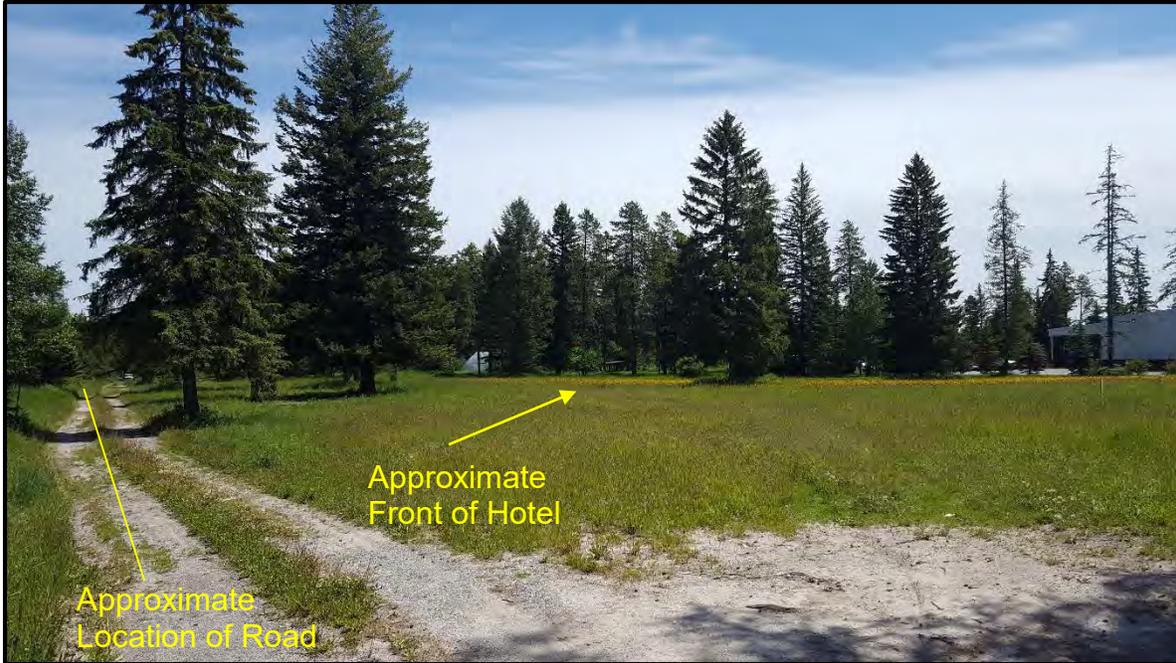
Jordan Scott of Whitefish TP IIc, is requesting a Conditional Use Permit in order to construct a hotel. The applicant is proposing a three-story hotel with 81 rooms and 90 parking spaces. Two driveways are proposed off a new east-west public street to be constructed from Highway 93 S to Whitefish Avenue as part of the McKay Enterprises preliminary plat. No changes are proposed to the Highway 93 S frontage and no access will be located directly from Highway 93 S. The required parking wraps around the north, west and a portion of the south side of the hotel. They are also proposing an outdoor pool/spa area along the south side of the building and outdoor seating areas on both the north and south sides of the building.

A Conditional Use Permit is required for this project because the footprint of the building exceeds 15,000 square feet in the WB-2 (Secondary Business District) zoning (§11-2K-4; bulk and scale).

Background

This applicant previously submitted a Conditional Use Permit and Planned Unit Development permit for a hotel to the northeast of the present site, but withdrew the application March 2016 before it was reviewed by the City Council. The Planning Board, after holding a public hearing on March 17, 2016, recommended denial of the application.

The previous request had 111 rooms with 115 parking spaces. Changes to the proposal include the footprint of the building reduced and the proposed pool located outside instead of within the building. Finally, the previous application included a zoning deviation request to go to up to 42-feet in height. This current application does not include a request for a building height zoning deviation.



A.

OWNER:

Mkay Enterprises
 PO Box 997
 Whitefish, MT 59937

APPLICANT:

Jordan Scott
 Whitefish TP IIc
 4340 Indian School Road, #21-550
 Phoenix, AZ 85018

TECHNICAL/PROFESSIONAL:

Dan Mann
 3 Engineering
 2929 E Camelback Road, suite 116
 Phoenix, AZ 85016

Eric Mulcahy
 Sands Surveying, Inc
 2 Village Loop
 Kalispell, MT 59901

Michael Porter
 PK Architects
 4515 S McClintock Drive
 Tempe, AZ 85282

David Koel
 CTA Architect and Engineers
 2 Main Street, suite 205
 Kalispell, MT 59901

B. SIZE AND LOCATION OF PROPERTY:

The property to be developed is 2.66 acres and is located at 6361 Highway 93 S. The project can be legally described as Tract 1BDB in S01 T30N R22W, P.M.M., Flathead County, Montana.



C. EXISTING LAND USE:

The subject property is currently undeveloped.

D. ADJACENT LAND USES AND ZONING:

North:	Undeveloped	WB-2
West:	Commercial Use	WB-2
South:	Commercial Use	WB-2
East:	Undeveloped (Mkay Enterprises preliminary plat approved 4-18-16)	WB-2

E. ZONING DISTRICT:

The property is zoned WB-2 (Secondary Business District). The purpose of the WB-2 District 'is intended to provide for those retail sales and services the operations of which are typically characterized by the need for large display or parking areas, large storage areas and by outdoor commercial amusement or recreational activities. This district depends on proximity to highways or arterial streets and may be located in business corridors or islands.'



F. WHITEFISH CITY-COUNTY GROWTH POLICY DESIGNATION:

The Growth Policy designation is General Commercial which corresponds to the WB-2 zoning district.

“Generally applied to the Hwy 93 corridor north of the Highway 40 intersection, this designation is defined by auto-oriented commercial and service uses. Specific land uses include retail,



restaurants of all types and quality ranges (including those with drive-up facilities), professional offices, auto sales and services, hotels/motels, supermarkets, shopping centers or clusters, and convenience shopping, including the dispensing of motor fuels. Primary access is by automobile with ample parking provided on site. Development sites are properly landscaped to screen parking and drive areas and to provide a high-quality visual image. Zoning is generally WB-2, but higher density residential with WR-3 zoning, and mixed use development may also be appropriate in this area.”

G. UTILITIES:

Sewer:	City of Whitefish
Water:	City of Whitefish
Solid Waste:	North Valley Refuse
Electric:	Flathead Electric Co-op
Natural Gas:	Northwestern Energy
Phone:	CenturyLink
Police:	City of Whitefish
Fire:	Whitefish Fire Department
Streets:	state of Montana/Public

H. PUBLIC COMMENTS:

A notice was mailed to adjacent land owners within 150-feet of the subject parcel on May 27, 2016. A notice was emailed to advisory agencies on May 27, 2016. A notice of the public hearing was published in the *Whitefish Pilot* on June 1, 2016. As of the writing of this report, no letters have been received.

REVIEW AND FINDINGS OF FACT

This application is evaluated based on the "criteria required for consideration of a Conditional Use Permit," per Section 11-7-8(J) of the Whitefish Zoning Regulations.

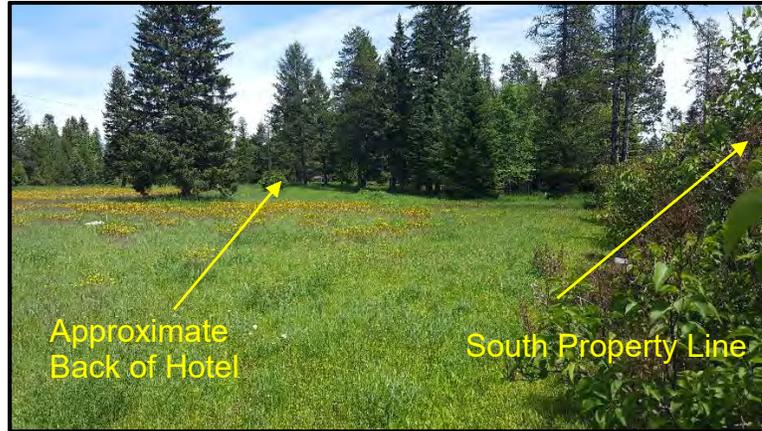
- 1. Growth Policy Compliance:** The Growth Policy designates this area as General Commercial which is consistent with the WB-2 zoning district.

Finding 1: The proposed use complies with Growth Policy Designation of General Commercial because it is zoned WB-2 (Secondary Business District), the proposed use is consistent with the WB-2 zone.

- 2. Compliance with regulations. The proposal is consistent with the purpose, intent, and applicable provisions of these regulations.**

The property is zoned WB-2, Secondary Business District. The purpose of this district “is intended to provide for those retail sales and services the operations of which are typically characterized by the need for large display or parking areas,

large storage areas and by outdoor commercial amusement or recreational activities. This district depends on proximity to highways or arterial streets and may be located in business corridors or islands.” The development proposal is consistent with the purpose and intent of the applicable regulations.



Setbacks:

The WB-2 zoning setbacks are: 20-foot front on Highway 93 S, 20-foot greenbelt when abutting a public right-of-way (north) and 20-foot greenbelt when abutting a residential district (east). While the property to the east isn't a residential district per se it does have a Planned Unit Development (PUD) overlay permitting residential; therefore, making it a residential district. The setbacks are being met with this proposal.

Parking:

§11-6-2B, requires off-street parking at a rate of one (1) space per each hotel room plus 1 space per each two employees per maximum shift. They are providing 90 parking spaces for 81 rooms indicating they have space for a maximum of 18 employees on a maximum shift.

Height:

The zoning permits a maximum building height of 35-feet with certain exemptions allowed in zoning. This standard appears to be met and will be confirmed at the time of building permit. The applicant is not requesting a deviation to the height standards.

Finding 2: The project complies with the zoning regulations because all the zoning standards are being met or will be met with conditions of approval.

3. Site Suitability. The site must be suitable for the proposed use or development, including:

Adequate usable land area: The subject parcel is adequate to serve the proposed use.

Access that meets the standards set forth in these regulations, including emergency access: All access requirements are being met and the Fire Marshal will review the access for emergency vehicles at the time of engineering plan submittal to confirm standards are being met.

Absence of environmental constraints that would render the site inappropriate for the proposed use or development, including, but not necessarily limited to floodplains, slope, wetlands, riparian buffers/setbacks, or geological hazards: The proposed development is not located within the 100-year floodplain and there are no other environmental constraints on-site. This property is located within a potential high groundwater area; however, the geotechnical report for the McKay preliminary plat indicated, at their deepest boring depth of 21.5-feet, no groundwater or evidence of groundwater was found. This will need to be confirmed as the project progresses. If it is a high groundwater area, high groundwater construction measures will be considered and implemented.

Finding 3: The project is suitable for the site because there is adequate usable land area, the existing access meets emergency standards and there are no environmental constraints.

4. Quality and Functionality. The site plan for the proposed use or development has effectively dealt with the following design issues as applicable.

Parking locations and layout: As described previously, the parking lot wraps around the north, west and south side of the building. The layout is adequate to meet the needs of the users. No parking is permitted in the front yard setback. This standard appears to be met, but will be confirmed at the time of building permit.

Traffic Circulation: The traffic will circulate off the new east-west street along the north side of the project. The applicant is proposing two driveways. Driveway widths and spacing will meet all Public Works Engineering Standards.

Open space: Open space is not a requirement for hotels. The WB-2 zone is an urban zoning designation and is intended to be developed to urban standards. This particular project is proposing open space areas for users of the hotel in the form of an outdoor pool/spa area and outside seating on both the north and south side of the building.

Fencing/Screening: Buffering is required between dissimilar uses. This will be a requirement along the east property line adjacent to the multi-family of the McKay development. Pursuant to §11-4-5B(4), the landscaping buffer between the hotel and the residential use must be 20-feet. There is adequate space along the eastern property line with a slight modification to the parking lot. Staff will recommend this be a condition of approval.

The applicant is also proposing fencing along the southern boundary to screen the hotel from the adjacent commercial use.

Landscaping: Landscaping will be required for both the site (8%) and the parking area (10%). In addition, the City's tree density standards will apply. There are a few large trees the applicant is proposing to incorporate into the design of the project. The applicant will receive credit for these trees. The final plan will be reviewed and approved at the time of building permit.

Signage: Staff has not seen any proposed signage. All new signage is required to obtain a permit from the Planning & Building office prior to installation.

Undergrounding of new and existing utilities: New utilities will be underground.

Finding 4: The quality and functionality of the proposed development has effectively dealt with site design issues because there is adequate parking for the use, traffic circulation has been evaluated and landscaping, along with a landscaping buffer, will be installed.

5. Availability and Adequacy of Public Services and Facilities.

Sewer: Sewer is located to the south of this property. The applicant is working with the development to the east in order to extend sewer to this site. It is adequate to serve the project.

Water: Water is located within Whitefish Avenue to the east of this site. The applicant is working with the development to the east to extend water to this site. It is adequate to serve the project.

Storm Water Drainage: An engineered stormwater plan meeting the City's engineering standards will be required, as the project is creating more than 5,000 square feet of impervious surface. The preliminary drainage plan shows two underground systems in the parking lot. The City's Public Works Department will review and approve the engineering plan.

Fire Protection: The Whitefish Fire Department serves the site and response times and access are good. The proposed use is not expected to have significant impacts upon fire services. The Whitefish Fire Marshal has reviewed the project. The Fire Department's goals for this project are:

- to make sure the firefighters have safe and efficient roof access; and
- to have safe and efficient patient transport routes.

The Fire Department has a 35-foot roof ladder which gives the department a 28-foot vertical working distance. Without taller ladders fire fighter will be using high-rise fire tactics on buildings over 28-feet. Items the Fire Department will require for this project include:

- Protected stairwells from outside the building to each floor and the roof, in a location where a hose line can reach within a 150-feet of every area on the roof
- Roof access to include a full-sized man door walkout
- Standpipes in each stairwell (wet or dry)
- Maximum of 150-feet from a standpipe connection to any area of the building
- Sprinklered building in compliance with current City Fire Code (including attic spaces)
- Fully addressable alarm system
- Elevator to each floor big enough to handle the ambulance stretcher in a flat position
- Knox box near the FDC and Alarm panel
- Fire Hydrant(s) located at the FDC and stairway standpipes

Police: The City of Whitefish serves the site; response times and access are adequate. The proposed use is not expected to have significant impacts upon police services.

Streets: The project fronts on Highway 93 S, but will be accessed off the new east-west street on the north side of the property. The east-west street is required to be constructed as part of the Mkey Enterprises preliminary plat to the east. In the event the preliminary plat does not occur or does not occur in a timely fashion for this project, staff will recommend a condition of approval to ensure full construction of the new east-west road is completed through the project's frontage. No improvements or changes will be made to the Highway 93 S frontage.

Finding 5: Public services and facilities are adequate and available because municipal water and sewer are nearby and will be extended to the project, stormwater will be handled on-site, response times for police and fire are not anticipated to be affected due to the proposed development and the property will have adequate access to a newly constructed right-of-way along the north.

6. **Neighborhood/Community Impact:**

Traffic Generation: The Traffic Impact Study was updated to reflect this most recent project in concert with the Mkey preliminary plat. The traffic is, of course, less with this proposal of 81 rooms versus the previous proposal of 111 room. A Traffic Impact Study sets level of services 'grades' of intersections, much like a grade in school. However, it should be noted that the City of Whitefish has never officially adopted any level of service standards for our intersections. These levels of services 'grades' are accepted professional engineering standards for intersections, but, if the City wanted, we could establish our own acceptable levels of service. The existing intersection of Highway 93 S/Akers Lane is operating a level of service (LOS) 'C'. Other intersections along the corridor are operating at LOS 'A' and 'B'. According to the TIS, the LOS of the Highway 93

S/Akers Lane will likely fall to 'D' within the next five years without any development on adjacent properties.

The TIS found the intersection of Akers Lane (on the west side of Highway 93 S), the development site (on the east side of the Highway) and Highway 93 S are going to operate at a levels D/C at the AM peak and F/D during the PM peak for both projects. This means in the late afternoon, generally when the 8-5 work day ends, a vehicle would wait 50.0 seconds to make a left hand turn from the west side of Highway 93 S and 26.1 seconds to make a left-hand turn from the east side of Highway 93 S.

As described in the TIS, warrants – the standard Montana Department of Transportation uses to decide when a stoplight is required – will not be met with this project to merit a traffic light at this intersection. The TIS recommends the City work with MDT and develop a plan for this corridor. The TIS has been forwarded to MDT for comment and they have forwarded it to the Helena office of the Program and Policy Analysis Bureau for review. MDT requests an Approach Permit and an Environmental Checklist. The TIS also suggested some intersection improvements such as right-in/right-out improvements. Staff will recommend a condition of approval directing the applicant to work with Public Works staff and Montana Department of Transportation to develop an appropriate intersection, which will include the installation of conduit for a future light at this intersection.

The City Council conducted a worksession on Transportation Planning in this south corridor on March 7th and they directed staff to work with MDT on an access management plan and possible update of the South Transportation Plan. There are opportunities to develop smaller transportation plans with MDT funds.

Noise or Vibration: No impacts are anticipated beyond what would be expected from a typical commercial use.

Dust, Smoke, Glare, or Heat: No impact is anticipated beyond what would be expected from a typical hotel.

Smoke, Fumes, Gas, and Odor: No impact is anticipated with regards to smoke, fumes or gas.

Hours of Operation: The hours of operation will be typical hotel hours.

Finding 6: The proposed development is not anticipated to have a negative neighborhood impact because noise, dust, smoke, odor or other environmental nuisances are not expected and all outdoor lighting is required to meet city standards. The additional vehicles may have an adverse effect on traffic, however, this will be gradual over several years and mitigation of this intersection is outside City control because these projects do not meet warrants requiring an

intersection light and MDT dictates when and where an intersection light will be installed.

7. Neighborhood/Community Compatibility:

The character of this neighborhood is predominately commercial with residential development in recent years. The commercial buildings are larger structures with very large parking areas to accommodate users of the buildings or provide a location to store merchandise and/or equipment. This property is also near a single family neighborhood to the northeast.

There are a few large trees on the site that contribute to the character of the neighborhood. Projects that retain existing trees help integrate them into the existing neighborhood and give the project an impression of longevity. This project is proposing to retain long-lived/healthy trees around the building and within the parking lot. Staff will recommend a condition of approval that healthy, long-lived trees be identified and incorporated in the site plan.

This project is required to obtain Architectural Review prior to submitting any building permits. An important part of the review is ensuring new buildings complement the existing built neighborhood. The ARC reviews scale, form and materials for new buildings to ensure they do not detract from the existing neighborhood. In addition, buildings with a footprint greater than 15,000 square foot have additional standards to mitigate the effects of larger buildings. These standards look at the site – for example, how pedestrians and bicyclists interface with the project, how a larger parking area is screened and also the building – for example screening equipment, prohibiting large blank walls and other material selection issues.



(project boundaries are approximate)

Finding 7: The project is compatible with the neighborhood and community because design features are being implemented including, articulating the walls and roof forms making the building more interesting and reducing its mass, installing landscaping throughout the site and retaining existing trees within the site plan.

RECOMMENDATION

It is recommended that the Whitefish Planning Board adopt the findings of fact within staff report WCUP 16-04 and that this conditional use permit be recommended for **approval** to the Whitefish City Council subject to the following conditions:

1. The project shall be in compliance with the site plan submitted on May 2, 2016, except as amended by these conditions. Minor deviations from the plans shall require review pursuant to §11-7-8E(8) and major deviations from the plans shall require review pursuant to §11-7-8. The applicant shall maintain and demonstrate continued compliance with all adopted City Codes and Ordinances.
2. Prior to any ground disturbing activities, a plan shall be submitted for review and approval by the City of Whitefish Public Works Department. The plan shall include, but may not necessarily be limited to, the following:
 - Dust abatement and control of fugitive dust.
 - Hours of construction activity.
 - Noise abatement.
 - Control of erosion and siltation.
 - Routing for heavy equipment, hauling, and employees, including signage to direct equipment and workers.
 - Construction office siting, staging areas for material and vehicles, and employee parking.
 - Measures to prevent soil and construction debris from being tracked onto public road, including procedures remove soil and construction debris from road as necessary.
 - Detours of vehicular, pedestrian, and bicycle traffic as necessary.
 - Notation of any street closures or need to work in public right-of-way. (Engineering Standards, Appendix K)
3. Prior to any construction, excavation, grading or other terrain disturbance, plans for all on and off-site infrastructure shall be submitted to and approved by the Whitefish Public Works Department. The improvements (water, sewer, roads, street lights, sidewalks, etc.) within the development shall be designed and constructed by a licensed engineer and in accordance with the City of Whitefish's design and construction standards. The Public Works Director shall approve the design prior to construction. Plans for grading, drainage, utilities, sidewalks and other improvements shall be submitted as a package and reviewed concurrently. No individual improvement designs shall be accepted by Public Works. (Engineering Standards, Chapter 1)

4. A 60-foot right-of-way shall be fully constructed along the project's north property line connecting Highway 93 S through to the eastern boundary of the project prior to occupancy of the building. The full 60-foot right-of-way shall be dedicated to the City prior to submitting an application for Building Permit. (Findings #3, #4, #5, #6; City Engineering Standards 2009)
5. A new approach permit shall be obtained from Montana Department of Transportation. Road plans shall be submitted to MDT for review and approval – this shall also include the drainage plan. (Finding #6)
6. The applicant shall work with the Public Works Department and Montana Department of Transportation on appropriate intersection improvements at Highway 93 S, including conduit for a future stop light. (Finding #6)
7. Street lighting shall be required in accordance with the Whitefish Standards for Design and Construction. Street and other on-site lighting shall be dark sky compliant and meet the requirements of the City's Outdoor Lighting ordinance. (Zoning Regulations §11-3-25; City Engineering Standards, 2009)
8. The Fire Department requires the applicant to comply with all fire codes for this classification of occupancy. (IFC)
9. A Boundary Line Adjustment (BLA) shall be obtained prior to submitting an application to create the lot for the hotel. (§11, WCC)
10. Approval from the Architectural Review Committee shall be obtained prior to submitting an application for a building permit. (§11-3-3B, WCC)
11. Swimming pool standards in §11-3-20A shall be met and shown on the building plan submittal. (§11-3-20A, WCC)
12. The refuse and recycling location shall be reviewed and approved by the Public Works Department and North Valley Refuse. (§4-2, WCC)
13. All exterior mechanical equipment shall be screened visually and acoustically. (4.6.1., Arch Review Standards)
14. A landscaping plan shall be submitted for review and approval. A landscaping buffer shall be installed along the eastern boundary of the project pursuant to the requirements of §11-4-8. In addition, all standards within §11-4-5B shall be included. (§§11-4-5B, C, §11-4-8, WCC; Finding of Fact #4)
15. Large, healthy trees shall be protected during construction. Landscape areas may need to be modified in order to accommodate the tree retention. No trees

outside the CUP requested area shall be removed with this project. (Finding of Fact #4)

16. The conditional use permit is valid for 18 months and shall terminate unless commencement of the authorized activity has begun. (§11-7-8, WCC)



Public Notice of Proposed Land Use Action

The City of Whitefish would like to inform you that Whitefish TP IIc is proposing to construct a hotel with a building footprint of 17,565 which requires a Conditional Use Permit as it exceeds 15,000 square feet. The property is currently undeveloped and is zoned WB-2 (Secondary Business District). The property is located at 6361 Highway 93 S and can be legally described as Tract 1BDB in S01 T30N R22W P.M.M., Flathead County.

You are welcome to provide comments on the project. Comments can be in written or email format. The Whitefish Planning Board will hold a public hearing for the proposed project request on:

**Thursday, June 16, 2016
6:00 p.m.
Whitefish City Council Chambers, City Hall
1005 Baker Avenue, Whitefish MT 59937**

The Whitefish Planning Board will make a recommendation to the City Council, who will then hold a public hearing and take final action on **Tuesday, July 5, 2016** at 7:10 p.m., also in the Whitefish City Council Chambers.

On the back of this flyer is a site plan of the project. Additional information on this proposal can be obtained at the Whitefish Planning Department located at 510 Railway Street. The public is encouraged to comment on the above proposals and attend the hearings. Please send comments to the Whitefish Planning Department, PO Box 158, Whitefish, MT 59937, or by phone (406) 863-2410, fax (406) 863-2409 or email at wcompton-ring@cityofwhitefish.org. Comments received by the close of business on **Monday, June 6, 2016**, will be included in the packets to the Planning Board members. Comments received after the deadline will be summarized to the Planning Board members at the public hearing.

PLANNING & BUILDING DEPARTMENT
PO Box 158
510 Railway Street
Whitefish, MT 59937
(406) 863-2410 Fax (406) 863-2409



Date: May 27, 2016
To: Advisory Agencies & Interested Parties
From: Whitefish Planning & Building Department

The regular meeting of the Whitefish Planning Board will be held on Thursday, June 16, 2016 at 6:00 pm in the Whitefish City Council Chambers at **1005 Baker Avenue**. During the meeting, the Board will hold a public hearing on the item listed below. Upon receipt of the recommendation by the Planning Board, the Whitefish City Council will also hold a subsequent public hearing on Tuesday July 5, 2016. City Council meetings start at 7:10 pm at **1005 Baker Avenue** in the Whitefish City Council Chambers.

1. A request by Whitefish TP, llc for a Conditional Use Permit to construct an 81-room hotel. The property is zoned WB-2 (Secondary Business District). It is located at 6361 Highway 93 S and can be legally described as Tract 1DBD in Section 1 Township 30N Range 22W. (WCUP 16-04) Compton-Ring
2. A request by Andréé Larose & Henry Elsen for a Zoning Map Amendment from County R-2.5 to Estate Residential District (WER). The property is located at 325 Haugen Heights Road and can be legally described as Tract 3F in Section 27 Township 31N Range 22W. (WZC 16-02) Compton-Ring
3. A request by GMJ llc for a Conditional Use Permit to develop a 12 condominium cabin neighborhood. The properties are zoned WRR-1 (Low Density Resort Residential District). They are located at 1325 and 1331 Nelson Lane and can be legally described as Tracts 1AD, 1MA-NPT and 1ABAA in Section 35 Township 31N Range 22W. (WCUP 16-05) Compton-Ring
4. A request by the City of Whitefish to rezone a parcel recently annexed into City limits from County RR-1 (Low Density Resort Residential District) to WRR-1 (Low Density Resort Residential District). The subject property is unaddressed, but is known as Nelson Lane. It can be legally described as Tract 1MA-NPT in Section 35 Township 31N Range 22W. (WZC 16-04) Compton-Ring

Documents pertaining to these agenda items are available for review at the Whitefish Planning & Building Department, 510 Railway Street during regular business hours. Inquiries are welcomed. Interested parties are invited to attend the hearing and make known their views and concerns. Comments in writing may be forwarded to the Whitefish Planning & Building Department at the above address prior to the hearing or via email: dtaylor@cityofwhitefish.org. For questions or further information regarding these proposals, phone 406-863-2410.

Whitefish Planning & Building
PO Box 158
510 Railway Street
Whitefish, MT 59937
Phone: (406) 863-2410 Fax: (406) 863-2409

APPLICATION FOR CONDITIONAL USE PERMIT
CITY OF WHITEFISH

FEE ATTACHED \$2,055.00 (See current fee schedule)

OWNER(S) OF RECORD:

Name: Mkay Enterprises.

Mailing Address: P.O. Box 997

City/State/Zip: Whitefish, MT 59937 Phone: _____

APPLICANT:

Name: Whitefish TP LLC, Attn: Jordan Scott

Mailing Address: 4340 Indian School Road #21-550

City/State/Zip: Phoenix, AZ 85018 Phone: (602) 750-8407

PERSON(S) AUTHORIZED TO REPRESENT THE OWNER(S) AND TO WHOM ALL CORRESPONDENCE IS TO BE SENT:

Name: 3 Engineering, Attn: Dan Mann

Mailing Address: 2929 E. Camelback Road, Suite #116

City/State/Zip: Phoenix, AZ 85016 Phone: (602) 334-4387

Name: Sands Surveying, Inc. Attn: Eric Mulcahy

Mailing Address: 2 Village Loop

City/State/Zip: Kalispell, MT 59901 Phone: (406) 755-6481

Name: CTA Architect and Engineers, Attn: David Koel

Mailing Address: #2 Main Street, Suite 205

City/State/Zip: Kalispell, MT 59901 Phone: (406) 257-8172

Name: PK Architects, Attn: Michael Porter

Mailing Address: 4515 S. McClintock Drive

City/State/Zip: Tempe, AZ 85282 Phone: (602) 283-1620

TownePlace Suites

LEGAL DESCRIPTION OF PROPERTY (Refer to Property Records):

Street

Address: 6361 Highway 93 South, Whitefish

Sec. _____ Town- _____ Range _____
No. 1 ship 30 No. 22

Subdivision
Name: N/A

Tract _____ Lot _____ Block _____
No(s). 1DBD No(s). _____ No. _____

DESCRIBE PROPOSED USE: Per Section 11-2K-4 of the Whitefish Zoning Regulations, a Conditional Use Permit (CUP) is required when a structure footprint exceeds 15,000 square feet. The proposed TownePlace Suites is a 81 room, three story hotel located on Highway 93. Each of the guest suites in the hotel have a kitchenette that caters to the multiple day vacation visitors that might be budget minded. The proposed project complies with setback, parking, landscaping, and lot coverage. The property is zoned WB-2 (Secondary Business District) and hotels are specified as a permitted use within this district. The footprint of the hotel structure is 17,565 square feet. The Whitefish Zoning Regulations do not read or imply that the 15,000 square feet is a limit for building size, the regulations clearly state, only, that the conditional use permit is required for buildings in excess of the 15,000 threshold.

ZONING DISTRICT: WB-2 (Secondary Business District)

CHAPTER 7 OF TITLE 11 WHITEFISH ZONING REGULATIONS REQUIRES THE FOLLOWING:

A. FINDINGS - The following criteria form the basis for approval or denial of the Conditional Use Permit. The burden of satisfactorily addressing these criteria lies with the applicant. Review the criteria below and, on a separate sheet of paper, discuss how the proposal conforms to the criteria. If the proposal does not conform to the criteria, describe how it will be mitigated.

- 1. Describe how the proposal conforms to the applicable goals and policies of the Whitefish City-County Growth Policy.

The 2007 Whitefish Growth Policy Map is designated General/Highway Commercial and supports the existing Commercial Zoning Designation of this property. Based on the historical zoning maps available in City Hall, this property shows commercial zoning as far back as 1982. The applicants do not propose any change to the Growth Policy Designation or the WB-2 commercial zoning.



Source: Portion of 2007 Whitefish Growth Policy Map

The Growth Policy defines General/Highway Commercial as follows: “Generally applied to the Hwy 93 corridor north of the Highway 40 intersection, this designation is defined by auto-oriented commercial and service uses. Specific land uses include retail, restaurants, of all types and quality ranges (including those with drive-up facilities), professional offices, auto sales and services, hotels/motels, supermarkets, shopping centers, or clusters, and convenience shopping, including dispensing of motor fuels. Primary access is by automobile with ample parking provided on site. Development sites are properly landscaped to screen parking and drive areas and to provide high-quality visual image. Zoning is generally WB-2, but high density residential with WR-3 zoning, and mixed use development may also be appropriate in this area.”

The proposed TownePlace Suites Hotel is consistent with the Growth Policy designation and is specifically called out as a use intended for this corridor.

2. Describe how the proposal is consistent with the purpose, intent and applicable provisions of the regulations.

The property is presently zoned WB-2 by the City of Whitefish. The Whitefish Zoning Ordinance, Section 11-2K-1, Intent and Purpose, states the following: “The WB-2 district is intended to provide for those retail sales and services the operations of which are typically characterized by the need for large display or parking areas, large storage area and by outdoor commercial amusement or recreational activities.” In addition, the WB-2 zoning designation lists as a permitted use “hotels/motels and other hospitality and entertainment uses”. The hotel use, as a segment of the services industry with a large parking need, is intended for the WB-2 zoning district.

3. How is the property location suitable for the proposed use? Is there adequate usable land area? Does the access, including emergency vehicle access, meet the current standards? Are environmentally sensitive areas present on the property that would render the site inappropriate for the proposed use?

The proposed hotel is located on a 2.66 acres parcel that fronts on Highway 93 and will be accessed by a new Akers Road extension. The proposed use complies with the WB-2 setback requirements. The WB-2 zoning district does not have a maximum lot coverage but the Architects for the proposed Hotel worked hard to preserve a significant outdoor space which correlates to the location of the significant trees on the site. The building, pool, patio, and parking were designed around the majority of existing trees which can now be preserved.

Access to the Hotel will be by a new City Street connecting Highway 93 with Whitefish Avenue. The new City street will not only provide primary and emergency access to the proposed project but it will provide secondary access to the Rivers Edge development located east of the proposed project. This connection is part of the city of Whitefish Long Range Transportation Plan for south Whitefish.

There are no sensitive areas on site such as wetlands, ponds, or streams. The property is located in an area mapped as potentially high groundwater. But these City maps are intended as planning level maps and not engineering level maps. With development on and/or proposed on all four sides of the project, design engineering should be able to mitigate an potential impacts of high groundwater.



4. How are the following design issues addressed on the site plan?

a. Parking locations and layout

The applicant has proposed a site plan with a parking layout that would support the hotel and is compliant with the parking standards of the Zoning Regulations. Per the Zoning Ordinance the applicant must provide one space per rented room plus one space per two employees at maximum shift. The site plan shows 90 parking spaces to meet the ordinance. Parking is located in front and along the north and south sides of the building. Access is provided by two approaches to the new City Street.

b. Traffic circulation

The applicant has prepared a Traffic Impact Study for the new City Street and its connection to Highway 93. The TIS was revised from the previous report in order to account for the reduction in rooms for the TownePlace project and a reduction in residential units for the Mky development

TownePlace Suites

directly east of the subject property. The proposed intersection with Highway 93 lines up with Akers Lane on the west side of the Highway. According to the TIS, the intersection of Ackers Lane and Highway 93 is approaching a Level of Service (LOS) D at peak PM hour and LOS C at the peak AM hour. This means that there are delays for certain turning movements at the peak hours and the longer the delay the worse the level of service. A possible future solution is installing a signal at this intersection, but this signal must meet the MDOT merits and approval before one could be installed. The TIS indicates that the two projects will not trigger the merits for the signal.

c. Open space

The WB-2 zoning classification does not regulate the maximum lot coverage. However approximately 1/2 acre of area is devoted to the outdoor pool/patio/yard area in the southeast corner of the property. The location of the yard area was selected as it preserves most of the existing trees on the site and it buffers some of the highway noise from the hotel guests that may use the patio/pool.

d. Fencing/screening

A solid fence is proposed along the south boundary of the hotel to block some of the view and noise generated by the Tire Shop to the south.

e. Landscaping

The applicant will landscape the areas around the building and the parking lot as indicated in the preliminary landscape plan. The Whitefish Zoning Regulations require a minimum of 8% of the lot area to be landscaped when the developable area is between 22,000 sf and five acres. The landscaping equals approximately 30% of the site.

f. Signage

A sign package has not yet been developed for the site. If the CUP is approved, the applicant will work with the architect and sign maker to prepare a sign plan that complies with the Whitefish Sign Regulation.

g. Undergrounding of new utilities

All utilities will be extended underground into the site.

h. Undergrounding of existing utilities

Any existing above ground utilities of which there are very few, will be replaced with underground utilities.

5. Are all necessary public services and facilities available and adequate? If not, how will public services and facilities be upgraded?

a. Sewer

Sanitary sewer is available south of the proposed development. The applicant is working with the neighboring property owner to the east to develop easement to extend the City sewer main northwest to serve the proposed hotel.

b. Water

There is City water within the City right-of-way for Whitefish Avenue northeast of the applicants property. The TownePlace and Mky development will work together to extend water service into the site.

c. Stormwater

If the CUP is approved, the site plan will be reviewed for stormwater facilities by Public Works. The applicants engineer has provided a preliminary stormwater plan with this application. As with the Ackers Street extension, TownePlace will work with Mky to design a facilitate stormwater drainage.

d. Fire Protection

The Whitefish Fire Department serves the property. The Fire Marshall will review specific building plans for compliance with fire code and access at a future date.

e. Police Protection

Whitefish Police Department currently serves the property.

f. Street (public or private)

The property fronts Highway 93, however the applicant will be working with the neighboring property to the east to develop a new City street connecting Whitefish Avenue with Highway 93 to use as primary access. This access will line up with Ackers Way on the west side of the highway. A TIS has been developed for the street and the two projects, TownePlace Suites and Mky Enterprises. The new street will provide access for the TownePlace project as well as secondary access for this project and the Rivers Edge development to the east.

g. Parks (residential only)

N/A

h. Sidewalks

Pedestrian paths provide circulation along the Highway 93 corridor. Within the project walkways will connect to the public sidewalks in the public rights of way. Pedestrian linkages proposed in the new city street consist of a five foot sidewalk on the south side of the proposed Akers extension. The recently approved Mky project to the east will provide a pedestrian path connection with the Whitefish River Trail.

i. Bike/pedestrian ways – including connectivity to existing and proposed developments

See previous discussion under sidewalks.

6. How will your project impact on adjacent properties, the nearby neighborhoods and the community in general? Describe any adverse impacts under the following categories.

a. Excessive traffic generation and/or infiltration of traffic into neighborhoods

The property is zoned for commercial use and has been such for more than 30 years. Two properties to the north is the Mountain Mall, a significant

TownePlace Suites

retail and service enterprise. Properties to the west include hotels, restaurants, and retail uses. The eastern property owner (Mkay) just recently received approval for a mixed density residential development along with the extension of Whitefish Avenue and Akers Lane. Whitefish Avenue is a collector street envisioned in the South Whitefish Neighborhood Plan adopted in 2000 and again in the Whitefish Transportation Plan – 2009. The proposed collector enables residents to access commercial uses and move north and south without the need to access Highway 93. Whitefish Avenue is envisioned to function like Baker Avenue on the west side of Highway 93.

Based on the TIS, very little if any traffic will head east from the hotel to Whitefish Avenue. However traffic from the Rivers Edge development will utilize the new street to access the highway. Therefore the proposed project should have little or no negative impact in the neighboring residential subdivision to the east but the proposed project will most likely have a positive traffic impact on the residential development. It is important to know note, the Akers Lane extension was approved as part of the Mkay development and will become a City street regardless of the Towne Place project.

b. Noise, vibration, dust, glare, heat, smoke, fumes, odors

The site is located in a commercial district and the proposed use is commercial accommodations. The proposed hotel does not plan or show a restaurant or bar with the project. The swimming pool is located outdoors so it will be a seasonal use. Any impacts from noise, vibration, dust, glare, heat, smoke, fumes or odors will be consistent neighboring uses.

7. What are the proposed hours of operation?

As this is a commercial setting, business hours will be typical of other business, however hotels have a 24 hour a day presence to insure that there is little disturbance to the guests during the night-time hours.

8. How is the proposal compatible with the surrounding neighborhood and community in general in terms of the following:

a. Structural bulk and massing

The proposed hotel is a three story building located on a 2.66 acre site with 300-feet of Highway 93 frontage. To provide visual interest and disruption of mass, the architects break up large planes of structure by projecting and recessing sections of the building façade. The structure will be 35-feet in height except for the Elevator shaft and the mechanical screens both of which are exempt from the height requirements by the Whitefish Zoning Code (§11-2-3.5). The proposed height is a change from the initial application that included a PUD to allow the hotel to stand 42 feet in height. As this current application meets the 35-foot height restriction, there is no PUD application.

b. Scale

The scale of the structure will match that of other hotels, both existing and under construction (See Table 1), located along the Highway 93 corridor. At

TownePlace Suites

the previous hearing for the TownePlace Suites, public testimony and planning board discussion stated that most of the hotels along the Highway 93 corridor were only two stories in height. As indicated in the table below, this is a false statement and most of the hotels along the highway are indeed three stories in height. The Table also shows that four of the seven listed hotels are in excess of the 15,000 square feet footprint.

Table 1

	Square footage	Height	# of floors	# of rooms
Fire Brand Hotel	15816 sq ft	47-feet	3	86
Hampton	18702 sq ft	42-feet	3	75
Stumptown Inn	5395 sq ft	Unknown	3	40
Pine Lodge	12160 sq ft	Unknown	3	76
Rocky Mountain Lodge (Best Western)	16065 sq ft	Unknown	3	79
Chalet	7104 sq ft	Unknown	2	32
Big Mountain Lodge	17,995 sq ft	Unknown	2	66

Source: City of Whitefish PUD/CUP files and CAMA data.

c. Context of existing neighborhood

The TownePlace Suites is proposed on commercially zoned property and is in a commercial corridor. The immediate neighborhood is primarily commercial and the recently approved residential use to the east came about well after the commercial use was established for this area.

d. Density

The WB-2 zoning district does not have a minimum lot size or maximum density. There is no maximum lot coverage other than there is minimum landscaping standards. The proposed project maintains approximately 30% of the site in landscape, pool, and patio space. As a result, the applicants are limiting the impact of the hotel structure on the land and the neighborhood.

e. Community Character

The City of Whitefish has established a business corridor along Highway 93. The earliest zoning map available in City Hall is dated 1982 and identifies this property as commercial. The Mountain Mall was constructed in the 1980's and solidified the commercial character of this part of the community. With two major car dealerships located south of the proposed hotel, commercial use is further solidified in the community character. The proposed TownePlace Suites compliments the neighboring commercial use and character.

B. PROPERTY OWNER LIST

Submit a list of names with mailing addresses of property owners within **150** feet of the proposed use (**public street right-of-ways are not counted as part of the 150 feet**). The owner of record must appear exactly as on the official records of Flathead County. This list is obtained from the Flathead County GIS Department using the 'Adjacent Landowner Request' form.

C. SITE PLAN

Submit a site plan, either drawn to scale or with dimensions added, which shows in detail your proposed use, your property lines, existing and proposed buildings, traffic circulation, driveways, parking, landscaping, fencing, signage, and any unusual topographic features such as slopes, drainage, ridges, etc. Where new buildings or additions are proposed, building sketches and elevations shall be submitted.

I hereby certify under penalty of perjury and the laws of the State of Montana that the information submitted herein, on all other submitted forms, documents, plans or any other information submitted as a part of this application, to be true, complete, and accurate to the best of my knowledge. Should any information or representation submitted in connection with this application be untrue, I understand that any approval based thereon may be rescinded, and other appropriate action taken. The signing of this application signifies approval for the Whitefish Planning & Building staff to be present on the property for routine monitoring and inspection during the approval and development process.

