



**CITY COUNCIL SPECIAL SESSION  
CITY COUNCIL CHAMBER CONFERENCE ROOM  
MONDAY, JUNE 17, 2013  
6:30 TO 7:00 PM**

1. Call to Order
  2. Interviews for applicants
    - a. Whitefish Housing Authority (additional interviews scheduled for 7-1-2013)  
6:30 – John Middleton
    - b. Whitefish Lake & Lakeshore Protection Committee  
6:40 – Joe Malletta  
6:50 – Dave Spangler – Phone Call
  3. Public Comment
  4. Appointments by Council
    - 4a. Whitefish Lake & Lakeshore Protection Committee, to fill the remainder of a term expiring 12-31-2013
- Note - If time runs out before the appointment is made, it can be made during the Regular Council Session – Agenda #9b
5. Adjourn

**THE CITY OF WHITEFISH HAS NEW  
VACANCIES ON THE**



**WHITEFISH LAKE & LAKESHORE PROTECTION  
COMMITTEE** – to fill the remainder of a 3-year term that will expire  
on 12-31-2014. It is One Position - Applicants must reside on, or own,  
lakefront property within the Whitefish City Limits.

**HOUSING AUTHORITY** – to fill the remainder of 5-year term that  
will expire on 12-31-14. It is One Position – Open to city residents or  
residents within a 10-mile radius of the City of Whitefish.

If you have any questions please call the City Clerk's Office at 863-2400.  
These are also posted on the City's website: [www.whitefish.govoffice.com](http://www.whitefish.govoffice.com). Please submit a letter of interest to serve on the above committees  
to the Whitefish City Clerk's Office at 418 E. 2nd Street or mail to P.O.  
Box 158, Whitefish, MT 59937, by May 10th, 2013. Interviews will be  
scheduled for May 20th or June 3rd. Thereafter, if the vacancies still  
exists, letters of interest will be accepted until the positions are filled.

\*\*\*\*\***THANK YOU FOR YOUR INTEREST!**\*\*\*\*\*

**The City of Whitefish  
has new vacancies on the**



**HIGHWAY 93 WEST CORRIDOR PLAN STEERING**

**COMMITTEE:** One Position for an 'at large' community member or  
property owner.

**HOUSING AUTHORITY** – to fill the remainder of 5-year term that  
will expire on 12-31-2014. One Position – Open to city residents  
or residents within a 10-mile radius of the City of Whitefish.

If you have any questions please call the City Clerk's Office at  
863-2400. These are also posted on the City's website: [www.whitefish.govoffice.com](http://www.whitefish.govoffice.com). Please submit a letter of interest to serve  
on the above committees to the Whitefish City Clerk's Office at  
418 E. 2nd Street or mail to P.O. Box 158, Whitefish, MT 5993; or  
email to [nlorang@cityofwhitefish.org](mailto:nlorang@cityofwhitefish.org). Deadline for letter submittals  
is **Tuesday, June 25, 2013 at noon**. Interviews will be scheduled  
for July 1st. Thereafter, if the vacancies still exists, letters of  
interest will be accepted until the positions are filled.

\*\*\*\*\***THANK YOU FOR YOUR INTEREST!**\*\*\*\*\*

6:30 pm

**Necile Lorang**

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**From:** "John Middleton" <john@nationalparksrealty.com>  
**To:** <nlorang@cityofwhitefish.org>  
**Sent:** Tuesday, June 04, 2013 4:02 PM  
**Subject:** Letter of Interest - Whitefish Housing Authority  
To Whom it May Concern:

I heard about the opening on the Whitefish Housing Authority Board and would like to express my interest in filling that vacancy.

Thank you, looking forward to this possibility!

John Middleton  
National Parks Realty  
406.862.8458 (office)  
406.862.7200 (direct)  
406.862.8400 (fax)  
[www.flyreeltor.com](http://www.flyreeltor.com)  
[www.facebook.com/flyreel](http://www.facebook.com/flyreel)

## MONTANA CODE ANNOTATED 2011

**7-15-4431. Appointment of commissioners.** (1) An authority consists of seven commissioners appointed by the mayor. The mayor shall designate the first presiding officer. A commissioner may not be a city official.

(2) Two of the commissioners must be directly assisted by the housing authority and are known as resident commissioners. The staff of the housing authority may not involve itself in the nomination or appointment of resident commissioners, except that the housing authority shall notify all of the households directly assisted by the housing authority when a resident commissioner position is vacant.

(3) The mayor shall file with the city clerk a certificate of the appointment or reappointment of any commissioner, and the certificate is conclusive evidence of the proper appointment of the commissioner.

**History:** En. Sec. 5, Ch. 140, L. 1935; re-en. Sec. 5309.5, R.C.M. 1935; R.C.M. 1947, 35-105(part); amd. Sec. 2, Ch. 514, L. 1989; amd. Sec. 5, Ch. 472, L. 1997; amd. Sec. 1, Ch. 197, L. 2001.

**7-15-4432. Term of office.** (1) Subject to subsection (2), the commissioners who are first appointed must be designated by the mayor to serve for terms of 1, 2, 3, 4, and 5 years, respectively, from the date of their appointment. After the initial appointments, the term of office is 5 years.

(2) The resident commissioners who are first appointed shall serve for terms of 1 and 2 years, respectively, from the date of their appointment. After the initial appointments, the term of office is 2 years.

(3) A commissioner shall hold office until the commissioner's successor has been appointed and qualified.

**History:** En. Sec. 5, Ch. 140, L. 1935; re-en. Sec. 5309.5, R.C.M. 1935; R.C.M. 1947, 35-105(part); amd. Sec. 3, Ch. 514, L. 1989; amd. Sec. 2, Ch. 197, L. 2001.

**7-15-4433. Compensation of commissioners.** A commissioner may not receive compensation for services, but is entitled to the necessary expenses, including traveling expenses, incurred in the discharge of authority duties.

**History:** En. Sec. 5, Ch. 140, L. 1935; re-en. Sec. 5309.5, R.C.M. 1935; R.C.M. 1947, 35-105(part); amd. Sec. 621, Ch. 61, L. 2007.

**7-15-4434. Vacancies.** Vacancies shall be filled for the unexpired term.

**History:** En. Sec. 5, Ch. 140, L. 1935; re-en. Sec. 5309.5, R.C.M. 1935; R.C.M. 1947, 35-105(part).

**HOUSING AUTHORITY – MCA 7-15-4431 - City Resident or Within a 10 mile radius – 5 YEAR TERMS – MAYORAL APPOINTMENTS**

			TERM EXPIRATION DATE
Ralph Ammondson Vice-Chairman	Apt 222 – Mountain View Manor (Resident) 100 E. 4 <sup>th</sup> Street	862-8160	12/31/2013 2 yr. Term
Laura E. Rutherford	PO Box 483, Whitefish Apt 107 - Mountain View Manor (Resident) 100 E. 4 <sup>th</sup> Street	862-2401	12/31/2014 2 yr. Term
Myrna Fleming	104 Railway Street	862-3568	12/31/2016
Maureen Cleary RN	116 Somers Avenue, WF	862-6838	12/31/2015
<b>VACANCY</b>			<b>12/31/2014</b>
Spencer Weimar, Chairman	24 Iowa Avenue, WF	862-3687 (W)	12/31/2013
Sandra McDonald	PO Box 4722	862-9182	12/31/2017

6:40 pm

received  
5-30-13

May 29, 2013

To: City of Whitefish

From: Joe D. Malletta



RE: Vacancy on the Lake Shore Preservation Committee

Whitefish has been our home since the mid-1960s. We live at 1240 Birch Hill Drive which is in Birch Hill Subdivision which has 190 ft. of frontage on Whitefish Lake.

I would like the opportunity to serve on the Lake Shore Preservation Committee for a number of reasons: 1. I served as president of the Wisconsin Ave. Wetland Committee which negotiated with the Averill family to preserve most of the Wisconsin Ave. wetlands which directly impact Whitefish Lake; 2. My wife and I have been members of the Whitefish Lake Institute for years and would endeavor to implement their recommendations for lake management; 3. I welcome the opportunity to impact the short and long term health of Whitefish Lake for my enjoyment and the enjoyment of generations to come.

My wife and I are snowbirds and migrate to Arizona from mid-October until the first of May each year. We maintain our home in Whitefish and have the ability to fly back to Whitefish if a situation warranted it.

Thank you for your consideration.

6:50 - Phone Call

received  
6-4-13

TO : CITY OF WHITEFISH

FROM: DAVE SPANGLER

CONCERNING: LAKE SHORE COMMITTEE OPENING

FOR THE PAST 6 YEARS I HAVE SERVED AS THE DIRECTOR OF THE PERF. ARTS CENTER AT THE MIDDLE SCHOOL. I HAVE LIVED HERE A TOTAL OF 11 YEARS. THE BULK OF MY WORK LIFE ( 21 YRS.) HAS BEEN AS A TEACHER. PLEASE PUT ME IN YOUR CONSIDERATION TO FILL THE CURRENT OPENING.

MY ADDRESS AND PHONE ARE AS FOLLOWS: 270 GLENWOOD RD. WHITEFISH

CELL: 406-249-2407

# LAKE AND LAKESHORE PROTECTION REGULATIONS

## 13-4-1: WHITEFISH CITY/COUNTY LAKE AND LAKESHORE PROTECTION COMMITTEE:

### A. Creation, Composition And Compensation Of Members:

1. The Whitefish city/county lake and lakeshore protection committee is hereby created as a special planning board in compliance with section 75-7-211 Montana Code Annotated empowered to review and comment on all activities within the jurisdiction of the Whitefish lake and lakeshore protection regulations and shall be known as the lakeshore protection committee.

2. The committee shall consist of eight (8) voting members. Four (4) members shall constitute a quorum to conduct business.

a. The Whitefish city council shall appoint three (3) members. All members shall be residents of Whitefish and at least two (2) shall be lakefront property owners or residents.

b. The Flathead County board of commissioners shall appoint four (4) members. All members shall be residents of rural Flathead County and at least three (3) shall be lakefront property owners or residents. Of those three (3), at least one shall be a lakefront property owner or resident on Blanchard Lake.

c. The eighth member shall be appointed by the Whitefish city/county planning board. He/she shall serve for a two (2) year term unless he/she requests removal or is removed by a majority vote of the planning board. The eighth member may be a member of the planning board or may be a member at large, but in any event shall be a resident of Whitefish.

3. City appointees and county appointees shall each initially be appointed to a staggered term of one, two (2) and three (3) years. Thereafter, each succeeding term shall be three (3) years. Vacancies during the term shall be filled by the appropriate governing body for the duration of the unexpired term.

4. The committee members shall serve without compensation.

### B. Duties: The committee shall:

1. Advise and work with potential applicants.

2. Review and give recommendations on projects requiring a lakeshore permit.

3. Review and offer amendments to the lake and lakeshore regulations, to keep them current, to improve efficiency and to address problems.

4. Report violations to the proper authorities.

C. Organization: The committee shall organize and adopt bylaws pursuant to these regulations establishing the operating policies and procedures of the committee. (Ord. 09-08, 7-20-2009)

**WHITEFISH LAKE & LAKESHORE PROTECTION COMMITTEE – WCC 13-4-1 - 3 YEAR TERMS**

**(2<sup>nd</sup> Wednesday; Planning & Building Department Conference Room)**

**\*\*\*City appointees – 2 minimum who own or reside on lakefront property\*\*\***

			TERM EXPIRATION DATE	
<b>*VACANCY</b>			12/31/2013	City Lakefront owner
*Herb Peschel	1404 W. Lakeshore Dr.	862-4503 (H)	12/31/2015	City Lakefront owner
Scott Ringer	940 Dakota Ave	863-2001, 871-0393	12/31/2014	City
Ron Hauf	2834 Rest Haven Dr	862-1452 (C-270-7302)	12/31/2014	County Lakefront owner
Sharon Morrison	PO Box 1090	862-9600	12/31/2015	County Lakefront owner
Dennis Konopatzke	2194 Houston Drive	261-1174	12/31/2013	County Lakefront owner
Jeff Jensen	320 Blanchard Hollow	253-6854	12/31/2015	County Blanchard Lake
Greg Gunderson	PO Box 1043	863-9947 (W)	12/31/2014	Planning Board or other -2yr term

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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, June 17, 2013, at **7:10 p.m.** at City Hall, 402 East Second Street.

Ordinance numbers start with 13-06. Resolution numbers start with 13-11.

- 1) CALL TO ORDER
- 2) PLEDGE OF ALLEGIANCE
- 3) PRESENTATION – Presentation and acceptance of FY12 Financial Audit – Bob Denning (p. 21)
- 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 (The consent agenda is a means of expediting routine matters that require the Council's action. Debate does not typically occur on consent agenda items. Any member of the Council may remove any item for debate. Such items will typically be debated and acted upon prior to proceeding to the rest of the agenda. Ordinances require 4 votes for passage – Section 1-6-2 (E)(3) WCC)
  - a) Minutes from the June 3, 2013 Council special session (p. 96)
  - b) Minutes from the June 3, 2013 Council regular session (p. 97)
  - c) Consideration of approving request from Whitefish Credit Union for a 2 year extension of the Preliminary Plat for Lookout Ridge subdivision (p. 104)
- 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) FY14 Budget - Consideration of approving City Manager's proposed budget as the FY14 preliminary budget and setting final public hearing on the FY14 budget for August 19, 2013 (p. 114)
- 8) COMMUNICATIONS FROM CITY MANAGER
  - a) Written report enclosed with the packet. Questions from Mayor or Council? (p. 230)
  - b) Other items arising between June 12<sup>th</sup> and June 17<sup>th</sup>
  - c) Consideration of a request from Neil Stuber and Corrie Colbert representing Hurraw! Balm, LLC for commitment of Tax Increment Financing Funds for water line and sewer line costs and payment of impact fees, and discussion of property tax incentives for new and expanding industry with their proposed new manufacturing facility at 267 Flathead Avenue (p. 232)

9) COMMUNICATIONS FROM MAYOR AND CITY COUNCILORS

- a) Standing budget item
- b) Appointments to Committees and Boards that were not made at tonight's Special Session before the meeting

10) 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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June 12, 2013

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

Mayor Muhlfeld and City Councilors:

**Monday, June 17, 2013 City Council Agenda Report**

There will be a special session beginning at 6:30 p.m. for interviews for various board and committee positions. We will provide food.