Applicant's Signature

Date

Print Name



Towne Place & McKay Enterprises Traffic Impact Study - UPDATE

Whitefish, Montana

Prepared For:

3 Engineering
2929 E. Camelback Rd., Suite # 116
Phoenix, AZ 85016

April, 2016

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Towne Place & MKay Enterprises Traffic Impact Study - UPDATE Whitefish, Montana

A. EXECUTIVE SUMMARY

The 81 room Towne Place Suites Hotel and 41 unit MKay Enterprises residential development are currently proposed along U.S. Highway 93 south of the Mountain Mall. The section of U.S. Highway 93 near the proposed development is operating near a LOS D in the PM peak and at a LOS C in the AM peak. The addition of more approaches and additional vehicles will decrease the LOS in this area. The City of Whitefish would like to see more road connections and additional traffic control along this section of Highway 93. This would include formalizing Akers Lane as a public Street, extending Baker Avenue, connecting Whitefish Avenue to the south, and adding traffic signals to Highway 93. While these improvements would be beneficial for the community, they are not imminently needed. The Towne Place Suites and MKay Enterprises projects provide an opportunity to promote a portion of these road improvements with the construction of Akers Lane, east of Highway 93, to Whitefish Avenue. The developers should work with the City and MDT to promote these projects.

B. PROJECT DESCRIPTION

This document studies the possible effect on the surrounding road system from the proposed Towne Place Suites Hotel and MKay Enterprises development east of U.S. Highway 93. The Towne Place Suites Hotel and MKay Enterprises project are separate developments but are being analyzed together for the purposes of this report. This report updates the January 2016 TIS prepared for these projects. The document identifies any traffic mitigation efforts that these projects may require. The Commonwealth Apartments are no longer under consideration for this area.

C. EXISTING CONDITIONS

The subject property consists of 7-acres of land east of Highway 93 in the City of Whitefish. A total of 2.7 acres are currently dedicated to the Towne Place Suites and 4.7 acres are dedicated to the MKay Enterprises residential development. The property is located just south of the Mountain Mall and east of Akers Lane. The property is currently undeveloped. See **Figure 1** for a location map of the proposed development.

Adjacent Roadways

U.S. Highway 93 in a north/south route that extends through the City of Whitefish. This section of the highway as a five cross-section with a center two-way left-turn. The posted

speed limit is 45 MPH. According to traffic counts conducted by MDT in 2014, the roadway currently carries 25,000 Vehicles per Day (VPD).

Akers Lane is currently a shared commercial approach which access a variety of restaurants, hotels, an RV Park, and other commercial businesses west of Highway 93. The approach has a vegetated median and is not currently a formal public street. The road does not extend to the east side of Highway 93.

Whitefish Avenue currently extends north of the proposed development property and connects with U.S. Highway 93 and north of the Mountain Mall. The road provides access to 76 residential lots east of the Mountain Mall.

Figure 1- Proposed Development Site



Traffic Counts

In October 2015 Abelin Traffic Services (ATS) collected vehicle use information at locations around the proposed development site. This included peak-hour turning movement counts at intersections along U.S. Highway 93 including Akers Lane, Commerce Street, and JP Road. The raw traffic data is included in **Appendix A** of this report.

Historic Traffic Data

Abelin Traffic Services collected historic traffic data for the surrounding road system to help develop short-term background growth rates for the area. The information indicates that traffic volumes along Highway 93 have increased steadily over the past ten years at a rate of 1.5%.

Table 1 – Historic Average Daily Traffic Data

Location	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
U.S. Highway 93 South of 15 th St.	17,000	18,970	18,910	18,970	18,580	18,900	17,860	16,800	21,000	21,320	21,870
U.S. Highway 93 South of 19 th St.	22,600	22,280	22,280	22,350	22,030	20,860	24,060	20,050	24,320	24,690	24,950

Adjacent Developments

A variety of additional projects are currently underway near the proposed development site. These project are in various stages of completion and planning. Some of these projects may not ultimately be constructed as proposed. A 60 unit apartment project is currently underway west of U.S. Highway 93 south of Akers Lane along with the 75 room Hampton Inn Hotel. Both of these projects will access highway 93 through existing commercial approaches near Akers Lane.

The City of Whitefish has expressed interest in improving the road network through this portion of the City. The City of Whitefish has expressed an interest in extending Baker Avenue to the south from 19th Street south to Akers Lane, formalizing Akers Lane as a City Street, and creating a public approach onto Highway 93 at that location. The City would also like to see Akers Lane extended across Highway 93 to connect with Whitefish Avenue. Similarly, the City would like to see Whitefish Avenue extended to the south to ultimately connect with Shiloh Avenue and to JP Road. These roads would improve the overall north/south connectivity through this portion of Whitefish. The City currently has no specific plans to complete these projects.

Level of Service

Using the data collected for this project, ATS conducted a Level of Service (LOS) analysis at area intersections. This evaluation was conducted in accordance with the procedures outlined in the Transportation Research Board’s *Highway Capacity Manual (HCM) - Special Report 209* and the Highway Capacity Software (HCS) version 6.5. Intersections are graded from A to F representing the average delay that a vehicle entering an intersection can expect. Typically, a LOS of C or better is considered acceptable for peak-hour conditions.

Table 2 –Existing 2015 Level of Service Summary

Intersection	AM Peak Hour		PM Peak Hour	
	Delay (Sec.)	LOS	Delay (Sec.)	LOS
Highway 93 & Commerce Street	6.3	A	11.0	B
Highway 93 & Akers Lane	19.1	C	22.7	C
Highway 93 & JP Road	8.2	A	6.6	A

Table 2 shows the existing 2015 LOS for the AM and PM peak hours without the traffic from the Towne Place and MKay Enterprises projects. The LOS calculations are included in **Appendix C**. The analysis shows that these intersections are currently operating at an acceptable level of service. No intersection or road modifications are required at this time to improve capacity. However, it should be noted that the intersection of Akers Lane is currently nearing LOS D in the PM peak hour. This issue is symptomatic of the current access issues along this section of Highway 93. The intersection is likely currently operating at LOS D during the peak summer months. Although the approach totals from Akers Lane are relatively small (less than 30 VPH) the delay accessing Highway 93 at this location can be high due to the large amount of traffic on Highway 93 (over 25,000 VPD). These delay issues will increase as this area continues to grow, unless alternative access controls are implemented. Based on the current traffic volume growth rates along U.S. Highway 93, the LOS at this intersection will likely fall to D within the next five years without any development on the adjacent properties.

D. PROPOSED DEVELOPMENT

The current Towne Place Suites Hotel proposal includes 2.7 acres of land east of Highway 93 which would be developed into an 81 room hotel (originally 111 rooms). The hotel would be accessed from two approaches onto Akers Lane. The proposed location of the Hotel has been changed from the north side of Akers Lane to the south side of Akers Lane. Akers Lane would be extended from Highway 93 to Whitefish Avenue as part of this project. The MKay Enterprises development includes 4.7 acres of land south of Akers Lane and east of the Towne Place Suites. The total number of residential units on the MKay Enterprises property has decreased from 95 to 41. This residential development would include 13 single family homes, 10 condominium/townhouse units, and 18 apartment units. The project would also include a portion of a southern extension of Whitefish Avenue. The projects are expected to be constructed by the 2017. The current site plans for the Towne Suites and MKay Enterprises are shown in shown in **Figures 2 & 3**.

E. TRIP GENERATION AND ASSIGNMENT

ATS performed a trip generation analysis to determine the anticipated future traffic volumes from the subdivision using the trip generation rates contained in *Trip Generation* (Institute of

Transportation Engineers, Ninth Edition). These rates are the national standard and are based on the most current information available to planners. A vehicle “trip” is defined as any trip that either begins or ends at the development site. ATS determined that the critical traffic impacts on the intersections and roadways would occur during the weekday morning and evening peak hours. The Towne Place Suites would produce 43 AM peak hour trips, 49 PM peak hour trips, and 662 daily trips. The MKay Enterprises would produce up to 23 AM peak hour trips, 29 PM peak hour trips, and 302 daily trips. The trip generation rates and totals are shown in **Table 3**. Under the current proposal the overall trip generation from the site has decreased from 1,568 trip per day to 964 trips per day. This is a 40% percent decrease from the original proposal.

Table 3 - Trip Generation Rates

Land Use	Units	AM Peak Hour Trip Ends per Unit	Total AM Peak Hour Trip Ends	PM Peak Hour Trip Ends per Unit	Total PM Peak Hour Trip Ends	Weekday Trip Ends per Unit	Total Weekday Trip Ends
Towne Pl. Hotel	81	0.53	43	0.6	49	8.17	662
Single Family Residential	13	0.75	10	1	13	9.52	124
Townhouse	10	0.44	4	0.52	5	5.81	58
Apartment	18	0.51	9	0.62	11	6.65	120
TOTAL			66		78		964

F. TRIP DISTRIBUTION

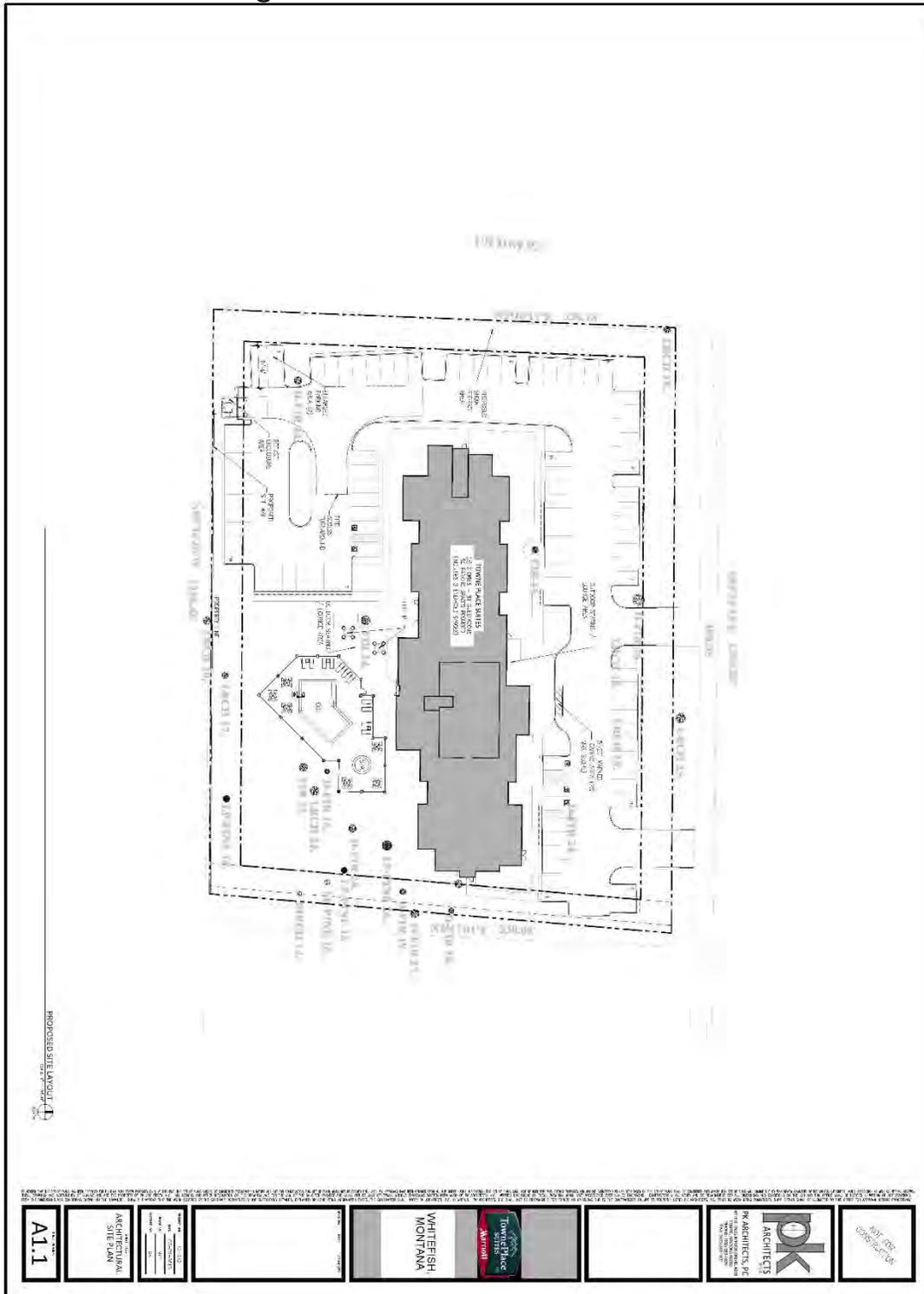
The traffic distribution and assignment for the proposed subdivision was based upon the existing ADT volumes along the adjacent roadways and the peak-hour turning volumes. It is expected that 60% of traffic would use Highway 93 to the north, 30% would use Highway 93 to the south, and 10% would use Akers Lane to access the commercial areas to the west. It is also likely that up to 15% of traffic from the proposed development would use Whitefish Avenue to access the Mountain Mall and the traffic signal at Commercial Avenue. Traffic is expected to distribute onto the surrounding road network as shown on **Figure 4**.

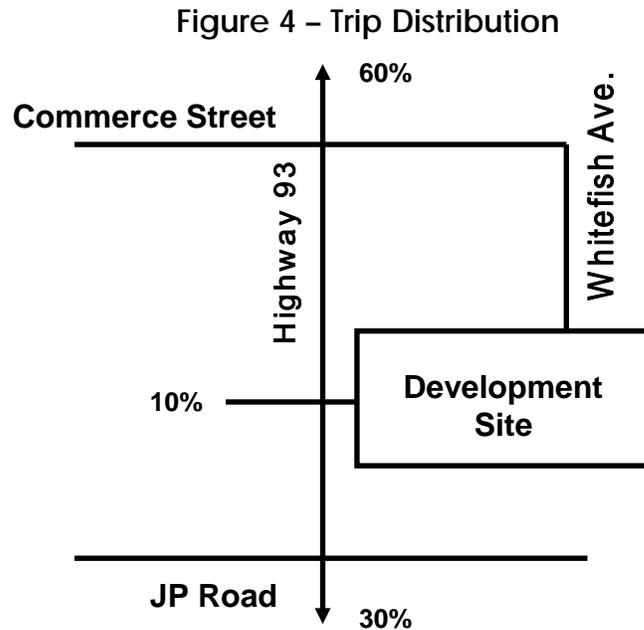
G. TRAFFIC IMPACTS OUTSIDE THE DEVELOPMENT

Using the trip generation and trip distribution numbers, ATS determined the future Level of Service for the area intersections. The anticipated intersection LOS with the Towne Place Suites and Mkey Enterprises is shown in **Table 4**. These calculations are based on the projected model volumes included in **Appendix B** of this report.

Table 4 indicates that the two signalized approaches at Commerce Street and JP Road will not see any significant impacts from the proposed Towne Place Suites and Mkey Enterprises projects. The new approach at Akers Lane will have some operational difficulties mostly at the approach on the west side of Highway 93.

Figure 2 – Towne Place Suites Hotel





**Table 4 –Level of Service Summary
With the Towne Place Suites and MKay Enterprises**

Intersection	AM Peak Hour		PM Peak Hour	
	Delay (Sec.)	LOS	Delay (Sec.)	LOS
Highway 93 & Commerce Street	6.4	A	11.6	B
Highway 93 & Akers Lane*	30.3/16.3	D/C	50.0/26.1	F/D
Highway 93 & JP Road	9.9	A	7.2	A

*Eastbound/Westbound LOS & Delay.

There are a variety of ways to address the projected delay problems at Akers Lane. The new approach on Akers Lane from the development site could be changed to a right-out only intersection which would correct the LOS problem on the east side of Highway 93 from the proposed development site, but the existing approach on the west side of 93 would still function at LOS F. Restricting right-out movement at Akers Lane on the west side of 93 would simply force vehicles to a different approach location in this area and would not solve the overall access problem. Additionally, adding right-turn restrictions may force drives into making U-turns on highway 93 which would cause additional safety concerns.

Another option to provide enhanced access to the proposed development site would be to extend Whitefish Avenue to the south to connect with Shiloh Avenue and JP Road. This road

connection would improve access to the east side of Highway 93. While the City of Whitefish would be in favor of making this connection, the right-of-way for this road connection is not currently unavailable. This would also not likely change the level of service on the west side of the intersection of Highway 93 and Akers Lane.

It would also be possible to address the LOS problem at this location by the addition of a traffic signal or roundabout. While a roundabout may function at this location, it would not be congruent with the existing traffic control signals at other adjacent intersections and is not recommended at this time.

A traffic signal would likely function similar to the existing signals at Commerce Street and JP road at LOS A or B. However, it is not known if the intersection would have sufficient traffic to meet signalization warrants at full-build-out of these properties. The *Manual on Uniform Traffic Control Devices* (MUTCD) recommends signalizing intersections that have more than 100 VPH on the minor approaches. It is not expected that the minor approaches will reach this level of traffic in the near future with a maximum approach volume of approximately 50 VPH from the proposed development site. It is also possible that pedestrian traffic from the proposed developments could contribute to the need for a traffic signal at this location.

The City of Whitefish has expressed a desire to extend Baker Avenue south to Akers Lane and formalize this intersection as a public street to improve the overall connectivity on the west side of Highway 93. It is likely that a traffic signal in this area could help provide improved access to all of the business east and west of Highway 93 by providing a common signalized access point in this area. Additionally, it is likely that some existing residents along Whitefish Avenue would choose to use this new traffic signal rather than driving into the Mountain Mall to use the existing traffic signal at Commerce Street. While it is difficult to justify a traffic signal at this location using existing traffic volumes or the anticipated traffic volumes from the proposed developments, it is likely that a traffic signal at this location would enhance the overall access to highway 93 from the commercial and residential properties on both sides of the highway. A traffic signal would also be consistent with the City of Whitefish's goal of lower the posted speed limit on this section of Highway 93. It should be noted that MDT controls all access onto Highway 93 and all traffic controls must be reviewed and approved by the Department.

In meetings with the Montana DOT, the Department has raised concerns about installing a traffic signal at Akers Lane due to the proximity to the signal at Commerce Street (1,000 feet north). The recommended minimum spacing between signals on highways is one-quarter mile (1,300 feet). However, it should be noted that the Akers Lane location is consistent with progressive quarter mile spacing from JP Road to the south (2,600 feet). If an alternative signal location is selected slightly farther to the south, it would not be consistent with adding any other traffic signals between the new signal location and JP Road in the future.

The ultimate placement and construction of improvements along Highway 93 will be dependent on MDT approvals. In general, this section of Highway 93 would benefit from improved access

to the highway and the adjacent road network, but no specific improvements (i.e. signals, road connections) would be immediately necessary for the proposed development projects. Any road improvements will need to be coordinated through the City of Whitefish and MDT and should be part of a long-term strategy of the community.

H. IMPACT SUMMARY & RECOMMENDATIONS

The section of U.S. Highway 93 near the proposed development is operating near a LOS D in the PM peak and at a LOS C in the AM peak. The addition of more approaches and additional vehicles will decrease the LOS in this area. The City of Whitefish would like to see more road connections and additional traffic control along this section of Highway 93. This would include formalizing Akers Lane as a public Street, extending Baker Avenue, connecting Whitefish Avenue to the south, and adding traffic signals to Highway 93. While these improvements would be beneficial for the community, they are not imminently needed. The Towne Place Suites and MKay Enterprise projects provide an opportunity to promote a portion of these road improvements with the construction of Akers Lane, east of Highway 93, to Whitefish Avenue. The developers should work with the City and MDT to promote these projects.

APPENDIX A

Traffic Data

Abelin Traffic Services

130 S. Howie Street
Helena, MT 59601

File Name : ComAM
Site Code : 00000000
Start Date : 10/7/2015
Page No : 1

Groups Printed- Class 1

Start Time	Highway 93 Southbound					Commerce Dr. Westbound					Highway 93 Northbound					Commerce Dr. Eastbound					Int. Total
	Right	Thru	Left	Peds	App. Total	Right	Thru	Left	Peds	App. Total	Right	Thru	Left	Peds	App. Total	Right	Thru	Left	Peds	App. Total	
07:30 AM	1	148	6	0	155	1	4	9	0	14	14	153	4	0	171	7	1	0	0	8	348
07:45 AM	1	124	5	0	130	4	1	8	0	13	15	205	8	0	228	5	1	1	0	7	378
Total	2	272	11	0	285	5	5	17	0	27	29	358	12	0	399	12	2	1	0	15	726
08:00 AM	1	144	4	0	149	2	4	9	0	15	31	207	4	0	242	3	1	2	0	6	412
08:15 AM	0	178	6	0	184	7	2	13	0	22	22	185	8	0	215	3	4	1	0	8	429
08:30 AM	0	154	8	0	162	4	2	10	0	16	26	160	4	0	190	2	2	1	0	5	373
Grand Total	3	748	29	0	780	18	13	49	0	80	108	910	28	0	1046	20	9	5	0	34	1940
Apprch %	0.4	95.9	3.7	0		22.5	16.2	61.2	0		10.3	87	2.7	0		58.8	26.5	14.7	0		
Total %	0.2	38.6	1.5	0	40.2	0.9	0.7	2.5	0	4.1	5.6	46.9	1.4	0	53.9	1	0.5	0.3	0	1.8	

Abelin Traffic Services

130 S. Howie Street
Helena, MT 59601

File Name : ComPM
Site Code : 00000000
Start Date : 10/6/2015
Page No : 1

Groups Printed- Class 1

Start Time	Highway 93 Southbound					Commerce St. Westbound					Highway 93 Northbound					Commerce St. Eastbound					Int. Total
	Right	Thru	Left	Peds	App. Total	Right	Thru	Left	Peds	App. Total	Right	Thru	Left	Peds	App. Total	Right	Thru	Left	Peds	App. Total	
04:30 PM	1	144	8	0	153	13	4	25	0	42	24	152	7	0	183	5	9	1	0	15	393
04:45 PM	2	171	11	0	184	10	7	27	0	44	35	197	7	0	239	3	7	3	0	13	480
Total	3	315	19	0	337	23	11	52	0	86	59	349	14	0	422	8	16	4	0	28	873
05:00 PM	2	175	14	0	191	11	2	25	0	38	25	193	9	0	227	1	5	3	0	9	465
05:15 PM	0	165	9	0	174	10	1	28	0	39	30	205	4	0	239	4	6	1	0	11	463
05:30 PM	3	153	8	0	164	11	6	29	0	46	36	195	5	0	236	3	4	4	0	11	457
Grand Total	8	808	50	0	866	55	20	134	0	209	150	942	32	0	1124	16	31	12	0	59	2258
Apprch %	0.9	93.3	5.8	0		26.3	9.6	64.1	0		13.3	83.8	2.8	0		27.1	52.5	20.3	0		
Total %	0.4	35.8	2.2	0	38.4	2.4	0.9	5.9	0	9.3	6.6	41.7	1.4	0	49.8	0.7	1.4	0.5	0	2.6	

Abelin Traffic Services

130 S. Howie Street
Helena, MT 59601

File Name : JPrdAM
Site Code : 00000000
Start Date : 10/7/2015
Page No : 1

Groups Printed- Class 1

Start Time	Highway 93 Southbound					JP Road Westbound					Highway 93 Northbound					JP Road Eastbound					Int. Total
	Right	Thru	Left	Peds	App. Total	Right	Thru	Left	Peds	App. Total	Right	Thru	Left	Peds	App. Total	Right	Thru	Left	Peds	App. Total	
07:30 AM	1	139	3	0	143	15	0	4	0	19	4	210	0	0	214	1	1	2	0	4	380
07:45 AM	1	151	6	0	158	19	0	6	0	25	5	252	1	0	258	0	0	3	0	3	444
Total	2	290	9	0	301	34	0	10	0	44	9	462	1	0	472	1	1	5	0	7	824
08:00 AM	0	146	14	0	160	26	0	6	0	32	5	255	0	0	260	1	0	6	0	7	459
08:15 AM	2	180	12	0	194	22	1	3	0	26	3	233	2	0	238	1	2	4	0	7	465
08:30 AM	1	155	9	0	165	18	1	2	0	21	2	210	1	0	213	1	2	4	0	7	406
Grand Total	5	771	44	0	820	100	2	21	0	123	19	1160	4	0	1183	4	5	19	0	28	2154
Apprch %	0.6	94	5.4	0		81.3	1.6	17.1	0		1.6	98.1	0.3	0		14.3	17.9	67.9	0		
Total %	0.2	35.8	2	0	38.1	4.6	0.1	1	0	5.7	0.9	53.9	0.2	0	54.9	0.2	0.2	0.9	0	1.3	

Abelin Traffic Services

130 S. Howie Street
Helena, MT 59601

File Name : JPrdPM
Site Code : 00000000
Start Date : 10/6/2015
Page No : 1

Groups Printed- Class 1

Start Time	Highway 93 Southbound					JP Road Westbound					Highway 93 Northbound					JP Road Eastbound					Int. Total
	Right	Thru	Left	Peds	App. Total	Right	Thru	Left	Peds	App. Total	Right	Thru	Left	Peds	App. Total	Right	Thru	Left	Peds	App. Total	
04:30 PM	3	215	28	0	246	22	0	10	0	32	7	212	2	0	221	1	3	1	0	5	504
04:45 PM	1	240	39	0	280	20	0	7	0	27	9	253	4	0	266	1	1	2	0	4	577
Total	4	455	67	0	526	42	0	17	0	59	16	465	6	0	487	2	4	3	0	9	1081
05:00 PM	3	272	34	0	309	36	0	27	0	63	10	217	1	0	228	0	2	4	0	6	606
05:15 PM	2	264	26	0	292	24	1	15	0	40	8	248	3	0	259	1	0	2	0	3	594
05:30 PM	1	250	20	0	271	18	0	10	0	28	6	235	3	0	244	0	2	1	0	3	546
Grand Total	10	1241	147	0	1398	120	1	69	0	190	40	1165	13	0	1218	3	8	10	0	21	2827
Apprch %	0.7	88.8	10.5	0		63.2	0.5	36.3	0		3.3	95.6	1.1	0		14.3	38.1	47.6	0		
Total %	0.4	43.9	5.2	0	49.5	4.2	0	2.4	0	6.7	1.4	41.2	0.5	0	43.1	0.1	0.3	0.4	0	0.7	

APPENDIX B

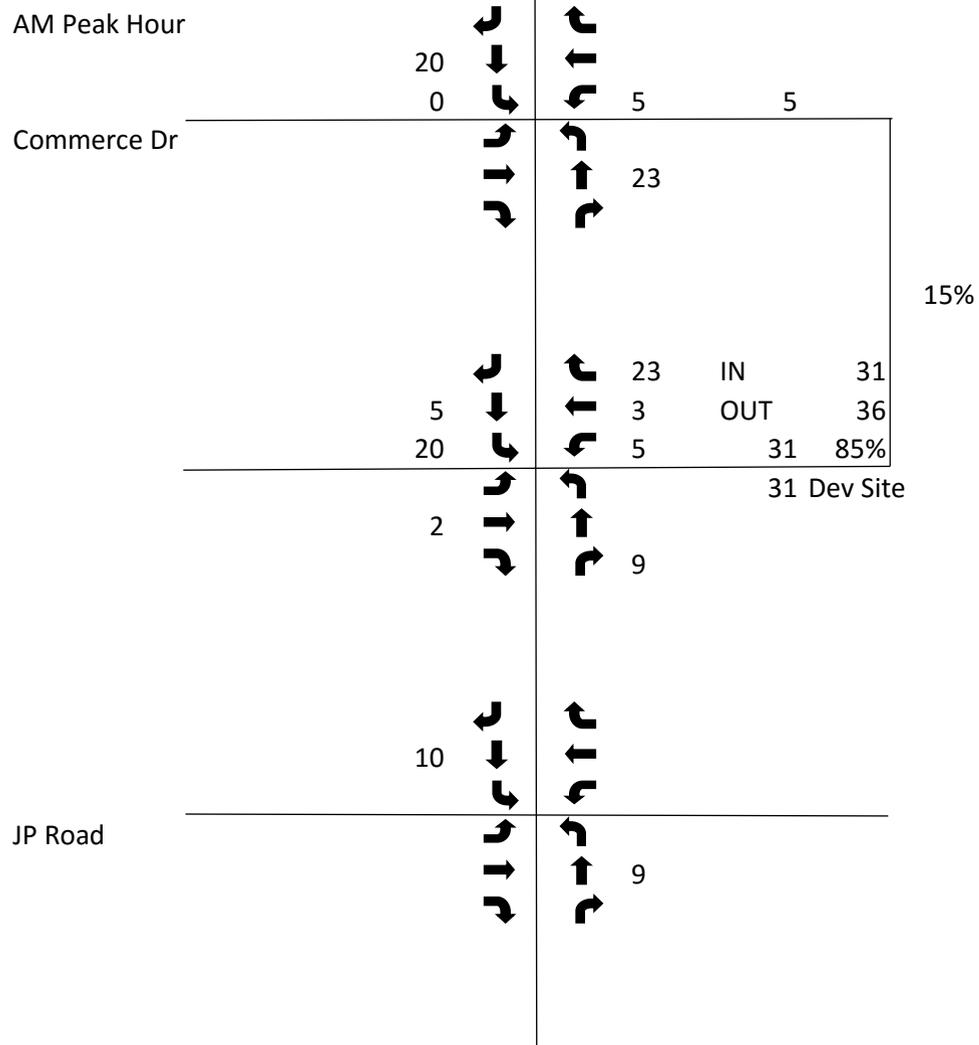
Traffic Model

TownePlace Suites + Mkey Properties		Hwy 93	
Traffic Model			
2015 Peak Hour (15 min x 4)			
AM Peak Hour			
4	↶	↷	28
712	↵	↶	8
24	↷	↷	52
Commerce Dr			
4	↶	↷	32
16	↵	↶	740
12	↷	↷	88
4	↶	↷	0
776	↵	↶	0
0	↷	↷	0
Dev Site			
8	↶	↷	12
0	↵	↶	1036
4	↷	↷	0
8	↶	↷	88
720	↵	↶	4
48	↷	↷	12
JP Road			
16	↶	↷	8
8	↵	↶	932
4	↷	↷	12

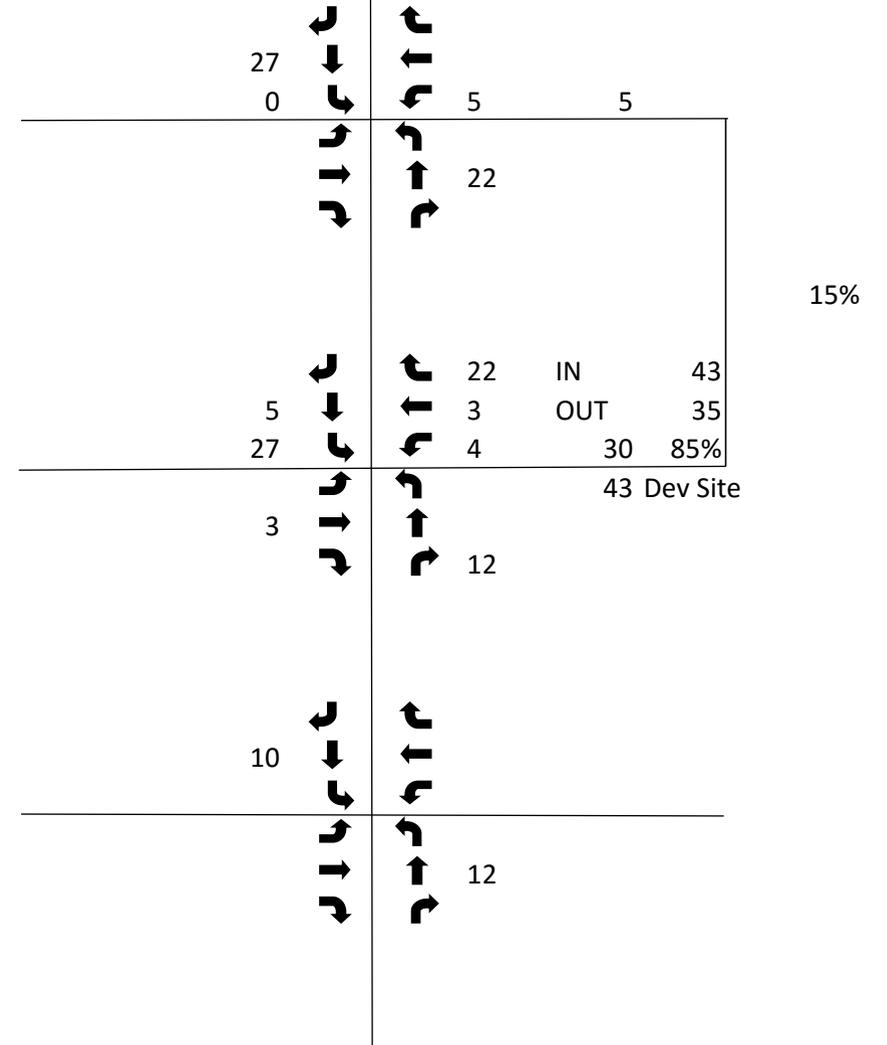
2015 Peak Hour (15 min x 4)		2015 Peak Hour (15 min x 4)	
PM Peak Hour			
8	↶	↷	40
684	↵	↶	28
44	↷	↷	108
12	↶	↷	28
28	↵	↶	788
12	↷	↷	140
12	↶	↷	0
1120	↵	↶	0
0	↷	↷	0
Dev Site			
12	↶	↷	4
0	↵	↶	1100
16	↷	↷	0
4	↶	↷	80
960	↵	↶	4
156	↷	↷	28
8	↶	↷	16
4	↵	↶	1012
4	↷	↷	36

TownePlace Suites + Mkey Properties
Traffic Model

Site Generated Traffic
AM Peak Hour



Site Generated Traffic
PM Peak Hour



TownePlace Suites + Mkey Properties		Hwy 93	
Traffic Model			
Towne + MKey			
Total Projected Traffic			
AM Peak Hour	4		28
	732		8
	24		57
Commerce Dr	4		32
	16		763
	12		88
	4		23
	781		3
	20		5
	8		12
	2		1036
	4		9
	8		88
	730		4
	48		12
JP Road	16		8
	8		941
	4		12

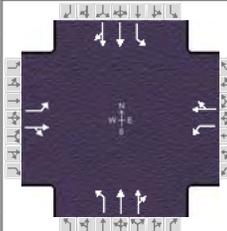
Towne + Mkey		Hwy 93	
Total Projected Traffic			
PM Peak Hour	8		40
	711		28
	44		113
	12		28
	28		810
	12		140
	12		22
	1125		3
	27		4
	12		4
	3		1100
	16		12
	4		80
	970		4
	156		28
	8		16
	4		1024
	4		36

APPENDIX C

LOS Calculations

HCS 2010 Signalized Intersection Results Summary

General Information				Intersection Information			
Agency	ATS			Duration, h	0.25		
Analyst	RLA	Analysis Date	Oct 20, 2015		Area Type	Other	
Jurisdiction	MDT	Time Period	AM Peak Hour		PHF	1.00	
Urban Street	Highway 93		Analysis Year	2015		Analysis Period	1 > 7:00
Intersection	Commerce Dr.		File Name	93AM2015.xus			
Project Description	Existing 2015						



Demand Information	EB			WB			NB			SB		
	L	T	R	L	T	R	L	T	R	L	T	R
Approach Movement												
Demand (v), veh/h	4	16	12	52	8	28	32	740	88	24	712	4

Signal Information				Signal Phases								
Cycle, s	100.0	Reference Phase	2									
Offset, s	0	Reference Point	End	Green	2.9	1.0	76.9	7.1	0.0	0.0		
Uncoordinated	No	Simult. Gap E/W	On	Yellow	4.0	0.0	4.0	4.0	0.0	0.0		
Force Mode	Fixed	Simult. Gap N/S	On	Red	0.0	0.0	0.0	0.0	0.0	0.0		

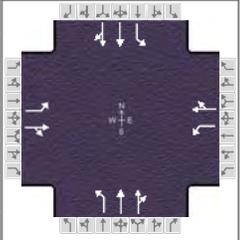
Timer Results	EBL	EBT	WBL	WBT	NBL	NBT	SBL	SBT
Assigned Phase		8		4	1	6	5	2
Case Number		6.0		6.0	1.1	4.0	1.1	4.0
Phase Duration, s		11.1		11.1	7.9	81.9	6.9	80.9
Change Period, (Y+R _c), s		4.0		4.0	4.0	4.0	4.0	4.0
Max Allow Headway (MAH), s		3.1		3.1	3.0	0.0	3.0	0.0
Queue Clearance Time (g _s), s		4.4		7.2	2.4		2.3	
Green Extension Time (g _e), s		0.2		0.2	0.1	0.0	0.0	0.0
Phase Call Probability		0.96		0.96	0.66		0.49	
Max Out Probability		0.00		0.00	0.00		0.00	

Movement Group Results	EB			WB			NB			SB		
	L	T	R	L	T	R	L	T	R	L	T	R
Approach Movement												
Assigned Movement	3	8	18	7	4	14	1	6	16	5	2	12
Adjusted Flow Rate (v), veh/h	4	28		52	36		38	505	486	24	358	358
Adjusted Saturation Flow Rate (s), veh/h/ln	1394	1764		1404	1667		1882	1900	1829	1882	1900	1896
Queue Service Time (g _s), s	0.3	1.5		3.6	2.0		0.4	7.4	7.5	0.3	5.4	5.4
Cycle Queue Clearance Time (g _c), s	2.4	1.5		5.2	2.0		0.4	7.4	7.5	0.3	5.4	5.4
Green Ratio (g/C)	0.07	0.07		0.07	0.07		0.81	0.78	0.78	0.80	0.77	0.77
Capacity (c), veh/h	143	126		151	120		702	1480	1425	537	1461	1458
Volume-to-Capacity Ratio (X)	0.028	0.221		0.345	0.301		0.055	0.341	0.341	0.045	0.245	0.245
Available Capacity (c _a), veh/h	572	670		584	633		1886	1480	1425	1251	1461	1458
Back of Queue (Q), veh/ln (50 th percentile)	0.1	0.6		1.2	0.8		0.1	1.8	1.8	0.1	1.4	1.4
Queue Storage Ratio (RQ) (50 th percentile)	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Uniform Delay (d ₁), s/veh	45.2	43.8		46.3	44.0		2.0	3.0	3.1	2.4	3.3	3.3
Incremental Delay (d ₂), s/veh	0.0	0.3		0.5	0.5		0.0	0.6	0.6	0.0	0.4	0.4
Initial Queue Delay (d ₃), s/veh	0.0	0.0		0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Control Delay (d), s/veh	45.2	44.1		46.8	44.6		2.0	3.6	3.7	2.4	3.7	3.7
Level of Service (LOS)	D	D		D	D		A	A	A	A	A	A
Approach Delay, s/veh / LOS	44.2		D	45.9		D	3.6		A	3.6		A
Intersection Delay, s/veh / LOS	6.3						A					

Multimodal Results	EB		WB		NB		SB	
Pedestrian LOS Score / LOS	2.9	C	2.9	C	2.2	B	2.2	B
Bicycle LOS Score / LOS	0.5	A	0.6	A	1.2	A	1.1	A

HCS 2010 Signalized Intersection Results Summary

General Information				Intersection Information		
Agency	ATS			Duration, h	0.25	
Analyst	RLA	Analysis Date	Oct 20, 2015		Area Type	Other
Jurisdiction	MDT	Time Period	PM Peak Hour		PHF	1.00
Urban Street	Highway 93		Analysis Year	2015	Analysis Period	1 > 7:00
Intersection	Commerce Dr.		File Name	93PM2015.xus		
Project Description	Existing 2015					



Demand Information	EB			WB			NB			SB		
	L	T	R	L	T	R	L	T	R	L	T	R
Approach Movement												
Demand (v), veh/h	12	28	12	108	28	40	28	788	140	44	684	8

Signal Information				Signal Phases									
Cycle, s	100.0	Reference Phase	2										
Offset, s	0	Reference Point	End	Green	3.5	0.7	77.8	6.0	0.0	0.0			
Uncoordinated	No	Simult. Gap E/W	On	Yellow	4.0	0.0	4.0	4.0	0.0	0.0			
Force Mode	Fixed	Simult. Gap N/S	On	Red	0.0	0.0	0.0	0.0	0.0	0.0			

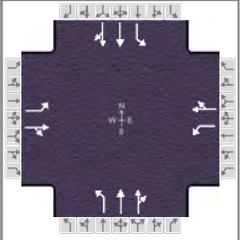
Timer Results	EBL	EBT	WBL	WBT	NBL	NBT	SBL	SBT
Assigned Phase		8		4	1	6	5	2
Case Number		6.0		6.0	1.1	4.0	1.1	4.0
Phase Duration, s		10.0		10.0	7.5	81.8	8.2	82.5
Change Period, (Y+R _c), s		4.0		4.0	4.0	4.0	4.0	4.0
Max Allow Headway (MAH), s		3.1		3.1	3.0	0.0	3.0	0.0
Queue Clearance Time (g _s), s		6.7		8.0	2.3		2.4	
Green Extension Time (g _e), s		0.0		0.0	0.0	0.0	0.0	0.0
Phase Call Probability		1.00		1.00	0.59		0.71	
Max Out Probability		1.00		1.00	0.00		0.00	

Movement Group Results	EB			WB			NB			SB		
	L	T	R	L	T	R	L	T	R	L	T	R
Approach Movement												
Assigned Movement	3	8	18	7	4	14	1	6	16	5	2	12
Adjusted Flow Rate (v), veh/h	12	40		108	68		32	544	516	44	347	345
Adjusted Saturation Flow Rate (s), veh/h/ln	1354	1803		1389	1718		1882	1900	1800	1882	1900	1892
Queue Service Time (g _s), s	0.9	2.1		3.9	3.9		0.3	8.6	8.8	0.4	4.8	4.8
Cycle Queue Clearance Time (g _c), s	4.7	2.1		6.0	3.9		0.3	8.6	8.8	0.4	4.8	4.8
Green Ratio (g/C)	0.06	0.06		0.06	0.06		0.81	0.78	0.78	0.82	0.78	0.78
Capacity (c), veh/h	101	108		126	103		707	1478	1399	540	1491	1485
Volume-to-Capacity Ratio (X)	0.119	0.370		0.859	0.660		0.045	0.368	0.369	0.082	0.233	0.233
Available Capacity (c _a), veh/h	101	108		126	103		1074	1478	1399	836	1491	1485
Back of Queue (Q), veh/ln (50 th percentile)	0.3	0.9		4.0	1.9		0.1	2.1	2.1	0.1	1.2	1.2
Queue Storage Ratio (RQ) (50 th percentile)	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Uniform Delay (d ₁), s/veh	48.3	45.2		49.0	46.0		2.0	3.3	3.4	2.1	2.8	2.8
Incremental Delay (d ₂), s/veh	0.2	0.8		39.8	11.7		0.0	0.7	0.7	0.0	0.4	0.4
Initial Queue Delay (d ₃), s/veh	0.0	0.0		0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Control Delay (d), s/veh	48.5	46.0		88.8	57.7		2.0	3.9	4.1	2.1	3.2	3.2
Level of Service (LOS)	D	D		F	E		A	A	A	A	A	A
Approach Delay, s/veh / LOS	46.6		D	76.8		E	3.9		A	3.1		A
Intersection Delay, s/veh / LOS	11.0						B					

Multimodal Results	EB		WB		NB		SB	
Pedestrian LOS Score / LOS	2.9	C	2.9	C	2.2	B	2.2	B
Bicycle LOS Score / LOS	0.6	A	0.8	A	1.3	A	1.1	A