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

**PRESENTATION** – Presentation and acceptance of FY12 Financial Audit – Bob Denning (p. 21)

**RECOMMENDATION:** Staff respectfully recommends that the City Council, after hearing the presentation of the FY12 audit and having their questions answered, accept the FY12 financial audit.

**This item is a legislative matter.**

**CONSENT AGENDA** (The consent agenda is a means of expediting routine matters that require the Council's action. Debate does not typically occur on consent agenda items. Any member of the Council may remove any item for debate. Such items will typically be debated and acted upon prior to proceeding to the rest of the agenda. Ordinances require 4 votes for passage – Section 1-6-2 (E)(3) WCC)

- a) Minutes from the June 3, 2013 Council special session (p. 96)
- b) Minutes from the June 3, 2013 Council regular session (p. 97)
- c) Consideration of approving request from Whitefish Credit Union for a 2 year extension of the Preliminary Plat for Lookout Ridge subdivision (p. 104)

**RECOMMENDATION:** Staff respectfully recommends the City Council approve the consent agenda.

**Items a and b are administrative matters; item c is a quasi-judicial matter.**

**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) FY14 Budget - Consideration of approving City Manager's proposed budget as the FY14 preliminary budget and setting final public hearing on the FY14 budget for August 19, 2013 (p. 114)

The City Manager's proposed budget for FY14 is enclosed with the packet. The City Council has held two work sessions on the budget so far, on May 28<sup>th</sup> and June 10<sup>th</sup>. There will be another work session scheduled in July or August prior to adoption of the budget on August 19<sup>th</sup>. There is a transmittal letter in with the FY14 proposed budget which describes the major issues and projects.

In the past the City Council has been comfortable adopting the City Manager's proposed budget as the preliminary budget which the Council is required by state law to adopt. After adoption of the Preliminary budget, the City Council then makes changes to the budget in July and August prior to final adoption which is scheduled for August 19<sup>th</sup>.

**RECOMMENDATION:** Staff respectfully recommends that the City Council, after considering public testimony, adopt the FY14 proposed budget as the FY14 Preliminary Budget and set a public hearing on August 19<sup>th</sup> on the final budget.

**This item is a legislative matter.**

#### COMMUNICATIONS FROM CITY MANAGER

- a) Written report enclosed with the packet. Questions from Mayor or Council? (p. 230)
- b) Other items arising between June 12<sup>th</sup> and June 17<sup>th</sup>
- c) Consideration of a request from Neil Stuber and Corrie Colbert representing Hurraw! Balm, LLC for commitment of Tax Increment Financing Funds for water line and sewer line costs and payment of impact fees, and discussion of property tax incentives for new and expanding industry with their proposed new manufacturing facility at 267 Flathead Avenue (p. 232)

Corrie Colbert and Neil Stuber, owners of Hurraw! Balm, LLC (hereinafter Hurraw) contacted me a couple of years ago during their search for a light manufacturing building in Whitefish to accommodate their expanding lip balm manufacturing business. While their search for an existing building did not yield a viable building, I also mentioned to them at that time that, if they chose to build a new building, the City might be able to assist with infrastructure related costs from Tax Increment Funds and that state law had some tax incentives for new and expanding industries.

After a couple of years of work and business expansion, they have been planning to build a new manufacturing building in Baker Commons subdivision, south of the Food Bank building currently under construction and north of our Emergency

Services Center (see attached plat map). We met again last fall and then talked again recently because their plans had progressed to the point of consideration by the City's Architectural Review Committee. At that point, Neil Stuber sent me information on costs for their planned building and an application for property tax incentives – see attachments in the packet with this memo.

Somewhat similar, but on a different scale to what the City Council recently considered and tentatively approved for the proposed boutique hotel on Block 46, Hurraw would like the City Council to consider one or both types of incentives and assistance for their building project.

The first type of assistance would be reimbursement of eligible costs for infrastructure development associated with their project as allowed by Section 7-15-4288 (4) MCA (copy enclosed with packet). This type of assistance is also contemplated in the 1987 Urban Renewal Plan with the following objective:

*“4. The development of industrial parks that will allow for the diversification in the economic base in Whitefish;*

*The diversification of the City's economic base is a goal that must receive high consideration because of the impact that it has on many aspects of urban renewal and redevelopment. The creation of an industrial park on city owned property could lead to the attraction of new businesses to Whitefish and would allow Whitefish to become less dependent on the tourism industry. This would require the relocation of the Department of Public Works facilities to a location adjacent to the railroad tracks in close proximity to the new site for the proposed City Hall facility. All communities should diversify their economies so that the economic ups and downs are minor in nature. New businesses in Whitefish will lead to new jobs, new housing and new investments by private individuals and companies. The end result is a stronger economy for both government and for private businesses.”*

The direct assistance that Hurraw is requesting would entail:

- |  |                 |
|--|-----------------|
| 1. Payment of impact fees for the project, estimated at  | \$ 9,296        |
| 2. Payment of costs to excavate and connect the water and sanitary sewer services from the main to the building estimated at | <u>\$10,165</u> |
| Total  | \$19,461        |

There are pages showing the breakdown of these costs in the packet.

The second type of incentive Hurraw is requesting is consideration of the property tax incentives allowed in state law for new and expanding industries. Again, this incentive was discussed and reviewed during the Block 46 boutique hotel presentation, although that project is not going to ask the City for such tax incentives, they only plan to go to Flathead County for the incentives the County can grant. In the case of Hurraw, they would like the City Council to consider approving such property tax incentives. The incentives requested would reduce their property taxes on the building by 50% for the first five years and that incentive would reduce to 40% in year six, 30% in year seven and so on until full taxes were paid in year ten after construction.

As shown in a spreadsheet in the packet, the City could grant incentives totaling an estimated \$13,229.20 for the ten years of tax reductions. If Hurraw were to apply to Flathead County for the same tax incentives, they could possibly obtain an additional \$5,857.95 of property tax reductions.

The financial aspects are discussed above, but I will provide a summary of them here.

Direct financial assistance from a TIF reimbursement for impact fees  
and water and sewer line connections – estimated at \$  
19,461

Property tax incentives for new and expanding industry over ten years \$  
13,229.20

The process for granting the property tax incentives requires a public hearing and approval of a Resolution, so we are not asking for that at tonight’s meeting. Rather than present a resolution at this time, we wanted to present the topic and get direction from the City Council on whether they would want to approve either form of assistance or both. Based on the direction we receive from the City Council, we would come back for approval of resolutions at the appropriate time.

As shown in the spreadsheet in the packet, if all of the property tax incentives are granted by both the City and the County, the Tax Increment Fund would only receive net estimated revenues of \$23,564.30 prior to its termination in 2020. Thus, you would be putting 83% of the new Tax Increment revenues received over the next six years back into the project.

**RECOMMENDATION:** Staff respectfully recommends the City Council consider the extent of Tax Increment Funds and property tax incentives that they would like to commit towards the proposed development of the Hurraw! Balm LLC manufacturing building development at 267 Flathead Avenue and provide direction to City staff and the applicant on the extent of such assistance.

**This item is a legislative matter.**

#### COMMUNICATIONS FROM MAYOR AND CITY COUNCILORS

- a) Standing budget item
- b) Appointments to Committees and Boards that were not made at tonight’s Special Session before the meeting

Sincerely,



Chuck Stearns  
City Manager

## "Cheat Sheet" for Robert's Rules

<b>Motion</b>	In Order When Another has the Floor?	Second Required?	Debatable?	Amendable?	Vote Required for Adoption	Can be reconsidered?
<b>Main Motion</b>	N	Y	Y	Y	Majority unless other spec'd by Bylaws	Y
<b>Adjournment</b>	N	Y	N	Y	Majority	N
<b>Recess</b> (no question before the body)	N	Y	N	Y	Majority	N
<b>Recess</b> (question before the body)	N	Y	Y	Y	Majority	N
<b>Accept Report</b>	N	Y	Y	Y	Majority	Y
<b>Amend Pending Motion</b>	N	Y	If motion to be amended is debatable	Y	Majority	Y
<b>Amend an Amendment of Pending Motion</b>	N	Y	See above	N	Majority	Y
<b>Change from Agenda</b> to Take a Matter out of Order	N	Y	N	N	Two-thirds	N
<b>Limit Debate Previous Question / Question</b>	N	Y	N	Y	Two-thirds	Yes, but not if vote taken on pending motion.
<b>Limit Debate</b> or extend limits for duration of meeting	N	Y	Y	Y	Two-thirds	Y
<b>Division of Assembly (Roll Call)</b>	Y	N	N	N	Demand by a single member compels division	N
<b>Division of Ques/ Motion</b>	N	Y	N	Y	Majority	N
<b>Point of Information</b>	Y	N	N	N	Vote is not taken	N
<b>Point of Order / Procedure</b>	Y	N	N	N	Vote is not taken	N
<b>Lay on Table</b>	N	Y	N	N	Majority	N
<b>Take from Table</b>	N	Y	N	N	Majority	N
<b>Suspend the Rules</b> as applied to rules of order or, take motion out of order	N	Y	N	N	Two-thirds	N
<b>Refer (Commit)</b>	N	Y	Y	N	Majority	Neg. vote only

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CITY OF WHITEFISH  
FLATHEAD COUNTY, MONTANA  
Fiscal Year Ended June 30, 2012

**AUDIT REPORT**

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

CITY OF WHITEFISH  
 FLATHEAD COUNTY, MONTANA  
 Fiscal Year Ended June 30, 2012

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CITY OF WHITEFISH

FLATHEAD COUNTY, MONTANA

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CITY OF WHITEFISH  
FLATHEAD COUNTY, MONTANA

**ORGANIZATION**

Fiscal Year Ended June 30, 2012

**CITY COUNCIL**

John Anderson	Council Member
Frank Sweeney	Council Member
Richard Hildner	Council Member
Bill Kahle	Council Member
Phillip Mitchell	Council Member
Chris Hyatt	Council Member

**CITY OFFICIALS**

Chuck Stearns	City Manager
Mary VanBuskirk	City Attorney
Bradley Johnson	Municipal Judge
Necile Lorang	City Clerk, Administrative Services Director
William Dial	Police Chief
Rich Knapp	Assistant City Manager, Finance Director

**CITY OF WHITEFISH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDED JUNE 30, 2012**

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, 2012. The City encourages readers to consider the information presented in conjunction with the City's financial statements and accompanying notes.

**FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the fiscal year end by \$72,620,589 as reported in the statement of net assets. Of this amount, \$5,419,492 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designations.
- The total fiscal year end governmental fund balance was \$13,426,222 as reported in the balance sheet.
- The unassigned general fund balance at fiscal year-end was \$1,167,307.

**Overview 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 supplementary information is also included at the end of the financial section.

**Government-wide Financial Statements**

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 basis of accounting used by most private-sector businesses.

The **statement of net assets** presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets 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 assets have changed during the fiscal year. All changes in net assets 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, public works, planning, culture and recreation, housing and economic

development, and debt service. The business-type activities of the City include water, wastewater, solid waste, and ambulance 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 in which revenues are recognized when they become 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, solid waste and ambulance 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 City has two agency-type fiduciary funds, the Volunteer Fire Pension and Relief Fund, and the Whitefish Trail Fund. The Volunteer Fire agency 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 clearing funds for payroll and claims are included in this category. The Whitefish Trail Fund was funded by a private donation, and is used at the discretion of the Whitefish Trail Steering Committee.

### **Notes to Financial Statements**

These notes provide additional narrative and tabular information that is essential to a full 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, these reports present certain required supplementary information concerning the City's budgetary control.

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

### NET ASSETS

Net assets may serve over time as a useful indicator of a government's financial position. The net assets for the fiscal year ending June 30, 2012 were \$72,620,589, an increase of \$7,836,837.

The City's largest portion of net assets 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 assets represent resources that are subject to external restrictions on how they may be used. The unrestricted assets 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 assets as of June 30, 2012 and June 30, 2011.

#### City of Whitefish - Net Assets

	Governmental Activities			Business-type Activities		
	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>Change Inc (Dec)</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>Change Inc (Dec)</u>
Current and other assets	\$ 16,270,702	\$ 15,502,074	\$ 768,628	\$ 5,418,994	\$ 3,972,221	\$1,446,773
Capital assets	<u>52,692,498</u>	<u>48,618,113</u>	<u>4,074,385</u>	<u>22,624,436</u>	<u>21,648,094</u>	<u>976,342</u>
Total assets	<u>\$ 68,963,199</u>	<u>\$64,120,187</u>	<u>\$4,843,012</u>	<u>\$28,043,430</u>	<u>\$25,620,315</u>	<u>\$2,423,115</u>
Long-term debt outstanding	\$ 14,232,176	\$ 16,042,383	\$(1,810,207)	\$ 7,201,764	\$ 7,198,088	\$ 3,676
Other liabilities	<u>1,804,452</u>	<u>1,068,693</u>	<u>735,759</u>	<u>1,147,647</u>	<u>647,586</u>	<u>500,061</u>
Total liabilities	<u>\$16,036,629</u>	<u>\$17,111,076</u>	<u>\$(1,074,447)</u>	<u>\$8,349,411</u>	<u>\$7,845,674</u>	<u>\$503,737</u>
Net assets:						
Invested in capital assets, net of debt	\$38,460,321	\$33,099,650	\$5,360,671	\$15,422,672	\$14,801,094	\$621,578
Restricted	10,912,531	11,464,847	(552,316)	2,405,573	2,322,841	82,732
Unrestricted (deficit)	<u>3,553,718</u>	<u>2,444,614</u>	<u>1,109,104</u>	<u>1,865,774</u>	<u>650,706</u>	<u>1,215,068</u>
Total net assets	<u>\$52,926,571</u>	<u>\$ 47,009,111</u>	<u>\$ 5,917,460</u>	<u>\$ 19,694,019</u>	<u>\$17,774,641</u>	<u>\$1,919,378</u>

## CHANGES IN NET ASSETS

The City's revenues totaled \$24,664,642 fiscal year ending June 30, 2012. The total cost of all programs and services for that same period were \$16,875,728. Therefore, the increase in net assets was \$7,788,914. The table below presents consolidated information on the City's change in net assets for the fiscal years ending June 30, 2011 and June 30, 2012.

### City of Whitefish – Changes in Net Assets

	Governmental			Business-type		
	Activities		Change Increase (Decrease)	Activities		Change Increase (Decrease)
	June 30, 2012	June 30, 2011		June 30, 2012	June 30, 2011	
<b>Revenues</b>						
Program revenues (by major source):						
Charges for services	\$ 3,272,520	\$ 3,462,629	\$(190,109)	\$ 6,717,407	\$ 5,928,139	\$ 789,268
Operating grants and contributions	529,882	623,731	(93,849)	-	-	-
Capital grants and contributions	3,416,537	707,575	2,708,962	870,162	172,251	697,911
Property taxes for general purposes	7,745,163	7,067,518	677,645	294,835	232,505	62,330
Permits & Licenses	59,611	363,256	(303,645)	-	-	-
Unrestricted Federal/State shared revenues	19,925	-	19,925	-	-	-
Unrestricted investment earnings	112,550	163,173	(50,623)	40,527	54,498	(13,971)
Miscellaneous	132,955	212,115	(79,160)	45,605	70,842	(25,237)
State entitlement	862,537	867,493	(4,956)	-	-	-
<u>On behalf payments</u>	<u>323,488</u>	<u>368,793</u>	<u>(45,305)</u>	<u>220,939</u>	<u>210,988</u>	<u>9,951</u>
Total revenues	<u>\$ 16,475,169</u>	<u>\$13,836,283</u>	<u>\$2,638,886</u>	<u>\$ 8,189,474</u>	<u>\$ 6,669,223</u>	<u>\$1,520,251</u>
<b>Program expenses</b>						
General government	\$ 523,770	\$ 698,013	\$(174,243)			
Public safety	3,554,516	3,558,454	(3,938)			
Public works	2,390,278	2,256,410	133,868			
Social and economic services	1,250	11,074	(9,824)			
Culture and recreation	2,043,383	1,796,513	246,870			
Housing and community development	976,312	1,058,367	(82,055)			
Debt service - interest	610,386	649,617	(39,231)			
Miscellaneous	<u>39,638</u>	<u>69,787</u>	<u>(30,149)</u>			
Water				\$ 1,881,971	\$ 2,010,648	\$(128,677)
Sewer				2,226,197	2,095,256	130,941
Solid Waste				691,826	686,568	5,258
Ambulance				<u>1,936,202</u>	<u>1,816,780</u>	<u>119,422</u>
Total expenses	<u>\$ 10,139,532</u>	<u>\$ 10,098,235</u>	<u>\$ 41,297</u>	<u>\$ 6,736,197</u>	<u>\$ 6,609,252</u>	<u>\$ 126,945</u>
Excess (deficiency) before special items, extraordinary items and transfers	<u>\$ 6,335,637</u>	<u>\$ 3,738,048</u>	<u>\$ 2,597,589</u>	<u>\$ 1,453,277</u>	<u>\$ 59,971</u>	<u>\$ 1,393,306</u>
Transfers - net	<u>(464,255)</u>	<u>(464,502)</u>	<u>247</u>	<u>464,255</u>	<u>464,502</u>	<u>(247)</u>
<b>Increase (decrease) in Net Assets</b>	<u>\$ 5,871,381</u>	<u>\$ 3,273,546</u>	<u>\$ 2,597,835</u>	<u>\$ 1,917,532</u>	<u>\$ 524,473</u>	<u>\$ 1,393,059</u>

**Governmental activities**

Revenues for the fiscal year ending June 30, 2012 from governmental activities were \$16,475,169 while expenses were \$10,139,532 plus \$464,255 in net transfers. Net assets thus increased \$5,871,381. General government related revenues increased by \$2,638,886 from the previous year and expenses increased by \$41,267.

**Business-type activities**

Revenues for the fiscal year ending June 30, 2012 from business-type activities were \$8,189,474 plus \$464,255 in transfers. Expenses were \$6,736,197 resulting in an increase in net assets of \$1,917,532. Business-type related revenues increased by \$1,520,251 from the previous year and expenses increased by \$126,945.

**THE CITY'S FUNDS**

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Governmental funds are accounted for using the modified accrual basis of accounting. As of the end of fiscal year 2012, the City governmental funds reported a combined fund balance of \$13,426,222. Of that fund balance \$446,199 is unassigned.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

Variance between the final revenue budget and actual resulted from better than expected building permit revenue, court revenue, and ambulance revenue. There were no significant variances between the final expenditure budget and actual.

**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, 2012 totals \$53,882,993 (net of related debt). The City's capital investment includes 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.

**City of Whitefish – Capital Assets**

(net of depreciation)

Major capital assets events during FY2012 included the following:

- Completed construction of the Downtown Street Reconstruction Project
- Completed Scott Ave Lift Station Improvement & final design on 6th/Geddes Reconstruction Project
- Continued design of E. 2nd Street Reconstruction and Trail
- New floating docks at City Beach
- Donation of \$50k for new baseball stadium
- Completed non-infrastructure portion of Safe Routes to School project and began infrastructure portion

- Completed initial phase of citywide wireless communications network
- Purchase of 105 Baker Ave property
- Constructed ADA ramp at the O’Shaughnessy
- Many upgrades to Emergency Services via the Homeland Security Grant
- Installed a thermal solar water heating system on the Emergency Services Center
- Completed reconstruction of Hwy 93/2nd Street (TIGER)
- Completed design and began construction process on hydroelectric project
- Upgraded Suncrest and Upper Grouse water booster stations
- Continued design for utility improvements on the US Hwy 93 Whitefish West Reconstruction Project
- Completed wastewater system improvement project with new disinfection facilities and inflow and infiltration mitigation
- Identified energy efficiency measures in the water and sewer system and began implementation and construction
- Completed Whitefish Lake Pump Station Improvement
- Purchased new street sweeper with 75% MACI funds
- Purchased new sewer TV camera

**LONG-TERM DEBT**

The City’s FY2012 total debt was decreased by 2.1%. New debt was incurred for a wastewater project. No general obligation bonds were issued.

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2011	2012
Revenue						
Bonds	\$13,285,000	\$14,510,000			\$13,285,000	\$14,510,000
Special						
Assessment	935,000	1,005,000			935,000	1,005,000
Loans			7,201,764	6,847,000	7,201,764	6,847,000
Capital Leases	12,189	3,463			12,189	3,643
OPEB	795,512	523,920	530,166	351,088	1,325,678	875,008
<b>Total Debt</b>	<b>\$15,027,701</b>	<b>\$16,042,383</b>	<b>\$7,731,930</b>	<b>\$7,198,088</b>	<b>\$22,759,631</b>	<b>\$23,240,471</b>

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET**

Growth related revenues have stabilized and has recovered some since peaking in FY2007. Some newly developed properties are being added to the tax rolls, and population is growing slowly. The City implemented a lean FY2010, FY2011, and FY2012 budget and laid-off and left vacant several positions in order to reduce expenses and maintain a General Fund cash reserve. The FY2013 budget continues to be lean, but not as to same extent of the previous two years. The FY2013 budget included a cost of living plus 1% increase. Capital spending has increased from additions to the Ice Den and new fire equipment. One full time code enforcement/building inspector was added in anticipation of the new high school’s demand on inspection services. In addition, the police Office Manager will be on the payrolls for the full year and the city anticipates filling the Assistant Fire Chief position that has been vacant for almost two years.

There was no increase in the mill levy, therefore Whitefish continues to have one of the lowest property tax rates in Montana. Resort Tax revenue collections are key indicator of the local economy. Resort tax collections were up 8.7% when comparing FY10 to FY11, 8.1% when comparing FY11 to FY12, and at one third into FY13 resort taxes are 9.8% higher than the same period in FY12.

A rate increase in water and wastewater usage charges in October 2012 and changes to billing procedures and other fees during the same time will result in increased revenues for the Water, Sewer, and Garbage Funds. In addition, in Nov 2012 the city restructured most of its water and sewer debt to a lower rate, saving the city over \$720,000 over the next 17 years and reducing the net operating revenue requirement (coverage) in these funds.

### **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

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**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, 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, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Whitefish management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Whitefish Housing Authority, which represents 100% of the discretely presented component units. These financial statements were audited by other auditors whose report thereon, has been furnished to us, and our opinion insofar as it relates to the amounts included for the Whitefish Housing Authority is based on the report of other auditors.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Whitefish, Flathead County, Montana, as of June 30, 2012, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2013, on our consideration of the City of Whitefish's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That

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Robert K. Denning, CPA · Kim M. Downey, CPA

report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding for other post employment benefits other than pensions on pages 2 through 8, 55 through 57, and 58 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 and the other auditors 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.

The City of Whitefish has not presented a budgetary reconciliation with the budgetary comparison information that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

*Deering, Downey and Associates, CPA's, P.C.*

June 6, 2013

**City of Whitefish, Flathead County, Montana**  
**Statement of Net Assets**  
**June 30, 2012**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Whitefish Housing Authority</u>
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and investments	\$ 9,428,243	\$ 2,324,497	\$ 11,752,740	\$ -
Cash and cash equivalents	-	-	-	50,824
Taxes and assessments receivable, net	1,348,398	48,985	1,397,383	-
Accounts receivable - net	-	619,410	619,410	5,088
Current portion of notes and loans receivable	6,000	-	6,000	-
Due from other governments	1,053,999	-	1,053,999	14,020
Prepaid items	-	-	-	2,439
Capital Asset, held for resale	-	-	-	24,091
Unamortized bond premium and costs	180,195	-	180,195	-
<i>Restricted:</i>				
Cash and cash equivalents	-	-	-	18,029
<b>Total current assets</b>	<b>\$ 12,016,835</b>	<b>\$ 2,992,892</b>	<b>\$ 15,009,727</b>	<b>\$ 114,491</b>
<b>Noncurrent assets</b>				
Restricted cash and investments	\$ 3,106,731	\$ 2,405,573	\$ 5,512,304	\$ -
Capital assets - land	8,353,129	602,783	8,955,912	-
Capital assets - construction in progress	16,197,760	621,271	16,819,031	-
Capital assets, non-depreciable	-	-	-	57,801
Capital assets - net of depreciation	28,141,608	21,400,382	49,541,990	-
Capital assets, depreciable, net	-	-	-	345,974
Special assessments receivable deferred	1,147,136	20,529	1,167,665	-
Notes receivable	-	-	-	47,500
Other Assets, unrestricted	-	-	-	1,903
Other Assets, restricted	-	-	-	693,599
<b>Total noncurrent assets</b>	<b>\$ 56,946,364</b>	<b>\$ 25,050,538</b>	<b>\$ 81,996,902</b>	<b>\$ 1,146,777</b>
<b>Total assets</b>	<b>\$ 68,963,199</b>	<b>\$ 28,043,430</b>	<b>\$ 97,006,629</b>	<b>\$ 1,261,268</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ -	-	-	9,224
Accrued interest payable	-	-	-	3,490
Accrued payroll and benefits	-	-	-	1,388
Accrued payroll	85,835	50,723	136,558	-
Due to other governments	-	-	-	14,016
Tenant security deposit payable	-	-	-	9,722
Deferred revenue	-	400,000	400,000	15,013
Current portion of long-term capital liabilities	1,339,585	720,000	2,059,585	-
Current portion of compensated absences payable	329,997	200,647	530,644	-
Compensated absences payable	-	-	-	7,741
Contracts payable	263,110	-	263,110	-
Notes payable, noncapital	-	-	-	2,650
<b>Total current liabilities</b>	<b>\$ 2,018,527</b>	<b>\$ 1,371,370</b>	<b>\$ 3,389,897</b>	<b>\$ 63,244</b>
<b>Noncurrent liabilities</b>				
Deposits payable	\$ -	\$ 165,463	\$ 165,463	\$ -
Noncurrent portion of long-term capital liabilities	12,892,592	6,481,764	19,374,356	-
Noncurrent portion of compensated absences	329,997	200,648	530,645	-
Compensated absences payable	-	-	-	11,973
Due to other governments	-	-	-	9,889
Notes payable, noncapital	-	-	-	47,350
Noncurrent OPEB liability	795,512	530,166	1,325,678	-
<b>Total noncurrent liabilities</b>	<b>\$ 14,018,101</b>	<b>\$ 7,378,041</b>	<b>\$ 21,396,142</b>	<b>\$ 69,212</b>
<b>Total liabilities</b>	<b>\$ 16,036,628</b>	<b>\$ 8,749,411</b>	<b>\$ 24,786,039</b>	<b>\$ 132,456</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	\$ 38,460,321	\$ 15,422,672	\$ 53,882,993	\$ -
Invested in capital assets	-	-	-	403,775
<b>Restricted for:</b>				
Capital projects	191,156	1,178,678	1,369,834	-
Debt service	3,472,351	1,226,895	4,699,246	-
General government	250,249	-	250,249	-
Public safety	353,494	-	353,494	-
Public works	4,448,753	-	4,448,753	-
Culture & recreation	119,659	-	119,659	-
Housing & community development	2,076,870	-	2,076,870	-
<b>Restricted</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>705,266</b>
<b>Unrestricted</b>	<b>3,553,718</b>	<b>1,465,774</b>	<b>5,019,492</b>	<b>19,771</b>
<b>Total net assets</b>	<b>\$ 52,926,571</b>	<b>\$ 19,294,019</b>	<b>\$ 72,220,590</b>	<b>\$ 1,128,812</b>
<b>Total liabilities and net assets</b>	<b>\$ 68,963,199</b>	<b>\$ 28,043,430</b>	<b>\$ 97,006,629</b>	<b>\$ 1,261,268</b>

See accompanying Notes to the Financial Statements

City of Whitefish, Flathead County, Montana  
Statement of Activities  
For the Fiscal Year Ended June 30, 2012