HCS 2010 Signalized Intersection Results Summary

General Information				Intersection Information			
Agency	ATS			Duration, h	0.25		
Analyst	RLA	Analysis Date	Oct 20, 2015	Area Type	Other		
Jurisdiction	MDT	Time Period	AM Peak Hour	PHF	1.00		
Urban Street	Highway 93	Analysis Year	2015	Analysis Period	1 > 7:00		
Intersection	JP Road	File Name	93AM2015.xus				
Project Description	Existing 2015						



Demand Information	EB			WB			NB			SB		
	L	T	R	L	T	R	L	T	R	L	T	R
Approach Movement												
Demand (v), veh/h	16	8	4	12	4	88	8	932	12	48	720	8

Signal Information				Signal Phases									
Cycle, s	100.0	Reference Phase	2										
Offset, s	0	Reference Point	End	Green	1.2	3.2	76.6	7.0	0.0	0.0			
Uncoordinated	No	Simult. Gap E/W	On	Yellow	4.0	0.0	4.0	4.0	0.0	0.0			
Force Mode	Fixed	Simult. Gap N/S	On	Red	0.0	0.0	0.0	0.0	0.0	0.0			

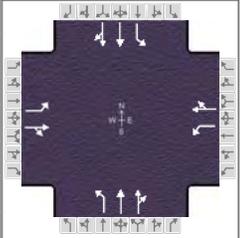
Timer Results	EBL	EBT	WBL	WBT	NBL	NBT	SBL	SBT
Assigned Phase		4		8	5	2	1	6
Case Number		6.0		6.0	1.1	4.0	1.1	4.0
Phase Duration, s		11.0		11.0	5.2	80.6	8.4	83.8
Change Period, ($Y+R_c$), s		4.0		4.0	4.0	4.0	4.0	4.0
Max Allow Headway (MAH), s		3.2		3.2	3.0	0.0	3.0	0.0
Queue Clearance Time (g_s), s		8.8		7.6	2.1		2.5	
Green Extension Time (g_e), s		0.0		0.0	0.0	0.0	0.1	0.0
Phase Call Probability		0.97		0.97	0.20		0.73	
Max Out Probability		1.00		1.00	0.00		0.00	

Movement Group Results	EB			WB			NB			SB		
	L	T	R	L	T	R	L	T	R	L	T	R
Approach Movement												
Assigned Movement	7	4	14	3	8	18	5	2	12	1	6	16
Adjusted Flow Rate (v), veh/h	16	12		12	92		8	473	471	47	359	358
Adjusted Saturation Flow Rate (s), veh/h/ln	1325	1792		1424	1621		1882	1900	1891	1882	1900	1892
Queue Service Time (g_s), s	1.2	0.6		0.8	5.6		0.1	7.8	7.8	0.5	4.5	4.5
Cycle Queue Clearance Time (g_c), s	6.8	0.6		1.4	5.6		0.1	7.8	7.8	0.5	4.5	4.5
Green Ratio (g/C)	0.07	0.07		0.07	0.07		0.78	0.77	0.77	0.82	0.80	0.80
Capacity (c), veh/h	91	125		163	113		664	1456	1449	586	1516	1510
Volume-to-Capacity Ratio (X)	0.177	0.096		0.074	0.811		0.012	0.325	0.325	0.081	0.237	0.237
Available Capacity (c_a), veh/h	91	125		163	113		1206	1456	1449	1878	1516	1510
Back of Queue (Q), veh/ln (50 th percentile)	0.4	0.3		0.3	3.2		0.0	2.1	2.1	0.1	1.0	1.0
Queue Storage Ratio (RQ) (50 th percentile)	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Uniform Delay (d_1), s/veh	49.2	43.5		44.2	45.8		2.5	3.6	3.6	2.1	2.4	2.4
Incremental Delay (d_2), s/veh	0.3	0.1		0.1	32.2		0.0	0.6	0.6	0.0	0.4	0.4
Initial Queue Delay (d_3), s/veh	0.0	0.0		0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Control Delay (d), s/veh	49.5	43.7		44.3	78.0		2.5	4.2	4.2	2.1	2.7	2.7
Level of Service (LOS)	D	D		D	E		A	A	A	A	A	A
Approach Delay, s/veh / LOS	47.0		D	74.1		E	4.2		A	2.7		A
Intersection Delay, s/veh / LOS	8.2						A					

Multimodal Results	EB		WB		NB		SB	
Pedestrian LOS Score / LOS	2.9	C	2.9	C	2.2	B	2.2	B
Bicycle LOS Score / LOS	0.5	A	0.7	A	1.3	A	1.1	A

HCS 2010 Signalized Intersection Results Summary

General Information				Intersection Information			
Agency	ATS			Duration, h	0.25		
Analyst	RLA	Analysis Date	Oct 20, 2015		Area Type	Other	
Jurisdiction	MDT	Time Period	PM Peak Hour		PHF	1.00	
Urban Street	Highway 93		Analysis Year	2015		Analysis Period	1 > 7:00
Intersection	JP Road		File Name	93PM2015.xus			
Project Description	Existing 2015						



Demand Information	EB			WB			NB			SB		
	L	T	R	L	T	R	L	T	R	L	T	R
Approach Movement												
Demand (v), veh/h	8	4	4	28	4	80	16	1012	36	156	960	4

Signal Information													
Cycle, s	100.0	Reference Phase	2										
Offset, s	0	Reference Point	End										
Uncoordinated	No	Simult. Gap E/W	On	Green	2.2	3.6	74.8	7.4	0.0	0.0			
Force Mode	Fixed	Simult. Gap N/S	On	Yellow	4.0	0.0	4.0	4.0	0.0	0.0			
				Red	0.0	0.0	0.0	0.0	0.0	0.0			

Timer Results	EBL	EBT	WBL	WBT	NBL	NBT	SBL	SBT
Assigned Phase		4		8	5	2	1	6
Case Number		6.0		6.0	1.1	4.0	1.1	4.0
Phase Duration, s		11.4		11.4	6.2	78.8	9.7	82.4
Change Period, (Y+R _c), s		4.0		4.0	4.0	4.0	4.0	4.0
Max Allow Headway (MAH), s		3.2		3.2	3.0	0.0	3.0	0.0
Queue Clearance Time (g _s), s		7.6		7.1	2.2		3.1	
Green Extension Time (g _e), s		0.0		0.0	0.0	0.0	0.2	0.0
Phase Call Probability		0.97		0.97	0.36		0.95	
Max Out Probability		1.00		1.00	0.00		0.00	

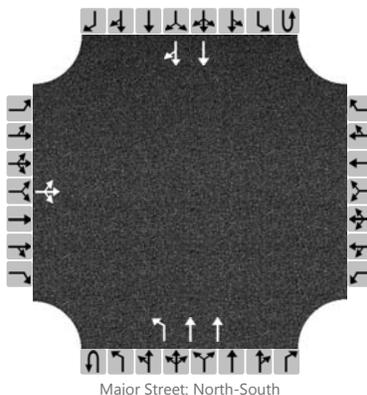
Movement Group Results	EB			WB			NB			SB		
	L	T	R	L	T	R	L	T	R	L	T	R
Approach Movement												
Assigned Movement	7	4	14	3	8	18	5	2	12	1	6	16
Adjusted Flow Rate (v), veh/h	8	8		28	84		16	527	521	110	341	340
Adjusted Saturation Flow Rate (s), veh/h/ln	1335	1743		1430	1622		1882	1900	1877	1882	1900	1897
Queue Service Time (g _s), s	0.6	0.4		1.9	5.1		0.2	9.7	9.7	1.1	4.6	4.6
Cycle Queue Clearance Time (g _c), s	5.6	0.4		2.3	5.1		0.2	9.7	9.7	1.1	4.6	4.6
Green Ratio (g/C)	0.07	0.07		0.07	0.07		0.77	0.75	0.75	0.82	0.78	0.78
Capacity (c), veh/h	104	130		172	121		689	1422	1405	550	1490	1488
Volume-to-Capacity Ratio (X)	0.077	0.062		0.163	0.696		0.023	0.371	0.371	0.200	0.229	0.229
Available Capacity (c _a), veh/h	111	139		180	130		960	1422	1405	1149	1490	1488
Back of Queue (Q), veh/ln (50 th percentile)	0.2	0.2		0.6	2.3		0.0	2.8	2.8	0.2	1.1	1.1
Queue Storage Ratio (RQ) (50 th percentile)	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Uniform Delay (d ₁), s/veh	47.9	43.0		44.1	45.2		2.7	4.4	4.4	2.5	2.7	2.7
Incremental Delay (d ₂), s/veh	0.1	0.1		0.2	11.1		0.0	0.7	0.8	0.1	0.3	0.3
Initial Queue Delay (d ₃), s/veh	0.0	0.0		0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Control Delay (d), s/veh	48.0	43.1		44.3	56.3		2.7	5.1	5.1	2.5	3.1	3.1
Level of Service (LOS)	D	D		D	E		A	A	A	A	A	A
Approach Delay, s/veh / LOS	45.6		D	53.3		D	5.1		A	3.0		A
Intersection Delay, s/veh / LOS	7.3						A					

Multimodal Results	EB		WB		NB		SB	
Pedestrian LOS Score / LOS	2.9	C	2.9	C	2.2	B	2.2	B
Bicycle LOS Score / LOS	0.5	A	0.7	A	1.4	A	1.4	A

HCS 2010 Two-Way Stop Control Summary Report

General Information				Site Information			
Analyst	RLA			Intersection	Hwy 93 & Towne Suites		
Agency/Co.	ATS			Jurisdiction	MDT		
Date Performed	10/20/2015			East/West Street	Towne Suites		
Analysis Year	2015			North/South Street	Hwy 93		
Time Analyzed	AM Peak Hour			Peak Hour Factor	1.00		
Intersection Orientation	North-South			Analysis Time Period (hrs)	0.25		
Project Description	Existing 2015						

Lanes



Vehicle Volumes and Adjustments

Approach	Eastbound				Westbound				Northbound				Southbound			
	U	L	T	R	U	L	T	R	U	L	T	R	U	L	T	R
Movement																
Priority		10	11	12		7	8	9	1U	1	2	3	4U	4	5	6
Number of Lanes		0	1	0		0	0	0	0	1	2	0	0	0	2	0
Configuration			LTR							L	T				T	TR
Volume (veh/h)		8	0	4						12	1036				781	4
Percent Heavy Vehicles		1	1	1						1						
Proportion Time Blocked		0.110	0.110	0.040						0.100	0.000				0.000	0.000
Right Turn Channelized	No				No				No				No			
Median Type	Undivided															
Median Storage																

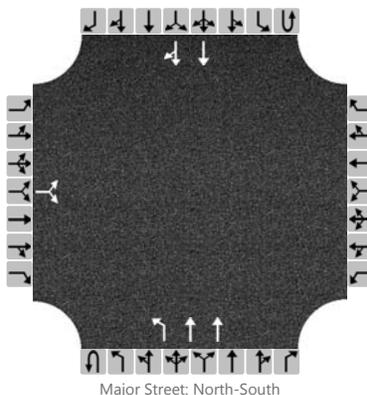
Delay, Queue Length, and Level of Service

Flow Rate (veh/h)			12							12						
Capacity			267							929						
v/c Ratio			0.04							0.01						
95% Queue Length			0.1							0.0						
Control Delay (s/veh)			19.1							8.9						
Level of Service (LOS)			C							A						
Approach Delay (s/veh)	19.1								0.1							
Approach LOS	C								A							

HCS 2010 Two-Way Stop Control Summary Report

General Information				Site Information			
Analyst	RLA	Intersection	Hwy 93 & Towne Suites				
Agency/Co.	ATS	Jurisdiction	MDT				
Date Performed	10/20/2015	East/West Street	Towne Suites				
Analysis Year	2015	North/South Street	Hwy 93				
Time Analyzed	PM Peak Hour	Peak Hour Factor	1.00				
Intersection Orientation	North-South	Analysis Time Period (hrs)	0.25				
Project Description	Existing 2015						

Lanes



Vehicle Volumes and Adjustments

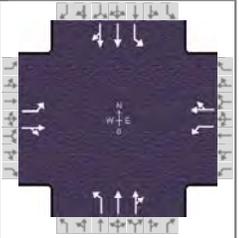
Approach	Eastbound				Westbound				Northbound				Southbound				
	U	L	T	R	U	L	T	R	U	L	T	R	U	L	T	R	
Movement																	
Priority		10	11	12		7	8	9	1U	1	2	3	4U	4	5	6	
Number of Lanes		0	0	0		0	0	0	0	1	2	0	0	0	2	0	
Configuration			LR							L	T				T	TR	
Volume (veh/h)		12		16						4	1100				1120	12	
Percent Heavy Vehicles		1		1						1							
Proportion Time Blocked		0.120		0.030						0.100	0.000				0.000	0.000	
Right Turn Channelized	No				No				No				No				
Median Type	Undivided																
Median Storage																	

Delay, Queue Length, and Level of Service

Flow Rate (veh/h)			28							4							
Capacity			231							667							
v/c Ratio			0.12							0.01							
95% Queue Length			0.4							0.0							
Control Delay (s/veh)			22.7							10.4							
Level of Service (LOS)			C							B							
Approach Delay (s/veh)	22.7								0.0								
Approach LOS	C								A								

HCS 2010 Signalized Intersection Results Summary

General Information				Intersection Information	
Agency	ATS			Duration, h	0.25
Analyst	RLA	Analysis Date	Oct 20, 2015	Area Type	Other
Jurisdiction	MDT	Time Period	AM Peak Hour	PHF	1.00
Urban Street	Highway 93	Analysis Year	2015	Analysis Period	1 > 7:00
Intersection	Commerce Dr.	File Name	93AMwith.xus		
Project Description	With Towne & Mkey				



Demand Information	EB			WB			NB			SB		
	L	T	R	L	T	R	L	T	R	L	T	R
Approach Movement												
Demand (v), veh/h	4	16	12	57	8	28	32	763	88	24	732	4

Signal Information													
Cycle, s	100.0	Reference Phase	2										
Offset, s	0	Reference Point	End										
Uncoordinated	No	Simult. Gap E/W	On	Green	2.9	1.0	76.6	7.5	0.0	0.0			
Force Mode	Fixed	Simult. Gap N/S	On	Yellow	4.0	0.0	4.0	4.0	0.0	0.0			
				Red	0.0	0.0	0.0	0.0	0.0	0.0			

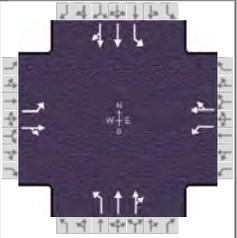
Timer Results	EBL	EBT	WBL	WBT	NBL	NBT	SBL	SBT
Assigned Phase		8		4	1	6	5	2
Case Number		6.0		6.0	1.1	4.0	1.1	4.0
Phase Duration, s		11.5		11.5	7.9	81.5	6.9	80.6
Change Period, (Y+R _c), s		4.0		4.0	4.0	4.0	4.0	4.0
Max Allow Headway (MAH), s		3.1		3.1	3.0	0.0	3.0	0.0
Queue Clearance Time (g _s), s		4.4		7.5	2.4		2.3	
Green Extension Time (g _e), s		0.2		0.2	0.1	0.0	0.0	0.0
Phase Call Probability		0.97		0.97	0.65		0.49	
Max Out Probability		0.00		0.00	0.00		0.00	

Movement Group Results	EB			WB			NB			SB		
	L	T	R	L	T	R	L	T	R	L	T	R
Approach Movement												
Assigned Movement	3	8	18	7	4	14	1	6	16	5	2	12
Adjusted Flow Rate (v), veh/h	4	28		57	36		38	510	491	24	368	368
Adjusted Saturation Flow Rate (s), veh/h/ln	1394	1764		1404	1667		1882	1900	1831	1882	1900	1896
Queue Service Time (g _s), s	0.3	1.5		4.0	2.0		0.4	7.5	7.7	0.3	5.6	5.6
Cycle Queue Clearance Time (g _c), s	2.4	1.5		5.5	2.0		0.4	7.5	7.7	0.3	5.6	5.6
Green Ratio (g/C)	0.08	0.08		0.08	0.08		0.80	0.78	0.78	0.79	0.77	0.77
Capacity (c), veh/h	148	134		156	126		686	1473	1419	531	1454	1451
Volume-to-Capacity Ratio (X)	0.027	0.210		0.365	0.285		0.055	0.346	0.346	0.045	0.253	0.253
Available Capacity (c _a), veh/h	698	829		710	783		1769	1473	1419	1519	1454	1451
Back of Queue (Q), veh/ln (50 th percentile)	0.1	0.6		1.4	0.8		0.1	1.9	1.8	0.1	1.5	1.5
Queue Storage Ratio (RQ) (50 th percentile)	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Uniform Delay (d ₁), s/veh	44.8	43.4		46.0	43.7		2.1	3.1	3.1	2.5	3.4	3.4
Incremental Delay (d ₂), s/veh	0.0	0.3		0.5	0.5		0.0	0.6	0.6	0.0	0.4	0.4
Initial Queue Delay (d ₃), s/veh	0.0	0.0		0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Control Delay (d), s/veh	44.8	43.7		46.6	44.1		2.2	3.7	3.8	2.5	3.8	3.8
Level of Service (LOS)	D	D		D	D		A	A	A	A	A	A
Approach Delay, s/veh / LOS	43.8		D	45.6		D	3.6		A	3.8		A
Intersection Delay, s/veh / LOS	6.4						A					

Multimodal Results	EB		WB		NB		SB	
Pedestrian LOS Score / LOS	2.9	C	2.9	C	2.2	B	2.2	B
Bicycle LOS Score / LOS	0.5	A	0.6	A	1.2	A	1.1	A

HCS 2010 Signalized Intersection Results Summary

General Information				Intersection Information			
Agency	ATS			Duration, h	0.25		
Analyst	RLA	Analysis Date	Oct 20, 2015		Area Type	Other	
Jurisdiction	MDT	Time Period	PM Peak Hour		PHF	1.00	
Urban Street	Highway 93		Analysis Year	2015		Analysis Period	1 > 7:00
Intersection	Commerce Dr.		File Name	93PMwith.xus			
Project Description	Towne & Mkey						



Demand Information	EB			WB			NB			SB		
	L	T	R	L	T	R	L	T	R	L	T	R
Approach Movement												
Demand (v), veh/h	12	28	12	113	28	40	28	810	140	44	711	8

Signal Information													
Cycle, s	100.0	Reference Phase	2										
Offset, s	0	Reference Point	End										
Uncoordinated	No	Simult. Gap E/W	On	Green	3.5	0.7	77.8	6.0	0.0	0.0			
Force Mode	Fixed	Simult. Gap N/S	On	Yellow	4.0	0.0	4.0	4.0	0.0	0.0			
				Red	0.0	0.0	0.0	0.0	0.0	0.0			

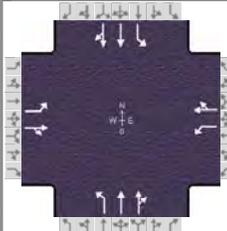
Timer Results	EBL	EBT	WBL	WBT	NBL	NBT	SBL	SBT
Assigned Phase		8		4	1	6	5	2
Case Number		6.0		6.0	1.1	4.0	1.1	4.0
Phase Duration, s		10.0		10.0	7.5	81.8	8.2	82.5
Change Period, (Y+R _c), s		4.0		4.0	4.0	4.0	4.0	4.0
Max Allow Headway (MAH), s		3.1		3.1	3.0	0.0	3.0	0.0
Queue Clearance Time (g _s), s		6.7		8.0	2.3		2.4	
Green Extension Time (g _e), s		0.0		0.0	0.0	0.0	0.1	0.0
Phase Call Probability		1.00		1.00	0.58		0.71	
Max Out Probability		1.00		1.00	0.00		0.00	

Movement Group Results	EB			WB			NB			SB		
	L	T	R	L	T	R	L	T	R	L	T	R
Assigned Movement	3	8	18	7	4	14	1	6	16	5	2	12
Adjusted Flow Rate (v), veh/h	12	40		113	68		32	550	522	44	360	359
Adjusted Saturation Flow Rate (s), veh/h/ln	1354	1803		1389	1718		1882	1900	1802	1882	1900	1892
Queue Service Time (g _s), s	0.9	2.1		3.9	3.9		0.3	8.8	8.9	0.4	5.0	5.0
Cycle Queue Clearance Time (g _c), s	4.7	2.1		6.0	3.9		0.3	8.8	8.9	0.4	5.0	5.0
Green Ratio (g/C)	0.06	0.06		0.06	0.06		0.81	0.78	0.78	0.82	0.78	0.78
Capacity (c), veh/h	101	108		126	103		691	1478	1401	534	1491	1485
Volume-to-Capacity Ratio (X)	0.119	0.370		0.899	0.660		0.046	0.372	0.373	0.082	0.242	0.242
Available Capacity (c _a), veh/h	101	108		126	103		983	1478	1401	1170	1491	1485
Back of Queue (Q), veh/ln (50 th percentile)	0.3	0.9		4.5	1.9		0.1	2.2	2.1	0.1	1.2	1.2
Queue Storage Ratio (RQ) (50 th percentile)	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Uniform Delay (d ₁), s/veh	48.3	45.2		49.1	46.0		2.0	3.3	3.4	2.1	2.9	2.9
Incremental Delay (d ₂), s/veh	0.2	0.8		49.6	11.7		0.0	0.7	0.7	0.0	0.4	0.4
Initial Queue Delay (d ₃), s/veh	0.0	0.0		0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Control Delay (d), s/veh	48.5	46.0		98.7	57.7		2.0	4.0	4.1	2.1	3.2	3.2
Level of Service (LOS)	D	D		F	E		A	A	A	A	A	A
Approach Delay, s/veh / LOS	46.6		D	83.3		F	4.0		A	3.2		A
Intersection Delay, s/veh / LOS	11.6						B					

Multimodal Results	EB		WB		NB		SB	
Pedestrian LOS Score / LOS	2.9	C	2.9	C	2.2	B	2.2	B
Bicycle LOS Score / LOS	0.6	A	0.8	A	1.3	A	1.1	A

HCS 2010 Signalized Intersection Results Summary

General Information				Intersection Information			
Agency	ATS			Duration, h	0.25		
Analyst	RLA	Analysis Date	Oct 20, 2015		Area Type	Other	
Jurisdiction	MDT	Time Period	AM Peak Hour		PHF	1.00	
Urban Street	Highway 93		Analysis Year	2015		Analysis Period	1 > 7:00
Intersection	JP Road		File Name	93AMwith.xus			
Project Description	With Towne & McKay						



Demand Information	EB			WB			NB			SB		
	L	T	R	L	T	R	L	T	R	L	T	R
Approach Movement												
Demand (v), veh/h	16	8	4	12	4	88	8	941	12	48	730	8

Signal Information													
Cycle, s	100.0	Reference Phase	2										
Offset, s	0	Reference Point	End										
Uncoordinated	No	Simult. Gap E/W	On	Green	1.2	3.2	77.6	6.0	0.0	0.0		3	4
Force Mode	Fixed	Simult. Gap N/S	On	Yellow	4.0	0.0	4.0	4.0	0.0	0.0			
				Red	0.0	0.0	0.0	0.0	0.0	0.0		7	8

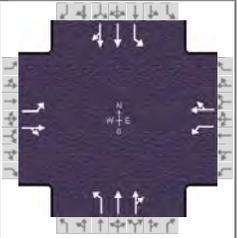
Timer Results	EBL	EBT	WBL	WBT	NBL	NBT	SBL	SBT
Assigned Phase		4		8	5	2	1	6
Case Number		6.0		6.0	1.1	4.0	1.1	4.0
Phase Duration, s		10.0		10.0	5.2	81.6	8.4	84.8
Change Period, (Y+R _c), s		4.0		4.0	4.0	4.0	4.0	4.0
Max Allow Headway (MAH), s		3.2		3.2	3.0	0.0	3.0	0.0
Queue Clearance Time (g _s), s		8.0		7.7	2.1		2.4	
Green Extension Time (g _e), s		0.0		0.0	0.0	0.0	0.1	0.0
Phase Call Probability		0.97		0.97	0.20		0.74	
Max Out Probability		1.00		1.00	0.00		0.00	

Movement Group Results	EB			WB			NB			SB		
	L	T	R	L	T	R	L	T	R	L	T	R
Approach Movement												
Assigned Movement	7	4	14	3	8	18	5	2	12	1	6	16
Adjusted Flow Rate (v), veh/h	16	12		12	92		8	478	475	48	371	369
Adjusted Saturation Flow Rate (s), veh/h/ln	1325	1792		1424	1621		1882	1900	1891	1882	1900	1893
Queue Service Time (g _s), s	0.3	0.6		0.8	5.7		0.1	7.5	7.5	0.4	4.3	4.3
Cycle Queue Clearance Time (g _c), s	6.0	0.6		1.4	5.7		0.1	7.5	7.5	0.4	4.3	4.3
Green Ratio (g/C)	0.06	0.06		0.06	0.06		0.79	0.78	0.78	0.83	0.81	0.81
Capacity (c), veh/h	77	108		148	97		660	1474	1467	591	1535	1529
Volume-to-Capacity Ratio (X)	0.209	0.112		0.081	0.946		0.012	0.324	0.324	0.081	0.241	0.241
Available Capacity (c _a), veh/h	77	108		148	97		788	1474	1467	1712	1535	1529
Back of Queue (Q), veh/ln (50 th percentile)	0.4	0.3		0.3	4.2		0.0	2.0	1.9	0.1	0.9	0.9
Queue Storage Ratio (RQ) (50 th percentile)	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Uniform Delay (d ₁), s/veh	50.0	44.5		45.2	46.8		2.3	3.4	3.4	1.9	2.1	2.1
Incremental Delay (d ₂), s/veh	0.5	0.2		0.1	72.9		0.0	0.6	0.6	0.0	0.4	0.4
Initial Queue Delay (d ₃), s/veh	0.0	0.0		0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Control Delay (d), s/veh	50.4	44.6		45.2	119.8		2.3	3.9	3.9	1.9	2.5	2.5
Level of Service (LOS)	D	D		D	F		A	A	A	A	A	A
Approach Delay, s/veh / LOS	48.0		D	111.2		F	3.9		A	2.4		A
Intersection Delay, s/veh / LOS	9.9						A					

Multimodal Results	EB		WB		NB		SB	
Pedestrian LOS Score / LOS	2.9	C	2.9	C	2.2	B	2.2	B
Bicycle LOS Score / LOS	0.5	A	0.7	A	1.3	A	1.1	A

HCS 2010 Signalized Intersection Results Summary

General Information				Intersection Information	
Agency	ATS			Duration, h	0.25
Analyst	RLA	Analysis Date	Oct 20, 2015	Area Type	Other
Jurisdiction	MDT	Time Period	PM Peak Hour	PHF	1.00
Urban Street	Highway 93	Analysis Year	2015	Analysis Period	1 > 7:00
Intersection	JP Road	File Name	93PMwith.xus		
Project Description	Towne & Mkey				



Demand Information	EB			WB			NB			SB		
	L	T	R	L	T	R	L	T	R	L	T	R
Approach Movement												
Demand (v), veh/h	8	4	4	28	4	80	16	1024	36	156	970	4

Signal Information													
Cycle, s	100.0	Reference Phase	2										
Offset, s	0	Reference Point	End										
Uncoordinated	No	Simult. Gap E/W	On	Green	2.2	3.6	74.8	7.4	0.0	0.0		3	4
Force Mode	Fixed	Simult. Gap N/S	On	Yellow	4.0	0.0	4.0	4.0	0.0	0.0			
				Red	0.0	0.0	0.0	0.0	0.0	0.0		7	8

Timer Results	EBL	EBT	WBL	WBT	NBL	NBT	SBL	SBT
Assigned Phase		4		8	5	2	1	6
Case Number		6.0		6.0	1.1	4.0	1.1	4.0
Phase Duration, s		11.4		11.4	6.2	78.8	9.7	82.4
Change Period, ($Y+R_c$), s		4.0		4.0	4.0	4.0	4.0	4.0
Max Allow Headway (MAH), s		3.2		3.2	3.0	0.0	3.0	0.0
Queue Clearance Time (g_s), s		7.6		7.1	2.2		3.1	
Green Extension Time (g_e), s		0.0		0.0	0.0	0.0	0.2	0.0
Phase Call Probability		0.97		0.97	0.36		0.96	
Max Out Probability		1.00		1.00	0.00		0.00	

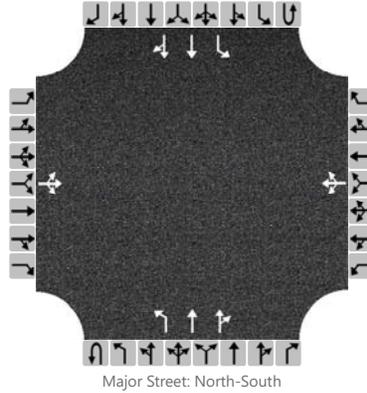
Movement Group Results	EB			WB			NB			SB		
	L	T	R	L	T	R	L	T	R	L	T	R
Approach Movement												
Assigned Movement	7	4	14	3	8	18	5	2	12	1	6	16
Adjusted Flow Rate (v), veh/h	8	8		28	84		16	533	527	113	355	354
Adjusted Saturation Flow Rate (s), veh/h/ln	1335	1743		1430	1622		1882	1900	1877	1882	1900	1897
Queue Service Time (g_s), s	0.6	0.4		1.9	5.1		0.2	9.8	9.8	1.1	4.7	4.7
Cycle Queue Clearance Time (g_c), s	5.6	0.4		2.3	5.1		0.2	9.8	9.8	1.1	4.7	4.7
Green Ratio (g/C)	0.07	0.07		0.07	0.07		0.77	0.75	0.75	0.82	0.78	0.78
Capacity (c), veh/h	104	130		172	121		673	1421	1404	545	1490	1488
Volume-to-Capacity Ratio (X)	0.077	0.062		0.163	0.696		0.024	0.375	0.375	0.208	0.238	0.238
Available Capacity (c_a), veh/h	111	139		180	130		1339	1421	1404	1445	1490	1488
Back of Queue (Q), veh/ln (50 th percentile)	0.2	0.2		0.6	2.3		0.0	2.8	2.8	0.2	1.1	1.1
Queue Storage Ratio (RQ) (50 th percentile)	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Uniform Delay (d_1), s/veh	47.9	43.0		44.1	45.2		2.7	4.4	4.4	2.5	2.7	2.7
Incremental Delay (d_2), s/veh	0.1	0.1		0.2	11.1		0.0	0.8	0.8	0.1	0.4	0.4
Initial Queue Delay (d_3), s/veh	0.0	0.0		0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Control Delay (d), s/veh	48.0	43.1		44.3	56.3		2.7	5.2	5.2	2.6	3.1	3.1
Level of Service (LOS)	D	D		D	E		A	A	A	A	A	A
Approach Delay, s/veh / LOS	45.6		D	53.3		D	5.1		A	3.0		A
Intersection Delay, s/veh / LOS	7.2						A					

Multimodal Results	EB		WB		NB		SB	
Pedestrian LOS Score / LOS	2.9	C	2.9	C	2.2	B	2.2	B
Bicycle LOS Score / LOS	0.5	A	0.7	A	1.4	A	1.4	A

HCS 2010 Two-Way Stop Control Summary Report

General Information		Site Information	
Analyst	RLA	Intersection	Hwy 93 & Towne Suites
Agency/Co.	ATS	Jurisdiction	MDT
Date Performed	10/20/2015	East/West Street	Towne Suites
Analysis Year	2015	North/South Street	Hwy 93
Time Analyzed	AM Peak Hour	Peak Hour Factor	1.00
Intersection Orientation	North-South	Analysis Time Period (hrs)	0.25
Project Description	With Development		

Lanes



Vehicle Volumes and Adjustments

Approach	Eastbound				Westbound				Northbound				Southbound					
	U	L	T	R	U	L	T	R	U	L	T	R	U	L	T	R		
Movement																		
Priority		10	11	12		7	8	9	1U	1	2	3	4U	4	5	6		
Number of Lanes		0	1	0		0	1	0		0	1	2	0		0	1	2	0
Configuration			LTR				LTR			L	T	TR		L	T	TR		
Volume (veh/h)		8	2	4		5	3	23		12	1036	9		20	781	4		
Percent Heavy Vehicles		1	1	1		1	1	3		1				1				
Proportion Time Blocked		0.130	0.130	0.060		0.130	0.130	0.070		0.100	0.000	0.000		0.100	0.000	0.000		
Right Turn Channelized	No				No				No				No					
Median Type	Undivided																	
Median Storage																		

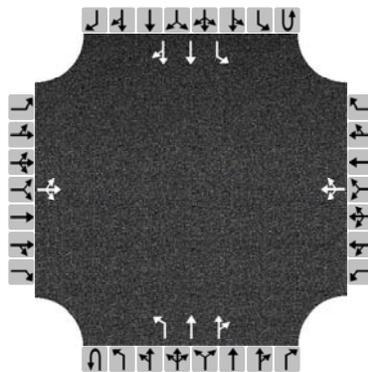
Delay, Queue Length, and Level of Service

Flow Rate (veh/h)			14				31				12				20		
Capacity			156				349				929				725		
v/c Ratio			0.09				0.09				0.01				0.03		
95% Queue Length			0.3				0.3				0.0				0.1		
Control Delay (s/veh)			30.3				16.3				8.9				10.1		
Level of Service (LOS)			D				C				A				B		
Approach Delay (s/veh)	30.3				16.3				0.1				0.3				
Approach LOS	D				C				A				A				

HCS 2010 Two-Way Stop Control Summary Report

General Information		Site Information	
Analyst	RLA	Intersection	Hwy 93 & Towne Suites
Agency/Co.	ATS	Jurisdiction	MDT
Date Performed	10/20/2015	East/West Street	Towne Suites
Analysis Year	2015	North/South Street	Hwy 93
Time Analyzed	PM Peak Hour	Peak Hour Factor	1.00
Intersection Orientation	North-South	Analysis Time Period (hrs)	0.25
Project Description	With Development		

Lanes



Vehicle Volumes and Adjustments

Approach	Eastbound				Westbound				Northbound				Southbound				
	U	L	T	R	U	L	T	R	U	L	T	R	U	L	T	R	
Movement																	
Priority		10	11	12		7	8	9	1U	1	2	3	4U	4	5	6	
Number of Lanes		0	1	0		0	1	0	0	1	2	0	0	1	2	0	
Configuration			LTR				LTR			L	T	TR		L	T	TR	
Volume (veh/h)		12	3	16		4	3	22		4	1100	12		27	1125	12	
Percent Heavy Vehicles		1	1	1		1	1	3		1				1			
Proportion Time Blocked		0.140	0.140	0.050		0.140	0.140	0.090		0.100	0.000	0.000		0.100	0.000	0.000	
Right Turn Channelized	No				No				No				No				
Median Type	Undivided																
Median Storage																	

Delay, Queue Length, and Level of Service

Flow Rate (veh/h)			31				29				4					27		
Capacity			110				199				664					680		
v/c Ratio			0.28				0.15				0.01					0.04		
95% Queue Length			1.1				0.5				0.0					0.1		
Control Delay (s/veh)			50.0				26.1				10.5					10.5		
Level of Service (LOS)			F				D				B					B		
Approach Delay (s/veh)	50.0				26.1				0.0				0.2					
Approach LOS	F				D				A				A					



PROPOSED NORTH ELEVATION
SCALE: 3/32" = 1'-0"



PROPOSED WEST ELEVATION
SCALE: 3/32" = 1'-0"



PROPOSED EAST ELEVATION
SCALE: 3/32" = 1'-0"



PROPOSED SOUTH ELEVATION
SCALE: 3/32" = 1'-0"

NOT FOR CONSTRUCTION

pk
ARCHITECTS
© 2013

PK ARCHITECTS, PC
4515 S. MCCLINTOCK DRIVE, #206
TEMPE, ARIZONA 85282
PHONE: (602) 283-1820
FAX: (602) 283-1621



WHITEFISH, MONTANA

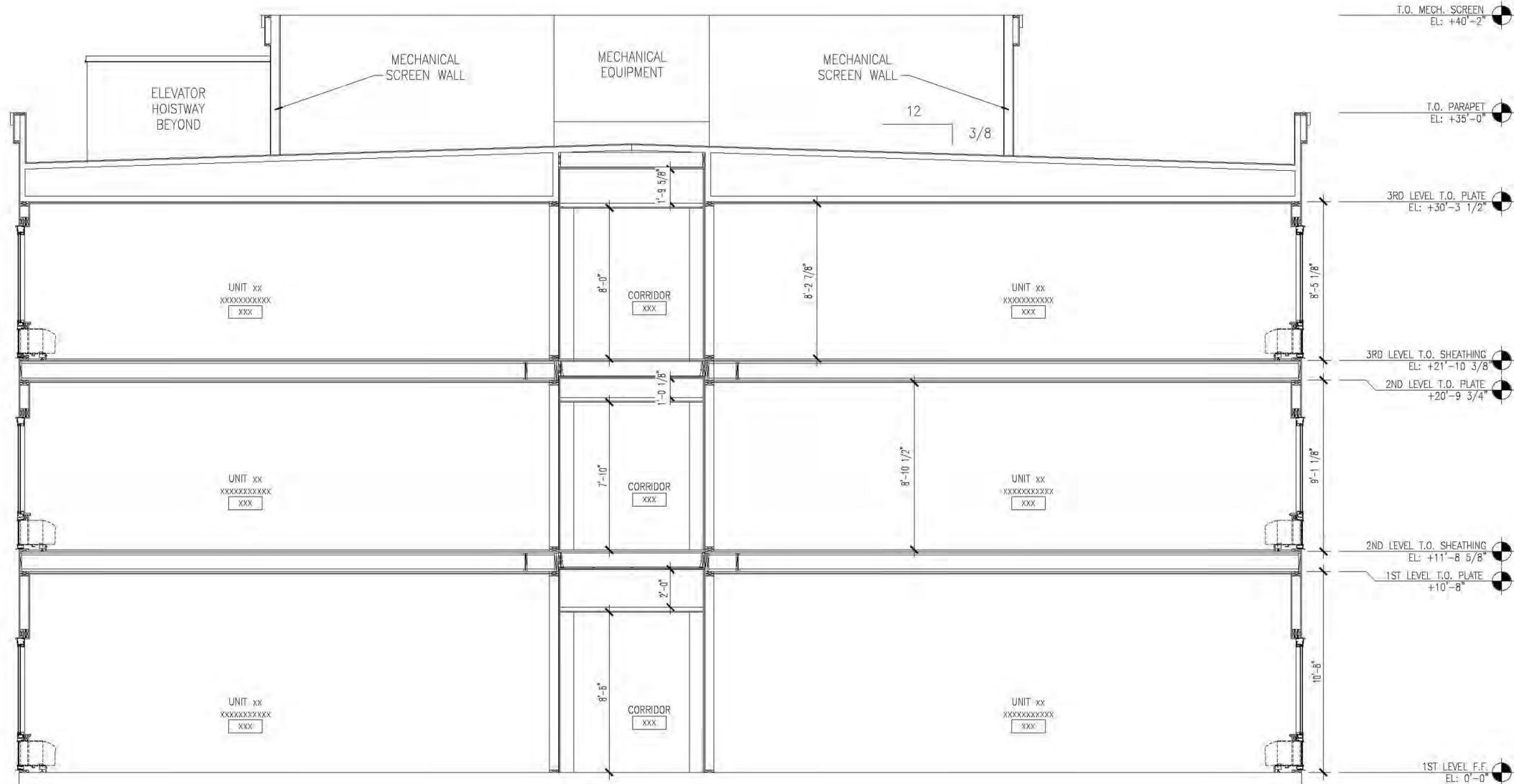
REVISION:	DATE:	COMMENTS:

PROJECT NO:	15-313
DATE:	03-30-2016
DRAWN BY:	MP
CHECKED BY:	SK

SHEET TITLE:
EXTERIOR ELEVATIONS

SHEET NUMBER:
A3-1

BE ADVISED THAT THIS SET OF PLANS HAS BEEN PREPARED FOR BUILDING PERMITS PURPOSES ONLY. AT THIS TIME, THIS SET OF PLANS SHOULD BE CONSIDERED PRELIMINARY IN NATURE AND NOT FOR CONSTRUCTION. THIS SET OF PLANS SHALL NOT BE USED FOR FINAL BIDDING PURPOSES AND ANY BID SUBMITTED THAT HAS BEEN BASED ON THIS SET OF PLANS SHALL BE CONSIDERED PRELIMINARY. THIS SET OF PLANS WILL CHANGE DUE TO PLAN REVISIONS, AS WELL AS INTERNAL REVISIONS. THESE DRAWINGS ARE INSTRUMENTS OF SERVICE AND ARE THE PROPERTY OF PK ARCHITECTS, P.C. ALL REVISIONS AND OTHER INFORMATION ON THESE DRAWINGS ARE FOR THE USE OF THE DESIGNATED PROFESSIONAL ENGINEER OR ARCHITECT. WRITTEN DIMENSIONS ON THESE DRAWINGS SHALL TAKE PRECEDENCE OVER SCALED DIMENSIONS. CONTRACTORS SHALL VERIFY AND BE RESPONSIBLE FOR ALL DIMENSIONS AND CONDITIONS ON THE JOB AND THIS OFFICE SHALL BE NOTIFIED IN WRITING OF ANY VARIATIONS FROM THE CONTRACT DOCUMENTS. CONTRACTORS SHALL BE RESPONSIBLE FOR VERIFYING ALL DIMENSIONS AND CONDITIONS ON THE JOB AND THIS OFFICE SHALL BE NOTIFIED IN WRITING OF ANY VARIATIONS FROM THE CONTRACT DOCUMENTS. CONTRACTORS SHALL BE RESPONSIBLE FOR VERIFYING ALL DIMENSIONS AND CONDITIONS ON THE JOB AND THIS OFFICE SHALL BE NOTIFIED IN WRITING OF ANY VARIATIONS FROM THE CONTRACT DOCUMENTS. CONTRACTORS SHALL BE RESPONSIBLE FOR VERIFYING ALL DIMENSIONS AND CONDITIONS ON THE JOB AND THIS OFFICE SHALL BE NOTIFIED IN WRITING OF ANY VARIATIONS FROM THE CONTRACT DOCUMENTS.



PROPOSED OVERALL BUILDING SECTION
SCALE: 3/8" = 1'-0"

BE ADVISED THAT THIS SET OF PLANS HAS BEEN PREPARED FOR BUILDING PERMITS PURPOSES ONLY. AT THE TIME THIS SET OF PLANS SHOULD BE CONSIDERED PRELIMINARY IN NATURE AND NOT FOR CONSTRUCTION. THIS SET OF PLANS SHALL NOT BE USED FOR FINAL BIDDING PURPOSES AND ANY BID SUBMITTED THAT HAS BEEN BASED ON THIS SET OF PLANS SHALL BE CONSIDERED PRELIMINARY. THIS SET OF PLANS WILL CHANGE DUE TO PLAN ROOM COMMENTS BY THE WORKS, ARCHITECTS, HAVING JURISDICTION AS WELL AS OTHER AGENCIES. THESE DRAWINGS ARE INSTRUMENTS OF SERVICE AND ARE THE PROPERTY OF PK ARCHITECTS, P.C. ALL RIGHTS AND OTHER INFORMATION ON THE DRAWINGS ARE FOR THE USE OF THE ARCHITECT. PK ARCHITECTS, P.C. WRITTEN DIMENSIONS OR NOTES SHALL TAKE PRECEDENCE OVER SHOWN DIMENSIONS OR NOTES. CONTRACTORS SHALL VERIFY ALL DIMENSIONS AND CONDITIONS ON THE JOB AND THE ARCHITECT SHALL BE NOTIFIED IN WRITING OF ANY VARIATIONS FROM THE CONDITIONS OR CONDITIONS SHOWN ON THE DRAWINGS. ANY CHANGES, ADDITIONS, DELETIONS, OR OMISSIONS SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR. THE CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND CONDITIONS ON THE JOB AND THE ARCHITECT SHALL BE NOTIFIED IN WRITING OF ANY VARIATIONS FROM THE CONDITIONS OR CONDITIONS SHOWN ON THE DRAWINGS. ANY CHANGES, ADDITIONS, DELETIONS, OR OMISSIONS SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR.

NOT FOR CONSTRUCTION

PK ARCHITECTS, PC
4515 S. MCCLINTOCK DRIVE, #208
TEMPE, ARIZONA 85282
PHONE: (602) 283-1620
FAX: (602) 283-1621

WHITEFISH, MONTANA

REVISION	DATE	COMMENTS

PROJECT NO:	15-313
DATE:	03-30-2016
DRAWN BY:	MP
CHECKED BY:	SK

SHEET TITLE:
ARCHITECTURAL
BUILDING
SECTION

SHEET NUMBER:
A3-2



aerial view
from the north



elevation
from the north

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CONSTRUCTION

pk
ARCHITECTS
PK ARCHITECTS, PC
4915 S. MOUNTAIN DRIVE, 400E
TAMPA, FLORIDA 33606
PHONE: (813) 283-1820
FAX: (813) 283-1821

CTA

TownePlace
SUITES
Marriott

WHITEFISH,
MONTANA

Whitefish
Planning &
Zoning:

Project
Character
Renderings





aerial view
from the south



elevation
from the south

NOT FOR CONSTRUCTION

pk
ARCHITECTS
PK ARCHITECTS, PC
4918 S. HANCOCK DRIVE, 4TH
FLOOR, ANCHORAGE, ALASKA 99503
PHONE: (907) 283-1821
FAX: (907) 283-1821

CTA

TownePlace
SUITES
Marriott

WHITEFISH,
MONTANA

Whitefish
Planning &
Zoning:

Project
Character
Renderings



perspective
from the southwest
(Highway 93)

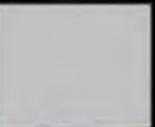


perspective
from the northwest
(Highway 93)

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PK ARCHITECTS, PC
4918 S. HAZLEWOOD DRIVE, 402B
TAMPA, FLORIDA 33629
PHONE: (813) 283-1821
FAX: (813) 283-1821



WHITEFISH,
MONTANA

Whitefish
Planning &
Zoning:

Project
Character
Renderings



perspective
from the west
(Highway 93)



perspective
from the northeast

NOT FOR CONSTRUCTION



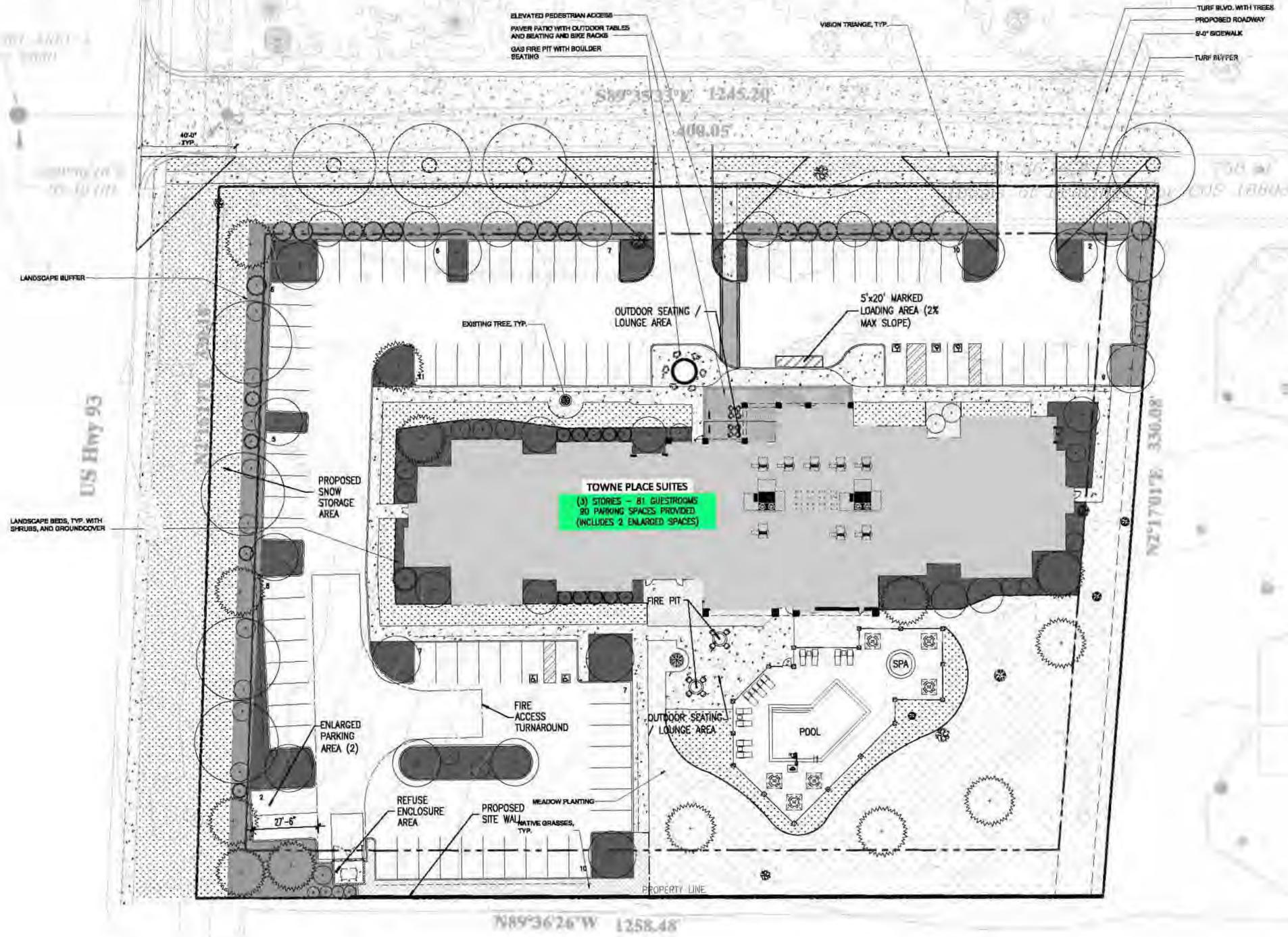
PK ARCHITECTS, PC
4910 S. HAZLEWOOD DRIVE, 4000
TAMPA, FLORIDA 33611
PHONE: (813) 283-1821
FAX: (813) 283-1817



WHITEFISH, MONTANA

Whitefish
Planning &
Zoning:

Project
Character
Renderings



1 CONCEPTUAL LANDSCAPE PLAN 1"=20'-0"



NOT FOR CONSTRUCTION - PRELIMINARY DESIGN

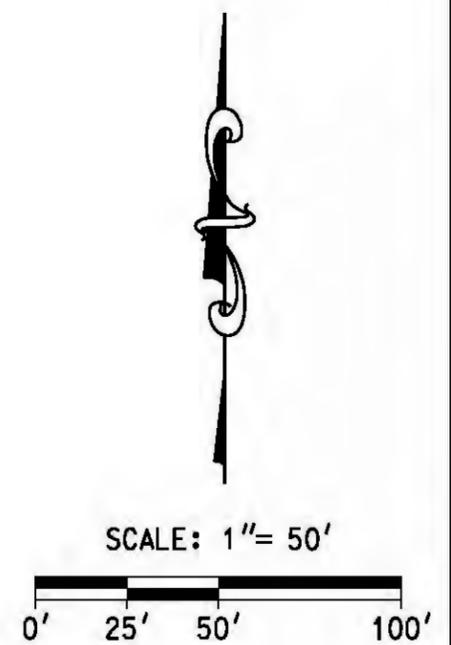
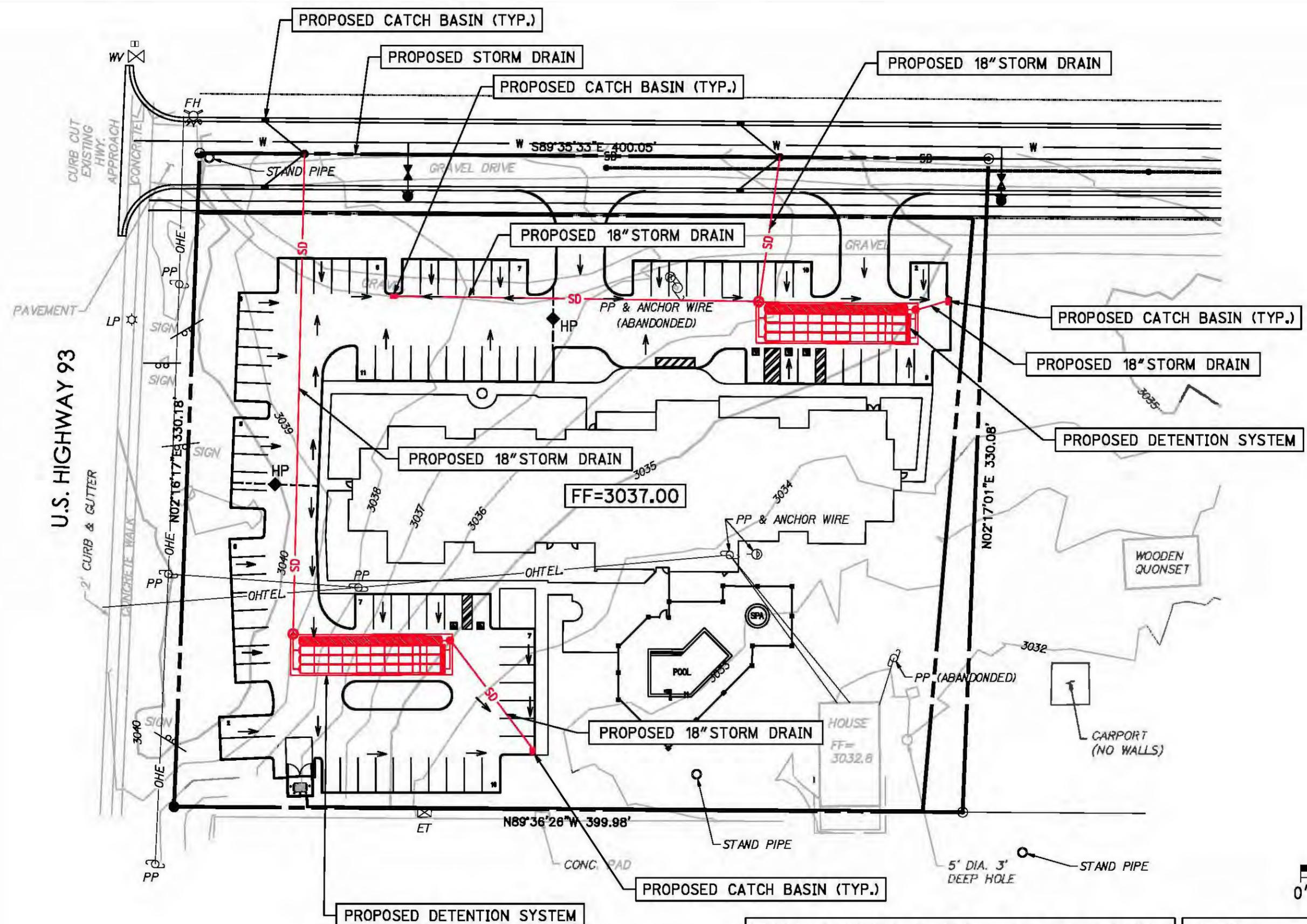
WHITEFISH, MONTANA
MARRIOTT
TOWNEPLACE SUITES

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SITE REVIEW
05.01.2016
DRAWN BY WILLIAM R. REVISIONS

CONCEPTUAL LANDSCAPE PLAN
L101

C:\My SecuriSync\Projects\1143_Glacier_House_Whitefish_MT\1143conceptual_drf01.dgn

U.S. HIGHWAY 93



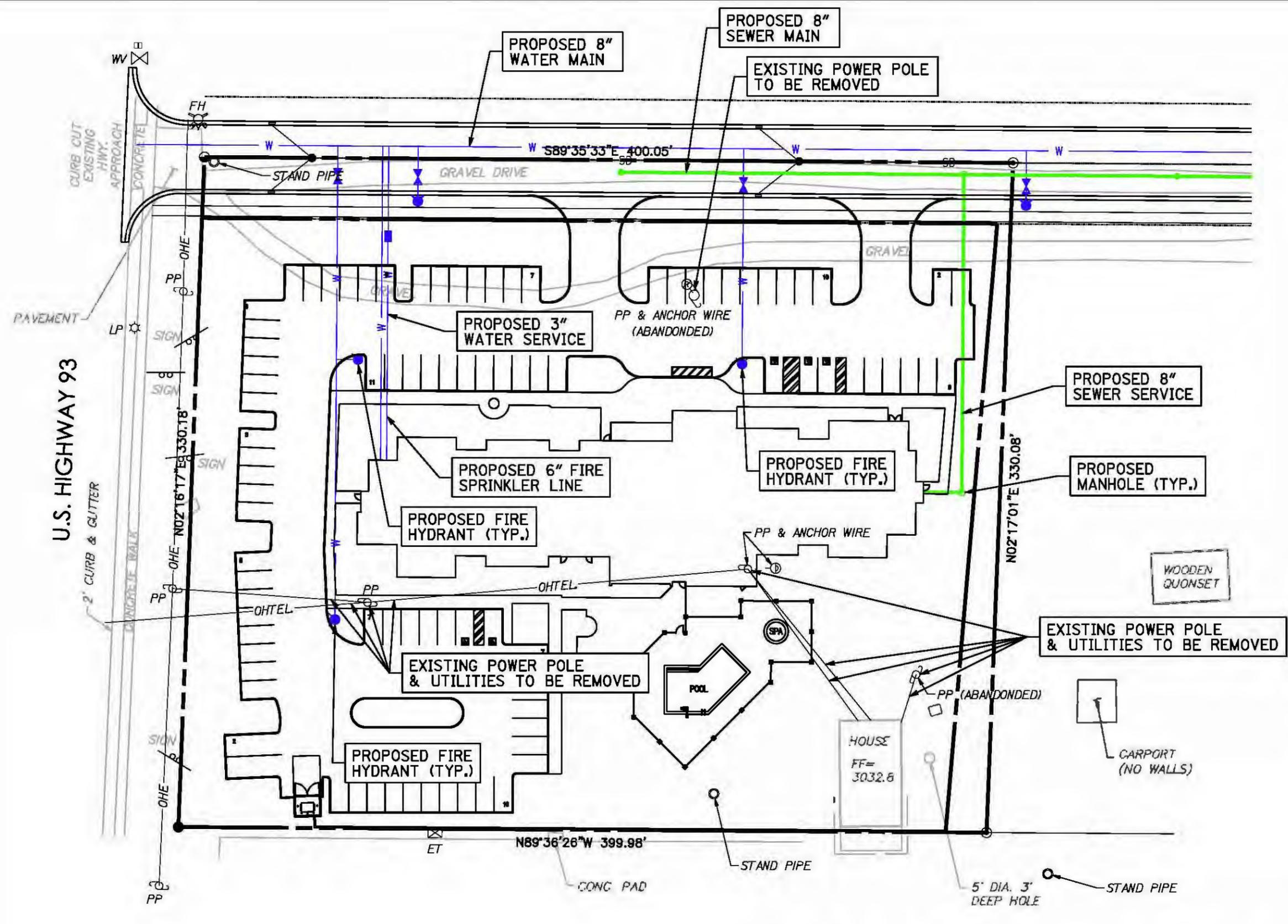
TOWNEPLACE - WHITEFISH
 6361 US HIGHWAY 93S, WHITEFISH, MONTANA

3e engineering
 planning civil engineering surveying

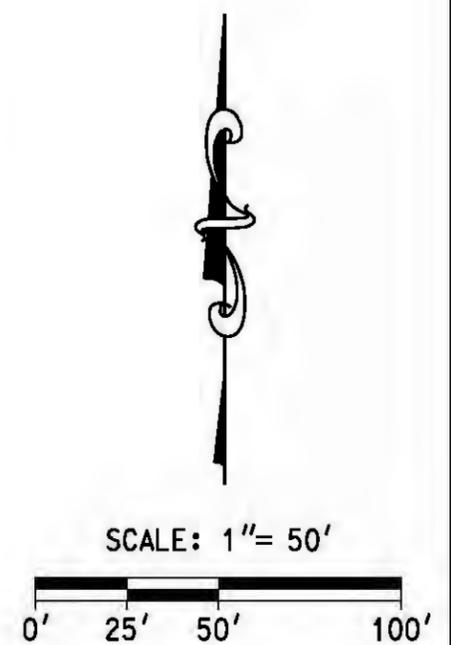
CONCEPTUAL DRAINAGE PLAN

3 ENGINEERING, LLC 2929 E. CAMELBACK ROAD, SUITE # 116 - PHOENIX, ARIZONA 85016 PHONE: (602) 334-4387 - FAX: (602) 490-3230 WWW.3ENGINEERING.COM		DATE: 04/28/16	PROJECT NO. 1143
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U.S. HIGHWAY 93



TOWNEPLACE - WHITEFISH
 6361 US HIGHWAY 93S, WHITEFISH, MONTANA

3e engineering
 planning civil engineering surveying

CONCEPTUAL UTILITY PLAN

3 ENGINEERING, LLC 2929 E. CAMELBACK ROAD, SUITE # 116 - PHOENIX, ARIZONA 85016 PHONE: (602) 334-4387 - FAX: (602) 490-3230 WWW.3ENGINEERING.COM	DATE: 04/28/16	PROJECT NO. 1143
---	-------------------	---------------------

June 16, 2016

Memo to Whitefish Planning Board and Staff

Subject: WCUP 16-04 Whitefish TP IIc

*received
6-16-16
@ PLANNING
BOARD mtg.*

Board Members and staff:

This revised proposal for a Marriot Represents a scaled down version of their original proposal in a different but neighboring location. It is smaller and does not request a height variance. From my perspective there are 4 areas of concern and I will briefly address each of them.

Traffic

I have addressed this subject in much greater detail earlier and won't repeat what is already part of the public record. Remember my work addressed the US 93 corridor between JP Road and the signal at the Whitefish Mall. A few changes have occurred since my last submission to you, including:

The 55 acre Morris family property between the Baptist Church and the Mormon Church on the west side has been sold to an "Investment Group". I have no idea who they are or what they intend but surely development of that property will exacerbate traffic concerns in that area.

Offers are being made for the Dalen property on the east side and if it is sold will again further exacerbate traffic in that area as well

I have no reason to question the traffic study but it did not include the entire section I referenced. Also the tourism officials locally claim to have data showing the nearly everyone renting accommodations in Whitefish during the Summer season are headed one or more times to Glacier National Park. In the case of this proposed hotel there will be times when left turns are a rule and not an exception as well as being concentrated mostly in the mornings.

I realize the Public Works Department is trying to establish a working project with MDT to study possible traffic solutions in that area but that effort is not in their control (MDT owns US 93) and to date progress has been very slow.

There is some limited relief possible by extending Whitefish Ave. south to JP Rd. That too is moving slowly. You should be cautious and thoughtful before approving any significant development along that piece of US 93 until there is "light at the end of the tunnel" with both solution alternatives mentioned.

Sewage treatment capacity and odor control

Capacity of today's lagoon system: Between now and the time the treatment facility is upgraded (5 or so years) I am sure that more than 1000 new toilets will come on line with all the other inflow sources like washers, sinks, restaurants, etc. It is the position of the Public Works Dept. that today's system can handle the volume increases. I hope they are correct.

Lagoon odor control: You have all seen the press or may have actually experienced the odor problems encountered this season with today's sewage volumes. The City is working hard to improve today's lagoon system to mitigate that problem including hiring one of the nation's leading experts on these systems to help them now and until the new plant is built. Again I hope they are successful.

However, how and what is going to be done and how successful it may be re: mitigating odors is not yet clear. The new consultant is coming next month and presumably will make recommendations, but until more is known some have suggested a moratorium on new development. That is hard to do and generally unpopular, but possibly a hold on approval might be considered pending successful odor control recommendations and solutions from the consultant.

The need for more hotel rooms

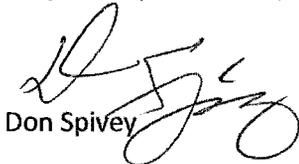
In earlier meeting with the Planning Board and Council presentations have been made by local tourism folks with data question the need for even more now room with the Hampton Inn, Fire Brand, new CF hotel and new Marriott in Kalispell all coming on line this Summer—collectively hundreds of new rooms. The impact could be very severe for all the hotel/motel facilities, but particularly for smaller hotel/motel and well B & B businesses in Whitefish. I am no expert on this subject but am sure it will be discussed in detail when this proposal reaches city council in July.

The CUP itself

The 15,000 ft. limit was put in place for a purpose, yet it seems we have tended to grant variances often, especially for hotel/motels. This has been done so often that it will be increasingly difficult not to grant one given all the precedents-- which incidentally are always quoted. I firmly believe we should hold to the 15,000 ft. limit or revise it. Although not currently required, I believe CUP's should be required to provide some community benefit in exchange for approving a CUP. In this case I don't see any.

Thus I would recommend that you forward a denial of the CUP request to Council.

Respectfully submitted,

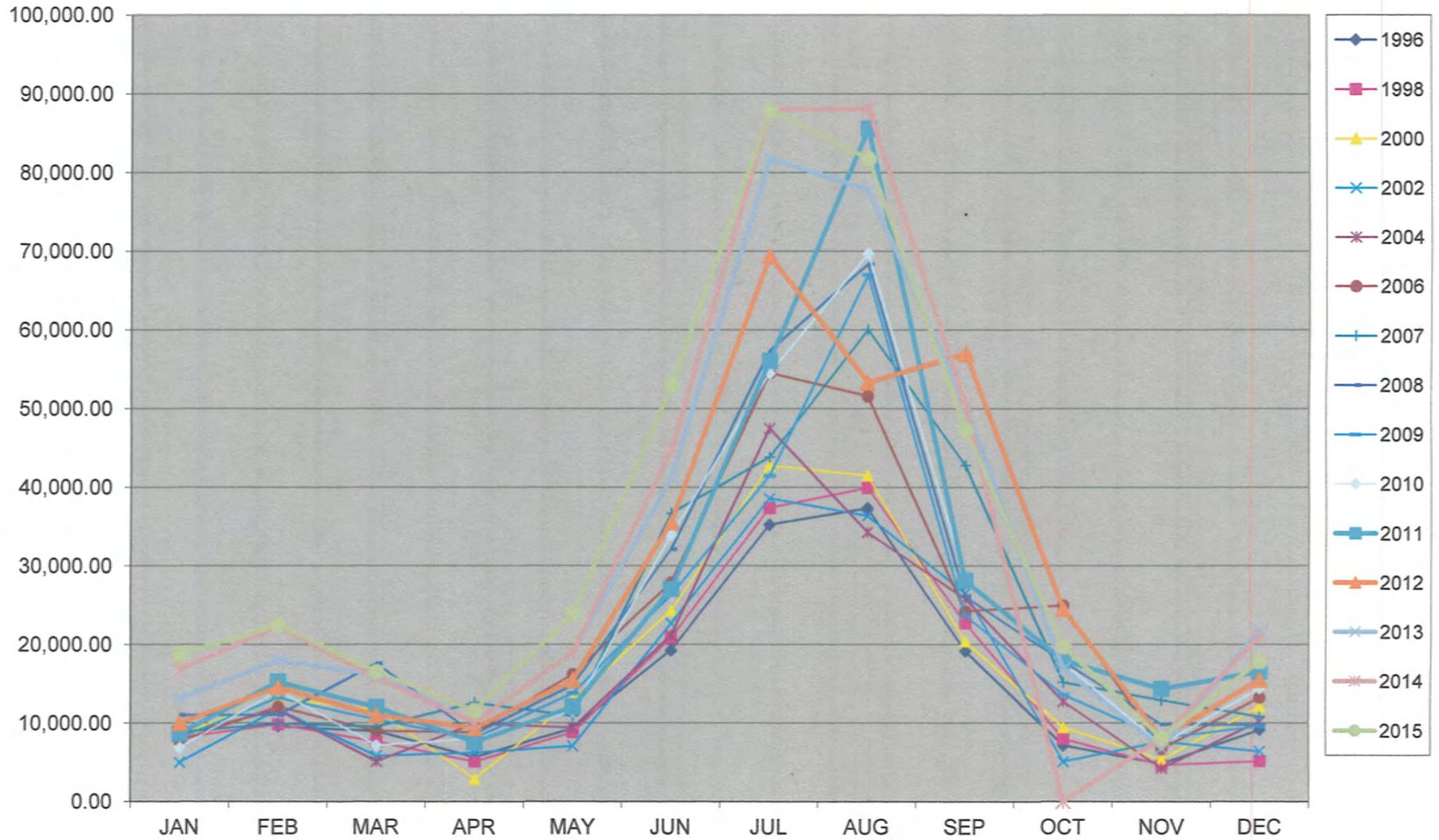


Don Spivey

117 Park Knoll Lane

Whitefish, MT 59937

Whitefish Hotels/Motels Resort Tax Revenue



received
7-12-16

Mkay Enterprises
P.O. Box 997
Whitefish, MT 59937
406-270-9630
morton@montana.com

July 11, 2016

The Honorable John Muhlfeld, Mayor of Whitefish, and
Members of the Whitefish City Council
City of Whitefish
P.O. Box 158
Whitefish, MT 59937

Re: Application of Whitefish TP, LLC for a
Conditional Use Permit to Develop a
Marriott Townplace Suites

Dear Mayor Muhlfeld and Members of the City Council,

My name is Michael Morton and I am the principal managing partner of Mkay Enterprises. Mkay Enterprises is the owner of the unimproved property upon which the above-mentioned project is proposed to be developed. I strongly support the project. I attended the City Council meeting on July 5, 2016, and was surprised and somewhat shocked to hear that the conditional use permit (CUP) was not approved by a 4 to 2 vote. I am writing to urge the Council to reconsider their vote and vote to approve the project at the July 18 hearing.

Because no findings of fact or other reasons were given for the negative vote at the City Council hearing, and because the findings of fact and conclusions of the City Staff and Planning Board were all positive, it is difficult to address the reasons the Council members may have had for denying the CUP. However, there were some public comments made in opposition to the project, and I will address them.

Comments were made regarding the increased traffic flow on Hwy. 93 that will result from this project and the lack of controls to manage that traffic. It is my understanding that the Department of Transportation (DOT) designed and constructed Hwy. 93 so as to support the traffic that will result from the build-out of the properties fronting thereon at current zoning. Although a traffic light may be warranted in the future, the DOT has determined that traffic flows at this time do not justify the addition of such a light.

Comments were made regarding the effect of the project on the "Community Character" of the entrance to Whitefish and the negative effect of franchised businesses lining the highway entering town. Currently, the following businesses front on Hwy 93 in the area of this project:

- Hampton Hotel & Suites
- Les Shwab Tire Center
- Subway Sandwich
- Pizza Hut Restaurant

In addition, there is a large building/lumber supply, two car dealerships and a shopping mall in the area. As a 30 year citizen of Whitefish concerned with the community character of our town, I feel that the proposed new hotel, with its western architecture and warm colors, has far more character and eye appeal than the properties enumerated above. Furthermore, I know of no law or regulation in the City of Whitefish that restricts or limits the development of franchises on the Highway 93 corridor entering town.

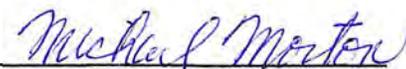
Rhonda Fitzgerald commented on the difficulty that the current lodging properties already have in sustaining their operations in the shoulder seasons and that this project will only exacerbate that problem. That argument goes to the economic impact that the project will have on the community, which is not one of the criteria listed for consideration in granting or denying a CUP. I believe that we live in a growing dynamic community and should be encouraging those who are willing to make substantial investments here that will have numerous beneficial effects for years to come.

Finally, the relevant regulations provide that "... the city council shall hold a public hearing and render a determination whether to approve, conditionally approve or deny the application for a conditional use permit *based on public input, the staff report and findings of the planning board.*" Since the staff report and the findings and conclusion of the Planning Board found that this project meets all of the requirements for the approval of the CUP, I can only conclude that the motion was denied due to the public input. The only public input was given at the meeting and has been addressed herein; there were no letters or comments submitted in writing in advance of the meeting. And it is worth noting that the residents of the Rivers Edge Subdivision, who were so vocal in their opposition to the previous application, expressed no opposition to the current proposal either in writing or at the meeting.

I urge the City Council to reconsider their vote to deny the CUP and vote to approve it on July 18 in conformance with the staff report and the findings of the Planning Board.

Sincerely,

Mkay Enterprises,

By 
Michael Morton

(This page left blank intentionally to separate printed sections)

After Recording Return to:
Michelle Howke, City Clerk
City of Whitefish
PO Box 158
Whitefish, MT 59937-0158

RESOLUTION NO. 16-___

A Resolution of the City Council of the City of Whitefish, Montana, extending the corporate limits of the City of Whitefish, Montana, to annex within the boundaries of the City certain tracts of wholly surrounded land on West Lakeshore Drive.

WHEREAS, by § 7-2-4501, MCA, the City of Whitefish may include as part of the City any tract or parcel of land that is wholly surrounded by passing a Resolution of Intent, giving notice and passing a Resolution of Annexation; and

WHEREAS, various tracts and parcels of land, as described on the attached Exhibit "A," were identified as wholly surrounded by the City of Whitefish and on municipal maps as being wholly surrounded within municipal boundaries, as depicted on the attached Exhibit "B;" and

WHEREAS, by Resolution No. 16-21, the City Council of the City of Whitefish indicated its intent to consider annexing within the corporate limits of the City certain wholly surrounded land as described on Exhibit "A," gave notice, and set a public hearing at the City Council's regular Council meeting on July 18, 2016, to be held at 7:10 o'clock p.m., or as soon thereafter as the matter may be heard, in the City Council Chambers located at 1005 Baker Avenue in Whitefish, Montana; and

WHEREAS, by the same Resolution No. 16-21, the City Council of the City of Whitefish approved the May 31, 2016 Report on Extension of Services in City Manager memorandum #2016-015, now dated as June 7, 2016, as the plan for provision of services required by § 7-2-4506, MCA; and

WHEREAS, at a lawfully noticed public hearing on July 18, 2016, after receiving public comment and reviewing a City Manager recommendation for the annexation of wholly surrounded land described on Exhibit "A," the Whitefish City Council reviewed the recommended wholly surrounded properties for annexation and found them reasonable and appropriate; and

WHEREAS, it is the considered and reasoned judgment of the City Council of the City of Whitefish to be in the best interests of the City of Whitefish and the inhabitants thereof, as well as the current and future inhabitants of the lands to be annexed that are described herein on Exhibit "A," that the said lands described herein be annexed into the City of Whitefish and it is hereby declared to be the intent of the City of Whitefish that the corporate limits of the City of Whitefish be extended to include said lands described herein within the limits of the City of Whitefish.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Whitefish, Montana, as follows:

Section 1: That the corporate limits of the City of Whitefish be extended to annex the tracts of land herein described on Exhibit "A," according to the map or plat thereof, on file and of record in the Office of the Clerk and Recorder of Flathead County, Montana.

Section 2: That the minutes of the City Council meeting of the City of Whitefish, Montana, incorporate this Resolution.

Section 3: That, if the City annexation of any lot(s), parcel(s), block(s) or tract(s) of land annexed into the City pursuant to this City annexation Resolution or any provision of this Resolution is ever held to be invalid or unconstitutional, the City Council hereby declares that any such decision shall not affect the validity of the annexation of the remaining lot(s), parcel(s), block(s) or tract(s) of land annexed into the City or the remaining provisions of this Resolution. The City Council hereby declares that it would have passed this Resolution and annexed each lot(s), parcel(s), block(s) or tract(s) of land into the City as well as each provision of this Resolution irrespective of the fact that the annexation of any one or more lot(s), parcel(s), block(s) or tract(s) of land annexed into the City or provision of this Resolution may have been declared invalid or unconstitutional, and if for any reason the annexation of any lot(s), parcel(s), block(s) or tract(s) of land or any provision of this Resolution should be declared invalid or unconstitutional, the annexation of the remaining lot(s), parcel(s), block(s) or tract(s) of land and Resolution provisions are intended to be and shall be in full force and effect as enacted by the City Council.

Section 4: That the City Clerk is hereby instructed to certify a copy of said Resolution so entered upon said minutes. Further, that this document shall be filed with the Office of the Clerk and Recorder of Flathead County. Pursuant to § 7-2-4607, MCA, this annexation shall become effective from and after the date of the filing of said document with the Flathead County Clerk and Recorder.

Section 5: This Resolution shall take effect immediately upon its adoption by the City Council, and signing by the Mayor thereof.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, THIS 18TH DAY OF JULY, 2016.

John M. Muhlfeld, Mayor

ATTEST:

Michelle Howke, City Clerk

EXHIBIT "A"

1436 West Lakeshore Drive - Assessor No. 0242250

LAKE PARK ADD, BLOCK 007, LOT 009, & ABD ROAD
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1500 West Lakeshore Drive - Assessor No. 0222250

LAKE PARK ADD, BLOCK 005, Lot 001, EX RW, LAKE PARK ADD 1 S2 BLK 6,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1518 West Lakeshore Drive - Assessor No. 0515465

LAKE PARK ADD, BLOCK 006, Lot 004, LAKE PARK ADD LOT 4 BLK 6,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1550 West Lakeshore Drive - Assessor No. 0393850

LAKE PARK ADD, LOT 12 BLK 6 LAKE PARK ADD LOT 13 S2 BLK 6
LAKE PARK ADD LOT 13 NE 130' BLK 5,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1558 West Lakeshore Drive - Assessor No. 0393951

LAKE PARK ADD, BLOCK 005, LOT 014,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1558 West Lakeshore Drive - Assessor No. 0672060

LAKE PARK ADD, BLOCK 005, LAKE PARK ADD LOTS 15-16,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1616 West Lakeshore Drive - Assessor No. 0321600

LK PK AD L1,B2,L1,B3,L17,B6AMD, LOT 001, LAKE PARK ADD LOT 2 BLK 3,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1618 West Lakeshore Drive - Assessor No. 0008976

LAKE PKADDL3-5B3L1AMDLPKADDL1-3B2AM AM LOT 4,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1620 West Lakeshore Drive - Assessor No. 0008977

LAKE PKADDL3-5B3L1AMDLPKADDL1-3B2AM AM LOT 5,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1622 West Lakeshore Drive - Assessor No. 0321200

LAKE PKADDL3-5B3L1AMDLPKADDL1-3B2 AM AM LOT 3,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1624 West Lakeshore Drive - Assessor No. 0857800
LAKE PK ADD L3-5B3&L1AMD LKPKADDL1-3B2AM LOT 1,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1644 West Lakeshore Drive - Assessor No. 0005065
LAKE PARK ADD, BLOCK 002, LOT 004,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1648 West Lakeshore Drive - Assessor No. 0005060
LAKE PARK ADD, BLOCK 2, LOTS 5-6, COS 19903,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1656 West Lakeshore Drive - Assessor No. 0865850
LAKE PARK ADD, BLOCK 002, LOT 007,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1660 West Lakeshore Drive - Assessor No. 0982475
LAKE PARK ADD, BLOCK 002, LOT 008, COS 11881 R,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1664 West Lakeshore Drive - Assessor No. 0093800
LAKE PARK ADD L9-10 BLK 2,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1672 - 1676 West Lakeshore Drive - Assessor No. 0777520
LAKE PARK ADD, BLOCK 002, LOT 011,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1684 West Lakeshore Drive - Assessor No. 0534951
LAKE PARK ADD, BLOCK 002, LOT 012, LAKE PARK ADD L12 BLK 2,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1700 West Lakeshore Drive - Assessor No. 0353530
LAKE PARK ADD, L15-16 BLK 2,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1800 West Lakeshore Drive - Assessor No. 0854100
LAKE PARK ADD, BLOCK 001, LAKE PARK ADD E 75' OF SW 275' BLK 1,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1800 West Lakeshore Drive - Assessor No. 0190000
LAKE PARK ADD, PT TR 4 IN BLK 1,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1825 West Lakeshore Drive - Assessor No. 0720850

LAKE PARK ADD, BLOCK 001, LAKE PARK ADD TR 2 IN BLOCK 1,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

1835 West Lakeshore Drive - Assessor No. 0468650

LAKE PARK ADD, BLOCK 001, TR 1 & TR 6 & ROAD ABD,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

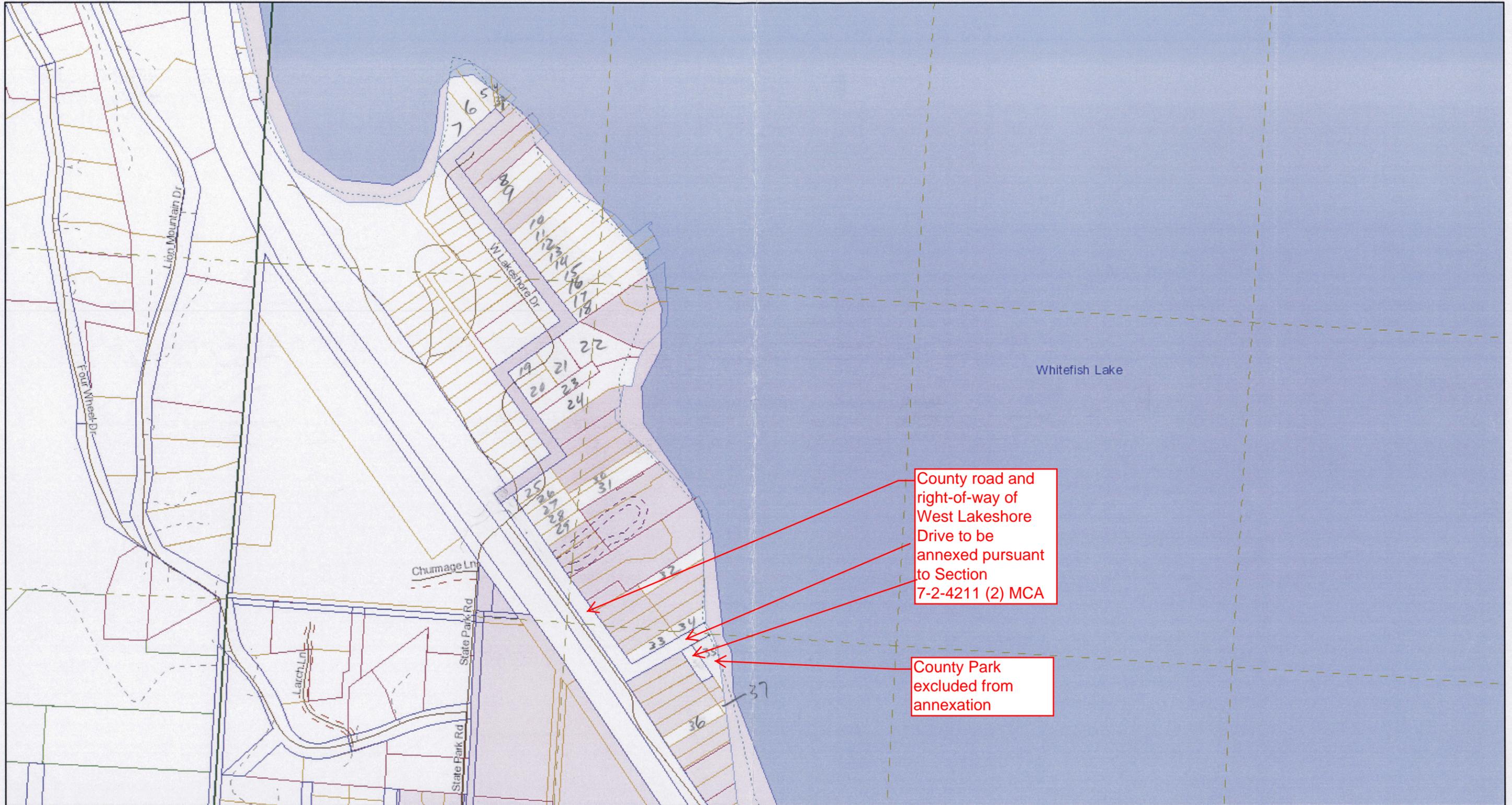
No Address – Vacant - Assessor No. 0721200

LAKE PARK ADD, BLOCK 001, 150 FT X 100 FT TR 5 IN BLK 1,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

No Address – Vacant - Assessor No. 0308502

LAKE PARK ADD, BLOCK 005, LOT 012,
Section 26, Township 31 North, Range 22 West, P.M.M., Flathead County, Montana

Full width of any public streets or roads, including the rights-of-way, that are adjacent to the wholly surrounded area being annexed.

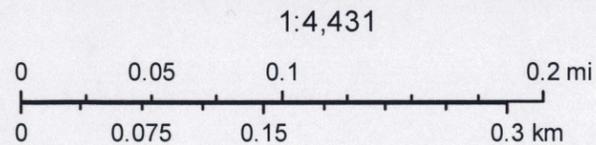


County road and right-of-way of West Lakeshore Drive to be annexed pursuant to Section 7-2-4211 (2) MCA

County Park excluded from annexation

February 22, 2016

White, numbered properties 1-37, excluding #35, are the properties to be annexed. Property #35 is a county-owned park which is excluded from annexation pursuant to Section 7-2-4211 (1) MCA. Purple shaded properties are already in City limits.



No warranty is made by Flathead County for the use of GIS data for purposes not intended by Flathead County.

Flathead County GIS
800 South Main Street
Kalispell, MT 59901
(406) 758-5540

MEMORANDUM

#2016-015



To: Mayor Muhlfeld
City Council Members

Chuck

From: Chuck Stearns, City Manager

Re: West Lakeshore Drive area Wholly Surround Annexation – Schedule for annexation and draft report on extension of services

Date: Updated on June 7, 2016

Approved by City Council at 6/6/16 Council meeting.

This memo will present the discussion, rationale, and schedule for considering the annexation of twenty-five (25) properties on West Lakeshore Drive using the wholly surround method of annexation. This memo also presents the maps, plans, and report for the extension of services as required by §7-2-4506, §7-2-4736, and §7-2-4732 MCA.

Most of the requirement for compliance with §7-2-4732 is met by our Extension of Services plan as adopted on March 2, 2009 by Resolution No. 09-04 which is incorporated by reference within this report and is available for review at the City Clerk's office or on the City website at .