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			Whitefish Housing Authority
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>									
Governmental activities:									
General government	\$ 663,172	\$ (139,402)	\$ 388,344	\$ 1,000	\$ -	\$ (134,426)	\$ -	\$ (134,426)	\$ -
Public safety	3,507,288	47,228	608,115	278,145	370,174	(2,298,082)	-	(2,298,082)	-
Public works	2,374,713	15,565	1,507,700	146,139	3,046,363	2,309,924	-	2,309,924	-
Social and economic services	1,250	-	-	-	-	(1,250)	-	(1,250)	-
Culture and recreation	2,031,315	12,067	767,361	94,350	-	(1,181,671)	-	(1,181,671)	-
Housing and community development	971,773	4,539	1,000	10,248	-	(965,064)	-	(965,064)	-
Debt service - interest	610,386	-	-	-	-	(610,386)	-	(610,386)	-
Miscellaneous	39,638	-	-	-	-	(39,638)	-	(39,638)	-
Total governmental activities	\$ 10,199,535	\$ (60,003)	\$ 3,272,520	\$ 529,882	\$ 3,416,537	\$ (2,920,593)	\$ -	\$ (2,920,593)	\$ -
Business-type activities:									
Water	\$ 1,864,368	\$ 17,603	\$ 2,576,913	\$ -	\$ 206,987	\$ -	\$ 901,929	\$ 901,929	\$ -
Wastewater	2,207,173	19,024	2,065,793	-	663,175	-	502,771	502,771	-
Solid Waste	690,363	1,463	727,853	-	-	-	36,027	36,027	-
Ambulance	1,914,290	21,913	946,848	-	-	-	(989,355)	(989,355)	-
Total business-type activities	\$ 6,676,194	\$ 60,003	\$ 6,317,407	\$ -	\$ 870,162	\$ -	\$ 451,372	\$ 451,372	\$ -
Total primary government	\$ 16,875,729	\$ -	\$ 9,589,927	\$ 529,882	\$ 4,286,699	\$ (2,920,593)	\$ 451,372	\$ (2,469,221)	\$ -
Component units:									
Whitefish Housing Authority	\$ 494,783	\$ -	\$ 293,290	\$ 37,835	\$ 115,452	\$ -	\$ -	\$ -	\$ (48,206)
Total component units	\$ 494,783	\$ -	\$ 293,290	\$ 37,835	\$ 115,452	\$ -	\$ -	\$ -	\$ (48,206)
General Revenues:									
Property taxes for general purposes						\$ 7,745,163	\$ 294,835	\$ 8,039,998	\$ -
Permits & Licenses						59,611	-	59,611	-
Unrestricted Federal/State shared revenues						19,925	-	19,925	-
Unrestricted investment earnings						112,550	40,527	153,077	-
Miscellaneous						132,955	45,605	178,560	-
State entitlement						862,537	-	862,537	-
On behalf payments						323,488	220,939	544,427	-
Transfers - net						(464,255)	464,255	-	-
City of Whitefish - Housing Rehab revenue						-	-	-	1,460
Interest income						-	-	-	419
Loss from capital asset dispositions						-	-	-	(49)
Special item - Casualty loss expense						-	-	-	(4,548)
Extraordinary items -									
Casualty loss income						-	-	-	360,175
Casualty loss expense						-	-	-	(327,435)
Total general revenues, special items and transfers						\$ 8,791,974	\$ 1,066,161	\$ 9,858,135	\$ 30,022
Change in net assets						\$ 5,871,381	\$ 1,517,533	\$ 7,388,914	\$ (18,184)
Net assets - beginning						\$ 47,009,108	\$ 17,774,641	\$ 64,783,749	\$ 1,146,996
Restatements						46,082	1,845	47,927	-
Net assets - beginning - restated						\$ 47,055,190	\$ 17,776,486	\$ 64,831,676	\$ 1,146,996
Net assets - end						\$ 52,926,571	\$ 19,294,019	\$ 72,220,590	\$ 1,128,812

See accompanying Notes to the Financial Statements

**City of Whitefish, Flathead County, Montana**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2012**

	<u>General</u>	<u>Resort Tax</u>	<u>Tax Increment</u>	<u>Tax Increment Bond Debt</u>	<u>SID 166 Bond Debt</u>	<u>US93/TIGER</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>								
Current assets:								
Cash and investments	\$ 552,549	\$ 2,422,981	\$ 1,431,467	\$ -	\$ -	\$ -	\$ 5,021,246	\$ 9,428,243
Taxes and assessments receivable, net	290,178	-	796,859	-	6,943	-	254,417	1,348,397
Current portion of notes and loans receivable	6,000	-	-	-	-	-	-	6,000
Current portion of advances to other funds	-	-	-	-	-	-	48,740	48,740
Due from other funds	-	-	909,132	-	-	-	-	909,132
Due from other governments	62,188	-	-	-	-	919,278	72,534	1,054,000
Unamortized bond premium and costs	-	-	-	180,195	-	-	-	180,195
Total current assets	<u>\$ 910,915</u>	<u>\$ 2,422,981</u>	<u>\$ 3,137,458</u>	<u>\$ 180,195</u>	<u>\$ 6,943</u>	<u>\$ 919,278</u>	<u>\$ 5,396,937</u>	<u>\$ 12,974,707</u>
Noncurrent assets:								
Noncurrent portion of advances to other funds	\$ 652,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 652,140
Restricted cash and investments	-	-	-	3,106,731	-	-	-	3,106,731
Special assessments receivable deferred	-	-	81,286	-	1,059,184	-	6,666	1,147,136
Total noncurrent assets	<u>\$ 652,140</u>	<u>\$ -</u>	<u>\$ 81,286</u>	<u>\$ 3,106,731</u>	<u>\$ 1,059,184</u>	<u>\$ -</u>	<u>\$ 6,666</u>	<u>\$ 4,906,007</u>
Total assets	<u>\$ 1,563,055</u>	<u>\$ 2,422,981</u>	<u>\$ 3,218,744</u>	<u>\$ 3,286,926</u>	<u>\$ 1,066,127</u>	<u>\$ 919,278</u>	<u>\$ 5,403,603</u>	<u>\$ 17,880,714</u>
<b>LIABILITIES</b>								
Current liabilities:								
Accrued payroll	\$ 35,839	\$ -	\$ 3,707	\$ -	\$ -	\$ -	\$ 46,290	\$ 85,836
Due to other funds	-	-	-	-	-	909,132	-	909,132
Deferred revenue	290,178	-	878,145	-	1,066,127	-	261,083	2,495,533
Contracts payable	-	-	263,111	-	-	-	-	263,111
Total current liabilities	<u>\$ 326,017</u>	<u>\$ -</u>	<u>\$ 1,144,963</u>	<u>\$ -</u>	<u>\$ 1,066,127</u>	<u>\$ 909,132</u>	<u>\$ 307,373</u>	<u>\$ 3,753,612</u>
Noncurrent liabilities:								
Non current portion of advances from other funds	\$ -	\$ -	\$ -	\$ -	\$ 48,740	\$ -	\$ 652,140	\$ 700,880
Total noncurrent liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,740</u>	<u>\$ -</u>	<u>\$ 652,140</u>	<u>\$ 700,880</u>
Total liabilities	<u>\$ 326,017</u>	<u>\$ -</u>	<u>\$ 1,144,963</u>	<u>\$ -</u>	<u>\$ 1,114,867</u>	<u>\$ 909,132</u>	<u>\$ 959,513</u>	<u>\$ 4,454,492</u>
<b>FUND BALANCES</b>								
Restricted for:								
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,249	\$ 250,249
Public safety	-	-	-	-	-	-	353,494	353,494
Public works	-	2,422,981	-	-	-	-	2,025,771	4,448,752
Culture & recreation	-	-	-	-	-	-	119,659	119,659
Housing & community development	-	-	2,073,781	-	-	-	3,088	2,076,869
Debt service	-	-	-	3,286,926	-	-	185,426	3,472,352
Capital projects	-	-	-	-	-	10,146	181,010	191,156
Committed for:								
Capital projects	-	-	-	-	-	-	1,772,073	1,772,073
Assigned to:								
Public safety	69,731	-	-	-	-	-	-	69,731
Public works	-	-	-	-	-	-	225,688	225,688
Unassigned	1,167,307	-	-	-	(48,740)	-	(672,368)	446,199
Total fund balance	<u>\$ 1,237,038</u>	<u>\$ 2,422,981</u>	<u>\$ 2,073,781</u>	<u>\$ 3,286,926</u>	<u>\$ (48,740)</u>	<u>\$ 10,146</u>	<u>\$ 4,444,090</u>	<u>\$ 13,426,222</u>
Total liabilities and fund balance	<u>\$ 1,563,055</u>	<u>\$ 2,422,981</u>	<u>\$ 3,218,744</u>	<u>\$ 3,286,926</u>	<u>\$ 1,066,127</u>	<u>\$ 919,278</u>	<u>\$ 5,403,603</u>	<u>\$ 17,880,714</u>

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 Assets**  
**June 30, 2012**

<b>Total fund balances - governmental funds</b>	\$	13,426,222
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		52,692,498
Other assets are not available for current-period expenditures and, therefore, are deferred in the funds		2,495,533
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(14,892,170)
Other post employment benefits (OPEB) liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(795,512)
<b>Total net assets - governmental activities</b>	<b>\$</b>	<u><u>52,926,571</u></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, 2012**

	<u>General</u>	<u>Resort Tax</u>	<u>Tax Increment</u>	<u>Tax Increment Bond Debt</u>	<u>SID 166 Bond Debt</u>	<u>US93/TIGER</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>								
Taxes and assessments	\$ 1,925,213	\$ 1,819,283	\$ 3,991,924	\$ -	\$ 113,155	\$ -	\$ 1,540,395	\$ 9,389,970
Licenses and permits	59,611	-	-	-	-	-	600,094	659,705
Intergovernmental	1,128,503	-	148,194	-	-	2,451,438	768,403	4,496,538
Charges for services	116,164	-	-	-	-	-	872,665	988,829
Fines and forfeitures	254,596	-	-	-	-	-	8,616	263,212
Miscellaneous	75,430	-	8,423	-	9,644	300	139,772	233,569
Investment earnings	47,145	21,542	-	21,622	226	-	23,193	113,728
Total revenues	\$ <u>3,606,662</u>	\$ <u>1,840,825</u>	\$ <u>4,148,541</u>	\$ <u>21,622</u>	\$ <u>123,025</u>	\$ <u>2,451,738</u>	\$ <u>3,953,138</u>	\$ <u>16,145,551</u>
<b>EXPENDITURES</b>								
General government	\$ 451,917	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,616	\$ 460,533
Public safety	2,291,405	-	-	22,525	-	-	1,007,040	3,320,970
Public works	29,062	85	-	-	-	12,826	1,272,923	1,314,896
Social and economic services	1,250	-	-	-	-	-	-	1,250
Culture and recreation	16,899	2,055	-	-	-	-	1,396,065	1,415,019
Housing and community development	-	-	952,977	-	-	-	10,556	963,533
Debt service - principal	2,267	-	-	1,225,000	70,000	-	-	1,297,267
Debt service - interest	208	-	-	564,611	45,568	-	-	610,387
Miscellaneous	-	-	-	-	-	-	39,638	39,638
Capital outlay	47,972	1,353,710	885,108	-	-	2,428,766	612,913	5,328,469
Total expenditures	\$ <u>2,840,980</u>	\$ <u>1,355,850</u>	\$ <u>1,838,085</u>	\$ <u>1,812,136</u>	\$ <u>115,568</u>	\$ <u>2,441,592</u>	\$ <u>4,347,751</u>	\$ <u>14,751,962</u>
Excess (deficiency) of revenues over expenditures	\$ <u>765,682</u>	\$ <u>484,975</u>	\$ <u>2,310,456</u>	\$ <u>(1,790,514)</u>	\$ <u>7,457</u>	\$ <u>10,146</u>	\$ <u>(394,613)</u>	\$ <u>1,393,589</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds of general long term debt	\$ 10,981	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,981
Transfers in	2,263,708	-	1,264	1,779,659	-	-	1,032,113	5,076,744
Transfers out	(2,657,752)	(553,708)	(2,153,051)	-	-	-	(55,735)	(5,420,246)
Total other financing sources (uses)	\$ <u>(383,063)</u>	\$ <u>(553,708)</u>	\$ <u>(2,151,787)</u>	\$ <u>1,779,659</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>976,378</u>	\$ <u>(332,521)</u>
Net Change in Fund Balance	\$ <u>382,619</u>	\$ <u>(68,733)</u>	\$ <u>158,669</u>	\$ <u>(10,855)</u>	\$ <u>7,457</u>	\$ <u>10,146</u>	\$ <u>581,765</u>	\$ <u>1,061,068</u>
Fund balances - beginning	\$ 854,229	\$ 2,415,908	\$ 1,914,672	\$ 3,297,781	\$ (56,197)	\$ (45,273)	\$ 3,937,956	\$ 12,319,076
Restatements	190	75,806	440	-	-	45,273	(75,631)	46,078
Fund balances - beginning, restated	\$ <u>854,419</u>	\$ <u>2,491,714</u>	\$ <u>1,915,112</u>	\$ <u>3,297,781</u>	\$ <u>(56,197)</u>	\$ <u>-</u>	\$ <u>3,862,325</u>	\$ <u>12,365,154</u>
Fund balance - ending	\$ <u>1,237,038</u>	\$ <u>2,422,981</u>	\$ <u>2,073,781</u>	\$ <u>3,286,926</u>	\$ <u>(48,740)</u>	\$ <u>10,146</u>	\$ <u>4,444,090</u>	\$ <u>13,426,222</u>

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, 2012**

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

<b>Net change in fund balances - total governmental funds</b>	\$	1,061,068
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		5,328,469
- Depreciation expense		(1,719,223)
In the Statement of Activities, the fair market value of capital asset donations is recognized as revenue. The fund financial statements do not recognize these revenues:		
- Fair market value of donated capital assets		585,891
Tax and assessment revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
- Tax and assessment receivables (change in deferred revenues)		(256,272)
The change in compensated absences is shown as an expense on the Statement of Activities, but are not reported as an expenditure on the Statement of Revenues, Expenditures and Changes in Fund Balance:		
- Change in compensated absence liability		(22,494)
Repayment of debt principal is an expenditures in the governmentnal funds, but repayment reduces long-term debt in the Statement of Net Assets:		
- Long-term debt principal payments		1,297,268
Long term debt proceeds provide curretn financial resources to the governmentnal funds, but issuing debt increases long-term liabilities in the Statement of Net Assets:		
- Proceeds from general long-term debt		(10,981)
The change in other post employment benefits is shown as an expense on the Statement of Activiites, but are not reported as an expenditure on the Statement of Revenues, Expenditures and Changes in Fund Balance:		
		(271,592)
In the Statement of Activities, Intergovernmental transfers of the fair value, original cost less accumulated depreciation, of a capital asset is recognized as a transfer in (out). The fund financial statemetns do not recognize an other financing source (use).		
		(120,753)
<b>Change in net assets - Statement of Activities</b>	<b>\$</b>	<b><u>5,871,381</u></b>

See accompanying Notes to the Financial Statements

**City of Whitefish, Flathead County, Montana**  
**Balance Sheet**  
**Proprietary Funds**  
**June 30, 2012**

	<b>Business-Type Activities - Enterprise Funds</b>				
	<u>Water</u>	<u>Wastewater</u>	<u>Ambulance</u>	<u>Other Business-Type Activities</u>	
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 1,570,991	\$ 603,595	\$ 108,514	\$ 41,398	\$ 2,324,498
Taxes and assessments receivable, net	496	669	47,821	-	48,986
Accounts receivable - net	196,911	166,747	194,882	60,869	619,409
Total current assets	<u>\$ 1,768,398</u>	<u>\$ 771,011</u>	<u>\$ 351,217</u>	<u>\$ 102,267</u>	<u>\$ 2,992,893</u>
Noncurrent assets:					
Restricted cash and investments	\$ 1,619,237	\$ 786,335	\$ -	\$ -	\$ 2,405,572
Capital assets - land	335,283	267,500	-	-	602,783
Capital assets - construction in progress	454,003	167,268	-	-	621,271
Capital assets - net of depreciation	8,551,456	12,743,213	105,713	-	21,400,382
Special assessments receivable deferred	8,746	11,784	-	-	20,530
Total noncurrent assets	<u>\$ 10,968,725</u>	<u>\$ 13,976,100</u>	<u>\$ 105,713</u>	<u>\$ -</u>	<u>\$ 25,050,538</u>
Total assets	<u>\$ 12,737,123</u>	<u>\$ 14,747,111</u>	<u>\$ 456,930</u>	<u>\$ 102,267</u>	<u>\$ 28,043,431</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accrued payroll	14,729	16,975	17,750	1,270	50,724
Deferred revenue	400,000	-	-	-	400,000
Current portion of long-term capital liabilities	433,000	287,000	-	-	720,000
Current portion of compensated absences payable	66,366	63,374	64,378	6,529	200,647
Total current liabilities	<u>\$ 914,095</u>	<u>\$ 367,349</u>	<u>\$ 82,128</u>	<u>\$ 7,799</u>	<u>\$ 1,371,371</u>
Noncurrent liabilities:					
Deposits payable	165,450	13	-	-	165,463
Noncurrent portion of long-term capital liabilities	3,829,000	2,652,764	-	-	6,481,764
Noncurrent portion of compensated absences	66,365	63,374	64,379	6,529	200,647
Due to other governments	158,274	171,919	186,823	13,150	530,166
Total noncurrent liabilities	<u>\$ 4,219,089</u>	<u>\$ 2,888,070</u>	<u>\$ 251,202</u>	<u>\$ 19,679</u>	<u>\$ 7,378,040</u>
Total liabilities	<u>\$ 5,133,184</u>	<u>\$ 3,255,419</u>	<u>\$ 333,330</u>	<u>\$ 27,478</u>	<u>\$ 8,749,411</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	\$ 5,078,742	\$ 10,238,217	\$ 105,713	\$ -	\$ 15,422,672
Restricted for capital projects	729,781	448,897	-	-	1,178,678
Restricted for debt service	889,457	337,438	-	-	1,226,895
Unrestricted	905,959	467,140	17,887	74,789	1,465,775
Total net assets	<u>\$ 7,603,939</u>	<u>\$ 11,491,692</u>	<u>\$ 123,600</u>	<u>\$ 74,789</u>	<u>\$ 19,294,020</u>
Total liabilities and net assets	<u>\$ 12,737,123</u>	<u>\$ 14,747,111</u>	<u>\$ 456,930</u>	<u>\$ 102,267</u>	<u>\$ 28,043,431</u>

See accompanying Notes to the Financial Statements

**City of Whitefish, Flathead County, Montana**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2012**

**Business-Type Activities - Enterprise Funds**

	<u>Water</u>	<u>Wastewater</u>	<u>Ambulance</u>	<u>Other Business- Type Activities</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 2,575,144	\$ 2,063,410	\$ 889,399	\$ 727,853	\$ 6,255,806
Miscellaneous revenues	-	-	45,605	-	45,605
Special assessments	1,769	2,383	-	-	4,152
Total operating revenues	<u>\$ 2,576,913</u>	<u>\$ 2,065,793</u>	<u>\$ 935,004</u>	<u>\$ 727,853</u>	<u>\$ 6,305,563</u>
<b>OPERATING EXPENSES</b>					
Personal services	\$ 834,100	\$ 910,142	\$ 1,337,596	\$ 71,351	\$ 3,153,189
Supplies	137,401	198,217	77,639	4,003	417,260
Purchased services	228,215	210,340	71,518	614,565	1,124,638
Fixed charges	166,657	136,958	30,814	1,907	336,336
Loss/bad debt expense	-	-	390,539	-	390,539
Depreciation	338,814	669,999	28,096	-	1,036,909
Total operating expenses	<u>\$ 1,705,187</u>	<u>\$ 2,125,656</u>	<u>\$ 1,936,202</u>	<u>\$ 691,826</u>	<u>\$ 6,458,871</u>
Operating income (loss)	<u>\$ 871,726</u>	<u>\$ (59,863)</u>	<u>\$ (1,001,198)</u>	<u>\$ 36,027</u>	<u>\$ (153,308)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Taxes/assessments revenue	\$ -	\$ -	\$ 294,834	\$ -	\$ 294,834
Intergovernmental revenue	-	-	278,388	-	278,388
Interest revenue	27,752	11,673	840	262	40,527
Debt service interest expense	(176,784)	(100,542)	-	-	(277,326)
Total non-operating revenues (expenses)	<u>\$ (149,032)</u>	<u>\$ (88,869)</u>	<u>\$ 574,062</u>	<u>\$ 262</u>	<u>\$ 336,423</u>
Income (loss) before contributions, transfers, special & extraordinary items	<u>\$ 722,694</u>	<u>\$ (148,732)</u>	<u>\$ (427,136)</u>	<u>\$ 36,289</u>	<u>\$ 183,115</u>
Capital contributions	206,987	783,929	-	-	990,916
Transfers in	-	-	343,502	-	343,502
Change in net assets	<u>\$ 929,681</u>	<u>\$ 635,197</u>	<u>\$ (83,634)</u>	<u>\$ 36,289</u>	<u>\$ 1,517,533</u>
Net Assets - Beginning of the year	\$ 6,672,412	\$ 10,856,495	\$ 207,234	\$ 38,500	\$ 17,774,641
Restatements	1,846	-	-	-	1,846
Net Assets - Beginning of the year - Restated	<u>\$ 6,674,258</u>	<u>\$ 10,856,495</u>	<u>\$ 207,234</u>	<u>\$ 38,500</u>	<u>\$ 17,776,487</u>
Net Assets - End of the year	<u>\$ 7,603,939</u>	<u>\$ 11,491,692</u>	<u>\$ 123,600</u>	<u>\$ 74,789</u>	<u>\$ 19,294,020</u>

See accompanying Notes to the Financial Statements

**City of Whitefish, Flathead County, Montana**  
**Combined Statement of Cash Flows**  
**All Proprietary Fund Types**  
**Fiscal Year Ended June 30, 2012**

	<b>Business - Type Activities</b>				
	<u>Water</u>	<u>Wastewater</u>	<u>Ambulance</u>	<u>Total Non-Major Enterprise Funds</u>	<u>Totals</u>
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 2,967,535	\$ 2,065,500	\$ 525,129	\$ 729,095	\$ 6,287,259
Cash paid to suppliers	(532,273)	(545,514)	(179,972)	(620,475)	(1,878,234)
Cash paid to employees	(790,815)	(862,599)	(1,298,704)	(67,153)	(3,019,271)
Cash received (paid) from customer deposits	16,925	(23)	-	-	16,902
Net cash provided (used) by operating activities	<u>\$ 1,661,372</u>	<u>\$ 657,364</u>	<u>\$ (953,547)</u>	<u>\$ 41,467</u>	<u>\$ 1,406,656</u>
<b>Cash flows from capital and related financing activities:</b>					
Proceeds from debt	\$ -	\$ 886,000	\$ -	\$ -	\$ 886,000
Purchases/acquisition/construction of capital assets	(316,961)	(1,256,597)	-	-	(1,573,558)
Principal on debt	(414,000)	(117,236)	-	-	(531,236)
Interest paid on debt	(176,784)	(100,542)	-	-	(277,326)
Proceeds from intergovernmental capital grants	-	551,220	278,388	-	829,608
Net cash provided (used) by capital and related financing activities	<u>\$ (907,745)</u>	<u>\$ (37,155)</u>	<u>\$ 278,388</u>	<u>\$ -</u>	<u>\$ (666,512)</u>
<b>Cash flows from non-capital financing activities:</b>					
Transfers from (to) other funds	\$ -	\$ -	\$ 343,502	\$ -	\$ 343,502
Due from (to) other funds	-	-	-	(332)	(332)
Cash received from taxes	-	-	294,835	-	294,835
Net cash provided (used) from non-capital financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 638,337</u>	<u>\$ (332)</u>	<u>\$ 638,005</u>
<b>Cash flows from investing activities:</b>					
Interest earnings	\$ 27,751	\$ 11,673	\$ 840	\$ 263	\$ 40,527
Net cash provided (used) by investing activities	<u>\$ 27,751</u>	<u>\$ 11,673</u>	<u>\$ 840</u>	<u>\$ 263</u>	<u>\$ 40,527</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>\$ 781,378</u>	<u>\$ 631,882</u>	<u>\$ (35,982)</u>	<u>\$ 41,398</u>	<u>\$ 1,418,676</u>
<b>Cash and cash equivalents at beginning</b>	<u>\$ 2,408,849</u>	<u>\$ 758,049</u>	<u>\$ 144,496</u>	<u>\$ -</u>	<u>\$ 3,311,394</u>
<b>Cash and cash equivalents at end</b>	<u>\$ 3,190,227</u>	<u>\$ 1,389,931</u>	<u>\$ 108,514</u>	<u>\$ 41,398</u>	<u>\$ 4,730,070</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 1,271,726	\$ (59,863)	\$ (1,001,198)	\$ 36,027	\$ 246,692
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	338,814	669,999	28,096	-	1,036,909
(Increase) Decrease in accounts receivable	(12,074)	(3,926)	(20,354)	1,242	(35,112)
Increase (decrease) in customer deposits	16,925	(23)	-	-	16,902
Increase (decrease) in compensated absences pay	5,204	6,035	(7,187)	4,276	8,328
(Increase) decrease in assessments receivable	-	-	1,019	-	1,019
Increase (decrease) in OPEB liability	52,535	56,777	65,398	1,088	175,798
(Increase) decrease in special assessments receivable deferred	2,697	3,633	-	-	6,330
Increase (decrease) in accrued payroll payable	(14,455)	(15,269)	(19,320)	(1,166)	(50,210)
Net cash provided (used) by operating activities	<u>\$ 1,661,372</u>	<u>\$ 657,363</u>	<u>\$ (953,546)</u>	<u>\$ 41,467</u>	<u>\$ 1,406,656</u>
<b>Non-cash activity</b>					
Capital contributions	<u>\$ 206,987</u>	<u>\$ 232,709</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 439,696</u>

See accompanying Notes to the Financial Statements

**City of Whitefish, Flathead County, Montana**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2012**

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and short-term investments	\$ 102,977	\$ 626,759
Taxes receivable	-	13,032
Total assets	<u>\$ 102,977</u>	<u>\$ 639,791</u>
<b>LIABILITIES</b>		
Warrants payable	\$ -	\$ 600,265
Due to other governments	-	13,388
Due to others	-	26,138
Total liabilities	<u>\$ -</u>	<u>\$ 639,791</u>
<b>NET ASSETS</b>		
Assets held in trust	<u>\$ 102,977</u>	

See accompanying Notes to the Financial Statements

**City of Whitefish, Flathead County, Montana**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2012**

		<u>Private Purpose Trust Funds</u>
<b>ADDITIONS</b>		
Investment earnings	\$	10,857
Net investment earnings		<u>10,857</u>
Total additions	\$	<u>10,857</u>
 <b>DEDUCTIONS</b>		
Administrative expenses		50,711
Other deductions		<u>2,258,940</u>
Total deductions	\$	<u>2,309,651</u>
Change in net assets	\$	<u>(2,298,794)</u>
 Net Assets - Beginning of the year	 \$	 2,401,771
 Net Assets - End of the year	 \$	 <u>102,977</u>

See accompanying Notes to the Financial Statements

CITY OF WHITEFISH  
FLATHEAD COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2012**

**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. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

**Financial Reporting Entity**

In determining the financial reporting Entity, the City complies with the provisions of GASB statement No. 14, *The Financial Reporting City*, 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.

During the year ended June 30, 2012 the City of Whitefish Library came under the control of the City and is now reported as a fund of the City of Whitefish. The Library is a non-major fund and is reported in all other aggregate governmental funds.

*Discretely Presented Component Units*

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The component units listed below have a fiscal year ending June 30, 2012. The City has the following discretely presented component units:

Housing Authority

The Housing Authority is established in accordance to Montana Code Annotated (MCA) 7-15-4416. The Housing Authority is both legally separate and fiscally independent from the City of Whitefish. The City appoints all seven commissioners (board members) of the board of the Housing Authority in accordance to MCA 7-15-4431. The City established an interlocal agreement with the Housing Authority.

CITY OF WHITEFISH  
FLATHEAD COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2012**

**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 Assets 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 City 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 Assets 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 Assets 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, 2012**

**Fund Financial Statements:**

*Basis of Presentation*

Fund financial statements of the reporting Entity 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, liabilities, 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, liabilities, 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.

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

CITY OF WHITEFISH  
FLATHEAD COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2012**

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 authority to implement City Ordinance 95-15, the Resort Tax Ordinance. The ordinance imposes a 2% resort tax on a range of goods and services sold by establishments within the City. The Ordinance specifies that property tax relief should be provided to Whitefish taxpayers in an amount equal to 25% of resort 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.

*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 to 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, 2021.

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

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

*US93/TIGER* - A capital project fund created to track revenues and expenditures associated with the construction project along U.S. Highway 93.

***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.

CITY OF WHITEFISH  
 FLATHEAD COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2012**

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.

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

*Ambulance Fund* – An enterprise fund that accounts for the activities of the City's ambulance service.

***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 assets and a statement of changes in fiduciary net assets. The fiduciary funds are:

*Private Purpose Trust* – The City maintains a trust fund to record activity of the trail project.

**Cost Allocation Plan**

The City allocates administrative service costs to each of the funds based on a percentage of the budgeted salary. Administrative cost allocation percentages are listed below.