<http://www.cityofwhitefish.org/large-files/pdf/Planning/Final%20Extension%20of%20Services%20Plan%202009.pdf>

This corrected web link was inserted after 6/6/16 meeting

DISCUSSION AND RATIONALE

When the Whitefish City Council met in a work session on March 3, 2014 to discuss the extent of utility connections and services provided outside of city limits and possible areas for annexation, the City Council's first priority expressed at that meeting was to annex the Houston Drive area on East Lakeshore Drive. However, that annexation has been held up by preventive litigation. For that reason, we began working on the next priority annexation area which is the area of West Lakeshore Drive on the northeast side of the railroad tracks where access is gained by the railroad crossing on State Park Road. While we won the Houston Drive lawsuit at the District Court level on March 21, 2016, that case may still be appealed and we have done a lot of work on the West Lakeshore annexation area. Also, there is heightened concern about septic leachate pollution in Dog Bay by the Whitefish State Park, so annexing the West Lakeshore area may help spur some new connections of septic systems to the municipal sewer system already in place in that West Lakeshore area – at least it would take away annexation as a disincentive to connecting onto the municipal sewer system.

This annexation is being pursued using the “Wholly Surrounded Land” method of annexation found in Title 7, Chapter 2, Part 45 of Montana Code Annotated. This separate method of annexation allows the City to annex certain property without the property owners having the right to protest and prevent the annexation. Section 7-2-4502 MCA provides as follows:

7-2-4502. Protest not available. Wholly surrounded land is annexed, if so resolved by the city or town council, whether or not a majority of the real property owners of the area to be annexed object. The question of annexing the wholly surrounded land is not subject to being voted on by the registered voters of the area to be annexed.

A Montana Attorney General Opinion provides additional legal interpretation of when property is “wholly surrounded”. From Montana Attorney General Opinion No. 41; 1987 Mont. AG LEXIS 9; 42 Op. Atty Gen. Mont. No. 41; November 18, 1987:

While not statutorily defined, the term "wholly surrounded" was construed in *Calvert v. City of Great Falls*, 154 Mont. 213, 217, 462 P.2d 182, 184 (1969), to include land which, while not completely contiguous with the municipality, was nonetheless surrounded by it: "The term 'wholly surrounded' means that . . . where all lands on the side of the tract are within the city and where it is impossible to reach the tract without crossing such territory, the tract is 'wholly surrounded'."

THEREFORE, IT IS MY OPINION:

A parcel of land is "wholly surrounded" under section 7-2-4501, MCA, when access may be gained only by crossing through the municipality.

Given that all of these properties proposed for annexation can only gain access to their property by crossing through the municipality on a portion of West Lakeshore Drive which is already in City limits and by State Park Road, these properties are “wholly surrounded”.

On May 26, 2016, the Flathead County Board of Commissioners sent us a letter reminding us of a new law passed at the 2015 Legislature that prevents us from annexing a county-owned park. The new law, codified at Section 7-2-4211 MCA, also requires that we annex the adjacent roads and rights-of-way. So we have amended the Resolution of Intention and the Plan of Services Memo and the charts to exclude the County Park that exists in that area and include the portion of West Lakeshore Drive which is not yet annexed.

SCHEDULE FOR CONSIDERATION OF ANNEXATION

April 18 - City Council reviews draft memo and extension of services plan and authorizes consideration of annexation to proceed.

April 22 - City Manager mails letter and draft plan for extension of service to affected property owners. Letter includes notice of May 26th meeting with property owners.

April 22 – City Manager mails draft plan for extension of service to County, special districts, and WFSAs providing them notice before approval of the report and asking if they want to consult on the orderly transfer of services pursuant to HB575 from 2011 Legislature.

May 26 - City Manager and staff meet with affected property owners at a neighborhood meeting at City Council Chambers.

June 6 – City Council considers a Resolution of Intention to annex pursuant to §7-2-4501 MCA and modifies and/or approves this report as the required plan and report on extension of services provided. After approval, make approved report available to the public.

June 15 and 22 – Publish notice as required by §7-2-4501, §7-2-4313, and §7-1-4127 MCA.

July 18 – Hold public hearing on annexation and if appropriate, adopt Resolution of annexation to annex the properties.

August 2nd - City Clerk makes and certifies a copy of the Resolution and the minutes from the July 20th meeting and files those records with the Flathead County Clerk and Recorder.

PLANS AND REPORT ON EXTENSION OF SERVICES AS REQUIRED BY §7-2-4731 MCA

Section 7-2-4506 and 7-2-4732 MCA requires making of plans and the preparation of a report for the extension of services to any property annexed under this part, Annexation of Wholly Surrounded Land.

This section of this report presents the plans and report on extension of services. A map of the proposed annexation is shown in Exhibit A. The property and area conforms to our Growth Policy adopted on November 19, 2007 and as subsequently amended. The current Growth Policy is available for review in the City Clerk's office or on the City's website at <http://www.cityofwhitefish.org/planning-and-building/long-range-plans.php>.

The following are the statements as to the plans for extending each major municipal service performed within the municipality to the property at the time of annexation.

- Electoral services - voting for municipal offices, ability to run for municipal offices will all be provided to the resident property owners immediately or in conformity to existing, applicable laws.
- Municipal Court – these properties would immediately be afforded all of the protections and services of the Municipal Court.
- Administration – The City Manager, City Clerk, and other administration services would all be available to the property owners immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality. Property owners or residents of the annexed properties would now be subject to business licensing, dog licensing, and resort tax payments if applicable.

- Legal Services – the protections and services of the City Attorney would all be available to the property owners immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality.
- Planning and Building – The City would take over providing Planning and Zoning services and regulations from Flathead County. The City provided such services before the Montana Supreme Court rescinded our extra-territorial jurisdiction in 2014. The properties’ zoning would have to be revised pursuant to a separate notification and public hearing process. It is likely that the zoning would likely be zoned as WR-1 which is comparable to the current County zoning of R-3. Building permits and associated impact fees will now be required for new development on these properties and all building services will be immediately available to the property owners. Lake and Lakeshore Regulations for these properties would be restored to the City regulations and the need for two lakeshore permits (one from City and one from County) would be eliminated. Building and Planning Services would all be available to the property owners immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality.
- Police – While the Flathead County Sheriff currently provides public safety services to these properties, the City of Whitefish would often be the first responder in the case of an emergency. The Police Department is closely located in the Emergency Services Center to these properties and public safety services should increase greatly because of the reduced response time. Police Department services would all be available to the property owners immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality.
- Fire – The City of Whitefish Fire Department currently provides service to these properties under our contract with the Whitefish Fire Service Area. Therefore, there is no change in the level of service for fire protection and fire services. However, their Insurance Services Office (ISO) fire rating for property insurance should decrease from a rating of 6 to 4, thus reducing their annual fire insurance premiums, but it is hard to quantify how much of a decrease that will be. Fire services would all be provided to the property owners immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality.
- Ambulance - The City of Whitefish Fire Department currently provides ambulance service to these properties and that service will continue in the same manner. Property owners and residents will now be able to obtain the \$200.00 discount on any ambulance calls afforded to property owners and residents of Whitefish. Ambulance services would all be provided to the property owners immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality.
- Public Works –Wastewater lines extend throughout the area via a wastewater main that comes up along West Lakeshore Drive from the Birch Point main and lift station (see Exhibit B). As shown on the property owner list and spreadsheet attached to this report

(Exhibit C), there are 11 properties already on the sanitary sewer system. With annexation, their monthly bills for the base rate would decrease by 10.27% and their rate for quantity of water used would decrease by 27.49%. For a house that uses 3,000 gallons of water per month, those reductions would equal \$11.53 per month.

A water main only extends up West Lakeshore Drive from the Birch Point area almost to the Bendheim Subdivision which is the dashed, loop road in Exhibit A near annexation lot number 29 on the map (See Exhibit B). The water main could be extended to provide service throughout the area at homeowner expense or via a Special Improvement District project which is assessed against the benefitted homeowners properties. City staff would be available immediately to work with interested property owners on extending the water main to benefitted properties.

Stormwater services would remain as is until any street reconstruction project installed storm drainage or the residents created a SID for a stormwater system. The City of Whitefish already plows all of the roads in this area under reciprocal arrangements with Flathead County and because part of West Lakeshore Drive is already in City limits. Therefore, there would be no change in snow plowing. If Flathead County gave us the rest of West Lakeshore Drive, then we would do other street maintenance and reconstruction activities for those roads. I may propose adding a street maintenance position as part of future budgets, but that position would work all over the city and increase everyone's level of service.

All Public Works services would all be available to the property owners immediately or when the property owners extend the water main, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality. The property owners would face the normal connection costs when they want to connect to the municipal water or sanitary sewer system.

- Garbage Collection – the properties to be annexed will have garbage collection services provided under our current contract for services with North Valley Refuse. Thus, they will now be able to avail themselves of the quantity discounts and billing efficiencies that our contract for services provides. However, billing for use of the service is mandatory as it is for all other property inside the City. Garbage collection services would be available to the property owners immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality.
- Parks and Recreation – These properties already benefit from, but are not charged for our greenway maintenance along Hwy 93 North. The property owners would now begin to pay for these services. All other Parks and Recreation services, facilities, and programs would all be available to the property owners immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality. The County Park in the area is excluded from the annexation pursuant to Section 7-2-4211 MCA and it will remain outside the City limits.

- Library – no change in service. Library services would be available to the property owners immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality. Property owners may currently use the Whitefish Community Library although, upon annexation, they would begin paying for those services.

A copy of our Extension of Services plan as adopted on March 2, 2009 by Resolution No. 09-04 is incorporated by reference within this report and is available for review at the City Clerk's office or on the City website at

<http://www.whitefish.govoffice.com/vertical/Sites/%7B8773F417-AD9F-4BFA-B5F7-4D1C73387937%7D/uploads/%7BC460FC0E-43DA-44F9-8CF4-1AB3D8BAB821%7D.PDF>.

The validity and applicability the City's Extension of Services Plan was upheld by the Montana Supreme Court in their ruling of September 21, 2004 upholding the City's 1998 annexations in their decision "NO. 03-229, IN THE SUPREME COURT OF THE STATE OF MONTANA 2004 MT 262"

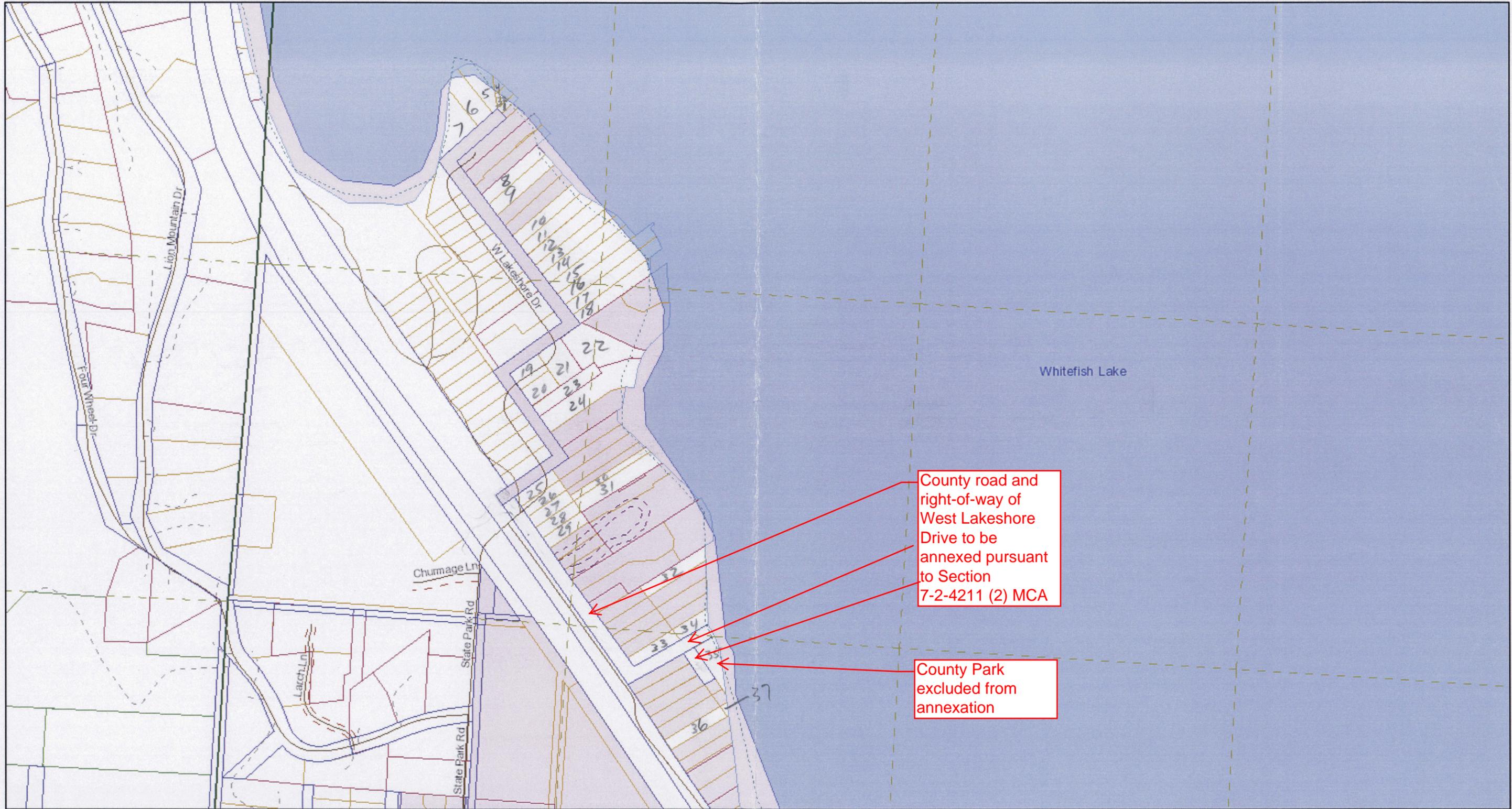
Given that these properties are already using many city services and this annexation is an "in-fill" type of annexation, the financing of all services provided to these properties shall come from the city property tax levies and assessments that will be levied on these properties in the future. The estimated new property taxes from the annexation equal approximately \$48,351.82 and the assessments for streets, greenway, street lights, and stormwater will equal approximately \$5,737.73 for total revenue to the City of approximately \$54,089.55 based on the most recent valuation and the FY16 tax rate (see Exhibit C). The property owner will face the normal connection costs when they choose or need to connect onto the city's sanitary sewer or water system.

Property owners in this area will typically face a 19-21% increase in their property tax bill, with some exceptions for low value, vacant land. The table in Exhibit C shows the City revenue and prospective increase in taxes (based on FY16 property values and mill levies) that each property might face. Of course, mill levies can change each fall and reappraisal occurs every two years, with the next reappraisal coming in 2017, so property values will not change for the fall 2016 property taxes unless people physically altered their property.

The entire municipality tends to share the tax burden for these services, therefore the area may be annexed without a bond issue under the provisions of state law. As in-fill property, we do not anticipate the need to hire additional staff in order to provide the same level of service that is currently provided to other residents and property owners in Whitefish. Any increased costs will be marginal and incremental and offset by the new property taxes and assessments collected.

As this report shows, the City of Whitefish is ready and able to provide its full complement of municipal services to this property. Upon annexation, city services will be provided immediately, in substantially the same equitable basis, and in the same manner as such those services are provided within the rest of the municipality.

cc: Department Directors

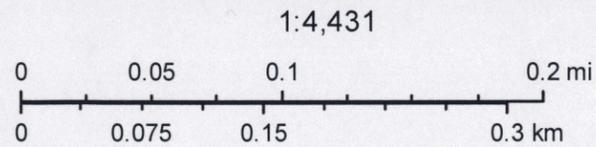


County road and right-of-way of West Lakeshore Drive to be annexed pursuant to Section 7-2-4211 (2) MCA

County Park excluded from annexation

February 22, 2016

White, numbered properties 1-37, excluding #35, are the properties to be annexed. Property #35 is a county-owned park which is excluded from annexation pursuant to Section 7-2-4211 (1) MCA. Purple shaded properties are already in City limits.

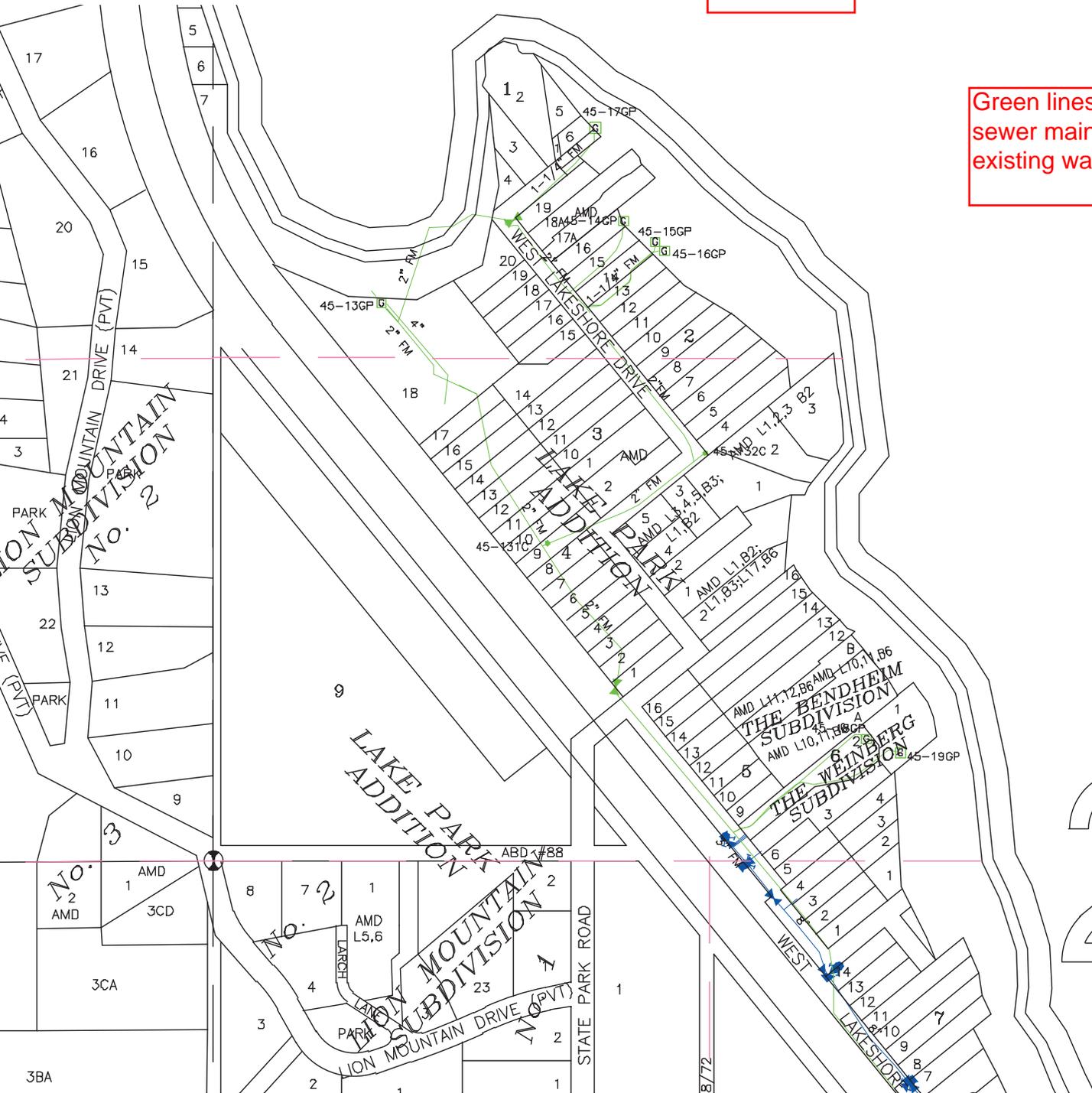


No warranty is made by Flathead County for the use of GIS data for purposes not intended by Flathead County.

Flathead County GIS
800 South Main Street
Kalispell, MT 59901
(406) 758-5540

EXHIBIT B

Green lines denote existing sanitary sewer mains and blue lines denote existing water mains



26

EXHIBIT C

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	
1				West Lakeshore Drive																		
2				2016 Annexation																		
3				Mailing List and Tax Summary																		
4				Prepared:	5/31/2016																	
5																						
6																						
7																						
8																						
9	Map Parcel #/s	Assessor Number	First Name	Last Name	Mailing Address	City	State	Zip Code	Physical Address	On City Water or Sewer	City has signed Waiver/contract	Assessor's Market Valuation	Taxable Valuation	Prospective City Property Taxes	Prospective City Assessments	Prospective Total City Revenue	2015 Existing Tax Bill	Annexation	2015 Tax Bill after	Difference	Percent Change	Notes
10																						
11	1-3	0468650		David B. Gamble 1984 Family Trust	1000 Kuhns Road	Whitefish	MT	59937	1835 W. Lakeshore Drive	on sewer		\$1,401,130	\$18,915	\$2,539.18	\$191.63	\$2,730.81	\$9,882.34	\$11,841.36	\$1,959.02	19.82%		
12	4	0721200	Mark Kristopher	Reed	P.O. Box 821061	Kenmore	WA	98028	none - vacant			\$357,120	\$4,821	\$647.18	\$176.66	\$823.84	\$2,493.21	\$3,114.49	\$621.28	24.92%		
13	5	0720850		Robert E Peretto Living Trust	1825 West Lakeshore Drive	Whitefish	MT	59937	1825 West Lakeshore Drive			\$2,500,180	\$33,753	\$4,531.07	\$161.66	\$4,692.73	\$17,424.94	\$20,853.41	\$3,428.47	19.68%		
14	6	0854100	Bruce D and Susan K	Tate	1800 West Lakeshore Drive	Whitefish	MT	59937	1800 West Lakeshore Drive	on sewer	Waiver from Tate - 1991; recorded	\$1,167,080	\$15,755	\$2,114.99	\$243.73	\$2,358.72	\$8,254.75	\$9,946.57	\$1,691.82	20.50%		
15	7	0190000	Bruce D and Susan K	Tate	1800 West Lakeshore Drive	Whitefish	MT	59937	1800 West Lakeshore Drive			\$276,210	\$3,729	\$500.59	\$397.86	\$898.45	\$1,916.83	\$2,691.51	\$774.68	40.41%		
16	8-9	0353530		Bickett of Ponte Vedra Beach LP	510 1st Street	St. Augustine	FL	32084	1700 West Lakeshore Drive	on sewer	Agreement with Bickett for annexation and sewer - 2006; recorded	\$1,822,460	\$24,603	\$3,302.75	\$320.79	\$3,623.54	\$12,773.73	\$15,415.41	\$2,641.68	20.68%		
17	10	0534951	Montana Holdings LLC	Mail to: Atlantic Trust Co.	1700 Lincoln Street, Suite 2550	Denver	CO	80203	1684 West Lakeshore Drive	on sewer	Waiver from Jacobson - 1990 recorded	\$1,485,500	\$20,055	\$2,692.23	\$166.66	\$2,858.89	\$10,421.53	\$12,470.80	\$2,049.27	19.66%		
18	11	0777520		The 1998 Feeny Family LLC	3000 Sand Hill Rd., Bldg. 3 100	Menlo Park	CA	94025	1672 - 1676 West Lakeshore Drive	on sewer	Waiver from Whitbeck - 1990; recorded	\$1,200,300	\$16,204	\$2,175.26	\$166.66	\$2,341.92	\$8,504.26	\$10,164.37	\$1,660.11	19.52%		
19	12-13	0093800	Helen M	Boyd	5604 Bridger CT, Apt. 14	Missoula	MT	59803	1664 West Lakeshore Drive			\$1,615,590	\$21,810	\$2,927.82	\$320.79	\$3,248.61	\$11,353.96	\$13,734.70	\$2,380.74	20.97%		
20	14	0982475	Heidi J	Schley	P.O. Box 244701985	Sioux Falls	SD	57186	1660 West Lakeshore Drive	on sewer		\$1,461,950	\$19,737	\$2,649.54	\$166.64	\$2,816.18	\$10,300.19	\$12,317.30	\$2,017.11	19.58%		
21	15	0865850		1990 Feeny Family Trust A	607 Mountain Home Rd.	Woodside	CA	94062	1656 West Lakeshore Drive	on sewer		\$1,487,700	\$20,084	\$2,696.12	\$166.64	\$2,862.76	\$10,476.58	\$12,528.75	\$2,052.17	19.59%		
22	16-17	0005060		Four Fish Developments LLC	75 Sunmount Court SE	Calgary, AB	Canada	T2X 2X9	1648 West Lakeshore Drive			\$2,268,500	\$30,625	\$4,111.16	\$314.49	\$4,425.65	\$15,834.88	\$19,100.09	\$3,265.21	20.62%		
23	18	0005065	Robert & Virginia	Erlanson	78 Canyon Close W	Lethbridge, AB	Canada	T1K 6W5	1644 West Lakeshore Drive	on sewer	Waiver from Rucinski - 1989; recorded	\$1,396,000	\$18,846	\$2,529.92	\$166.66	\$2,696.58	\$9,847.26	\$11,774.33	\$1,927.07	19.57%		
24	19	0008977	Carole M.	Beaulieu	P.O. Box 66	Whitefish	MT	59937	1620 West Lakeshore Drive			\$64,605	\$872	\$117.06	\$239.00	\$356.06	\$453.91	\$781.02	\$327.11	72.06%		
25	20	0008976	Carole M.	Beaulieu	P.O. Box 66	Whitefish	MT	59937	1618 West Lakeshore Drive			\$64,605	\$872	\$117.06	\$239.00	\$356.06	\$453.90	\$781.01	\$327.11	72.07%		
26	21	0321200	Carole M.	Beaulieu	P.O. Box 66	Whitefish	MT	59937	1622 West Lakeshore Drive			\$97,967	\$1,323	\$177.59	\$335.02	\$512.61	\$683.16	\$1,151.88	\$468.72	68.61%		
27	22	0857800	Carole M.	Beaulieu	P.O. Box 66	Whitefish	MT	59937	1624 West Lakeshore Drive			\$1,098,390	\$14,828	\$1,990.53	\$253.62	\$2,244.15	\$7,772.88	\$9,380.88	\$1,608.00	20.69%		
28	23-24	0321600	Greta M.	Hale	P.O. Box 4746	Whitefish	MT	59937	1616 West Lakeshore Drive	on sewer	Waiver from Hales - 1996; recorded	\$1,704,400	\$23,009	\$3,088.78	\$389.47	\$3,478.25	\$11,963.45	\$14,534.04	\$2,570.59	21.49%		
29	25-26	0672060	1536514 Alberta LTD	Mail to: Al Foder	P.O. Box 1777	Whitefish	MT	59937	1558 West Lakeshore Drive			\$108,900	\$1,470	\$197.34	\$320.79	\$518.13	\$768.51	\$1,237.86	\$469.35	61.07%		
30	27	0393951	1536514 Alberta LTD	Mail to: Al Foder	P.O. Box 1777	Whitefish	MT	59937	1558 West Lakeshore Drive			\$358,680	\$4,842	\$650.01	\$166.66	\$816.67	\$2,707.35	\$3,219.32	\$511.97	18.91%		
31	28 & 30 & 31	0393850	David R & Patti D	Whitehead	1550 West Lakeshore Drive	Whitefish	MT	59937	1550 West Lakeshore Drive			\$1,492,870	\$20,154	\$2,705.52	\$166.66	\$2,872.18	\$10,490.89	\$12,550.16	\$2,059.27	19.63%		
32	29	0308502		Bendheim Family Trust	2006 Shipway Lane	Newport Beach	CA	92660	none - vacant			\$58,950	\$796	\$106.85	\$166.66	\$273.51	\$425.90	\$672.99	\$247.09	58.02%		
33	32	0515465	James M.	Lucke	1518 West Lakeshore Drive	Whitefish	MT	59937	1518 West Lakeshore Drive			\$1,177,300	\$15,894	\$2,133.64	\$166.66	\$2,300.30	\$8,325.41	\$9,954.19	\$1,628.78	19.56%		
34	33-34	0222250	David Wayne & Catherine Anne	Swagar	303 Woodpark PL SW	Calgary, AB	Canada	T2W 2X9	1500 West Lakeshore Drive			\$1,273,800	\$17,196	\$2,308.42	\$166.66	\$2,475.08	\$9,008.52	\$10,768.86	\$1,760.34	19.54%		
35																						
36	36-37	0242250		Western MT Real Estate Fund LLC	1707 KM Ranch Road	Whitefish	MT	59937	1436 West Lakeshore Drive	on water and sewer	Petition to annex on file - never recorded at County	\$740,145	\$9,991	\$1,341.21	\$166.66	\$1,507.87	\$5,346.00	\$6,378.26	\$1,032.26	19.31%		
37																						
38	Totals											\$26,680,332	\$360,184	\$48,351.82	\$5,737.73	\$54,089.55	\$187,884.34	\$227,363.56	\$39,479.22			
39																						



April 19, 2016
Letter 2016-032

Letter sent to property owners

Dear

At a meeting on April 18, 2016, the Whitefish City Council approved initiating the proposed annexation of 26 properties on West Lakeshore Drive that are not currently in city limits. We are proposing to annex 26 “wholly surrounded” properties as shown on a map attached to the enclosed document. Your property with physical address of 1835 W. Lakeshore Drive and the Assessor Parcel Number of 0468650 is included in this proposed annexation.

I am enclosing a draft memo which describes how we will provide services to these 26 properties and the memo includes a map showing the 26 wholly surrounded properties. I am also enclosing the most recent tax bill for your property and a tax comparison sheet which calculates the effect annexation will have on the taxes and assessments.

In order to answer your questions and address your concerns about this proposed annexation, we are organizing a meeting of property owners, residents, and tenants. We have reserved the City Council Conference Room at the Interim City Hall at 1005 Baker Avenue at 7:00 p.m. on Thursday, May 26th for this meeting. If you cannot attend this meeting, please feel free to call me at 863-2406 with any questions or concerns you have. The public hearing on the proposed annexation is tentatively set for July 20, 2016 and a separate legal notice will be mailed to you for that meeting.

Sincerely,

A handwritten signature in blue ink that reads "Chuck Stearns".

Chuck Stearns
City Manager

cstearns@cityofwhitefish.org

enclosures

**CITY OF WHITEFISH
NOTICE OF PUBLIC HEARING**

On June 6, 2016, the Whitefish City Council passed Resolution No. 16-21, a Resolution indicating its intent to consider annexing certain wholly surrounded land into the City of Whitefish, Montana, describing the land to be so considered, providing for notice and publication as provided by law, providing for a date of hearing such proposed annexation, and approving the Report on Extension of Services. For a period of 20 days after the first publication of the notice on June 15, 2016, the City Clerk shall accept written comments approving or disapproving the proposed extensions of the boundaries of the City of Whitefish from registered voters, property owners, or anyone residing in the area proposed to be annexed.

The regular meeting of the Whitefish City Council will be held on Monday, July 18, 2016, at 7:10 p.m. in the Whitefish City Council Chambers, 1005 Baker Avenue, Whitefish, MT. During the meeting the City Council will hold a public hearing for the purpose of receiving public input regarding the proposed annexation of those certain tracts of land known as: 1436, 1500, 1518, 1550, 1558, 1616, 1618, 1620, 1622, 1624, 1644, 1648, 1656, 1660, 1664, 1672 - 1675, 1684, 1700, 1800, 1825, and 1835 West Lakeshore Drive, two vacant parcels without addresses (LAKE PARK ADD, BLOCK 001, 150 FT X 100 FT TR 5 IN BLK 1, and LAKE PARK ADD, BLOCK 005, LOT 012), and the full width of the County-owned portion of West Lakeshore Drive, including the rights-of-way.

Individuals may appear or submit written testimony at the hearing to comment on the proposed annexation and report on the extension of services plan to the area proposed to be annexed. The report on the extension of services and legal descriptions of those certain tracts of land are available in the office of the City Clerk as of June 7, 2016, which is at least 14 days prior to the date of the public hearing. Written comments may be delivered or mailed to the Whitefish City Clerk, 1005 Baker Avenue, PO Box 158, Whitefish, MT 59937, or emailed to mhowke@cityofwhitefish.org. Additional information regarding the proposed annexation may be obtained by contacting City Manager Chuck Stearns, 1005 Baker Avenue, PO Box 158, Whitefish; MT, 406-863-2406. Interested parties are invited to attend the hearing and make known their views and concerns.

For publication on June 15 and June 22, 2016, in the Legal Notices Section of the *Whitefish Pilot*.

LEGALS

No. 2331

CITY OF WHITEFISH NOTICE OF PUBLIC HEARING

On June 6, 2016, the Whitefish City Council passed Resolution No. 16-21, a Resolution indicating its intent to consider annexing certain wholly surrounded land into the City of Whitefish, Montana, describing the land to be so considered, providing for notice and publication as provided by law, providing for a date of hearing such proposed annexation, and approving the Report on Extension of Services. For a period of 20 days after the first publication of the notice on June 15, 2016, the City Clerk shall accept written comments approving or disapproving the proposed extensions of the boundaries of the City of Whitefish from registered voters, property owners, or anyone residing in the area proposed to be annexed.

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June 15, 22, 2016
MNAXLP

Legal Ad in Whitefish Pilot on June 15 and June 22



April 19, 2016
Letter #2016-033

The Honorable Pam Holmquist, Chair, Gary Krueger, and Phil Mitchell
Board of County Commissioners
Flathead County
800 South Main
Kalispell, MT 59901

Dear Chair Holmquist and Commissioners Krueger and Mitchell:

The City of Whitefish is continuing to initiate some annexations this month and in the future. The first such proposed annexation is to annex twenty-six (26) properties on West Lakeshore Drive in Whitefish using the "Wholly Surrounded" method of annexation in Montana State Law.

HB575 which passed at the 2011 Legislature and is now in effect and codified at §7-2-4731 and §7-2-4732 M.C.A. provided some additional procedures related to annexation. Specifically the law now states:

§7-2-4731 (2) Prior to making plans for the extension of services pursuant to subsection (1), the municipality shall provide notice of its decision to exercise its authority under this part to the county. If requested by the county, the municipality shall consult with the county governing body or its representatives to coordinate the orderly transfer of services.

and

§7-2-4732 (5) If a county, special district, or improvement district currently provides services to the area to be annexed, the plan must provide specific steps for the orderly transfer of those services, including police protection, fire protection, garbage collection, street and street maintenance services, and utility services. The plan for the transfer of services must be developed in consultation with the governing body of the county and with any other departments of the county, special districts, or improvement districts that have been providing services to the area proposed to be annexed."

Please consider this letter as the required notice in §7-2-4731 (2) M.C.A. above. A draft memo with the schedule for consideration of the annexation and a draft report on

extension of services is enclosed with this letter. I would like to ask that you review this information, pass it on to other appropriate County Departments, and let me know if you or any County Officials or Departments would like to consult with us on this annexation, the Plans and Report on Extension of Services”, and/or the orderly transfer of services. I will email Mike Pence this letter and the entire packet for easy distribution.

We look forward to working with Flathead County on an orderly transfer of services for this annexation and any future ones. Please contact me if you have any questions or to set up a meeting to consult on the annexation. Thank you for your assistance.

Sincerely,



Chuck Stearns

City Manager

cstearns@cityofwhitefish.org

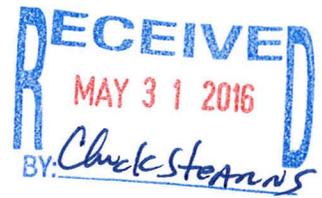
enclosure

cc: Mike Pence, County Administrator
Mayor Muhlfeld and City Council Members

Flathead County
Board of Commissioners

(406) 758-5503

Pamela J. Holmquist
Gary D. Krueger
Philip B. Mitchell



May 25, 2016

Mr. Chuck Stearns, City Manager
City of Whitefish
P. O. Box 158
Whitefish, MT 59937

RE: West Lakeshore Drive Annexation (Letter #2016-033)

Dear Mr. Stearns:

Thank you for your letter (#2016-033) of April 19, 2016, concerning the City of Whitefish's proposed annexation of properties on West Lakeshore Drive. After review of the list of properties, Flathead County confirmed that one of the listed properties is a Flathead County property dedicated and maintained as park property. As such, Flathead County objects to annexation of that property and does not believe that it can be annexed by the City of Whitefish because of the following statute:

7-2-4211 [M.C.A., 2015]. Inclusion of roads, rights-of-way, and parks in annexation. In all instances of annexation allowed under parts 42 through 47 of this chapter, the municipality shall include:

- (1) parks created pursuant to Title 76, chapter 3, except for county-owned parks, that are wholly surrounded by other property being or already annexed; and
- (2) the full width of any public streets or roads, including the rights-of-way, that are adjacent to the property being annexed.

This property is listed by you as Map Parcel 25, with assessor number E020156 and described as "Park on West Lakeshore Drive." A copy of the deed as recorded with the Flathead County Clerk and Recorder is enclosed.

As to the offer to consult regarding the transfer of services to the other properties, Flathead County declines to formally consult with the City of Whitefish at this time. However, please provide the

Chuck Stearns
City of Whitefish
May 25, 2016
Page Two

Board of County Commissioners and the relevant County departments with updates on the proposed annexation so that Flathead County can also plan accordingly.

Sincerely,
BOARD OF COMMISSIONERS
FLATHEAD COUNTY, MONTANA



Pamela J. Holmquist, Chairman



Philip B. Mitchell, Member



Gary D. Krueger, Member

c: Whitefish City Council
Flathead County Parks & Recreation



April 19, 2016
Letter #2016-034

The Honorable Bert May, Chair and WFSA Board
Whitefish Fire Service Area
P.O. Box 1311
Whitefish, MT 59937-1311

Dear Chairman May and WFSA Board Members:

The City of Whitefish is continuing to initiate some annexations this month and in the future. The first such proposed annexation is to annex twenty-six (26) properties on West Lakeshore Drive in Whitefish using the "Wholly Surrounded" method of annexation in Montana State Law.

HB575 which passed at the 2011 Legislature and is now in effect and codified at §7-2-4731 and §7-2-4732 M.C.A. provided some additional procedures related to annexation. Specifically the law now states:

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and

§7-2-4732 (5) If a county, special district, or improvement district currently provides services to the area to be annexed, the plan must provide specific steps for the orderly transfer of those services, including police protection, fire protection, garbage collection, street and street maintenance services, and utility services. The plan for the transfer of services must be developed in consultation with the governing body of the county and with any other departments of the county, special districts, or improvement districts that have been providing services to the area proposed to be annexed."

Please consider this letter as the required notice in §7-2-4731 (2) M.C.A. above. A draft memo with the schedule for consideration of the annexation and a draft report on extension of services is enclosed with this letter. I would like to ask that you review this

information and let me know if you would like to consult with us on this annexation or the Plans and Report on Extension of Services”.

Please contact me if you have any questions or to set up a meeting to consult on the annexation. Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink that reads "Chuck Stearns". The signature is fluid and cursive.

Chuck Stearns

City Manager

cstearns@cityofwhitefish.org

enclosure

cc: Mayor Muhlfeld and City Council Members



April 19, 2016
Letter #2016-035

Terrill Guidi, Chair and Flathead County Library Board
247 1st Ave E.
Kalispell, MT 59901

Dear Chair Guidi and FCLS Board Members:

The City of Whitefish is continuing to initiate some annexations this month and in the future. The first such proposed annexation is to annex twenty-six (26) properties on West Lakeshore Drive in Whitefish using the "Wholly Surrounded" method of annexation in Montana State Law.

HB575 which passed at the 2011 Legislature and is now in effect and codified at §7-2-4731 and §7-2-4732 M.C.A. provided some additional procedures related to annexation. Specifically the law now states:

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and

§7-2-4732 (5) If a county, special district, or improvement district currently provides services to the area to be annexed, the plan must provide specific steps for the orderly transfer of those services, including police protection, fire protection, garbage collection, street and street maintenance services, and utility services. The plan for the transfer of services must be developed in consultation with the governing body of the county and with any other departments of the county, special districts, or improvement districts that have been providing services to the area proposed to be annexed."

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information and let me know if you would like to consult with us on this annexation or the Plans and Report on Extension of Services”.

Please contact me if you have any questions or to set up a meeting to consult on the annexation. Thank you for your assistance.

Sincerely,



Chuck Stearns

City Manager

cstearns@cityofwhitefish.org

enclosure

cc: Mayor Muhlfeld and City Council Members

THEODORE M. ROSENDAHL

6/1/16

I respectfully suggest the city council only annex properties that are using the existing waste water system and defer annexing additional properties until the waste water system is upgraded and fully operational.

This would be fair and responsible for all concerned.