General Fund	7.40%
Street and Alley	9.35%
Parks and Recreation	9.67%
Library	1.64%
Law Enforcement	18.96%
Tax Increment	2.87%
Fire and Rescue	7.92%
Building Codes	3.18%
Light #1	0.28%
Light #4	0.28%
Water Fund	11.21%
Wastewater Fund	12.18%
Solid Waste Fund	0.95%
Ambulance Fund	<u>14.11%</u>
Total	<u>100%</u>

CITY OF WHITEFISH  
 FLATHEAD COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS**

**Cash Composition**

Composition of cash, deposits and investments at fair value on June 30, 2012, are as follows:

	<u>Primary Government</u>
<u>Cash on hand and deposits:</u>	
Cash on hand	
Petty cash	\$ 1,225
Cash in banks:	
Demand deposits	15,241,455
Savings deposits	382,735
Time deposits	2,342,139
<u>Investments:</u>	
State Short-Term Investment Pool (STIP)	<u>27,226</u>
Total	<u>\$ 17,994,780</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.

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 place 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.

CITY OF WHITEFISH  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2012**

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 NRSRO as of June 30, 2012:

<u>Security Investment Type</u>	<u>Amortized Cost</u>	<u>Credit Quality Rating</u>	<u>Weighted Average Maturity</u>
Asset Backed Commercial Paper	\$ 579,229,187	A1	29
Corporate Commercial Paper	68,067,209	A1	116
Corporate Fixed Rate	23,609,565	B	214
Corporate Variable-Rate	419,480,034	A3	39
Certificates of Deposit Fixed Rate	30,064,940	A1	66
Certificates of Deposit Variable-Rate	416,232,894	A3	37
Other Asset Backed	21,507,129	BBB-	NA
U.S. Government Agency Fixed	124,991,596	A1	352
U.S. Government Agency Variable -Rate	502,707,759	A1	19
Money Market Funds (Unrated)	147,931,122	NR	1
Money Market Funds (Rated)	24,000,000	A1	1
Structured Investment Vehicles (SIV)	<u>37,566,658</u>	NR	<u>6</u>
Total Investments	<u>\$ 2,395,388,093</u>		<u>49</u>
Securities Lending Collateral Investment Pool	<u>\$ 4,930,327</u>	NR	*

“\*As of June 30, 2012, the Securities Lending Quality Trust liquidity pool had an average duration of 25 days and an average weighted final maturity of 61 days for U.S. dollar collateral. The duration pool had an average duration of 33 days and an average weighted final maturity of 606 days for U.S. dollar collateral.”

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, 2012**

**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, 2012 the government's bank balance was exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Balance</u>
Insured	\$ 750,000
- Collateral held by the pledging bank's trust department in the City's name.	10,652,724
Uninsured and uncollateralized	<u>6,587,466</u>
Total deposits and investments	<u>\$17,990,190</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 ration of less than 6%.

The amount of collateral held for City deposits at June 30, 2012, equaled or exceeded the amount required by State statutes.

**NOTE 3. RECEIVABLES**

An allowance for uncollectible accounts was not maintained for real and personal property taxes and special assessment 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 City. 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;

CITY OF WHITEFISH  
FLATHEAD COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2012**

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 4. INVENTORIES**

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

**NOTE 5. CAPITAL ASSETS**

The City's assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting capital assets at \$5,000. 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
Improvements	5 – 20 years
Equipment	3 – 40 years
Infrastructure	10 – 50 years

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 Basic Financial Statements. The government has elected not to retroactively report general infrastructure assets.

CITY OF WHITEFISH  
 FLATHEAD COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2012**

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

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Donated</u> <u>Assets</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2012</u>
Capital assets not being depreciated:					
Land	\$ 7,605,540	\$ 747,589	\$ -	\$ -	\$ 8,353,129
Construction in Progress	<u>12,179,648</u>	<u>4,426,799</u>	<u>(120,753)</u>	<u>(287,934)</u>	<u>16,197,760</u>
Total capital assets not being depreciated	<u>\$ 19,785,188</u>	<u>\$ 5,174,388</u>	<u>\$(120,753)</u>	<u>\$ (287,934)</u>	<u>\$ 24,550,889</u>
Other capital assets:					
Buildings	\$ 13,714,767	\$ 14,824	\$ -	\$ -	\$ 13,729,591
Improvements other than buildings	1,606,202	49,980	-	-	1,656,182
Machinery and equipment	4,170,429	88,567	164,195	-	4,423,191
Infrastructure	<u>21,749,747</u>	<u>710</u>	<u>421,696</u>	<u>287,934</u>	<u>22,460,087</u>
Total other capital assets at historical cost	<u>\$ 41,241,145</u>	<u>\$ 154,081</u>	<u>\$ 585,891</u>	<u>\$ 287,934</u>	<u>\$ 42,269,051</u>
Less accumulated depreciation	<u>\$ (12,408,220)</u>	<u>\$ (1,719,223)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,127,443)</u>
Total	<u>\$ 48,618,113</u>	<u>\$ 3,609,246</u>	<u>\$ 465,138</u>	<u>\$ -</u>	<u>\$ 52,692,497</u>

Governmental activities depreciation expense was charged to functions as follows:

Governmental Activities:	
General government	\$ 43,485
Public safety	67,464
Public works	1,030,012
Culture and recreation	<u>578,262</u>
Total governmental activities depreciation expense	<u>\$ 1,719,223</u>

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

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Donated</u> <u>Assets</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2012</u>
Capital assets not being depreciated:					
Land	\$ 602,783	\$ -	\$ -	\$ -	\$ 602,783
Construction in Progress	<u>4,554,403</u>	<u>356,334</u>	<u>-</u>	<u>(4,289,466)</u>	<u>621,271</u>
Total capital assets not being depreciated	<u>\$ 5,157,186</u>	<u>\$ 356,334</u>	<u>\$ -</u>	<u>\$ (4,289,466)</u>	<u>\$ 1,224,054</u>
Other capital assets:					
Buildings	\$ 170,980	\$ -	\$ -	\$ -	\$ 170,980
Machinery and equipment	565,486	-	-	-	565,486
Pumping plant	2,742,985	525	-	136,825	2,880,335
Treatment plant	11,860,841	590,243	-	3,881,305	16,332,389
Transmission and distribution	13,333,426	911,469	120,753	271,336	14,636,984
General plant	<u>1,135,203</u>	<u>33,927</u>	<u>-</u>	<u>-</u>	<u>1,169,130</u>
Total other capital assets at historical cost	<u>\$ 29,808,921</u>	<u>\$ 1,536,164</u>	<u>\$ 120,753</u>	<u>\$ 4,289,466</u>	<u>\$ 35,755,304</u>
Less accumulated depreciation	<u>\$ (13,318,013)</u>	<u>\$ (1,036,909)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,354,922)</u>
Total	<u>\$ 21,648,094</u>	<u>\$ 855,589</u>	<u>\$ 120,753</u>	<u>\$ -</u>	<u>\$ 22,624,436</u>

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**NOTE 6. 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 amortized over the life of the bonds.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are amortized over the life of the bond.

Changes in Long-Term Debt Liabilities - During the year ended June 30, 2012, the following changes occurred in liabilities reported in long-term debt:

Governmental Activities:

	Balance <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2012</u>	Due Within <u>One Year</u>
Revenue bond	\$ 14,510,000	\$ -	\$(1,225,000)	\$ 13,285,000	\$ 1,256,000
Special assessment bond	1,005,000	-	(70,000)	935,000	70,000
Compensated absences	637,500	22,494	-	659,994	24,000
Capital leases	3,463	10,981	(2,267)	12,177	4,585
Other post-employment benefits *	<u>523,920</u>	<u>271,592</u>	<u>-</u>	<u>795,512</u>	<u>-</u>
Total	<u>\$ 16,679,883</u>	<u>\$ 305,067</u>	<u>\$(1,297,267)</u>	<u>\$ 15,687,683</u>	<u>\$ 1,354,585</u>

\*See Note 14

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

Business-type Activities:

	Balance <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2012</u>	Due Within <u>One Year</u>
Revenue bonds	\$ 6,847,000	\$ 886,000	\$ (531,236)	\$ 7,201,764	\$ 720,000
Compensated absences	396,246	12,235	(7,187)	401,294	200,647
Other post-employment benefits *	<u>351,088</u>	<u>179,078</u>	<u>-</u>	<u>530,166</u>	<u>-</u>
Total	<u>\$ 7,594,334</u>	<u>\$1,077,313</u>	<u>\$ (538,423)</u>	<u>\$ 8,133,224</u>	<u>\$ 920,647</u>

\*See Note 14

*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 City 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, 2012 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, 2012</u>
SID #166- JP Road Project	07/06/2006	3.65-4.80%	20 yrs	07/01/2026	\$1,360,000	Varies	<u>\$935,000</u>

Annual requirement to amortize debt:

<u>For Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 70,000	\$ 42,468
2014	70,000	39,597
2015	70,000	36,622
2016	70,000	33,577
2017	70,000	30,498
2018	70,000	27,382
2019	65,000	24,232
2020	65,000	21,274
2021	65,000	18,286
2022	65,000	15,263
2023	65,000	12,208
2024	65,000	9,120
2025	65,000	6,000
2026	<u>60,000</u>	<u>2,880</u>
Total	<u>\$ 935,000</u>	<u>\$ 319,407</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:

<u>Purpose</u>	<u>Origination Date</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Annual Payment</u>	<u>Balance June 30, 2012</u>
2009 Tax Increment Urban Renewal Revenue Bonds(1)	07/14/2009	3.00-4.625%	11 yrs	07/15/2020	\$15,695,000	Varies	\$ 13,285,000
DNRC-Water 1998(2)	07/06/1998	4.00%	20 yrs	07/01/2018	400,000	Varies	155,000
DNRC-Water 1999(2)	06/21/1999	4.00%	20 yrs	07/01/2019	5,839,000	Varies	2,581,000
Water DWSRF #06098(2)	06/15/2006	3.75%	20 yrs	07/01/2026	248,699	Varies	693,000
Water WRF #08110(2)	09/06/2007	3.75%	20 yrs	07/01/2027	900,000	Varies	731,000
Water SRF (2009B) (2)	10/21/2009	0.75%	20 yrs	07/01/2029	120,100	Varies	102,000
Sewer SRF 2002 Series(2)	07/01/2002	3.00%	20 yrs	07/01/2022	200,000	Varies	114,000
Sewer DNRC (2008A) (2)	12/11/2008	2.75%	20 yrs	07/01/2028	500,000	Varies	421,000
Sewer DNRC (2008B) (2)	01/16/2009	3.75%	20 yrs	01/01/2029	1,711,000	Varies	1,495,000
Sewer DNRC (2010B) (2)	02/04/2010	0.75%	20 yrs	01/01/2030	48,211	Varies	44,000
2011B(2)	08/01/2011	3.75%	20 yrs	07/01/2031	340,000	Varies	328,000
2011C(2)	08/01/2011	3.75%	20 yrs	07/01/2031	386,000	Varies	377,764
201 IA SRF-12287(2)	08/01/2011	3.75%	20 yrs	07/01/2031	<u>160,000</u>	Varies	<u>160,000</u>
Total					<u>\$ 26,547,910</u>		<u>\$ 20,486,764</u>

- (1) Reported in governmental activities
- (2) Reported in business-type activities

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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, 2012.

Annual requirement to amortize debt:

For Fiscal Year Ended	Principal	Interest
2013	\$ 1,819,000	\$ 761,781
2014	1,885,000	701,824
2015	1,950,000	630,156
2016	2,030,000	552,416
2017	2,111,000	471,580
2018	2,198,000	386,285
2019	2,257,000	295,113
2020	1,921,000	201,998
2021	2,002,000	115,476
2022	282,000	66,398
2023	281,000	57,024
2024	289,000	47,596
2025	301,000	37,854
2026	312,000	27,703
2027	251,000	17,797
2028	204,000	10,286
2029	113,000	4,223
2030	50,000	2,193
2031	48,000	1,220
2032	22,764	250
Total	<u>\$ 20,326,764</u>	<u>\$4,389,173</u>

**Capital Leases**

The City has entered into a several leases which meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee when all terms of the lease agreements are met. Capital lease obligations outstanding as of June 30, 2012 were as follows:

<u>Purpose</u>	<u>Origination Date</u>	<u>Interest rate</u>	<u>Value</u>	<u>Deletions</u>	<u>Remaining Payments as of June 30, 2012</u>
Sharp Copier Lease	02/09/2010	7.27%	\$ 6,774	\$ (2,237)	\$ 1,196
Sharp MX5111	04/04/2012	16.07%	<u>10,981</u>	-	<u>10,981</u>
Total			<u>\$14,755</u>	<u>\$ (2,237)</u>	<u>\$ 12,177</u>

Reported in the governmental activities.