Sincerely
Phil

received
6/13/16 CS

THE TALE OF TRACT 4

IN BLOCK 1 OF LAKE PARK ADDITION
(also listed as #7 in Exhibit A by Chuck Stearns)

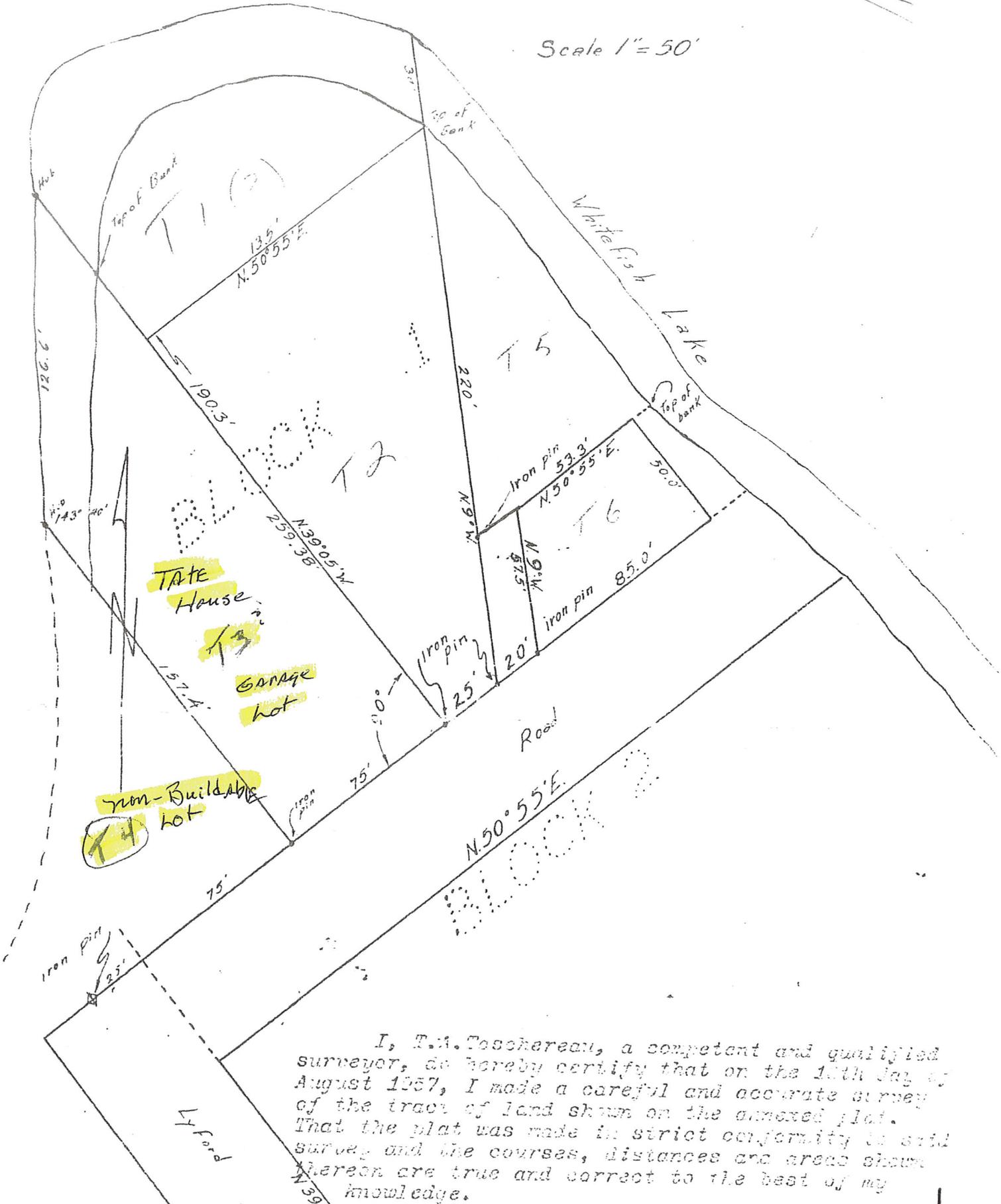
by

Bruce and Susan Tate
1800 West Lakeshore Drive
Whitefish, MT 59937
phone 862-4888

PLAT SHOWING SURVEY IN BLOCK 1, LAKE PARK ADDITION, WHITEFISH, MONTANA

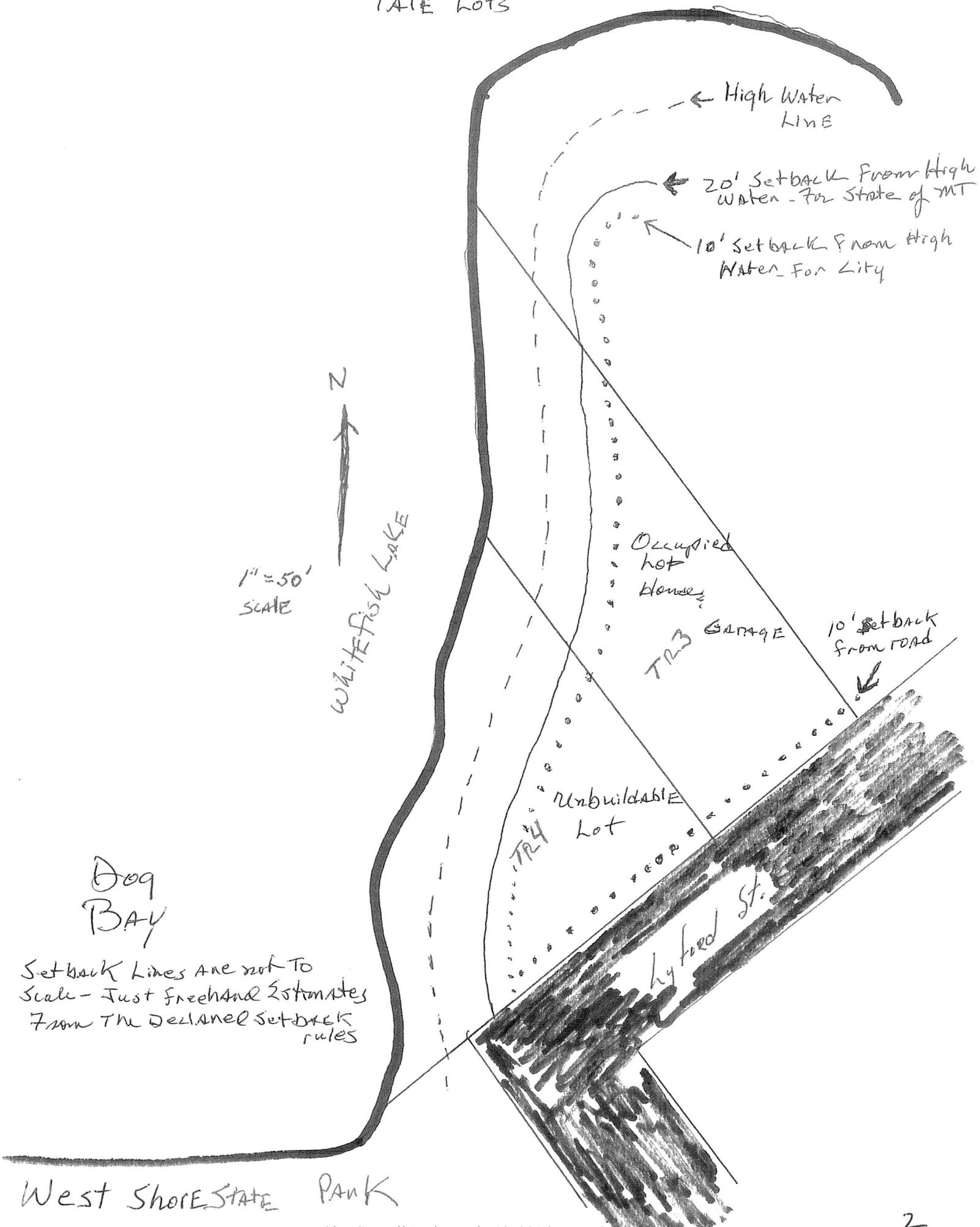
TATE

Scale 1" = 50'



I, T.A. Foschereau, a competent and qualified surveyor, do hereby certify that on the 10th day of August 1957, I made a careful and accurate survey of the tract of land shown on the annexed plat. That the plat was made in strict conformity to said survey and the courses, distances and areas shown thereon are true and correct to the best of my knowledge.

TATE Lots



1" = 50'
SCALE



WHITEFISH LAKE

← High Water Line

← 20' Setback From High Water - For State of MT

← 10' Setback From High Water - For City

Occupied lot
House

TR3 GARAGE

10' Setback from ROAD

TR4 Unbuildable lot

Hyford St.

Dog Bay

Setback Lines are not to scale - Just freehand estimates from the DeLaney setback rules

West Shore STATE PARK

(2-11) 107
109

#12

STEVEN S. CAREY
GARY B. CHUMRAU
LAWRENCE F. DALY
CRAIG DAUE
CANDACE C. FETSCHER
J.C. GARLINGTON
GEORGE D. GOODRICH
GARY L. GRAHAM
GREGORY L. HANSON
LARRY W. JONES
WILLIAM EVAN JONES

GARLINGTON, LOHN & ROBINSON
ATTORNEYS AT LAW

199 W. PINE • CORNER OF PINE AND RYMAN
P.O. BOX 7909 • MISSOULA, MONTANA 59807-7909
AREA CODE 406-728-1200

November 6, 1986

SHERMAN V. LOHN
BRADLEY J. LUCK
JOHN R. McINNIS
CHARLES E. McNEIL
PAUL C. MEISMER
LARRY E. RILEY
R.H. "TY" ROBINSON
SUSAN P. ROY
ROBERT E. SHERIDAN
W. DENNIS STARKEL
WILLIAM T. WAGNER

State of Montana
Department of Revenue
Property Assessment Division
Flathead County, MT
Kalispell, MT 59901

RE: Bruce D. and Susan K. Tate

Gentlemen:

The undersigned has been requested to provide information relative to the August 1, 1985 sale of certain property in Lake Park Addition.

This is to certify that Bruce D. and Susan K. Tate did purchase from the undersigned certain real property in Lake Park Addition, Flathead County, Montana, consisting of Lots TR 4 IN 1; Block SN 26, Township 31, Range 22. The date of payment was August 1, 1985. The amount of payment was \$13,800.00.

The undersigned did receive a check from Bruce D. and Susan K. Tate on that date for \$23,800.00. The additional \$10,000.00 was for separate and distinct real property.

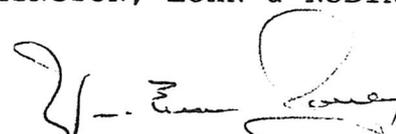
The reason the real property was sold for \$13,800.00 was that it is not large enough to accommodate an individual building site and as such the only possible purchasers were either the State of Montana through its State Parks Division on the south or the Tate family on the north. I did correspond considerably with the State Parks Division but could not effectuate a sale. As such, the property was sold to the Tate family.

We trust this is the information which is in question.

Very truly yours,

GARLINGTON, LOHN & ROBINSON

By


William Evan Jones

WEJ:dg

Tate- Tract 4 Influence Factors

Valuation of any property is dependent on several factors. The following 5 factors are a summary of factors that have direct bearing on the valuation of TR4 in the Lake Park addition, SN26, Township 31, Range 4. This list numbered 1 – 5, as provided by the State of Montana, and were finally added to our recent 2015 land valuation appraisal record.

1. **Irregular lot-** “a lot that is irregular in shape”. TR4 is a triangular shaped lot that tapers to a point at the south end, touching the state park land. The northern side lot line approaches the lake at a 55 degree angle, as opposed to the typical side lot lines at a perpendicular 90 degree angle on most lots. The angled side lot lines are a huge problem for full lot utilization when planning a structure. The lot slopes down from east to west, and from north to south on the waterfront side. The south west end of the lot is a marsh.
2. **Size or shape-** “indicates a comparative value loss...attributable to the shape or size of the lot in relation to its utility”. TR4 is a long skinny lot. Setbacks on this lot include 20' for the State, and an additional 10' for the city of Whitefish, from the mean high water line. There is also a 10' setback from the road (originally a county road, and now maintained by the city). By subtracting a total of 40' of setbacks from the total length of the lot, it leaves just an average usable depth of less than 20'.
3. **Non-buildable lot** - “A lot which is impractical or impossible to build.” The nature of this lot, and a waiver for the placement of a garage on TR3 near the property line made it advisable (per Flathead County officials) to restrict any development on TR4. The owners agreed to this declaration (drawn up by the county attorney's office) in Sept.1985. (See the attached #4) 5
4. **Excessive Frontage** - “excessive frontage in comparison to utility”. Considering the states revised lakefront dimension of 198' of waterfront, and a 46' lot depth, TR4 has little value in utility. The lot is on the shallow south end of Dog Bay, and shares common waterfront with State Park. The state puts out swimming buoys to ward off watercraft and contain young swimmers. The buoys cover about 60% of the TR4 waterfront footage in July and August. From shore one has to walk out over 100 feet to find water depth of almost 2'. It is not suitable for swimming, dock placement, or landing anything other than a small boat. (Attached A,B&C)
5. **Economic-** “comparative value loss due to physical economic detriments influencing the site.” As evident in the photos, most of the TR4 shoreline is a marsh, a wetland in todays terms. It is shallow, and has water weeds on the bottom, as well as wild grasses and weeds on the clay/muddy shoreline and is very undesirable for swimming or fishing. The ducks and frogs “own” this part of the bay. It is swamp-like in the heat of the summer.

Summary: The Tates purchased TR4 as a logical green space between their home and the busy public state park. Due to the factors listed above, they had no intention to ever develop the lot...hence the signing of the Declaration of Covenants, Conditions and Restrictions. (attached #4) 5
Due to the unusual nature of this agreement, and the benefit to the state park and to the neighborhood, we request that only this lot- TR4, be excluded from the west lakeshore annexation to Whitefish. Since it will never be developed or inhabited, there will be no demand for city services to be used on TR4. This also would be consistent with the decision to leave the West shore State Park (adjacent to TR4) in the county. Your consideration on this request is gratefully appreciated on this odd irregular lot and our difficult set of circumstances.
Thank you, Bruce and Susan Tate



0854100
0190000

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, Made this 30th day of September, 1985,
by BRUCE D. TATE and SUSAN K. TATE, husband and wife, of White-
fish, Montana, hereinafter referred to as "Declarants";

W I T N E S S E T H:

WHEREAS, the Declarants are the owners of certain
real estate known as Tracts 3 and 4, Block 1, Lake Park Addition
to to Whitefish, Montana, located in Section 26, Township 31
North, Range 21 West of the Principal Meridian, Flathead County,
Montana; and

WHEREAS, the Declarants desire to place a certain
covenant, condition and restriction upon said real estate for
the use and benefit of themselves, as present owners, and for
the future owners, thereof;

NOW, THEREFORE, Declarants hereby declare that all of
the property, hereinabove described, shall be held, sold, and
conveyed subject to the following covenant, condition and re-
striction, all of which are for the purpose of enhancing and
protecting the value, desirability and attractiveness of the
real property. This covenant, condition and restriction shall
run with the real property and shall be binding on all parties
having or acquiring any right, title, or interest in the described
property, or any part thereof, and shall inure to the benefit
of each owner thereof.

5

ARTICLE I

The above-described real property, known as Tracts 3 and 4, Block 1, Lake Park Addition to the City of Whitefish, are hereby aggregated for purposes of one single-family residence. It is the purpose of this aggregation to establish that only one single-family residence shall ever be constructed, used, or maintained on said real property, hereinabove described.

ARTICLE II

The provisions of this covenant, condition and restriction shall be binding for a term of fifty (50) years from the date of this covenant, condition and restriction, after which time, this covenant, condition and restriction shall be automatically extended for successive periods of fifty (50) years each, unless modified by Order of Court.

ARTICLE III

This covenant, condition and restriction may not be amended by any owner of a portion or all of the subject real estate, hereinabove described. Said covenant, condition and restriction can only be amended or modified by Order of Court.

IN WITNESS WHEREOF, the Declarants have executed this instrument this 30th day of September, 1985.

Bruce D. Tate
BRUCE D. TATE

Susan K. Tate
SUSAN K. TATE

85295 10220

STATE OF MONTANA)
: ss.
County of Flathead)

On this 30th day of September, 1985, before me, the undersigned, a Notary Public for the State of Montana, personally appeared BRUCE D. TATE and SUSAN K. TATE, known to me to be persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.



IN WITNESS WHEREOF, I have hereunto set my hand and my Notarial Seal the day and year first above written.

Betty L. Day
NOTARY PUBLIC FOR THE STATE OF MONTANA
Residing at Whitefish, MT
My Commission Expires: 4/27/88

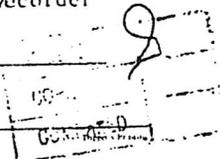
STATE OF MONTANA, }
County of Flathead } ss
Recorded at the request of Bruce Tate
this 27th day of Oct 19 85 at 10:22 o'clock AM and recorded in
the records of Flathead County, State of Montana.
Fee \$ 15.00 Pd.

85295 10220

Susan H. Haverfield
Flathead County Clerk and Recorder

RECEPTION NO. _____
RETURN TO Bruce Tate
P.O. Box 1501
Whitefish, MT. 59937

J. L. Stratton
Deputy





S. End of TR4 - Fall
(Marsh)



TR 4 "Waterfront" (August)
(Taken from State Park
Beach)

↑
FENCE

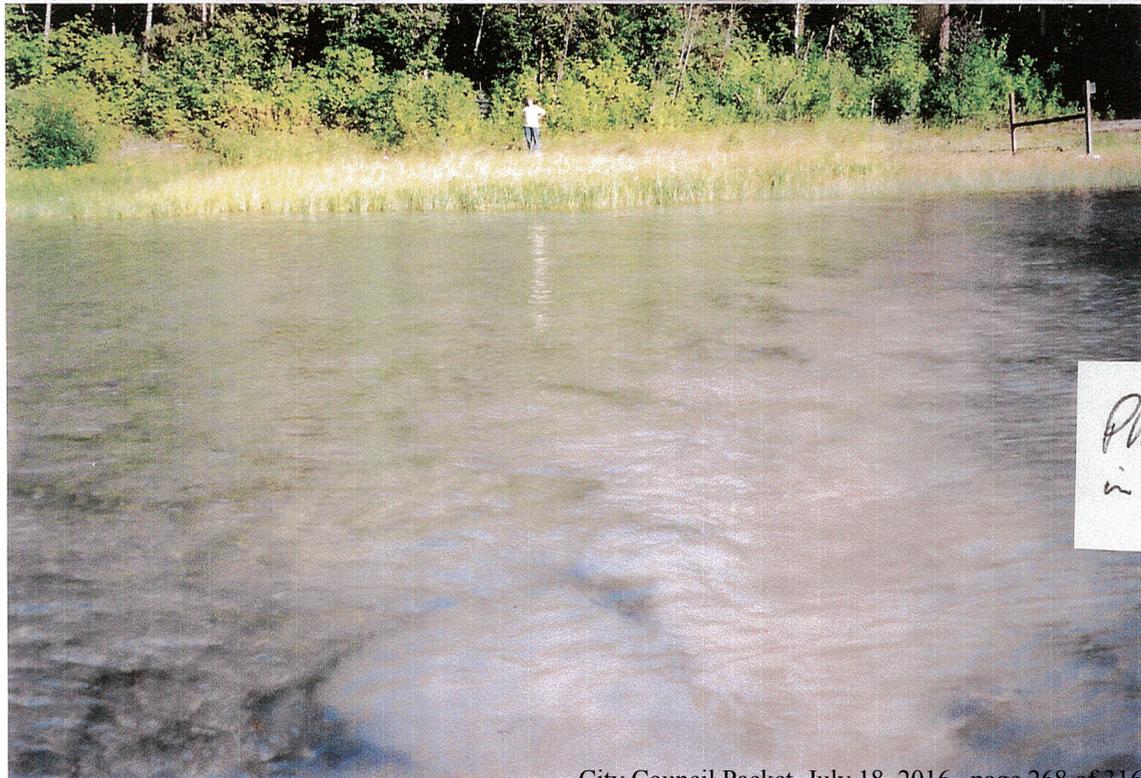
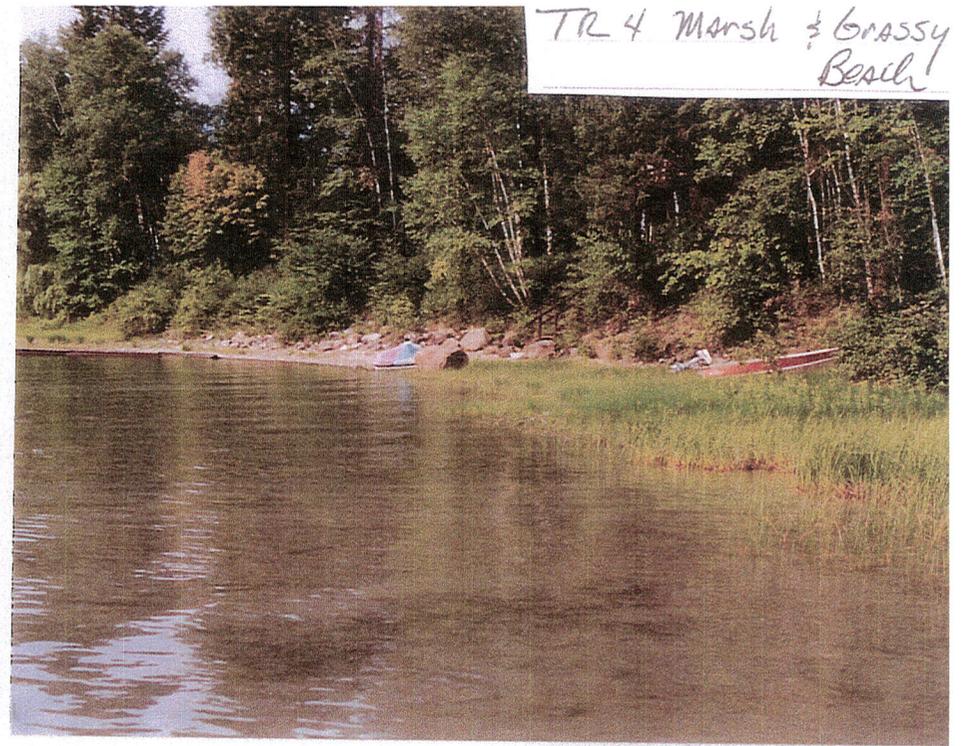


Photo Taken 125' from shore
in water 20" Deep - Note
Muddy Bottom -

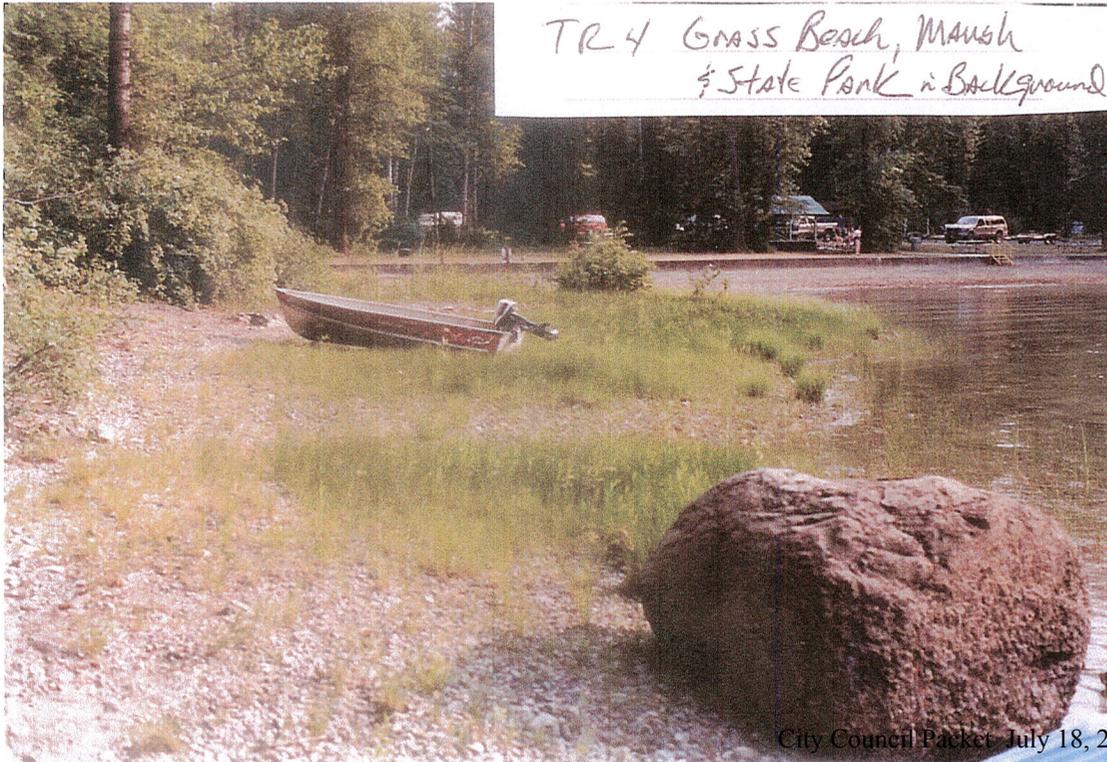
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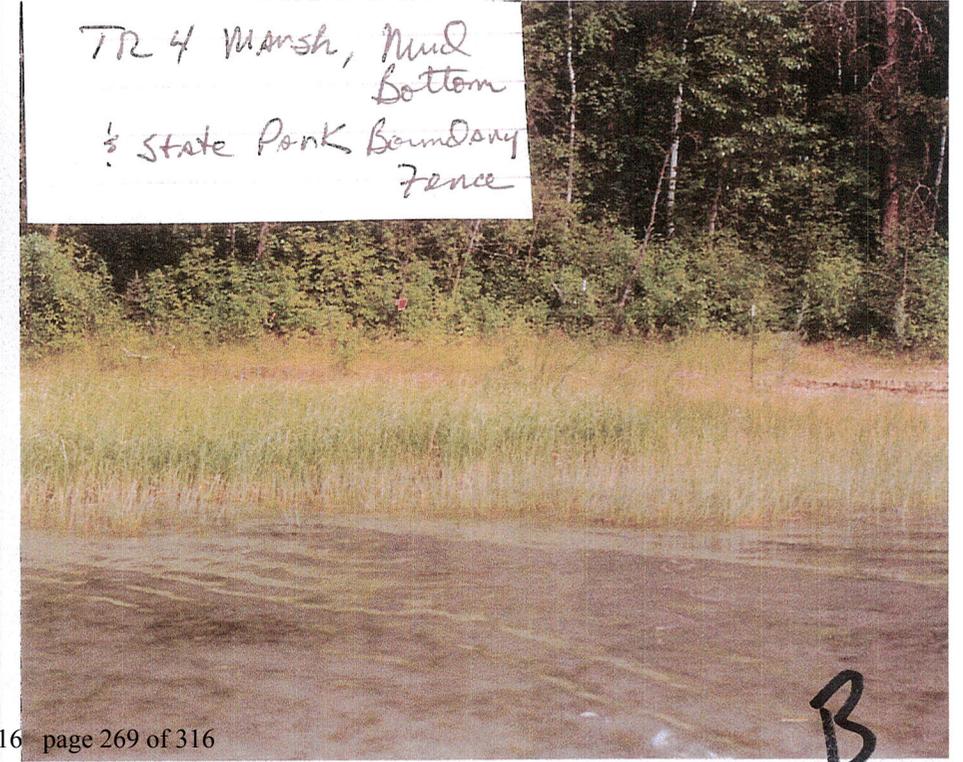
TR 4 Marsh, + Mud Bottom



TR 4 Marsh & Grassy Beach

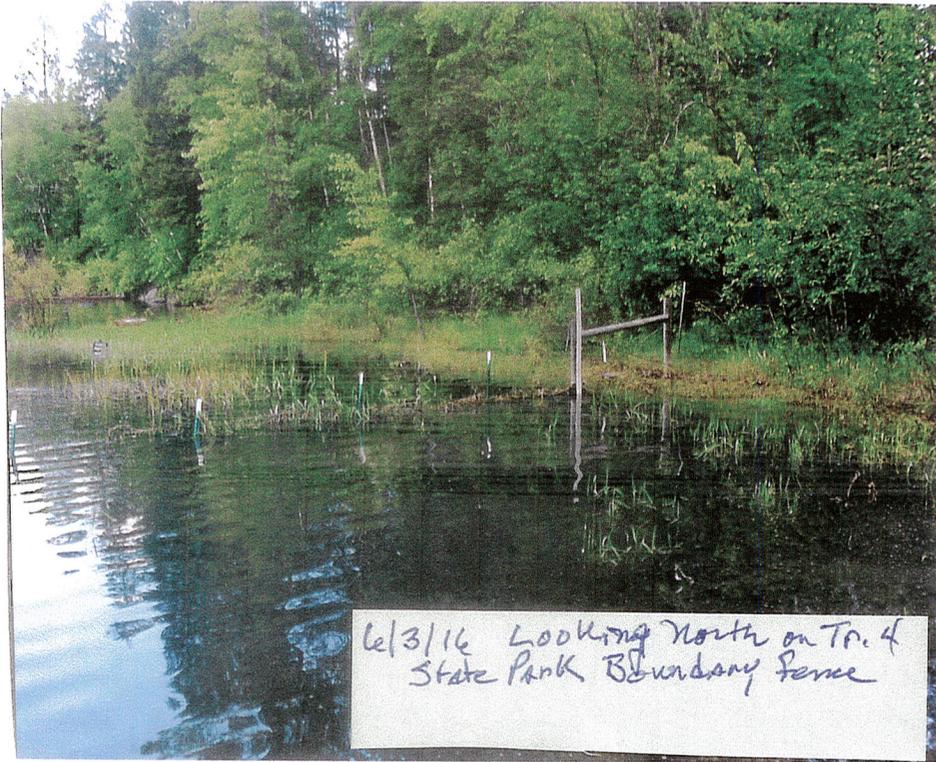


TR 4 Grass Beach, Marsh & State Park in Background



TR 4 Marsh, Mud Bottom & State Park Boundary Fence

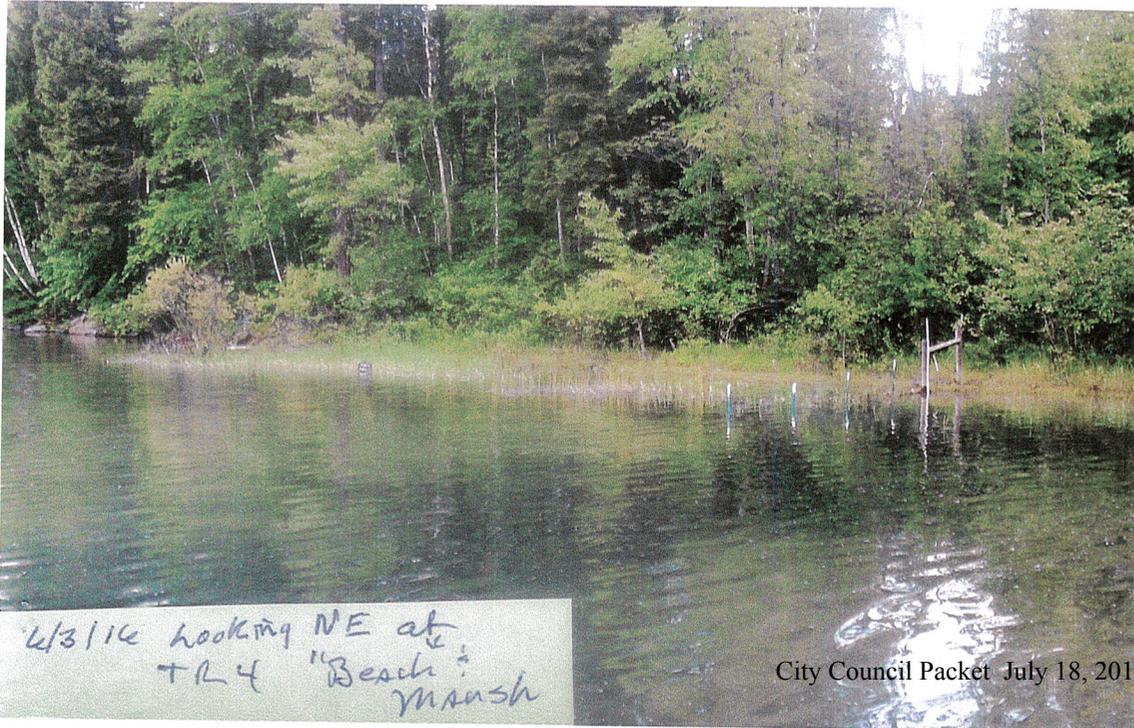
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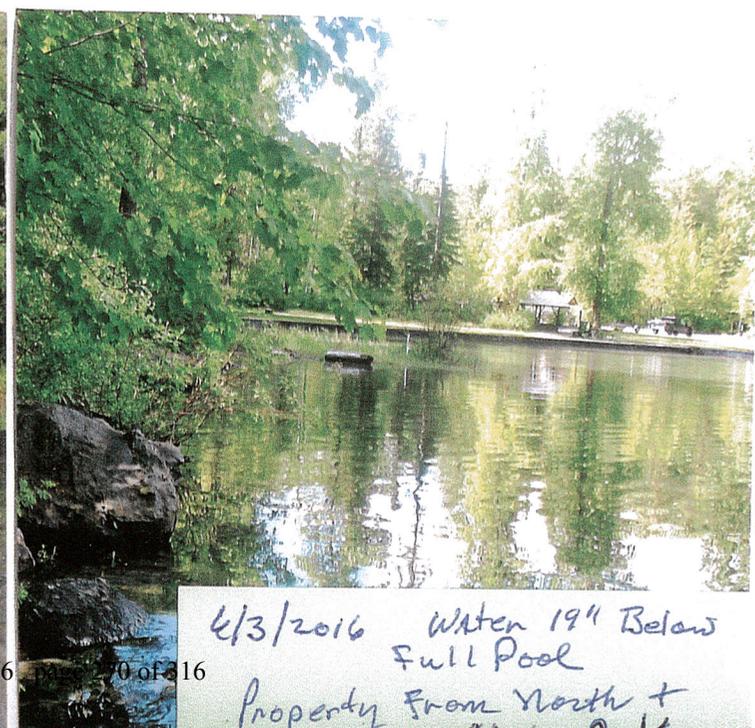
6/3/16 Looking North on Tr. 4
State Park Boundary fence



Note Irregular Shore -
"Water line" looking North



6/3/16 looking NE at
Tr 4 "Beach"
marsh



6/3/2016 Water 19" Below
Full Pool
Property From North +
State Park

C

	Annexation Costs for West Lakeshore Annexation				
	Prepared:			7/11/2016	
				FY16 Budget	
				Total Hourly Cost	
	Hours			Wages &	Total
	through 7/11/16			Benefits	Cost
Chuck	41.25			\$76.45	\$3,153.56
Dave T	3.00			\$61.15	\$183.45
Dana	3.00			\$45.19	\$135.57
Craig	2.00			\$61.11	\$122.22
Angie	2.00			\$75.33	\$150.66
Keni	13.00			\$34.23	\$444.99
Michelle (old position)	2.00			\$28.17	\$56.34
Wendy	0.50			\$46.61	\$23.31
Bailey	0.50			\$41.18	\$20.59
Joe P	1.00			\$49.25	\$49.25
Sub-total personnel					\$4,339.94
Other costs	Units			Cost per unit	Total Cost
Postage					\$52.40
Legal ad publication					\$220.00
Copying	415			\$0.100	\$41.50
Envelopes	83			\$0.234	\$19.42
Recording					
Sub-total other costs					\$333.32
Total Costs					\$4,673.26

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July 13, 2016

Mayor Muhlfeld and City Councilors
City of Whitefish
Whitefish, Montana

MB

Mayor Muhlfeld and Councilors

**Recommendation to Approve Phase II Contract Amendment #1 of an
Engineering Consultant Contract for the
Riverside Tennis Courts Project**

Introduction/History

On May 2, 2016 City Council approved Phase I of a contract with TD&H for services to include topographical surveying of the Riverside tennis courts and City Beach parking lot proposed project areas. Now that this phase is complete, TD&H has provided a scope of services for the professional engineering & landscape final design services, bidding, construction management and inspection services for the Riverside Park Tennis Courts Reconstruction Project. Phase II of this proposed contract is for an amount not to exceed \$26,230. Contract amendments for the City Beach parking lot final design and construction services will be provide at a future date.

Current Report

Resort Tax Funds have been committed to the Riverside Park Tennis Courts Reconstruction Project. The project will consist of demolition and reconstruction of the existing tennis courts, geotechnical engineering, grading and drainage design, and construction of new tennis courts at the same location. Construction of the Riverside Tennis Courts are anticipated to be completed by November of 2016.

Financial Requirement

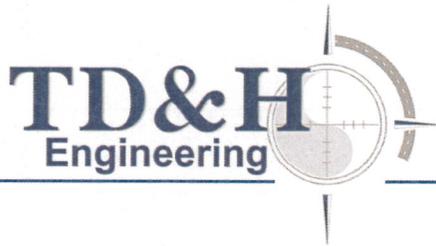
The Parks and Recreation Department and TD&H have negotiated a contract for the services described above in an amount not to exceed \$26,230. This amount will be paid out of the Resort Tax. Currently, \$120,000 has been set aside for the Riverside Park Tennis Courts Reconstruction Project this fiscal year.

Recommendation

Staff respectfully recommends the City Council authorize the execution of Phase II Contract Amendment #1 of a consultant contract with TD&H, in an amount not to exceed \$26,230, for professional engineering & landscape final design services, bidding, construction management and inspection services for the Riverside Park Tennis Courts Reconstruction Project.

Sincerely,
Maria Butts

Director of Parks, Recreation and Community Services



**RIVERSIDE PARK TENNIS COURTS
SCOPE OF SERVICES – PHASE II CONTRACT AMENDMENT #1
EXHIBIT ‘A’**

General

This Scope of Services is to provide the City of Whitefish with professional engineering & landscape final design services, bidding, construction management and inspection services for the Riverside Park Tennis Courts reconstruction project. In general, the project will consist of demolition and reconstruction of the existing tennis courts, geotechnical engineering, grading and drainage design, and construction of new tennis courts at the same location. Bruce Boody Landscape Architect, Inc. (BBLA) will be a Subconsultant to TD&H Engineering (TD&H) for this project and their fees have been included where applicable.

PHASE I (Topographic Survey) - COMPLETE

PHASE II – FINAL DESIGN

Geotechnical Investigation

The proposed geotechnical investigation is to be performed using hand augered borings within the limits of the existing surfacing. A diamond tipped core drill will be used to bore through the existing asphalt surfacing to facilitate augering. At this time we anticipate augering approximately six borings within the existing tennis courts to evaluate subsurface conditions. Each boring will extend to sufficient depth to reach the native subgrade and maximum depths on the order of five feet are anticipated. After the completion of drilling, all borings will be backfilled and the asphalt surfacing will be patched. Our field work does not specifically address determining the presence or absence of subsurface soil and ground water contamination. However, if contamination is encountered or suspected during our fieldwork, we will notify you at once.

Soil samples obtained from the borings will be analyzed in our accredited construction materials testing laboratory to determine the appropriate physical and engineering properties. The proposed laboratory program includes visual classifications, moisture contents, sieve analyses, and Atterberg Limits testing. A laboratory proctor is also planned to evaluate the suitability of the subgrade for compaction and determine the extent of moisture conditioning which may be required. The actual laboratory testing which is performed may be adjusted following the field investigation based on the subsurface conditions encountered. We do not anticipate the need for any additional field work or laboratory testing beyond that which is included in our fee; however, if site conditions appear to

warrant additional work, we will inform the City of our findings and await direction before modifying this scope of work.

The results of our field and laboratory studies and engineering analyses will be summarized in an internal geotechnical design memorandum (copy to be provided to the City) for use by the design team in assembling the final design documents. At this time, we anticipate being able to complete the field portion of the investigation within two weeks of receiving notice to proceed. Following the completion of the field investigation, laboratory analyses of this magnitude, can be completed in approximately one week. Engineering analysis and preparation of the design memorandum will require approximately one week following the receipt of laboratory data.

Landscape Design

Bruce Boody Landscape Architect (BBLA) will provide a revised grading/drainage plan for the new tennis courts which will be detailed for construction on the engineering plan sheets. In addition to a grading and drainage concept, BBLA will provide planting/restoration plans and specifications for the areas around the tennis court. BBLA will also provide the necessary documents to be included in the bid documents and an estimate of cost for the proposed landscape design elements.

Construction Documents

TD&H will provide final design plans, specifications, and contract documents for the proposed tennis courts and associated improvements. The construction documents and design will be based upon the approved preliminary design concept/court section. Final design will include finish grade contours, pavement/slab sections, fencing details, court surfacing, and striping layout as well as landscape planting plans and details provided by BBLA. Specifications provided will be based on Montana Public Works Standard Specifications (MPWSS) latest edition and City of Whitefish Standards. The plan sheets will be drawn at a scale of 1"=40' on 11 x 17 size plan sheets (1"=20' full size). The following plan sheets are anticipated:

- Cover Sheet / General Notes 1 Sheet
- Demolition & Erosion Control Plan / Details 1 Sheet
- Site Plan / Striping Layout 1 Sheet
- Construction Details 2 Sheets

Total = 5 Sheets

QA/QC - An internal review by TD&H Engineering and BBLA will be completed for the entire set of construction plans, specifications and bid documents. A Senior Engineer, other than the TD&H Project Manager, will be assigned to conduct the review.

Final Review/Approval – The final plans, specifications, and documents will be submitted to the City of Whitefish for final review and approval. Once all comments have been received, final revisions will be made to the submittal documents accordingly for final approval. Any additional comments not discussed prior to final approval that require significant changes to the documents or re-submittal, are not included.

Bidding Assistance

TD&H will provide the necessary copies of a complete project manual which will include all necessary bid documents as approved by the City for soliciting bids from Contractors. Competitive sealed bidding will be used for construction and procurement activities as required for municipal projects in excess of \$80,000. TD&H will provide the following services as part of the bidding process:

- Assist the City in advertising for and obtaining bids or proposals for the Work;
- Maintain a record of prospective bidders to whom Bidding Documents have been issued;
- Attend Pre-Bid conference and receive and process Contractor deposits or charges for the Bidding Documents;
- Issue Addenda as appropriate to clarify, correct, or change the Bidding Documents;
- Provide information or assistance needed by the City in the course of any negotiations with prospective Contractors;
- Consult with the City as to the acceptability of subcontractors, suppliers, and other individuals and entities proposed by prospective contractors for those portions of the Work as to which such acceptability is required by the Bidding Documents;
- Determine the acceptability of substitute materials and equipment proposed when substitution is necessary because the specified item is incompatible with the Project or fails to comply with applicable codes;
- Attend the Bid opening, prepare Bid tabulation sheets, and assist the City in evaluating Bids or proposals;
- Issue a written Recommendation of Award letter to the City of Whitefish Parks and Recreation Department for concurrence;
- Issue a written Notice of Award to the selected Contractor;
- Prepare Executed Documents for the Work and issue Notice to Proceed.

Bids will be accepted (logged accordingly upon receipt) for the time specified in the bidding documents and opened publicly. As outlined above, following the opening TD&H will prepare a bid tab or comparison sheet for the City to review the apparent low bid. TD&H will then prepare and distribute the Notice of Award to the selected bidder.

The Bidding Phase will be considered complete when the Engineer delivers the written Notice to Proceed to the selected Contractor. All work beyond the Notice to Proceed will be considered a part of the Construction Phase of the project.

PHASE III – CONSTRUCTION

General

The Construction Management phase of the project will include construction contract administration, construction inspection and all other City documentation requirements. A thirty (30) calendar day construction Contract Time has been used as the basis to prepare this scope of services and fee estimate.

Construction Contract Administration

The TD&H project manager will monitor the project throughout construction. The project manager will consult with and advise the City and act as the City's representative on the project; review Contract Documents and prepare executed Contract Documents; conduct the Preconstruction Conference; make periodic visits to the site to observe construction progress and quality; review shop drawings, samples and other data for compliance with the specifications and Contract conditions; prepare and submit to the City construction change orders when the plans and/or specifications are revised; review Contractor's request for payment; prepare and approve pay estimates; conduct Final Inspection at the completion of the project; and prepare and sign the Certification of Completion when appropriate. The project manager will spend approximately six (3) hours per week in general contract administration, construction management, bi-weekly progress meetings and site visits to observe progress.

Construction Inspection

The TD&H inspector will be responsible for construction quality control in accordance with the inspection and testing requirements contained in the Contract Documents. Based on previous City of Whitefish projects and inspection services completed for similar projects, full time inspection is not a requirement; therefore we are including a cost estimate based on half time (4 hours per day) inspection services. This proposal can be modified accordingly if during construction it is determined that more or less than half time inspection will be required.

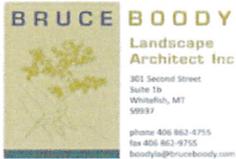
TD&H will provide daily construction observation during times of active construction by the contractor. These observations will be to document the contractor's compliance to the project specifications and drawings, and make daily/weekly reports to the project engineer concerning these activities. The inspector will not direct any work by the contractor. Additionally, the inspector will be responsible for the following services:

- Confirm supplies and materials delivered to the site by suppliers conform to project shop drawings and specifications.
- Witness the construction of all improvements as the Engineer's quality assurance representative.
- Test back-fill for density by nuclear methods as specified in the contract documents.
- Witness and document testing per the contract specifications.