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Annual requirement to amortize debt:

For Fiscal Year Ended	<u>Principal</u>	<u>Interest</u>
2013	\$ 4,585	\$ 902
2014	3,623	625
2015	<u>3,969</u>	<u>280</u>
Total	\$ <u>12,177</u>	\$ <u>1,807</u>

**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.

**NOTE 7. DEFICIT FUND BALANCES/NET ASSETS**

<u>Fund Name</u>	<u>Amount</u>	<u>Reason for Deficit</u>	<u>How Deficit will be Eliminated</u>
Parks, Recreation and Community Services	\$ 16,760	Delinquent Taxes Receivable	Future Revenues
Drug Forfeiture	\$ 191,162	Excess Payroll Payments	Future Drug Forfeitures
Building Code	\$ 464,446	Excess Expenditures	Future Revenues
SID 166 Bond Debt	\$ 48,740	Deferred Assessment Receivable	Future Assessments

**NOTE 8. INTERFUND RECEIVABLES AND PAYABLES**

The composition of interfund balances as of June 30, 2012, was as follows:

Due to/from other funds:			
<u>Purpose</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Temporary Due to/Due from for TIGER	Tax Increment – Major Governmental	US93/TIGER – Major Governmental	\$ <u>909,132</u>
Advances to/from other funds:			
<u>Purpose</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Half of Annual Assessment to SID	SID Revolving – Nonmajor Governmental	SID 166 – Major Governmental	\$ 48,741
Cover Negative Cash	General – Major Governmental	Building Codes – Nonmajor Governmental	460,977
Cover Negative Cash	General – Major Governmental	Drug Forfeiture – Nonmajor Governmental	<u>191,162</u>
Total			<u>\$ 700,880</u>

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**Interfund Transfers**

The following is an analysis of operating transfers in and out during fiscal year 2012:

<u>Purpose</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Operating Transfer	Parks, Recreation and Community Services – Nonmajor Governmental	General – Major Governmental	\$ 480,368
Operating Transfer	Law Enforcement – Major Governmental	General – Major Governmental	1,710,000
Operating Transfer	Fire and Ambulance – Nonmajor Governmental	General – Major Governmental	90,512
Operating Transfer	Ambulance – Major Enterprise fund	General – Major Governmental	343,502
Operating Transfer	Library – Nonmajor Governmental	General – Major Governmental	33,370
25% Taxpayer Relief	General – Major Governmental	Resort Tax – Major Governmental	553,708
Move Taxes from TIF	Tax Increment Revenue Bond Debt – Major Governmental	Tax Increment – Major Governmental	1,779,659
Move Taxes from TIF	City Hall Project – Nonmajor Governmental	Tax Increment – Major Governmental	250,000
Move Taxes from TIF	Emergency Services Center Construction – Nonmajor Governmental	Tax Increment – Major Governmental	123,392
Transfer Impact Fees to Correct Fund	Emergency Services Center Construction – Nonmajor Governmental	Impact Fees – Nonmajor Governmental	42,169
Transfer Impact Fees to Correct Fund	Tax Increment – Major Governmental	Impact Fees – Nonmajor Governmental	1,264
Transfer Excess Funds Back to Financing Fund	Street and Alley – Nonmajor Governmental	SID 151 Bond Debt – Nonmajor Governmental	4,796
Transfer Excess Funds Back to Financing Fund	Street and Alley – Nonmajor Governmental	SID 154 Bond Debt – Nonmajor Governmental	7,506
Capital asset transfer	Wastewater – Major Enterprise	Governmental activities	120,753
		Total	<u>\$ 5,540,999</u>

**NOTE 9. STATE-WIDE RETIREMENT PLANS**

All full-time City employees are covered under one of the following retirement plans: Montana Public Employees Retirement System (PERS), Municipal Police Officers Retirement System (MPORS) and Firefighters Unified Retirement System (FURS). The plans are established by State law and administered by the State of Montana. The plans are cost-sharing multiple-employer defined benefit plans that provide retirement, disability and death benefits to plan members and beneficiaries, with amounts determined by the State. However, PERS members may have chosen the defined contribution retirement plan. Under this plan it puts the employee

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in control of investments options and their retirement is based upon the cash in their investment account.

Contribution rates are required and determined by State law. The contribution rates, expressed as a percentage of covered payroll for the fiscal year ended June 30, 2012 for the defined benefit plans, were:

	<u>PERS**</u>	<u>MPORS</u>	<u>FURS</u>
Employer	7.07%	14.41%	14.36%
Employee	6.90%*	If first employed: on or before 6/30/75- 5.8% after 6/30/75 - 7% after 6/30/79 - 8.5% on & after 7/1/97 - 9% w/ GABA - 9%	9.5% w/o GABA 10.7% w/GABA Also – 1% withheld & paid to Montana State Firemen’s Association
State	0.10%	29.37%	32.61%

The State contribution qualifies as an on-behalf payment. These amounts have not been recorded in the City’s financial statements and were considered immaterial.

Publicly available financial reports that include financial statements and required supplementary information may be obtained for the plans by writing or calling: Montana Public Employee Retirement Administration, P.O. Box 200131, Helena, Montana 59620-0131 Phone: 1-406-444-3154.

The City's contributions for the years ended June 30, 2010, 2011, and 2012, as listed below, were equal to the required contributions for each year.

	<u>PERS</u>	<u>MPORS</u>	<u>FURS</u>
2010	\$225,755	\$114,965	\$139,965
2011	\$208,269	\$123,221	\$140,093
2012	\$218,100	\$108,124	\$138,988

**NOTE 10. POSTEMPLOYMENT HEALTHCARE PLAN**

Terminated employees may remain on the City’s health insurance plan for up to 18 months if they pay the monthly premiums. This benefit is required under federal COBRA law. In accordance with Montana State law (see below), retirees may remain on the City’s health plan as long as they wish, at a rate that does not cover all of the related costs. This results in the reporting of an implied rate subsidy in the financial statements and footnotes. The City’s contract with allegiance Benefits details the plan eligibility. MMIA is the administrator of the benefit plan which covers both active and retired members. The City’s retirees may continue coverage for themselves and their covered eligible dependents if they are eligible for public employees’ retirement by virtue of their employment with the City of Whitefish. The City’s current labor contracts do not include any obligations for payments to retirees.

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Montana Code Annotated (MCA) Section 2-18-704 states (1) An insurance contract or plan issued under this part must contain provisions that permit:

- (a) The member of a group who retires from active service under the appropriate retirement provisions of a defined benefit plan provided by law or, in the case of the defined contribution plan provided in Title 19, chapter 3, part 21, a member with at least 5 years of service and who is at least age 50 while in covered employment to remain a member of the group until the member becomes eligible for medicare under the federal Health Insurance for the Aged Act, 42 U.S.C. 1395, as amended, unless the member is a participant in another group plan with substantially the same or greater benefits at an equivalent cost;
- (b) The surviving spouse of a member to remain a member of the group as long as the spouse is eligible for retirement benefits accrued by the deceased member as provided by law unless the spouse is eligible for medicare under the federal Health Insurance for the Aged Act or unless the spouse has or is eligible for equivalent insurance coverage as provided in subsection (1)(a);
- (c) The surviving children of a member to remain members of the group as long as they are eligible for retirement benefits accrued by the deceased member as provide by law unless they have equivalent coverage in subsection (1)(a) or are eligible for insurance coverage by virtue of the employment of a surviving parent or legal guardian.

*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, 2012, was as follows:

Actuarial Accrued Liability (AAL)	\$ 2,138,344
Actuarial value of plan assets	\$ _____ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ <u>2,138,344</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 5,340,571
UAAL as a percentage of covered payroll	40%

*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.

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Annual Required Contribution (ARC)	\$ 441,837
Interest on net OPEB obligation	\$ 8,834
Adjustment to ARC	\$ _____ -
Annual OPEB cost (expense)	\$ 450,671
Contributions made	\$ _____ -
Increase in net OPEB obligation	\$ 450,671
Net OPEB obligation - beginning of year	\$ <u>875,008</u>
Net OPEB obligation - end of year	\$ <u><u>1,325,679</u></u>

*Actuarial Methods and Assumptions.* As of July 1, 2010, the City's actuarially accrued liability (AAL) for benefits was \$2,138,344. The AAL by status breakdown is shown below:

Active participants:	\$2,102,450
Retirees, Dependents, and Surviving Spouses:	<u>35,894</u>
Total AAL	<u><u>\$2,138,344</u></u>
Normal Cost	\$ 331,073

Participant Information

Active participants:	92
Retirees, Dependents, and Surviving Spouses:	<u>2</u>
Total	<u><u>94</u></u>

The following key assumptions were chosen by the City:

- 1 Discount Rate: 2.00%
- 2 Expected Long Term Rate of Return on Assets: 2.00%
- 3 Average Salary Increase 2.00%
- 4 Premium Increases 7.00%

The June 30, 2012 year-end OPEB obligation is reported in the City's funds as follows:

Primary Government	
Governmental Activities:	
General government	\$ <u>795,512</u>
Total governmental activities	\$ <u>795,512</u>
Business-type activities:	
Water	\$ 158,274
Sewer	\$ 171,919
Garbage	13,150
Ambulance	<u>186,823</u>
Total business-type activities	\$ <u>530,166</u>
Total primary government	\$ <u><u>1,325,678</u></u>

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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples, as detailed above, include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revisions as actual results are compared with past expectations, and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, is designed to present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**NOTE 11. LOCAL RETIREMENT PLANS**

**Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan available to all City 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 an agency fund of the City.

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.

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**NOTE 12. RESTRICTED CASH/INVESTMENTS**

The following restricted cash/investments were held by the City as of June 30, 2012. These amounts are reported within the cash/investment account on the Statement of Net Assets.

<u>Description</u>	<u>Amount</u>
Tax Increment Bond Debt:	
Restricted for Debt Service	\$ 3,106,731
Water Fund:	
Restricted for Debt Service	296,784
Restricted for Debt Reserves	592,673
Restricted for Construction	348,362
Water Impact Fee:	
Restricted for Construction	381,419
Wastewater Fund:	
Restricted for Debt Service	111,839
Restricted for Debt Reserves	225,599
Restricted for Construction	75,202
Wastewater Impact Fee:	
Restricted for Construction	<u>373,695</u>
Total	<u>\$5,512,304</u>

**NOTE 13. RESTATEMENTS**

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

<u>Fund</u>	<u>Amount</u>	<u>Reason for Adjustment</u>
General Fund	\$ 175	Prior Year Expenditure Correction
Law Enforcement	15	Prior Year Expenditure Correction
Resort Tax	75,806	Prior Year Expenditure Correction
Tax Increment	440	Prior Year Expenditure Correction
US93/TIGER	45,273	Properly Record Prior Year Accrued Revenue
Water	1,846	Prior Year Expenditure Correction
Park, Rec & Community Service	177	Prior Year Expenditure Correction
Parkland Acquisition & Development	(25,959)	Prior Year Expenditure Correction
Trails Project	<u>(49,849)</u>	Prior Year Expenditure Correction
Total	<u>\$ 47,924</u>	

**NOTE 14. 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.

CITY OF WHITEFISH  
FLATHEAD COUNTY, MONTANA  
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**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 called 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) selective call transfers, basic emergency dispatch services for all fire departments, fire districts, fire service areas, and licensed emergency dispatch services, and coordination of local and county-wide multi-agency and/or multi-jurisdictional emergencies and disaster response. The Board consists of five members; the Flathead County Sheriff, one member of the Flathead County Board of Commissioners, and one member from each of the City's operations for the ECC are accounted for in the 911 Fund and are reported in the general purpose financial states of Flathead County within the 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 with 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 15. SERVICES PROVIDED TO 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 16. 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.

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.

CITY OF WHITEFISH  
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Insurance Pools:

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 City 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 17. 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 the business owners	5%
Park Improvements	5%
Street Improvements	65%
Tax Relief	25%

As of June 30, 2012, the following balance of tax proceeds remained:

Park Improvements	\$ 413,538
Street Improvements	\$1,411,436
Tax Rebate	\$ 598,007
Total Resort Tax Cash	<u>\$2,422,981</u>

CITY OF WHITEFISH  
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**NOTE 18. 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>Rosaaen v. City of Whitefish</i>	Not stated	Not stated
<i>T. Warren Schweitzer and Ingela Schnittger v. City of Whitefish</i>	Not stated	Not stated
<i>City of Whitefish and Flathead County v. Linda Babiak and Tim Babiak</i>	Not stated	Not stated
<i>Ella Marzean Quay v. LHC, Inc., Town of Whitefish, et. al.</i>	Not stated	Not stated

**NOTE 19. WHITEFISH LAKE GOLF COURSE LEASE**

In January 2011, the City leased the Whitefish Lake Golf Course to the Whitefish Lake Golf Club, Inc. The term of the lease is for 30 years beginning January 1, 2011 and ending December 21, 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 profit for the Whitefish Lake Golf Club, Inc.

**NOTE 20. REDEMPTION OF INTERFUND LOANS**

The Drug forfeiture and Building Code funds currently owe \$191,162 and \$460,978 respectively to the General fund which is to be paid back by fiscal year 2015. The Drug Forfeiture fund is currently operating at a deficit and had no revenue during the year ending June 30, 2012. The Building Code fund is also operating at a deficit and had net income of only \$4,834 during the fiscal year ending June 30, 2012. As such, both of these funds will have significant difficulty in repaying the interfund loans in the time frame allotted.

**NOTE 21. SIGNIFICANT CONSTRUCTION COMMITMENTS**

Subsequent to June 30, 2012 the City of Whitefish Water fund paid \$470,000 for the construction of a hydro plant.

**NOTE 22. SUBSEQUENT EVENTS**

The city filed their annual report with the State of Montana prior to December 31, 2012 as required by state law. Subsequent to this filing, the City received notice their 2011 ASRF Bond of \$160,000 was forgiven.

CITY OF WHITEFISH  
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WHITEFISH HOUSING AUTHORITY  
A Component Unit of City of Whitefish, Flathead County

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

The Whitefish Housing Authority was established in 1967 and signed its Cooperation Agreement and Annual Contributions contract in 1969. The Authority is governed by a board of commissioners appointed by the Mayor of the City of Whitefish, Montana. The purpose of the Authority is to furnish low rent housing to low income tenants primarily by administering housing programs authorized by the Quality Housing and Work Responsibility Act of 1998. These programs are subsidized by the Federal Government through the U.S. Department of Housing and Urban Development (HUD).

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board ("GASS") is the standard-setting body for governmental accounting and financial reporting. As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the Authority has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1 989.

Financial Reporting Entity

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the Government Accounting Standards Board Codification. These criteria state that the financial reporting entity consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on these criteria, the following component unit is included in the financial statements of the Authority:

*The Whitefish Area Land Trust is a non-profit corporation created by the Whitefish Housing Authority for the purpose of developing other housing opportunities through various grants now available to the Housing Authority by use of the Corporation.*

Basis of accounting, measurement focus, and financial statement presentation

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate.

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Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The Authority distinguishes between operating and nonoperating revenues and expenses in its Statement of Revenues, Expenses and Changes in Fund Net Assets. For this purpose, the Authority's operating revenues result from providing low-income housing services such as tenant rent, HUD Section 8 funds earned, program revenues and other tenant charges. Operating expenses include the cost attributed to administration, tenant services, utilities, maintenance and operations, housing assistance payments and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

The model as defined in Statement No. 34 establishes criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for determination of major funds. If non-major funds exist, these funds are combined in a single column in the fund financial statements.

The Authority has a sole enterprise fund which includes the activities of the following programs:

***Public Housing Program.*** This program accounts for the operation, maintenance, and development of 50 housing units which are owned by the Authority. The developments of the projects were funded primarily by the U.S. Department of Housing and Urban Development through loans and bonds. The loans have been forgiven by HUD and the bond debt service and repayment requirements are the responsibility of HUD and therefore no outstanding liabilities are recorded. The program is subsidized annually by operating subsidy from HUD and through Capital Grants for capital improvements.

***Housing Choice Voucher.*** This program accounts for the operation of the Housing Choice Voucher program which is funded primarily by the U.S. Department of Housing and Urban Development. The program funds housing assistance payments to eligible low-income housing participants.

***Development/Homeownership.*** This program accounts for various activities including grants related to the development of homeownership opportunities.

***Whitefish Area Land Trust.*** This program accounts for the development of various properties to help participants with homebuyer assistance through various grants and programs.