- Maintain daily and weekly reports, photo files of work progress, and materials quantity sheets which will be submitted to the Engineer electronically.

Final Inspection / As- Built Preparation

TD&H will conduct a Final Inspection with the City and the Contractor to ensure that the work is complete and conforms to the plans and specifications. If applicable, a punch item list of outstanding items will be prepared for the Contractor and City of Whitefish. Upon successful completion of the project, TD&H will develop as-built drawings based on the Contractor's field drawings and prepare and sign the Certificate of Completion.



Scope & Fee Estimate for Landscape Architectural Services

Project #: 16-11.01

Project Name: Whitefish City Parks: Riverside Park Tennis Courts

Date: July 11, 2016

Phase	Scope of Work	Principal	L.A.	Technician	Draft	Admin.
1	Initial Site Investigation/ Conceptual Programming					
	Initial Client Contact	1				
	Programming/ Research/ Proposal Prep.					
	Site Measurement/ Recon./ Photography	1				
	Coordination with other Consultants			1		
	Site Plan/ Base Sheet Preparation				2	
	Sub Total Hours	2	0	1	2	0
2	Schematic Design - Completed by TDH Engineering					
	Schematic Design					
	Cost Estimate					
	Presentation to Client					
	Sub Total Hours	0		0		
3	Preliminary Design/ Design Development					
	Identify site, etc. Scope options *	5		3		
	Court Section - pave options	3				
	Presentation to Client					
	Revisions of Prelim.					
	Sub Total Hours	8		3		
4	Final Working Drawings					
	Title Sheet (TDH)					
	Grading / Drainage Plan	5		6		
	Irrigation Plan (By WF Parks & Rec)					
	Planting Plan	1		3		
	Construction Plan	1		2		
	Construction Details	1		2		
	Irrigation and Planting Details (Irrigation by WF Parks & Rec)	2		2		
	Project Specifications	1		3		
	Cost Estimate	1		2		
	Plan Checking and Internal Review	2		1		
	Plan Check Revisions	1		2		
	Agency Submittal	1		2		
	Revisions Per Agency Review	2		3		
	Final Submittal	1		2		
	Sub Total Hours	19		30		
5	Bid					
	Project Bidding/ Pre Bid Walk etc.	1		1		
	Bid Review	1		3		
	Sub Total Hours	2		4		
	Subtotal Estimated Fees per Billing Rate					
	Principal Landscape Architect @ \$110.00 Per Hour	3410.0				
	Landscape Architect @ \$90.00 Per Hour		0.0			
	Technician @ \$70.00 Per Hour			2660.0		
	Drafting @ \$55.00 Per Hour				110.0	
	Administrative @ \$30.00 Per Hour					
	Total Estimated Fees (all categories)	\$6,180.00				

* Options: The tree removal vs deep root weed barrier

Asphalt & Curb
5th St. Storm Sewer
Access walks
New lawn & landscape area

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MANAGER REPORT

July 13, 2016



RESORT TAX COLLECTIONS

On an equivalent basis of the 2% Resort Tax this year compared to last year, Resort Tax collections in May were down by 4.8% or \$8,764. For the year-to-date, the comparative 2% Resort Tax is up 0.93% or \$18,556.

Overall, with the additional 1% Resort Tax that voters approved, the 3% Resort Tax was up by 42.79% or \$78,074 for May compared to the 2% Resort Tax in May, 2015. There are comparative figures and charts attached to this report in the packet.

UPDATE ON CABLE TELEVISION FRANCHISE AGREEMENT NEGOTIATIONS WITH BRESNAN/CHARTER

Deputy City Attorney Kristi Curtis and I have resumed negotiating a new cable television franchise agreement with Charter Communications in recent months. After Charter's acquisition of Time-Warner Communications, we were contacted by yet another new representative from Charter. The current negotiator is the third representative that I have worked with from Charter since 2012. However, the current negotiator is good and we are making progress (he is a former Deputy City Attorney for Cheyenne, WY, so he has seen the negotiations from both sides).

They are responding to our latest series of questions and redlines in the draft franchise agreement. As decided by the City Council in 2012, we are pursuing our own local access channel, but we will have some questions and clarifications that we want from the City Council in the near future. Once we get Charter's responses to our latest questions, we should be able to review a nearly final draft with the Mayor and City Council. We are also negotiating for some new cable broadcasting equipment for the new City Hall and possibly for the School District video studio.

NEW EMPLOYEES

Daniel DeCoite will start on July 18th as a new Police Officer. Daniel is a one-time University of Montana Grizzly football player and has a military background. Neil DeZort is back at work as Utility Operations Supervisor as of July 11th – Neil replaced Greg Acton and Neil was here for one week in June to provide an overlap of one week that he spent with Greg.

JUNE HYDRO-ELECTRIC GENERATION REPORT

We like to give the Mayor and City Council occasional updates on the status of the hydro-electric generator of the water supply system on Haskill Creek. The latest hydro-electric report is from Flathead Electric (FEC) is attached to this report in the packet. As of June, 2016 (3 and $\frac{3}{4}$ years of operation), we have repaid 58% or \$230,082 of the original \$400,000 loan (pre-purchase agreement) with FEC. We should be able to repay the loan in just a few more years and ahead of schedule.

WEST 7TH STREET CONSTRUCTION PROJECT UPDATE – RESORT TAX PROJECT

The following information is from the consulting engineer's latest report (two weeks ago). The project is 36% complete.

2. Work Completed or in Progress this period

LHC Inc.: The W 7th 12" water main was installed from Scott Avenue to the tie in point just east of Geddes. The new water main was tied to existing mains in the North Lupfer, South Lupfer, and O'Brien Street intersections. W 7th, west of Karrow, was prepped and paved, including approaches. Lupfer Avenue, from West 7th to West 6th, was sub-excavated with stabilization fabric, 3" minus, and $\frac{3}{4}$ " crush base course being placed for new roadway construction (WDC#8).

Glacier Traffic Control: Traffic Control was set up, but not per plan with various street closures and detours set up around construction operations. Mail delivery and trash removal seem to be working fine with minimal issues. Flaggers were used at the intersection of Karrow and West 7th during paving activities.

Stillwater Electric: Conduit and light pole bases were laid out for installation on the Gully Path.

6. Describe Anticipated Work by Contractor for Next Period

LHC Inc.: 12" water main installation will continue westward to Geddes Avenue. This water main connection will be made early in the week followed by service installation. Stillwater Electric will continue electrical installation in the Gully. The subgrade will be formed and gravel base course materials will be imported along the Gully Path alignment. Landscaping subcontractors will begin landscaping restoration efforts near Fairway Drive.

7. Problem Areas/Other Comments (Revisions to plans and specifications approved or denied, delays, difficulties, etc. and actions taken.)

Approximately 4' of Asphalt Pavement was added to the driveway at 1058 West 7th at the property owner's request. This was approved by Whitefish City Staff.

QUARTERLY UPDATE ON CITY COUNCIL GOALS

I try to provide a quarterly update on the status of each of the City Council Goals. The goals were adopted on May 2, 2016 via Resolution No. 16-20.

Implement Downtown Master Plan (including viaduct enhancements) – The bicycle promenade by the Firebrand Hotel is currently under construction. Craig Workman, Karin Hilding, Dave Taylor and I met with MDT officials on June 10th and we got a contact person in Helena with MDT in order to begin the process of hiring an engineer for a conceptual estimate of the costs for the viaduct improvements and underpass. There is a \$50,000 budget in the FY17 Tax Increment Fund to continue implementation of the Downtown Master Plan, especially for the zoning overlay and other possible zoning issues.

Downtown Parking (including this summer) – The parking structure is under construction. The parking problem downtown is significant this summer. We did add some angle parking on 1st Street when it was reopened for traffic, but there was still a net loss of parking with the contractor in the south half of the leased parking lot south of Craggy Range Bar and Grill. I do believe the Chamber of Commerce negotiated to get the Middle School parking lots available for use. We have arranged some off-site parking for 15 of Martel Construction contractors who were parking in the Railway District. My observations is that there is still parking generally available on Depot Street, north of the Library.

Depot Park Phase II Redevelopment – The issue of demolishing or leaving up and leasing the Depot Park building was on the July 5th agenda. The City Council decided to accept, but not solicit proposals for the possible lease of the Depot Park Building for the next four months. If no acceptable proposals are submitted, then the building will be demolished.

Hire New City Manager – the advertisements are in the Whitefish Pilot and national publications with applications due by Friday, August 5th. The interviews will be on Friday, September 16th with a public meet and greet on Thursday, September 15th in the evening.

New Cemetery Development – As noted in my transmittal letter to the FY17 budget, with a drawdown of the year-end cash reserves to 10% of expenditures, I did not feel that I could budget \$20,000 for the beginning of the layout of a new Cemetery south of the Wastewater Treatment Plant. The City Council could change that decision, however, I felt that design could wait a year.

PUD Process Re-write – The committee to rewrite the Planned Unit Development (PUD) section of the City Code is meeting almost every week. The moratorium is schedule to end in August and may have to be extended.

Update Extension of Services Plan for Utilities and Annexation – This topic was on the agenda for the July 5th work session. The City Council wants to hold another work session to review possible changes to the urban growth boundary map. After that work session is held, further updates to the Extension of Services Plan will be done.

Wisconsin Avenue Corridor Study – This item is budgeted for the FY17 budget and the City Council is currently making appointments to the committee.

Riverside Park protection and improvement for erosion – I was unable to have a budget in the FY17 budget for this work, but the City Council could change that budget. There is talk that there may be some in-kind work or fund donated to start this work.

Evaluate possibilities of new TIF Districts – Right now, this item would just be some conceptual brainstorming. In the future, if the general fund budget allows (can't use the current TIF funds for a new district outside the boundaries of the current TIF District), the City could hire a consultant (example given – Janet Cornish) to help set up one or two new districts. I tend to think the next district(s) will be smaller and in different areas of the City rather than one big district encompassing many areas.

Open Space Funding – no work is being done on this topic currently.

Climate Action Plan – There is a citizen committee, with two City Council members, meeting and working on this plan.

Birch Point Quiet Zone – The City Attorney, Public Works Director, and I recently met to go over the status of this project. After checking out options a little more, we may bring forward a proposal to abandon doing an expensive quiet zone and propose a Wayside horn instead, but we are still investigating a couple of funding ideas for the quiet zone.

Begin review of zoning code – district by district – This project is a very big project and the Planning and Building Department has not begun any work yet.

Economic Development – Public Private Partnerships and targeted business assistance – Nothing much new here. Baker Commons has greatly increased construction on vacant lots and building permits were very high in FY16, greatly exceeding the budget. One new hotel is open, another is about to open, and a third new hotel had a public hearing on July 5th, but the City Council continued consideration of the project to the July 18th meeting where they will consider denying the Conditional Use Permit. .

BNSF – cleanup of CECRA site, maintain good relationship on all issues, work on disaster preparedness – no recent news on these areas.

Water Quality Improvements and projects (AIS, Septic Leachate, Stormwater pond improvements) – Whitefish Lake Institute is building an addition on to the hovercraft garage at City Beach for the AIS inspectors – this project was funded with a donation. The City Attorney is working on a draft of a limited, delayed annexation policy to encourage areas of Septic Leachate into Whitefish Lake to connect on to the wastewater treatment system – that item is on the July 18th agenda.

Affordable Housing – The Chamber of Commerce has hired a consultant for a housing needs assessment using part of our \$60,000 contribution. Approval to submit a CDGB grant application to provide funding for the second phase of the project – implementation tools, options, and plans was granted on July 5th.

Growth Policy Implementation Items – The Hwy 93 West Corridor Plan was adopted and the Wisconsin Avenue Corridor study is underway. There are occasional text amendments to the zoning code which the planning staff works on when there is time, but development is booming right now, so there is not much time for other projects.

Code Enforcement – The new Code Enforcement Officer/Building Inspector is Kagan Kaszuba and he began work on July 5th. As he gets trained, he will devote more time to Code Enforcement.

City Beach Parking – in the last quarter, TD&H Engineering was hired to prepare a design for a parking lot on the property we bought last year at 55 Woodland Place.

Ped-Bike Master Plan Update – the committee has been working on this and WGM was hired to prepare the update. The draft update should be available for review soon.

Explore extent of waivers for utility contracts (aka annexation) – The West Lakeshore area annexation is scheduled for a public hearing on July 18th. There was a work session on this topic on July 5th. The City Council directed the City Manager to pursue the wholly surrounded annexation of the Ramsey Avenue area and other various wholly surrounded parcels throughout the city.

Long Term Financial Planning and Sustainability – an ongoing project that will become more important as the Tax Increment District sunset in July, 2020 gets closer.

Consider a General Obligation Bond for Fire Equipment and precinct station – We may schedule a work session in the coming months on this topic.

Ambulance Fee evaluation – a draft report is currently being reviewed by staff, so a proposal to increase ambulance fees for the first time since 2012 should be coming forward soon.

Maintenance Programs for City Facilities – Jeff Brown is the Parks and Recreation Department facilities director. There may be another facilities technician position for City Hall and the Parking Structure when those buildings open. If that position has extra time, he or she could assume some of the ESC maintenance issues in the future.

Planning in-house priorities and text amendments – these are done as time allows.

City Hall – finish and move in – construction continues. April 5, 2017 is the targeted completion date, so move-in could occur after that date.

Water and Wastewater Rate increases – Public Works is working on a schedule for the City Council’s consideration of rate increases at a future public hearing.

Hwy 93 South Access Study – Public Works has contacted the Montana Department of Transportation about this project.

MEETINGS

Only internal or recurring meetings during the past two weeks.

UPCOMING SPECIAL EVENTS

July 16th - Celebration of Haskill Basin Conservation Easement – Depot Park 10:00 a.m. to noon

REMINDERS

None



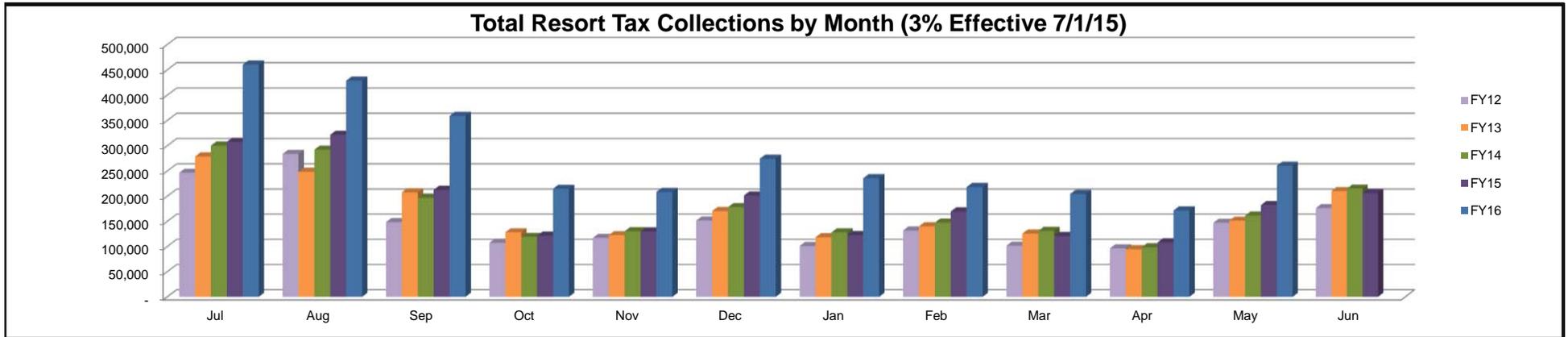
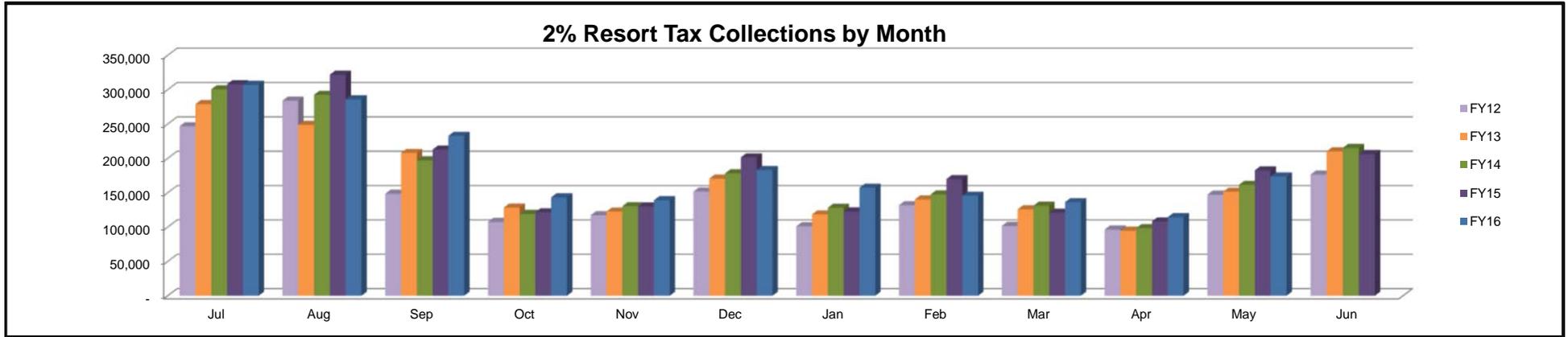
Respectfully submitted,
Chuck Stearns, City Manager

Resort Tax Report
Reported in the Month Businesses Collected Tax

Additional 1% Resort Tax Effective July 1, 2015

Month/Year	Lodging	Bars & Restaurants	Retail	Collected	% Chng Mnth to Pr Yr Mnth	% Chng Quarter to Pr Yr Quarter	Additional 1% Resort Tax Effective July 1, 2015				Total Collected (3% Resort Tax for FY16)	Interest	Total	
							Lodging	Bars & Restaurants	Retail	Collected				
Jul-13	81,828	98,642	120,028	300,497	7.7%		-	-	-	-	300,497	496	300,993	
Aug-13	77,809	108,131	106,422	292,362	17.6%		-	-	-	-	292,362	434	292,796	
Sep-13	50,377	77,416	69,328	197,120	-5.1%	7.4%	-	-	-	-	197,120	434	197,554	
Oct-13	16,851	48,015	54,271	119,137	-7.1%		-	-	-	-	119,137	434	119,571	
Nov-13	6,831	47,701	75,780	130,312	6.3%		-	-	-	-	130,312	2654	132,966	
Dec-13	21,782	64,884	91,585	178,251	4.6%	1.5%	-	-	-	-	178,251	404	178,655	
Jan-14	16,848	54,481	56,839	128,169	8.2%		-	-	-	-	128,169	404	128,573	
Feb-14	22,323	58,758	66,487	147,568	5.3%		-	-	-	-	147,568	404	147,972	
Mar-14	15,770	64,178	51,114	131,061	4.2%	5.8%	-	-	-	-	131,061	409	131,470	
Apr-14	10,065	41,894	46,458	98,417	4.0%		-	-	-	-	98,417	455	98,872	
May-14	18,993	58,791	83,683	161,467	6.6%		-	-	-	-	161,467	455	161,922	
Jun-14	44,865	69,190	101,053	215,107	2.4%	4.1%	-	-	-	-	215,107	455	215,562	
YTD Compared to Last Year														
Total FY14	\$ 384,342	\$ 792,081	\$ 923,047	\$ 2,099,470			5.12%	\$ -	\$ -	\$ -	\$ -	\$ 2,099,470	\$ 7,438	\$ 2,106,908
FY13 vs FY14	11.2%	4.5%	3.3%	5.1%	or		102.265	n/a	n/a	n/a	n/a	5.1%	TaxableSalesFY14	\$ 110,498,402
Jul-14	84,053	104,935	118,876	307,864	2.5%		-	-	-	-	307,864	440	308,304	
Aug-14	93,049	117,674	111,016	321,739	10.0%		-	-	-	-	321,739	498	322,236	
Sep-14	49,804	84,149	78,813	212,767	7.9%	6.6%	-	-	-	-	212,767	246	213,013	
Oct-14	18,589	50,665	52,266	121,519	2.0%		-	-	-	-	121,519	604	122,123	
Nov-14	8,530	43,076	78,311	129,917	-0.3%		-	-	-	-	129,917	359	130,276	
Dec-14	20,944	74,617	105,885	201,446	13.0%	5.9%	-	-	-	-	201,446	293	201,739	
Jan-15	15,285	52,940	54,543	122,768	-4.2%		-	-	-	-	122,768	281	123,049	
Feb-15	25,805	74,286	69,705	169,795	15.1%		-	-	-	-	169,795	166	169,961	
Mar-15	16,336	51,183	53,368	120,887	-7.8%	1.6%	-	-	-	-	120,887	227	121,114	
Apr-15	11,755	50,637	45,835	108,227	10.0%		-	-	-	-	108,227	263	108,490	
May-15	23,911	61,756	96,773	182,441	13.0%		-	-	-	-	182,441	288	182,728	
Jun-15	39,483	78,394	88,316	206,194	-4.1%	4.6%	-	-	-	-	206,194	301	206,495	
YTD Compared to Last Year														
Total FY15	\$ 407,543	\$ 844,313	\$ 953,707	\$ 2,205,564			5.05%	\$ -	\$ -	\$ -	\$ -	\$ 2,205,564	\$ 3,966	\$ 2,209,529
FY14 vs FY15	6.04%	6.59%	3.32%	5.05%	or		106,094	n/a	n/a	n/a	n/a	5.1%	Taxable Sales FY15	\$ 116,082,301
Jul-15	78,513	111,068	117,342	306,922	-0.3%		39,256	55,534	58,671	153,461	460,383	377	460,760	
Aug-15	69,374	114,956	101,484	285,814	-11.2%		34,687	57,478	50,742	142,907	428,722	375	429,097	
Sep-15	75,699	74,806	82,265	232,770	9.4%	-2.0%	37,850	47,403	41,133	126,386	359,156	410	359,566	
Oct-15	19,169	63,939	60,111	143,219	17.9%		9,584	31,970	30,056	71,610	214,829	545	215,373	
Nov-15	8,611	43,585	86,861	139,057	7.0%		4,306	21,793	43,430	69,529	208,586	527	209,113	
Dec-15	18,343	74,975	89,645	182,964	-9.2%	2.7%	9,172	37,488	44,823	91,482	274,446	484	274,929	
Jan-16	17,685	70,025	69,541	157,251	28.1%		8,842	35,012	34,771	78,625	235,876	505	236,381	
Feb-16	20,630	57,181	67,760	145,571	-14.3%		10,315	28,590	33,880	72,785	218,356	500	218,856	
Mar-16	16,046	64,651	55,556	136,253	12.7%	6.2%	8,023	32,325	27,778	68,126	204,379	977	205,356	
Apr-16	12,455	51,338	50,635	114,428	5.7%		6,228	25,669	25,317	57,214	171,643	1,047	172,690	
May-16	22,039	63,719	87,919	173,677	-4.8%		11,019	31,860	43,959	86,838	260,515	1,112	261,628	
Jun-16	-	-	-	-	-		-	-	-	-	-	-	-	-
YTD Compared to Last Year														
Total FY16	\$ 358,564	\$ 790,243	\$ 869,120	\$ 2,017,926			0.93%	\$ 179,282	\$ 405,122	\$ 434,560	\$ 1,018,963	\$ 3,036,890	\$ 6,859	\$ 3,043,749
FY15 vs FY16	-2.58%	3.18%	0.43%	0.93%	or		18,556	n/a	n/a	n/a	n/a	51.9%	Taxable Sales FY16	\$ 106,557,532
FY16 % of Collections	18%	39%	43%				18%	40%	43%					
Grand Total	\$ 5,121,028	\$ 10,827,476	\$ 12,968,934	\$ 28,917,438			\$ 179,282	\$ 405,122	\$ 434,560	\$ 1,018,963	\$ 29,936,402	\$ 766,619	\$ 30,703,570	
% of Total Collections	18%	37%	45%				18%	40%	43%					2.6% Average since '96

Resort Tax Report
Reported in the Month Businesses Collected Tax



**Total Taxable
Sales Since 1996**
\$ 1,575,600,079

Total Collected
\$ 31,512,002

5% Admin
\$ 1,575,600

Public Portion
\$ 29,936,402

Your Co-op Flathead Electric Community...Integrity...Reliability

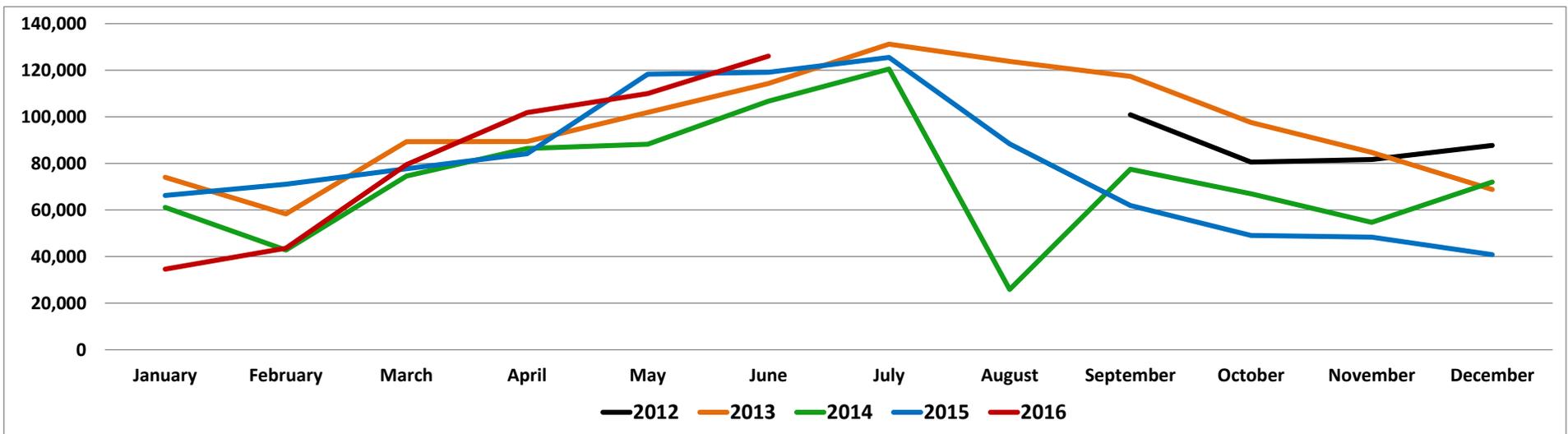
Whitefish Hydro Power Purchase & Exchange Agreement

Month End: June 30, 2016

Contract Detail	
Dollars	
Contracted Prepaid Power	\$ 400,000
Cumulative Credits	\$ 230,082
Prepaid Power Balance	\$ 169,918
Monthly Average	\$ 5,002
Kilowatt Hours	
Contracted Prepaid Power	6,650,000
Cumulative Generation	3,825,154
Prepaid Power Balance	2,824,846
Monthly Average	83,156
Estimated Contract Completion Date Based on Current Average:	
April 2019	

Production Detail				
Period	kWh Generated	Power Cost (\$.06015/kWh)	Power Balance	kWh Balance
Jun-16	126,073	\$ 7,584	\$ 169,918	2,824,846
May-16	110,011	6,617	177,502	2,950,919
Apr-16	101,833	6,125	184,119	3,060,930
Mar-16	79,433	4,778	190,244	3,162,763
Feb-16	43,594	2,622	195,022	3,242,196
Jan-16	34,603	2,081	197,644	3,285,790
Dec-15	40,818	2,455	199,725	3,320,393
Nov-15	48,367	2,909	202,180	3,361,211
Oct-15	49,050	2,950	205,089	3,409,578
Sep-15	61,960	3,727	208,039	3,458,628
Aug-15	88,354	5,314	211,766	3,520,588
Jul-15	125,513	7,550	217,080	3,608,942
Jun-15	119,096	7,164	224,630	3,734,455
Previous	2,796,449	168,206	231,794	3,853,551
Total	3,825,154	\$ 230,082		

Monthly Production Summary & Annual Comparison												
	January	February	March	April	May	June	July	August	September	October	November	December
2012									100,885	80,561	81,623	87,710
2013	74,093	58,310	89,321	89,426	101,918	114,332	131,207	123,804	117,346	97,567	84,719	68,825
2014	61,133	42,801	74,589	86,371	88,227	106,670	120,528	25,874	77,464	66,983	54,707	72,046
2015	66,232	71,070	77,676	84,134	118,297	119,096	125,513	88,354	61,960	49,050	48,367	40,818
2016	34,603	43,594	79,433	101,833	110,011	126,073						





PROJECT REVIEW

DATE: 12 July 2016

CITY OF WHITEFISH

NEW CITY HALL and PARKING STRUCTURE

REPORT TO CITY COUNCIL and STAFF for 18 July, 2016 COUNCIL MEETING

ACTIVITIES COMPLETED – THIS PERIOD

- Structural steel erection is approximately 95% complete. All structural columns have been set.
- More than half of the pan deck for the CH second floor has been placed and is being welded to the structural framework.
- The lower level walls for the SW elevator shaft & stairwell are finished.
- The first floor PS wall from grid 11 – 15 / line L (along Baker) is complete.
- The PS footing and first level wall, grid 14 / L – M is complete.
- PS footings grids L.5 – M.5 / 11 – 14 are done.
- The shear wall foundation PS grids 18 / L.5 – M.5 is complete.
- The first level columns along grids L (Parking Structure) and 21 (Retail Space) are in.
- Misc. pieces of electrical switchgear and mechanical equipment have been placed in the basement areas.
- Progress thru the end of June is at 33%.

ACTIVITIES IN PROGRESS

- Structural steel erection – City Hall – misc. added columns for window framing.
- Pan deck installation – CH second floor.
- Formwork and rebar for the shear wall and central PS footing, grids 11 – 14 / L.5 to M.5
- Electrical rough-in work for power and communication services.
- Work on foundations and columns – grid line M, PS.
- Excavation & backfill – PS interior.
- Pan deck installation and prep for concrete – second floor – City Hall.
- Pan deck installation – CH roof system.
- Set up work for electrical and mechanical equipment – basement area.

ACTIVITIES PLANNED (3 WEEK LOOK AHEAD)

- Complete final elements of structural steel framing – CH.
- Complete installation of pan deck for CH second floor and place second floor concrete.
- Continuation of mechanical and electrical rough-in – CH.
- Continue PS footing and foundation work.
- Begin preparation for PS slab on grade.
- Receive first elements of the PS second level forming system.
- Begin PS first level slab on grade.

FUTURE SCHEDULED ACTIVITIES

- Mechanical and electrical rough-in and set-up activities in the City Hall areas.
- Mechanical and electrical rough-in - PS
- Completion of the CH roof pan deck installation.
- Place concrete roof concrete.
- Formwork and placement of interior footings in the PS.
- Begin slab on grade in the PS.
- Continue receiving and assembling the forming system for PS elevated decks.

CONTRACT ACTIVITIES

- No new activities at this time

COMMUNICATIONS TO THE PUBLIC

- There have been no new press releases during this period.
- Relations and communications with the local business owners, and the community in general, continue to be positive.

AREAS OF CONCERN

- There are no immediate concerns at this time.

Mike Cronquist
Owners Representative



Fig 1. Completed PS shear wall foundation – grid line 18

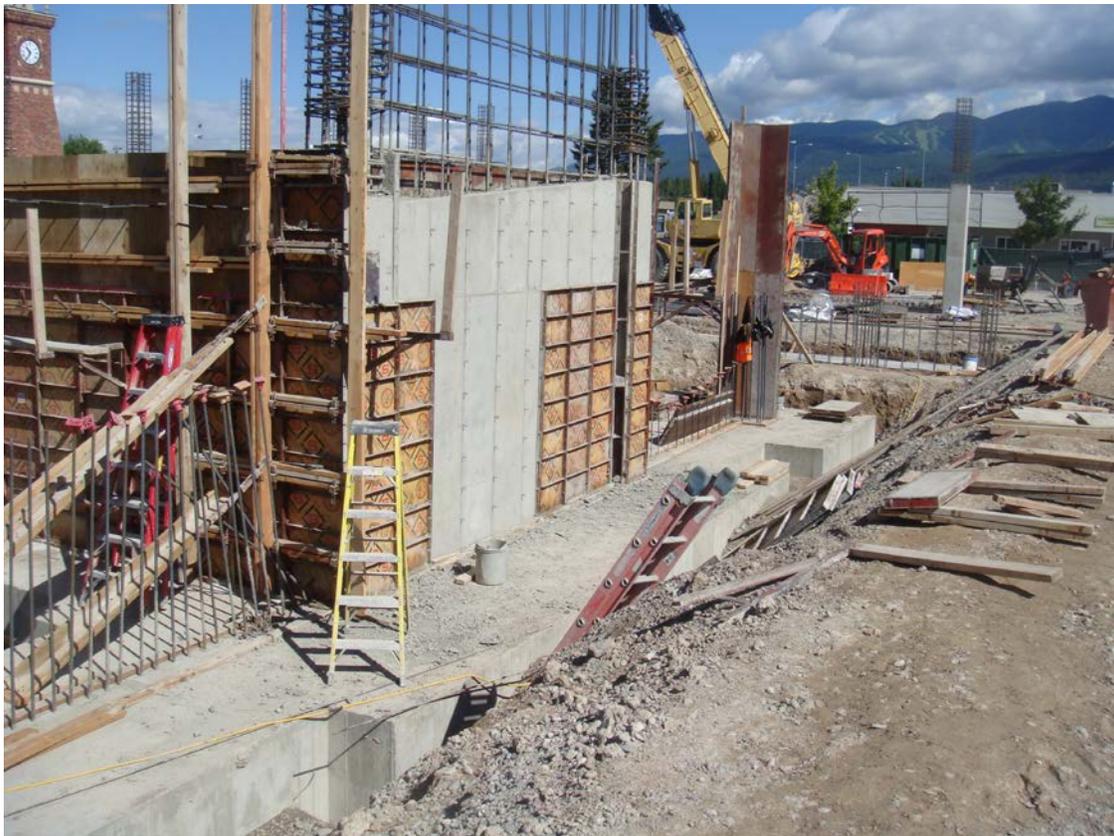


Fig 2. Recently placed PS first level shear wall – grid line M / 14-15



Fig 3. Completed PS west wall – first level, to Retail Space in the background.



Fig. 4 Rebar installation for the PS shear wall foundation at grid 11 / L.5 – M.5.



Fig 5. – Fig 4 looking to the north.



Fig 6. New gas-fired boilers for the City Hall heating system



Fig 7. Diamond Plumbing employee working in the basement.

RESOLUTION NO. 16-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, ADOPTING REVISIONS TO THE CONSULTANT SELECTION POLICY.

WHEREAS, the City Council created a Consultant Selection Policy on February 20, 1990; and

WHEREAS, said Consultant Selection Policy was amended on March 18, 1996 and other amendments to the Consultant Selection Policy were considered on May 16, 2005, but were not adopted; and

WHEREAS, the current Consultant Selection Policy is out of date and inconsistent with the State of Montana's procurement laws for Architectural, Engineering, and Land Surveying Services as found in Title 18, Chapter 8, Part 2; and

WHEREAS, city staff have reviewed the current Consultant Selection Policy and proposed some changes and the City Council has reviewed those changes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, AS FOLLOWS:

Section 1: That the CONSULTANT SELECTION POLICY attached hereto as Exhibit "A" is hereby adopted and approved;

Section 2: That all previous consultant selection policies are hereby repealed;

Section 3: This Resolution shall take effect immediately upon approval by the City Council.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, ON THIS _____TH DAY OF _____, 2016.

JOHN M. MUHLFELD
MAYOR

ATTEST:

Michelle Howke,
City Clerk

CITY OF WHITEFISH

CITY COUNCIL POLICY MANUAL

Consultant Selection Policy
and Procedures

The City of Whitefish hereby establishes a policy that it will publicly announce requirements for architectural, engineering, and land surveying services for projects upon which it is estimated the total cost of such services will exceed ~~\$10,000~~the threshold set by State law, currently found at Section 18-8-212(1), MCA. The City will negotiate contracts for such professional services on the basis of demonstrated competence and qualifications for the type of professional services required, and at fair and reasonable prices.

Selection Process

Upon determining the need for a design professional, the City shall make a public announcement in accordance with Section 18-8-203, MCA, and the City's policy, that architectural, engineering, or surveying services are needed. The department staff will prepare a Request for Proposals (RFP).

The requirement for professional services and the availability of the RFP shall be formally advertised for at least two consecutive weeks. A longer advertising period may be necessary. The form of announcement will include paid advertisements in ~~local newspapers~~the city's newspaper of record, placement on the City's website, and ~~or sending the notice letters~~to firms holding business licenses or listed in professional and yellow pages telephone directories, as well as to those whom the City knows are interested. ~~Care will be taken to make sure local vendors receive the Request for Proposal.~~

Each RFP will describe the location, nature of work, nature of the project, time constraints for the work to be done, the requested form of response, deadline for submittal, and primary selection criteria to qualify for the contract.

Information will be requested on:

1. Qualifications of proposed professional staff members, their supervisors, and availability for the project;

2. The capability of the firm to meet time and project budget requirements;
3. The proposed technical approach for completing the scope of work;
4. The capability of the firm to complete the work, given existing and future workloads;
5. The experience of the firm in doing comparable work for other clients;
6. Work the firm has performed for the City recently or is currently performing;
7. The location of the firm in relationship to the project; and
8. Other criteria, as appropriate.

~~For smaller, non-complex projects selection may be made from submittals in response to the Request for Qualifications. In larger projects, interviewing or requesting written technical proposals from the highest ranking firms will be considered appropriate. Generally, no more than five firms will be selected for more detailed submittals or interviews.~~

Rating Panel (Initial review)

A consultant Rating Panel made up of City staff, and other individuals approved by the City Council, will review the consultant proposals and compile a short list of highly qualified firms. The short list should include not less than three firms. The firm's request for proposal will be comparatively ranked by each individual proposal grader based on the criteria listed above. ~~Each grader shall assign a numerical ranking to the proposals. A rating of 100 shall be applied to the first ranked firm; each successively ranked firm shall receive five points less than the preceding proposal. The average ranking for these proposals will then be used to select the top three ranked firms for the final selection process. If the numerical averages do not present a clear selection, the consultant Rating Panel will meet to resolve the issue.~~

The Rating Panel will notify the firms that are on the short list and schedule an interview. The factors that will be used in making the final selection, and the relative importance and ranking weight of each, will be summarized in the notice.

Selection Committee (Final review)

A selection committee will be established for each project to make the final selection in accord with the City's selection criteria. The Selection Committee will be comprised of the ~~City Manager or Public Works Director~~ Department Director, one other staff person, and one elected official. ~~, and one individual chosen from a list of professionals with current experience in the area of the specific project or a related professional field, and two individuals selected by the City Council.~~ The Selection Committee will choose its own chairman. The final selection will require an affirmative vote of at least ~~three of the four~~ two of the three Selection Committee members. ~~One or more members of the City Council will be invited to participate as "ex-officio" members of the Committee. As such, they will participate in the interviews, but will not vote on the final selection.~~

Selection Criteria

Criteria for evaluating the firms shall be provided within the RFP or interview, and shall include, but not be limited to:

1. Qualifications of the personnel. The Committee will examine the background of the proposed professional personnel to be assigned to the project to determine that each key person is qualified to perform the kind of work required. The overall supervision to be exercised by the firm's management will be an important factor in this criterion.

Any professional services firm proposing to contract with the City shall provide evidence of professional qualification, licensing by the State of Montana, and proof of insurance as required by the City.

2. Capability to meet time and project budget requirements. Previous clients of each firm may be called to ascertain their record in completing assignments on time and within budget.

3. Technical and administrative approach. If appropriate, a discussion of the tasks or steps the firm proposes to follow to accomplish the work described in the City's RFP may take place. Responsiveness of the firm in understanding the work to be performed as demonstrated in the proposed technical process will be an important criterion. Updating and reporting progress and problems to the City is also an important evaluation criterion.

4. Present and projected workloads. The Committee will evaluate the capability of the firm to undertake the City's project considering its current and projected workload.

5. Related experience on similar projects. Comments from previous clients as to the similarity of other projects will be solicited to ascertain whether the firm's past performance is in line with the City's needs, regarding timeliness, experience, responsiveness, budget compliance, and general overall project success.

6. Recent and current work for the City. The Committee will evaluate the work the firm has done or is doing for the City. ~~Consideration will be given to the City's policy with respect to equitable distribution of work, if any.~~

7. Location. Familiarity with the proximity to the geographic location of the project. A consideration in selection will be the firm's knowledge of the City and its infrastructure, topography, soils, geography, and other circumstances pertinent to the project. ~~Preference shall be given first to firms maintaining a permanent office in Whitefish, second to firms maintaining a permanent office in Flathead County, and third to those firms located elsewhere within the State of Montana. Offices opened under the pretext of qualifying as a local firm shall not qualify for this degree of preference.~~

8. Other. Other criteria appropriate to the project.

Making the Selection

1. The firms selected for ~~final review an interview~~ will be evaluated and ranked by the Selection Committee using the criteria published in the RFP, information from the interview, and any other pertinent information made available to all members of the Selection Committee. The Selection Committee will rank the interviewed firms establishing the order for negotiating a service contract.

2. Staff, ~~with other members of the Selection Committee, as appropriate,~~ will attempt to enter into negotiations with the most qualified firm at a price that is within the project's budget and fair to the City and to the firm. If negotiations with the number one ranked firm are unsuccessful, staff will formally terminate negotiations with the number one ranked firm and will attempt to negotiate a contract with the second ranked firm, continuing until a contract has been agreed upon, or the City decides to continue the proposal evaluation and interview process or start the process anew.

3. This negotiating Committee will select a compensation plan mutually acceptable to the City and to the firm. The compensation plan will reflect the conditions and value of the assignment and may provide for any of the customary fee arrangements, including:

- a. lump sum;
- b. percent of construction;
- c. cost reimbursable, plus fixed fee; or
- d. time and materials (with ceiling, if appropriate) – this method is required for any procurement done with funds from federal grants, even federal pass-through funds through the state;

The negotiating Committee and the consultant will also establish milestone dates and completion dates for the service work. If appropriate, the negotiating Committee will include a recommendation to the City Council concerning the use of a completion date bonus or a completion date penalty to be included in the final contract produced or reviewed by the City Attorney.

4. When negotiated, the contract will be submitted to the City Council for approval.

~~5.—To establish a list of firms interested in City work, staff will at least use firms with a business license and in the yellow pages of the telephone book. annual statements of interest will be accepted from interested firms. All qualified firms are welcome and encouraged to submit proposals regardless of whether they are currently included on the list of interested firms.~~

5.

Other Contract Services for Major Projects

Other professional services in excess of ~~\$10,000~~ the threshold set by State law including but not limited to auditing, accounting, and management consulting, will use the above process ~~, with the following exception:~~

~~Price should be included in proposals and should be a significant factor, along with the other criteria, in making a final selection.~~

All Contract Services Under ~~\$10,000~~ the State Threshold

All contract services under ~~\$10,000~~ the threshold set by State law will use the standard purchase order process rather than the consultant selection process, unless otherwise required by federal grant procurement procedures. ~~Where practicable, the City will make an effort to informally rotate such jobs among qualified local~~

~~firms. The City Clerk will keep track of who has received small jobs and will make the information available to the departments so work can be rotated.~~ Jobs will not be artificially split to avoid the consultant selection process.

Adopted: 20FEB90

Amended: 18MAR96

Amended: July 5, 2016

MEMORANDUM

#2016-019



To: Mayor Muhlfeld
City Council Members

From: Chuck Stearns, City Manager

Chuck

Re: Staff Report – Revisions to the Consultant Selection Policy

Date: June 24, 2016

INTRODUCTION/HISTORY

In 1990, the City Council adopted a policy for Selection of Consultants for services including, but not limited to architectural, engineering, surveying, auditing, accounting, and management consulting, where the services would exceed \$10,000. This policy was amended and updated in 1996.

CURRENT REPORT

As state law has increased the threshold for such contracts to \$20,000 as provided for in §18-8-212(1) MCA (copy enclosed), we felt we should review this policy. On February 16, 2016, the City Council discussed the policy and decided to revise the policy rather than repeal it – repealing was an option given the specificity of the State law and procedures cited above. Since that time, Department Directors have reviewed the policy and provided me with suggestions for revision and updating. A redline draft of those proposed changes is attached to this memo.

FINANCIAL REQUIREMENTS/IMPACTS

There is no real cost associated with updating this policy or from its implementation.

RECOMMENDATION

Staff respectfully requests the City Council either direct us to prepare a Resolution repealing the current Consultant Selection Policy or enact a Resolution adopting revisions to the Consultant Selection Policy.

(a) the legal advertisement was published on the dates ordered by the county and in the style set by the board; and

(b) the price was not in excess of the maximum price set by the board.

(5) The board may not establish maximum prices for printed county forms.

History: En. Sec. 5, Ch. 280, L. 1967; amd. Sec. 60, Ch. 348, L. 1974; R.C.M. 1947, 16-1229(2), (4), (5); amd. Sec. 3, Ch. 507, L. 1995; amd. Sec. 1, Ch. 148, L. 2009; Sec. 7-5-2404, MCA 2007; redes. 18-7-404 by Sec. 2, Ch. 148, L. 2009.

18-7-405. Adoption of printing standards. The board shall adopt necessary standards for typeface, type size, type style, and type leading for county legal advertising.

History: En. Sec. 5, Ch. 280, L. 1967; amd. Sec. 60, Ch. 348, L. 1974; R.C.M. 1947, 16-1229(3); amd. Sec. 4, Ch. 507, L. 1995; Sec. 7-5-2405, MCA 2007; redes. 18-7-405 by Sec. 2, Ch. 148, L. 2009.

18-7-406 through 18-7-410 reserved.

18-7-411. County printing contract. (1) The county commissioners shall contract for all advertising required by law and all printed forms required by the county. The advertising required by law must be awarded to a newspaper that:

(a) is published in the county;

(b) has general circulation;

(c) has been published continuously at least once a week in the county for the 12 months preceding the awarding of the contract; and

(d) prior to July 1 of each year, has submitted to the clerk and recorder a sworn statement that includes:

(i) circulation for the prior 12 months;

(ii) a statement of net distribution;

(iii) itemization of the circulation that is paid and that is free; and

(iv) the method of distribution.

(2) A newsletter or other document produced or published by the local government unit is not considered a newspaper that has general circulation as provided in subsection (1).

(3) Contracts for printed forms and materials may be awarded on an annual basis or may be awarded for a specific printing job.

(4) (a) The county clerk and recorder shall maintain a list of willing bidders for county printing and shall notify the printing establishments on the list of any call for bids.

(b) A printing establishment must be added to the county clerk and recorder's list when the clerk and recorder receives a written request from the printing establishment.

(c) The county clerk and recorder may delete the name of any printing establishment from the list if it has not submitted a bid during the previous 365 days.

History: En. Sec. 6, Ch. 280, L. 1967; amd. Sec. 1, Ch. 418, L. 1973; amd. Sec. 61, Ch. 348, L. 1974; R.C.M. 1947, 16-1230; amd. Sec. 3, Ch. 364, L. 1979; amd. Sec. 1, Ch. 70, L. 1981; amd. Sec. 1, Ch. 393, L. 1981; amd. Sec. 1, Ch. 152, L. 1985; amd. Sec. 1, Ch. 305, L. 1989; amd. Sec. 5, Ch. 507, L. 1995; amd. Sec. 2, Ch. 439, L. 2007; Sec. 7-5-2411, MCA 2007; redes. 18-7-411 by Sec. 2, Ch. 148, L. 2009.

Cross-References

County contracts — competitive bidding, Title 7, ch. 5, part 23.

18-7-412. Details relating to printing contract. (1) The contract must be let to the printing establishment that in the judgment of the county commissioners is the most suitable for performing the work. The county commissioners shall require a contractor to perform the county printing contract subject to the requirements of Title 18, chapter 1, part 2.

(2) This part may not be construed to compel the acceptance of unsatisfactory work.

(3) The term of a contract for county printing or county legal advertising may not exceed a period of 2 years.

History: En. Sec. 7, Ch. 280, L. 1967; amd. Sec. 2, Ch. 418, L. 1973; R.C.M. 1947, 16-1231(part); amd. Sec. 2, Ch. 152, L. 1985; amd. Sec. 6, Ch. 507, L. 1995; Sec. 7-5-2412, MCA 2007; redes. 18-7-412 by Sec. 2, Ch. 148, L. 2009.

18-7-413. Competitive bids required. The board of county commissioners shall call for competitive bids from persons or firms qualified to bid on county printing, or for county legal advertising if there is more than one legally qualified newspaper in the county, under the terms of this part.

History: En. Sec. 8, Ch. 280, L. 1967; amd. Sec. 3, Ch. 418, L. 1973; R.C.M. 1947, 16-1232; amd. Sec. 7, Ch. 507, L. 1995; Sec. 7-5-2413, MCA 2007; redes. 18-7-413 by Sec. 2, Ch. 148, L. 2009.

2015 MCA

Cross-References

County contracts — competitive bidding, Title 7, ch. 5, part 23.

18-7-414. Exemption for county fairs. None of the provisions of this part applies to any printing or advertising that may be required in connection with the holding of county fairs and expositions.

History: En. Sec. 9, Ch. 280, L. 1967; amd. Sec. 62, Ch. 348, L. 1974; R.C.M. 1947, 16-1233; Sec. 7-5-2414, MCA 2007; redes. 18-7-414 by Sec. 2, Ch. 148, L. 2009.

Cross-References

County fairs, Title 7, ch. 21, part 34.

CHAPTER 8 PROCUREMENT OF SERVICES

Part 1 — Consultants (Repealed)

Part 2 — Architectural, Engineering, and Land Surveying Services

18-8-201. Statement of policy.

18-8-202. Definitions.

18-8-203. Public notice of agency requirements.

18-8-204. Procedures for selection.

18-8-205. Negotiation of contract for services.

18-8-206 through 18-8-209 reserved.

18-8-210. Energy performance contracts exempt.

18-8-211. Coordination with other statutes.

18-8-212. Exception.

Part 1 Consultants (Repealed)

18-8-101. Repealed. Sec. 21, Ch. 443, L. 1997.

History: En. Sec. 1, Ch. 547, L. 1981.

18-8-102. Repealed. Sec. 21, Ch. 443, L. 1997.

History: En. Sec. 2, Ch. 547, L. 1981.

18-8-103. Repealed. Sec. 21, Ch. 443, L. 1997.

History: En. Sec. 3, Ch. 547, L. 1981; amd. Sec. 1, Ch. 215, L. 1983; amd. Sec. 1, Ch. 231, L. 1985; amd. Sec. 2, Ch. 548, L. 1989; amd. Sec. 2, Ch. 630, L. 1993; amd. Sec. 3, Ch. 359, L. 1995.

18-8-104. Repealed. Sec. 21, Ch. 443, L. 1997.

History: En. Sec. 4, Ch. 547, L. 1981.

18-8-105. Repealed. Sec. 21, Ch. 443, L. 1997.

History: En. Sec. 6, Ch. 547, L. 1981; amd. Sec. 1, Ch. 509, L. 1983.

18-8-106. Repealed. Sec. 21, Ch. 443, L. 1997.

History: En. Sec. 7, Ch. 547, L. 1981.

18-8-107 through 18-8-110 reserved.

18-8-111. Repealed. Sec. 21, Ch. 443, L. 1997.

History: En. Sec. 5, Ch. 547, L. 1981.

18-8-112. Repealed. Sec. 21, Ch. 443, L. 1997.

History: En. Sec. 8, Ch. 547, L. 1981.

Part 2 Architectural, Engineering, and Land Surveying Services

Part Cross-References

Policy regarding practice of architecture — construction contracts, 18-2-111 through 18-2-114.

18-8-201. Statement of policy. The legislature hereby establishes a state policy that governmental agencies publicly announce requirements for architectural, engineering, and land surveying services and negotiate contracts for such professional services on the basis of demonstrated competence and qualifications for the type of professional services required and at fair and reasonable prices.

History: En. Sec. 1, Ch. 51, L. 1987.

18-8-202. Definitions. Unless the context clearly indicates otherwise, in this part, the following definitions apply:

- (1) "Agency" means a state agency, local agency, or special district.
- (2) "Architectural, engineering, and land surveying" means services rendered by a person, other than as an employee of an agency, contracting to perform activities within the scope of the general definition of professional practice and licensed for the respective practice as an architect pursuant to Title 37, chapter 65, or an engineer or land surveyor pursuant to Title 37, chapter 67.
- (3) "Licensed professional" or "licensed architect, professional engineer, professional land surveyor" means a person providing professional services who is not an employee of the agency for which the services are provided.
- (4) "Local agency" means a city, town, county, special district, municipal corporation, agency, port district or authority, airport authority, political subdivision of any type, or any other entity or authority of local government, in corporate form or otherwise.
- (5) "Person" means an individual, organization, group, association, partnership, firm, joint venture, or corporation.
- (6) "Special district" means a unit of local government, other than a city, town, or county, authorized by law to perform a single function or a limited number of functions, including but not limited to water districts, irrigation districts, fire districts, fire service areas, school districts, community college districts, hospital districts, sewer districts, and transportation districts.
- (7) "State agency" means a department, agency, commission, bureau, office, or other entity or authority of state government.

History: En. Sec. 2, Ch. 51, L. 1987; amd. Sec. 49, Ch. 51, L. 1999; amd. Sec. 5, Ch. 449, L. 2007.

18-8-203. Public notice of agency requirements. Each agency shall publish in advance its requirement for professional services. The announcement must state concisely the general scope and nature of the project or work for which the services are required and the address of a representative of the agency who can provide further details. An agency may comply with this section by:

- (1) publishing an announcement on each occasion when professional services provided by a licensed professional are required by the agency; or
- (2) announcing generally to the public its projected requirement for any category or type of professional services.

History: En. Sec. 3, Ch. 51, L. 1987.

18-8-204. Procedures for selection. (1) In the procurement of architectural, engineering, and land surveying services, the agency may encourage firms engaged in the lawful practice of their profession to submit annually or biennially a statement of qualifications and performance data. The agency shall evaluate current statements of qualifications and performance data on file with the agency, together with those that may be submitted by other firms regarding the proposed project, and conduct discussions with one or more firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services.

(2) (a) The agency shall then select, based on criteria established under agency procedures and guidelines and the law, the firm considered most qualified to provide the services required for the proposed project.

(b) The agency procedures and guidelines must be available to the public and include at a minimum the following criteria as they relate to each firm:

- (i) the qualifications of professional personnel to be assigned to the project;
- (ii) capability to meet time and project budget requirements;
- (iii) location;
- (iv) present and projected workloads;
- (v) related experience on similar projects; and

2015 MCA

(vi) recent and current work for the agency.

(c) The agency shall follow the minimum criteria of this part if no other agency procedures are specifically adopted.

(3) The provisions of this section do not apply to procurement of architectural, engineering, and land surveying services for projects that the department of transportation has determined are part of the design-build contracting program authorized in 60-2-137.

History: En. Sec. 4, Ch. 51, L. 1987; amd. Sec. 5, Ch. 192, L. 2003; amd. Sec. 1, Ch. 56, L. 2007; amd. Sec. 1, Ch. 188, L. 2007.

18-8-205. Negotiation of contract for services. (1) The agency shall negotiate a contract with the most qualified firm for architectural, engineering, and land surveying services at a price that the agency determines to be fair and reasonable. In making its determination, the agency shall take into account the estimated value of the services to be rendered, as well as the scope, complexity, and professional nature of the services.

(2) If the agency is unable to negotiate a satisfactory contract with the firm selected at a price the agency determines to be fair and reasonable, negotiations with that firm must be formally terminated and the agency shall select other firms in accordance with 18-8-204 and continue as directed in this section until an agreement is reached or the process is terminated.

(3) The provisions of this section do not apply to the negotiation of contracts for projects that the department of transportation has determined are part of the design-build contracting program authorized in 60-2-137.

History: En. Sec. 5, Ch. 51, L. 1987; amd. Sec. 6, Ch. 192, L. 2003; amd. Sec. 2, Ch. 56, L. 2007.

18-8-206 through 18-8-209 reserved.

18-8-210. Energy performance contracts exempt. This part does not apply to solicitation and award of an investment grade energy audit or energy performance contract pursuant to Title 90, chapter 4, part 11, or to the construction or installation of conservation measures pursuant to the energy performance contract.

History: En. Sec. 12, Ch. 162, L. 2005.

18-8-211. Coordination with other statutes. (1) This part need not be complied with by an agency when the contracting authority makes a finding in accordance with this or any other applicable law that an emergency requires the immediate execution of the work involved. This part does not relieve the contracting authority from complying with applicable law limiting emergency expenditures.

(2) The limitation on the preparation of working drawings contained in 18-2-111 applies to this part.

(3) The procedure for appointment of architects and consulting engineers pursuant to 18-2-112 applies to this part, except that the agency shall select its proposed list of three architects or consulting engineers in accordance with this part prior to submission to the department of administration.

History: En. Sec. 6, Ch. 51, L. 1987; amd. Sec. 19, Ch. 443, L. 1997.

18-8-212. Exception. (1) All agencies securing architectural, engineering, and land surveying services for projects for which the fees are estimated not to exceed \$20,000 may contract for those professional services by direct negotiation.

(2) An agency may not separate service contracts or split or break projects for the purpose of circumventing the provisions of this part.

History: En. Sec. 7, Ch. 51, L. 1987; amd. Sec. 3, Ch. 22, L. 1993; amd. Sec. 7, Ch. 518, L. 1993; amd. Sec. 1, Ch. 162, L. 2003.

CHAPTERS 9 AND 10 RESERVED

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RESOLUTION NO. 16-___

A Resolution of the City Council of the City of Whitefish, Montana, adopting revisions to the Sanitary Sewer Connection Policy contained in the City Council Policy Manual and establishing a Deferred Annexation Policy for areas affecting Whitefish Lake with Septic Leachate.

WHEREAS, it is the City's policy to require property owners to execute an Agreement for Annexation in order to connect to City services; and

WHEREAS, in 2011, the Whitefish Lake Institute completed a study for the Whitefish County Water and Sewer District that identified three confirmed areas of septic leachate contamination in Whitefish Lake and identified two other areas of high potential for septic leachate contamination, including the Lion Mountain Planning Area; and

WHEREAS, in April of 2016, Carver Engineering completed a Preliminary Engineering Report which considered alternatives to address wastewater management in the Lion Mountain area; and

WHEREAS, the preferred alternative identified by Carver Engineering to resolve the problem of septic leachate reaching Whitefish Lake was for the Lion Mountain area to connect to the City sewer system; and

WHEREAS, on April 4, 2016, the City held a public work session to discuss the Preliminary Engineering Report for the Lion Mountain area and provide possible incentives for the Lion Mountain area to connect to the City sewer system; and

WHEREAS, at the public work session, the City's current annexation policy was discussed and representatives from the Lion Mountain area expressed strong opposition to annexation; and

WHEREAS, at the City Council meeting held April 4, 2016, the City Council directed staff to present options to require or incentivize areas around Whitefish Lake with demonstrated septic leachate problems, including the Lion Mountain area, to connect to the City sewer system; and

WHEREAS, at the City Council meeting held May 2, 2016, staff presented the Council with several options for requiring or incentivizing areas around Whitefish Lake with demonstrated septic leachate problems to connect to the City sewer system; and

WHEREAS, the third option presented was for the City to defer annexation of areas around Whitefish Lake with demonstrated septic leachate problems for a certain period of time as long as the area exercises that option within a defined period of time; and

WHEREAS, at the City Council meeting held May 2, 2016, the Council directed staff to draft proposed revisions to the City Council Policy Manual to reflect the third option; and

WHEREAS, as an incentive for areas where it has been demonstrated that septic leachate is contributing to the degradation of the water quality of Whitefish Lake to connect to the City

sewer system, the City desires to establish a policy allowing it to defer annexation of those areas for a certain amount of time as long as the area exercises that option within a defined period of time; and

WHEREAS, the City Council has reviewed the proposed revisions to the Sanitary Sewer Connection Policy contained in the City Council Policy Manual; and

WHEREAS, it is in the best interests of the City, and its inhabitants, to adopt the proposed revisions to the Sanitary Sewer Connection Policy contained in the City Council Policy Manual.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Whitefish, Montana, as follows:

Section 1: The revised Sanitary Sewer Connection Policy contained in the City Council Policy Manual attached hereto as Exhibit "A," and incorporated herein by reference, is hereby adopted and approved.

Section 2: All previous Sanitary Sewer Connection Policies contained in the City Council Policy Manual are hereby repealed.

Section 3: This Resolution shall take effect immediately upon approval by the City Council.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, ON THIS _____ DAY OF _____, 2016.

JOHN M. MUHLFELD, MAYOR

ATTEST:

Michelle Howke, City Clerk

CITY OF WHITEFISH

CITY COUNCIL POLICY MANUAL

Sanitary Sewer Connection Policy (Service to Future Customers)

In order to assure fair and equitable participation in the cost of Rural Special Sewer Improvement Districts (RSID's) for which the City of Whitefish has agreed to accept responsibility for effluent treatment and/or system maintenance, or City Special Sewer Improvement Districts (SID's), the following policies pertaining to existing districts is adopted:

A. Rest Haven. Connection to the pressure system extending along East Lakeshore Drive to the Rest Haven Subdivision will be allowed with certain conditions. These include:

1. Except for the actual Rest Haven area which is metered by a single master flow meter, each subsequent connection must be accompanied by a water meter on the building's water system. The purpose of the meter is for calculating the sewer charge which is based upon water discharged to the sewer. The installation of the meter must be performed by a Master Plumber licensed by the State of Montana. The City of Whitefish shall inspect the meter installation and install a remote meter head. The cost of the meter and the inspection is the responsibility of the customer.

2. Unless otherwise authorized by the City of Whitefish, customers situated in grouped developments or on cul-de-sacs shall be required to connect to the main via a common line. Costs of the common line shall be shared by all properties connecting to the common line.

3. All common lines and all individual systems must be certified by an engineer as meeting standard design criteria. Standard design criteria are available at the offices of the City Clerk and the Utilities Superintendent.

4. Each subsequent connection to the sewer main shall be required to pay a share of the cost of the main in the amount of \$1,291. This "one-time" payment for each utility service connection is based on the number of future connections projected to be served by the line. All monies collected from this charge, less a three percent administrative fee, shall be applied toward the redemption of the bonds for the RSID.

5. Unless the property to be served was part of the original service district for which plant investment fees (PIF's) were paid for developed lots as part of that property's assessment, payment of the City's sewer plant investment fee shall be required prior to connection to the system. The

plant investment fee¹ – the cost of "buying" into the sanitary sewer system – is based upon the total number of water fixture units draining to the sewer.

6. Monthly "sewer user charges" shall be charged based upon:
 - a. the number of "downstream" lift stations utilized;
 - b. a standard surcharge imposed upon customers not within the Whitefish City limits; and
 - c. a maintenance surcharge.

7. In order to obtain sewer service, owners of property not situated within the City of Whitefish shall agree to waive the right to protest annexation upon the property becoming contiguous to the City, and provide necessary easements for maintenance of the system.

B. Hueth/Crosswinds. All properties which existed within the Hueth/Crosswinds Rural Special Sewer Improvement District (RSID) Number 129 at the time of its inception were assessed an equal amount based upon the total cost of the improvement. Future connections to the system will be allowed upon the following conditions:

1. Inasmuch as the City of Whitefish has accepted the Hueth/Crosswinds sanitary sewer as part of the City utility system, all policies relating to connections to the City sanitary system shall apply to connections within the original boundaries of the RSID.

2. Unless the property to be served was part of the original service district for which plant investment fees (PIF's) were paid as part of that property's assessment, payment of the City's sewer plant investment fee shall be required prior to connection to the system. The plant investment fee – the cost of "buying" into the sanitary sewer system – is based upon the total number of water fixture units draining to the sewer (See footnote #1).

3. Monthly "sewer user charges" shall be charged based upon:
 - a. the number of "downstream" lift stations utilized; and
 - b. a standard surcharge imposed upon customers not within the Whitefish city limits.

¹The "plant investment fee" is determined by calculating the historic capital cost of the system currently in place, subtracting from that total both outstanding debt and federal grants – then adding back any cash reserves – and dividing this "net contributed value" by the number of capacity units the system is capable of serving. This "equitable value" is the plant investment charge applied to each new unit connecting the system. A plant investment fee exists for both water and sewer utilities.

4. In order to obtain sewer service, owners of property not situated within the City of Whitefish shall agree to waive the right to protest annexation upon the property becoming contiguous to the City, and provide necessary easements for maintenance of the system.

5. Each subsequent connection to the sewer main shall be required to pay a share of the cost of the main in the amount of \$4,921.45. This "one-time" payment represents the basic charge per utility service connection which was assessed against all original properties in the RSID. All monies collected from this charge, less a three percent administrative fee, shall be applied toward the redemption of the bonds for the RSID.²

C. Texas/Colorado. Extension of the sanitary sewer system to the "Texas/Colorado" area was accomplished through a City "special sewer improvement district" (SID). As all properties in the original SID boundaries are situated within the City of Whitefish, all policies relating to connections to the City sanitary system shall apply.

The cost of the sewer improvement was divided into two categories: 1) the cost of the "common" main; and 2) all other costs. In the first category the cost was divided among the "front footage" of all benefitted properties in the district. For the second category, the total cost was divided equally among the number of lots on the basis of individual "utility service connections."

Inasmuch as the sewer main is expected to serve additional development in the area, and the original cost of the improvements was assessed against the properties existing at the time of the formation of the SID, it is considered proper for newly created properties to pay a fair and equitable portion of the total project cost. Therefore, future connections to the Texas/Colorado sanitary sewer during the life of the improvement bonds will be allowed on the following conditions:

1. Each subsequent connection to the sewer main shall be required to pay a share of the cost of the main in the amount of \$2,057. This "one-time" payment for each "utility service connection" is equal to the charge assessed against each lot in the district at the time of its inception.³ All monies collected from this charge, less a three percent administrative fee, shall be applied toward the redemption of the bonds for the RSID.

²The total assessment against each property was actually \$5,957.45. Of this amount, however, \$686 represented the City's existing "plant investment fee." An additional \$360 was included as each lot's cost of having sewer service extended from the main line to each individual property line. As future developments will be charged the plant investment fee current at the time of connection, as well as the cost of connecting to the main, the assessment is reduced by these amounts to avoid duplication.

³The "utility service connection" charge assessed against each lot in the district at the time the assessment was levied totaled \$3,043. Of this amount, however, \$686 represented the City's "plant investment fee" at that time. An additional \$300 was included as each lot's cost of having sewer service provided from the main line to each individual property line. As future development will be required to pay a plant investment fee and arrange separately for connection to the main,

2. Sewer main extensions installed to provide service to newly created lots situated within the special improvement district shall be the sole responsibility of the developer. Extension of mains outside the City limits shall be guided by City policy existing at the time of the request for service.

3. In order to obtain sewer service, owners of property not situated within the City of Whitefish shall agree to waive the right to protest annexation upon the property becoming contiguous to the City, and provide necessary easements for maintenance of the system.

4. Unless the property to be served was part of the original service district for which plant investment fees were paid as part of that property's assessment, payment of the City's sewer plant investment fee shall be required prior to connection to the system. The plant investment fee - the cost of "buying" into the sanitary sewer system – is based upon the total number of water fixture units draining to the sewer (See footnote #1).

D. Pack Rat Lane. All properties which existed within the Pack Rate Lane Area Special Sewer Improvement District (SID) Number 158 at the time of its inception were assessed an equal amount based upon the total cost of the improvement. Future connections to the system will be allowed upon the following conditions:

1. Sewer. Each subsequent connection to the sewer main shall be required to pay a share of the cost of the main in the amount of \$4,873 (See Footnote #4). This "one-time" payment for each sewer "utility service connection" is equal to the charge assessed against each lot in the district at the time of its inception.⁴ All monies collected from this charge, less a three percent administrative fee, shall be applied toward the redemption of the bonds for the SID.

2. Water. Each subsequent connection to the water main shall be required to pay a share of the cost of the main in the amount of \$6,562. This "one-time" payment for each water connection is equal to the charge assessed against each lot in the district at the time of its inception, less the plant investment fee in effect at that time. All monies collected from this charge, less a three percent administrative fee, shall be applied toward the redemption of the bonds for the SID.

3. Unless the property to be served was part of the original service district for which plant investment fees (PIF's) were paid as part of that property's assessment, payment of the City's sewer plant investment fee shall be required prior to connection to the system. The plant

these two amounts have been removed from the "utility service connection" fee each new development will be charged.

⁴The "utility service connection" charge assessed against each lot in the district at the time the assessment was levied totaled \$5,667. Of this amount, however, \$686 represented the City's "plant investment fee" at that time. As future development will be required to pay a plant investment fee and arrange separately for connection to the main, this amount has been removed from the "utility service connection" fee each new development will be charged.

investment fee - the cost of "buying" into the sanitary sewer system -is based upon the total number of water fixture units draining to the sewer (See footnote #1).

4. Sewer main extensions installed to provide service to newly created lots situated within the special improvement district shall be the sole responsibility of the developer. Extension of mains outside the City limits shall be guided by City policy existing at the time of the request for service.

5. Monthly "sewer user charges" shall be charged based upon:

a. the number of "downstream" lift stations utilized; and

b. a maintenance surcharge⁵ as follows:

(1) Pumped effluent discharge: \$3.13 per 1,000 gallons;

(2) Gravity effluent discharge: \$1.07 per 1,000 gallons.

E. In addition, the following policy pertaining to future RSID's is hereby adopted:

Deferred Annexation. In areas, subdivisions or neighborhoods of ten or more properties are on septic systems and where it has been demonstrated that septic leachate is contributing to the degradation of the water quality of Whitefish Lake, the City may, in its sole discretion, agree to defer annexation of the area, subdivision or neighborhood as an incentive for connecting to the City sewer system. In such cases, the City shall, by resolution, agree to defer annexation for _____ % (50%, 75%, 100%?) of the term of the RSID if the area, subdivision or neighborhood successfully petitions the County for creation of a RSID within two (2) years of passage of the resolution. The annexation deferral period shall run from the date of the County resolution creating the RSID until the date of the RSID's termination. Upon connection to the City's utility system, the property owner(s) or homeowners' association shall be required to execute a Waiver of Protest and Consent to Annexation including, but not limited to, the following terms: (1) that the City will not attempt to annex the area, subdivision or neighborhood until _____ % (50%, 75%, 100%) of the term of the RSID; and (2) that subject to the City's agreement to defer annexation of the area, subdivision or neighborhood, the property owner or homeowners' association waives any right it may have to protest annexation and consents to annexation of the property. Deferred annexation is not available in areas that are wholly surrounded by the City.

Adopted: July 18, 2016

⁵The maintenance surcharge has been established based upon recommendations presented in the Facilities Plan for the Whitefish County Water and Sewer District (January 1989). These surcharges shall be monitored and adjusted on a periodic basis.

Staff Report



To: Mayor John Muhlfeld and City Councilors
From: Angela Jacobs, City Attorney
Date: July 12, 2016
Re: Revisions to the City Council Policy Manual and Establishing a Policy for Deferred Annexation

Introduction/History

In 2011, the Whitefish Lake Institute completed a study for the Whitefish County Water and Sewer District that identified three confirmed areas of septic leachate contamination in Whitefish Lake and identified two other areas of high potential for septic leachate contamination. One of the areas the Whitefish Lake Institute identified as having a high potential for contamination is at the Dog Bay/State Park located below the Lion Mountain Planning Area.

In April of 2016, Carver Engineering completed the Preliminary Engineering Report (PER) for Lion Mountain. The PER considered five alternatives to address wastewater management in the Lion Mountain area to resolve the problem of septic leachate reaching Whitefish Lake. The preferred alternative identified by Carver Engineering was to extend a section of the City's public wastewater collection system to serve all existing and proposed residences in the Lion Mountain Planning Area and to install individual packaged grinder pump systems at each residence.

On April 4, 2016, the City held a public work session to discuss the PER for Lion Mountain area and provide possible incentives for the area to connect to the City sewer system. The City's current policy regarding annexation, which requires property owners to consent to annexation in order to connect to City services, was discussed at the work session. Representatives from the Lion Mountain area expressed strong opposition to annexation. At the City Council meeting held the same evening, Council directed staff to present options with respect to the issue.

At the City Council meeting held May 2, 2016, staff presented the Council with several options for requiring or incentivizing areas around Whitefish Lake with demonstrated septic leachate problems, including the Lion Mountain area, to connect to the City sewer system. The third option presented was for the City to defer annexation of such areas for a certain period of time as long as the area exercises that option within a defined period of time. The City Council directed staff to revise the City Council Policy Manual to reflect the third option.

Current Report

The Sanitary Sewer Connection Policy contained in the City Council Policy Manual, as revised by staff, is attached. The portion covering deferred annexation begins on page 6. If the revisions are acceptable, you need to decide what percentage of the term of the Rural Special Improvement District (50%?, 75%?, 100%?, etc.) for which the City would agree to defer annexation.

Financial Requirement

There is no immediate financial requirement or impact of adopting the proposed revisions to the City Council Policy Manual.

Recommendation

Staff respectfully recommends that the City Council adopt Resolution No. 16-___, a resolution of the City Council of the City of Whitefish adopting revisions to the Sanitary Sewer Connection Policy contained in the City Council Policy Manual and establishing a deferred annexation policy for areas affecting Whitefish Lake with Septic Leachate.

Attachment

The following pages were handed out at the City Council meeting the night of the meeting. They are included here as an addendum to the packet.

**FY2017 Budget Update
Year-end Cash Balances
7/18/2016**

Actual year-end cash balances are \$4,382,394 higher than projected. This increase is due to the following events of FY16:

General Fund:

- Beginning cash balance included an estimated \$45,000 loan to the Police Fund that was not needed at year-end due to the Department's strict monitoring of the budget throughout the last quarter (ending at 99% of the budget, or \$28,772 in remaining appropriations) and the collection of an additional \$13,800 of grant revenue in May that was not estimated in the original cash calculation.
- More than expected revenue was collected in the last quarter, specifically related to zoning plan review fees (\$56,630 more), Court fines and fees (\$12,000) and the 5% of impact fees (highest May yet).
- Finally, there were some savings in expenditures, specifically in the Legal and Court budgets of about \$30,000 combined.

Building Codes and Impact Fee Funds:

- May 2016 was an exceptionally high month for building permit revenue and impact fees, which was not predicted in the original calculation. (Largely due to the collection of permit revenue/fees for the Whitefish Crossing Development)

Street Fund:

- The project expenditures by the end of the year were less than expected. The savings were primarily noted in the \$50,000 contingency and the repair and maintenance services related to overlays of \$135,000.
- Additionally, the street maintenance district assessment collections were slightly higher than expected at 101% of the budget.

Stormwater Fund:

- Plan Review/Construction Oversight ended the fiscal year at 231% of the budget (\$16,177), which was mostly collected in the 4th quarter and not included in the original cash projection.
- Expenditures of about \$80,538 for the Monegan Road Project were adjusted to account for the contribution from the Stormwater Impact Fees (Fund 2399) as approved in the FY16 Budget. This was missed in the original projection for the Stormwater Fund beginning cash balance.



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Honorable Mayor and Members of the
Whitefish City Council

July 18, 2016

Via e-mail

Re: Marriott hotel; lodging land absorption potential and market

Dear Mayor and member of Council:

I apologize for the 11th hour missive, but I was awaiting some material that would help me prepare these comments.

First, regarding the “market” for additional lodging in Whitefish, we just want to alert Council that this matter will be examined in conjunction with the Wisconsin Avenue Corridor Plan. We will look at the potential growth of visitation in general as well as the potential for additional land absorption for lodging and what that means in terms of land performance in the corridor. Our work will be focused on guiding public policy with respect to future land use recommendations in the corridor, and will not be the kind of in-depth market analysis upon which to project return on investment for any specific lodging facilities in the Whitefish market. We feel it is important at this time to inform the Council that this work is and will continue to be conducted as part of the Wisconsin Corridor project.

Second, we would like to add our voices to those advising you against using the police power to “protect” existing businesses of any type, or to attempt to influence the market to favor existing businesses through use of the police power to restrain trade by controlling entry into the market. Any use of the police power in land use decision making **must** be strictly in the interest of the public health, safety, and general welfare. Our strongest advice is to adhere to the criteria set forth in the Whitefish zoning code for approval of conditional use permits.

Thank you for considering these comments.
Respectfully submitted,

Robert Horne, Jr., AICP
Principal, Applied Communications LLC

**Linda & Ron Olson**

From: "Linda & Ron Olson" <jayrae950@gmail.com>
Date: Monday, July 18, 2016 1:42 PM
To: "Richard Hildner" <rhildner@cityofwhitefish.org>
Subject: City Business

Richard; As natives of Whitefish we would like to express our opinions regarding decisions being made by our council members. First of all the vote on the Marriott Hotel. We are a democracy based on free enterprise. In no way should a council be allowed to dictate the building of a business in Whitefish based solely on your opinions but on the fact they have followed the guidelines of planning and are willing to invest at their own personal risk. We believe your "power" is misplaced. Not allowing businesses to proceed and invest is wrong. Again, you advertise to lease areas in the new City Hall. If someone duplicating a business in Whitefish such as a gift shop or art gallery, are you going to reject that? We feel you need to re-think this situation. Secondly, the destruction of the Park Side building makes no sense. It is fiscally irresponsible. A perfect location for a visitors center or Chamber of Commerce or something similar. Perhaps additional restrooms as a convenience for all of the activities held in Depot Park. We have agreed with most all projects you have undertaken in this very unique town we call home. Please ponder carefully your decisions. We will continue to watch with interest.
Regards, Ron & Linda Olson

Various Bike Path Measurements around the city of Whitefish that are not in compliance with Federal Regulations

Path between Scott Avenue and Pedestrian Bridge: 9'
Path between Pedestrian Bridge and Riverside Park: 8'
Repair and New Asphalt overlay in Riverside Park: 8'
Path between O'Brien to Riverside Park: 7'7"
Path off of O'Brien to Lupfer: 8'
Path on North Side of Riverside Park Tennis Courts: 7'
Mountain View Manor to Kay Beller Park: 8'9" in upper section
Path in Kay Beller Park to Veterans Memorial Bridge: 8'5"-9'4"
Path at Railway Street to BNSF Trestle: 9'-9'4" in numerous areas
Under BNSF Trestle: 9'4"
Wisconsin Ave Path between Piggyback BBQ and Apartments to North: 8'2"-9'
East Edgewood Path: 8'5"

Other Information:

New Path by Sky Bridge: 10'
Path North of BNSF Tracks: 10'

Building and Residential Distances from Paths

Distance of foundation of Mountain View Manor to Path: 11' +
Distance from Councilman Hildner's front steps to Path/Alley: 11' +

TATE Property

Map Viewer

1 items selected

R0757605

07-4292-26-2-11-09-0000

Owner: TATE, BRUCE D & SU

Land: \$0

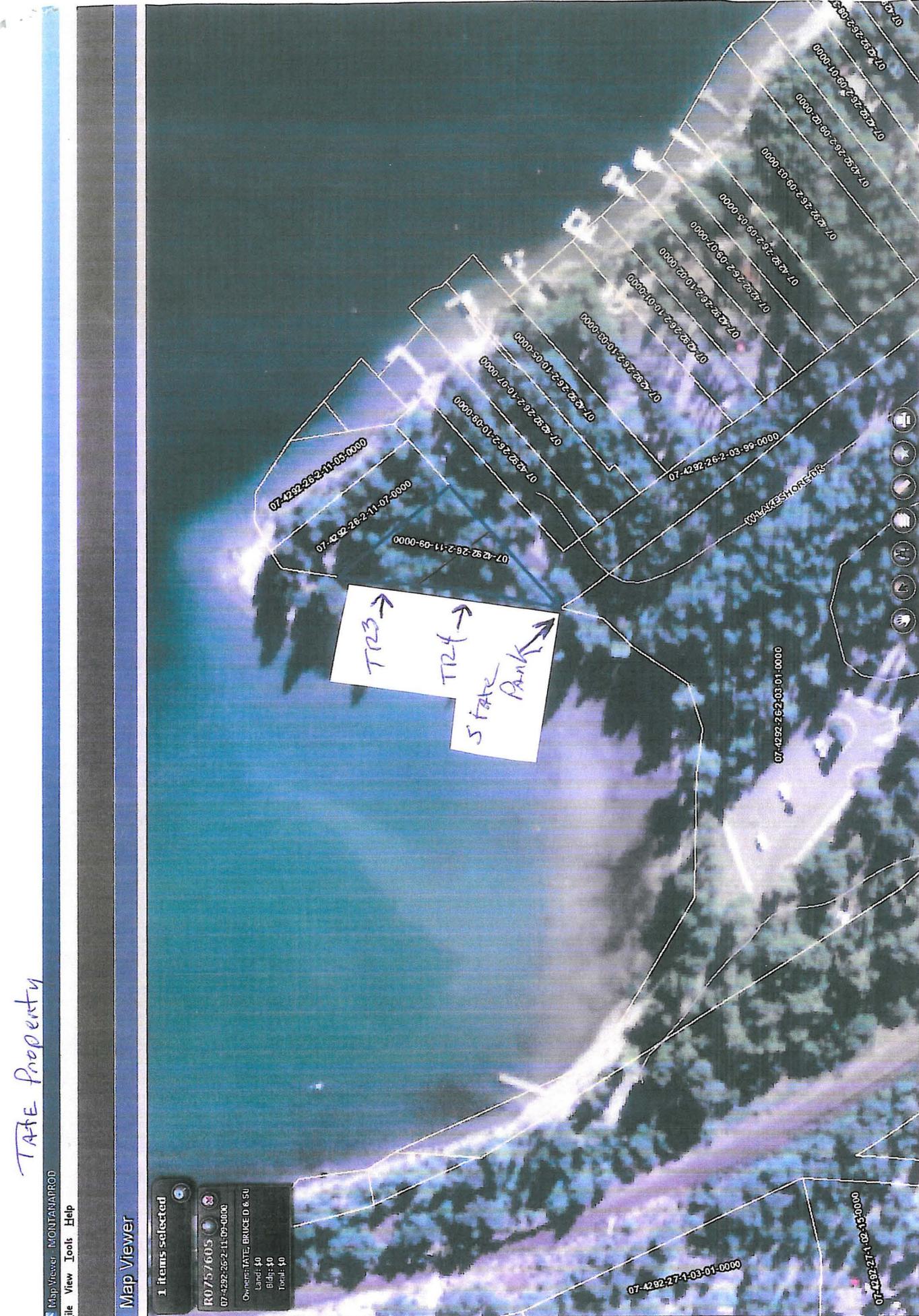
Bldg: \$0

Total: \$0

TRB →

TRF →

State Bank ↗



Valuation of any property is dependent on several factors. The following 5 factors are a summary of factors that have direct bearing on the valuation of TR4 in the Lake Park addition, SN26, Township 31, Range 4. This list numbered 1 – 5, as provided by the State of Montana, and were finally added to our recent 2015 land valuation appraisal record.

1. **Irregular lot-** “a lot that is irregular in shape”. TR4 is a triangular shaped lot that tapers to a point at the south end, touching the state park land. The northern side lot line approaches the lake at a 55 degree angle, as opposed to the typical side lot lines at a perpendicular 90 degree angle on most lots. The angled side lot lines are a huge problem for full lot utilization when planning a structure. The lot slopes down from east to west, and from north to south on the waterfront side. The south west end of the lot is a marsh.
2. **Size or shape-** “indicates a comparative value loss...attributable to the shape or size of the lot in relation to its utility”. TR4 is a long skinny lot. Setbacks on this lot include 20' for the State, and an additional 10' for the city of Whitefish, from the mean high water line. There is also a 10' setback from the road (originally a county road, and now maintained by the city). By subtracting a total of 40' of setbacks from the total length of the lot, it leaves just an average usable depth of less than 20'.
3. **Non-buildable lot** - “A lot which is impractical or impossible to build.” The nature of this lot, and a waiver for the placement of a garage on TR3 near the property line made it advisable (per Flathead County officials) to restrict any development on TR4. The owners agreed to this declaration (drawn up by the county attorney's office) in Sept.1985. (See the attached #4)
4. **Excessive Frontage** - “excessive frontage in comparison to utility”. Considering the states revised lakefront dimension of 198' of waterfront, and a 46' lot depth, TR4 has little value in utility. The lot is on the shallow south end of Dog Bay, and shares common waterfront with State Park. The state puts out swimming buoys to ward off watercraft and contain young swimmers. The buoys cover about 60% of the TR4 waterfront footage in July and August. From shore one has to walk out over 100 feet to find water depth of less than 2'. It is not suitable for swimming, dock placement, or landing anything other than a small boat. (Attached A,B&C)
5. **Economic-** “comparative value loss due to physical economic detriments influencing the site.” As evident in the photos, most of the TR4 shoreline is a marsh, a wetland in todays terms. It is shallow, and has water weeds on the bottom, as well as wild grasses and weeds on the clay/muddy shoreline and is very undesirable for swimming or fishing. The ducks and frogs “own” this part of the bay. It is swamp-like in the heat of the summer.

Summary: The Tates purchased TR4 as a logical green space between their home and the busy public state park. Due to the factors listed above, they had no intention to ever develop the lot...hence the signing of the Declaration of Covenants, Conditions and Restrictions. (attached #4) Due to the unusual nature of this agreement, and the benefit to the state park and to the neighborhood, we request that only this lot- TR4, be excluded from the west lakeshore annexation to Whitefish. Since it will never be developed or inhabited, there will be no demand for city services to be used on TR4. This also would be consistent with the decision to not annex the West shore State Park (adjacent to TR4). The fact that TR4 is bordered to the south by the state Park means that it is NOT wholly surrounded by Whitefish. Your consideration on this odd, irregular lot and our difficult set of circumstances, will be appreciated.
Thank you, Bruce and Susan Tate