CITY OF WHITEFISH  
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Budgetary Process

The Authority establishes a budget for the fiscal year and is adopted by the Board of Commissioners.

Cash and Investments

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. Cash and Cash Investments are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities that are owned by a specific amount and that are purchased with a maturity of ninety days or less are also considered to be "cash equivalents".

The Authority's deposits can only be invested in the following HUD approved investments: direct obligations of the federal government backed by the full faith and credit of the United States, obligations of federal government agencies, securities of government-sponsored agencies, demand and savings deposits, money-market deposit accounts, municipal depository fund, super now accounts, certificate of deposit, repurchase agreements, sweep accounts, separate trading of registered interest and principal securities (STRIPS), and mutual funds that consist of securities purchased from the HUD approved list.

Accounts Receivable

All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible.

Prepaid Items

Prepaid balances are for payments made by the Authority in the current year to provide services occurring in the subsequent fiscal year.

Capital Assets and Depreciation

Property and equipment are stated at actual or estimated historical cost, net of accumulated depreciation. Contributions of assets are recorded at fair market value at the date donated.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	15-40 years
Building improvements	10-40 years
Furniture and fixtures	5-10 years
Equipment	3-10 years

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Use of Restricted/Unrestricted Net Assets

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Authority's policy is to apply restricted assets first.

Restricted Net Assets

Certain enterprise funds are restricted for the replacement reserve that is to be used for future capital needs.

Estimates

The preparation of financial statement in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, expenses, and other disclosures. Accordingly, actual results could differ from those estimates.

Grant Revenue

The Authority, a recipient of grant revenues, recognizes revenues (net of estimated uncollectible amounts, if any), when all applicable eligibility requirements, including time requirements are met in accordance with GASB Statement No. 33. Resources transmitted to the Authority before the eligibility requirements are met are reported as deferred revenue.

Investment Income

Investment income from pooled cash and investments is allocated monthly based on the percentage of a fund's average pooled cash and investments balance.

Compensated Absences

It is the Authority'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 Authority service. Employees are allowed to accumulate and carry over a maximum of two times their annual accumulation of vacation, but not 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.

Postemployment Benefits Other Than Pensions (OPEB)

OPEB benefits are part of an exchange of salaries and/or benefits in a future period as the result of employee services rendered during employment. In accordance with the accrual basis of accounting, generally benefits should be associated with the periods in which the exchange occurs, rather than with the periods when benefits are paid or provided. The Authority has not incurred, adopted a plan or obligated resources to other postemployment benefits as defined in GASB Statement No. 45.

CITY OF WHITEFISH  
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Income Taxes

The Authority is a governmental subdivision of the State of Montana and is exempt from Federal and State income taxes.

Leases

The majority of leases and subleases are short-term operating leases.

**NOTE B – DEPOSITS AND INVESTMENTS**

At June 30, 2012, the Authority's carrying amount of deposits was \$68,753 and the bank balances were \$87,971. The Authority had cash on hand of \$100 as of June 30, 2012. All of the bank balances were covered by federal depository insurance.

**NOTE C – ACCOUNTS RECEIVABLE**

A summary of accounts receivable as presented in the Statement of Net Assets at June 30, 2012 is as follows:

Tenants	\$ 1,918
Allowance for doubtful accounts	-
Homeowners – administrative fees	<u>3,170</u>
	<u>\$ 5,088</u>

**NOTE D – DUE FROM OTHER GOVERNMENTS**

A summary of due from other governments as presented in the Statement of Net Assets at June 30, 2012 is as follows:

HUD – capital fund grants	\$ 3,132
City of Whitefish – CDBG 2009 Grants	2,547
City of Whitefish – CDBG Planning Grant	5,750
USDA – Housing Preservation Grant	<u>2,591</u>
	<u>\$ 14,020</u>

**NOTE E – PREPAID ITEMS**

A summary of prepaid items as presented in the Statement of Net Assets at June 30, 2012 is as follows:

Prepaid insurance	\$ 2,184
Other prepaid expenses	<u>255</u>
	<u>\$ 2,439</u>

CITY OF WHITEFISH  
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**NOTE F – CAPITAL ASSETS HELD FOR SALE**

The Authority develops property for the purpose of assisting participants in homeownership opportunities. As of June 30, 2012, the Authority had one property held for future sale with costs incurred of \$24,091. The property was sold in August 2012.

**NOTE G – RESTRICTED ASSETS**

A summary of restricted cash and cash equivalents as presented in the Statement of Net Assets at June 30, 2012 is as follows:

Tenant security deposits	\$	9,722
Housing Assistance Payments		<u>8,307</u>
	\$	<u>18,029</u>

**NOTE H – NOTES RECEIVABLE**

Downpayment Assistance Loan

The Authority provided a loan to a first-time homebuyer with the guidelines of low and moderate income assistance. The note is dated June 28, 2007 and has an original principal sum of \$47,500. There is no interest charged on the loan, however the Authority shall have the right to a share in the appreciation in the value of the property, if any, upon “Maturity” of the note. The maturity of the note occurs if there is a sale or transfer of the property, upon default under this note or trust indenture securing the note, upon the refinancing of a lien superior to securing the note, upon the repayment in full of the principal balance of this note without payment of share of appreciation value. As of June 30, 2012 the loan balance was \$47,500.

**NOTE I – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance <u>July 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2012</u>
Non-depreciable assets:				
Land	\$ 50,110	\$ -	\$ -	\$ 50,110
Construction in progress	<u>-</u>	<u>21,948</u>	<u>(14,257)</u>	<u>7,691</u>
Total non-depreciable assets:	\$ <u>50,110</u>	\$ <u>21,948</u>	\$ <u>(14,257)</u>	\$ <u>57,801</u>
Depreciable assets:				
Buildings	\$ 2,382,744	\$ 9,257	\$ -	\$ 2,392,00
Equipment -- Dwelling	12,080	-	-	12,080
Equipment – Administration	<u>23,701</u>	<u>-</u>	<u>(966)</u>	<u>22,735</u>
Total depreciable assets	\$ <u>2,418,526</u>	\$ <u>9,257</u>	\$ <u>(966)</u>	\$ <u>2,426,816</u>
Total Capital Assets	\$ <u>2,468,635</u>	\$ <u>31,205</u>	\$ <u>(15,223)</u>	\$ <u>2,484,617</u>
Accumulated depreciation:				
Buildings	\$ 1,963,903	\$ 85,695	\$ -	\$ 2,049,598
Equipment – Dwelling	9,184	637	-	9,821
Equipment – Administration	<u>21,540</u>	<u>700</u>	<u>(816)</u>	<u>21,423</u>
Total accumulated depreciation:	\$ <u>1,994,626</u>	\$ <u>87,032</u>	\$ <u>(816)</u>	\$ <u>2,080,841</u>
Depreciable Assets, net	\$ <u>423,899</u>	\$ <u>(77,775)</u>	\$ <u>(150)</u>	\$ <u>345,974</u>
Capital Assets, net	\$ <u>474,009</u>	\$ <u>(55,827)</u>	\$ <u>(14,407)</u>	\$ <u>403,775</u>

CITY OF WHITEFISH  
FLATHEAD COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE J – OTHER ASSETS**

Unrestricted

The Authority has capitalized organization costs of \$1,903 of the Whitefish Area Land Trust.

Restricted

The Authority participates in a “Deed Restricted Program” whereas the sole purpose is for the downpayment assistance to stay with the Property. As part of the program if a person sells the property before 90 years, the Authority shares in the appreciation value of the property. The Authority’s share of equity in the property consists of funds from various sources, such as CDBG Grant, HOME fund and the Affordable Housing Program provided by the Federal Home Loan Bank of Seattle.

If the property is sold within the first 15 years, then any gain from the property must be reinvested as program income and used in a similar manner. However, after the 15 year time period then any property sold and any share of appreciation that is received then these funds are the Whitefish Housing Authority funds. The Authority has a secured deed on each respective property securing the Authority’s interest. As of June 30, 2012 the Authority has sold eight properties. The total Authority contribution or equity in these properties is \$693,599 as of June 30, 2012.

**NOTE K – ACCOUNTS PAYABLE**

A summary of accounts payable as presented in the Statement of Net Assets at June 30, 2012 is as follows:

Vendors and contractors	\$ <u>9,224</u>
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**NOTE L – DUE TO OTHER GOVERNMENTS**

A summary of due to other governments as presented in the Statement of Net Assets at June 30, 2012 is as follows:

Payments in Lieu of Taxes	\$ 20,668
HUD – section 8 admin fees	1
HUD – operating subsidy	<u>3,236</u>
	\$ <u>23,905</u>

**NOTE M – DEFERRED REVENUE**

A summary of deferred revenue as presented in the Statement of Net Assets at June 30, 2012 is as follows:

City TIF funds	\$ 11,999
City Housing Rehab Grant	2,997
Tenant prepaid rents	<u>17</u>
	\$ <u>15,013</u>

CITY OF WHITEFISH  
 FLATHEAD COUNTY, MONTANA  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE N – ACCRUED COMPENSATED ABSENCES**

A summary of accrued compensated absences as presented in the Statement of Net Assets as of June 30, 2012 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Compensated absences	\$ <u>19,253</u>	\$ <u>10,296</u>	\$ <u>(9,835)</u>	\$ <u>19,714</u>	\$ <u>7,741</u>

**NOTE O – NOTES PAYABLE**

The Authority has an unsecured loan with the Montana Homeownership Network. The Promissory note is dated June 25, 2007 with an original loan amount of \$50,000. The loan matured on June 30, 2008 and was extended on March 16, 2011 through June 30, 2012 with an interest rate of 4%. The Authority's intention was to repay the loan based on the funds received by the City of Whitefish from payments in lieu of housing fees generated from area developers. As of June 30, 2012 these funds have not been received. As of June 30, 2012 the loan balance was \$50,000 and unpaid interest of \$3,490.

Subsequent the fiscal year end of June 30, 2012, the Authority entered into a new loan agreement which extends the maturity date of this loan to November 2022. The new loan bears an interest rate of 2% and requires monthly payments of \$460.07.

A summary of changes in notes payable as of June 30, 2012 is as follows:

	<u>Balance July 1, 2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2012</u>	<u>Due within One Year</u>
Montana Neighbor Works	\$ <u>50,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>50,000</u>	\$ <u>2,650</u>
Total	\$ <u>50,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>50,000</u>	\$ <u>2,650</u>
			Less current maturities	<u>(2,650)</u>	
			Long-term portion	<u>\$ 47,350</u>	

Principal and interest for the notes are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 2,650	\$ 570	\$ 3,220
2014	4,616	905	5,521
2015	4,709	812	5,521
2016	4,804	717	5,521
2017	4,901	620	5,521
2018-2022	26,030	1,574	27,604
2023	<u>2,289</u>	<u>11</u>	<u>2,300</u>
Total	\$ <u>50,000</u>	\$ <u>5,209</u>	\$ <u>55,209</u>

CITY OF WHITEFISH  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE P – NET ASSETS**

The fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets, restricted and unrestricted.

- **Invested in Capital Assets** – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation of the assets reduces the balance in this category.
- **Restricted Net Assets** – This category represents net assets of the Agency that are restricted externally by creditors, grantors, contributors, laws or regulations of other governments, imposed by law through constitutional provisions or enabling legislation.

A summary of restricted net assets as presented in the Statement of Net Assets at June 30, 2012 is as follows:

As of June 30, 2012 the Authority had net assets of \$693,599 restricted in the Public Housing Program for the Deed Restricted Program as described in Note I.

As of June 30, 2012 the Authority had net assets of \$11,667 restricted in the Section 8 Housing Choice Voucher Program for program housing assistance payments. As of June 30, 2012 the Authority did not have sufficient funds to cover the restricted net asset balance. The Authority was deficient by (\$3,360) which was a culmination of previous years administrative expenses exceeding the funds received for administrative fees. The Authority continues to reduce the above deficit with operations.

- **Unrestricted Net Assets** – This category represents net assets of the Authority, not restricted for any project or other purposes.

**NOTE Q – PENSION PLAN**

The Authority participates in a mandatory cost-sharing multiple employer defined benefit plan, which covers all full-time employees. The Public Employee Retirement System (PERS) is established by State law and is administered by the Department of Administration of the State of Montana. The plan provides retirement, disability, and death benefits to plan members and beneficiaries.

The plan issues publicly available annual reports that include financial statements and required supplemental information for the plan. The report can be obtained at P.O. Box 200131, 1712 Ninth Avenue, Helena, Montana 59620-0131. The financial statements for PERS include activity for a defined benefit and a defined contribution retirement plan. The defined contribution plan is available to all active members starting July 1, 2001. The assets of one retirement plan cannot be commingled with those of another plan.

Contribution rates are expressed as percentage of covered payroll, which are determined by the State law and were 7.07% for the employer and 6.9% for the employee. The State of Montana contributes .10% of the employees' wages covered by PERS, which is considered an on-behalf

CITY OF WHITEFISH  
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**June 30, 2012**

payment. This immaterial amount has not been recorded in these financial statements as required under Generally Accepted Accounting Principles. The Authority's contributions to the plan were \$10,378 and \$10,128, respectively.

**NOTE R – SPECIAL ITEMS**

The Authority incurred a casualty loss of \$4,548 related to water damage as the result of a boiler valve.

**NOTE S – EXTRAORDINARY ITEMS**

On 12/24/2011, the Authority had a fire which resulted in the damage of ten apartments. The majority of the damage was caused by the discharge from the fire sprinkler suppression system. The Authority had recognized \$360,175 of income and incurred \$327,435 of costs to repair the damage caused by the fire.

**NOTE T – RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters for which the Authority purchases commercial insurance. During the year ended June 30, 2012 the Authority did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage in place during the past three fiscal years.

**NOTE U – COMMITMENTS AND CONTINGENCIES**

The Authority recognizes as revenue grant monies received as reimbursement for costs incurred in certain Federal and State programs it administers. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any of expenditures which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any to be immaterial.

**REQUIRED SUPPLEMENTAL  
INFORMATION**

**City of Whitefish, Flathead County, Montana**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL**  
**For the Year Ending June 30, 2012**

GENERAL FUND

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
<b>REVENUES</b>				
Taxes				
Property Taxes	\$ 1,871,560	\$ 1,871,560	\$ 1,925,200	\$ 53,640
Special assessments	-	-	14	14
Licenses and permits				
Alcoholic beverage licenses	14,200	14,200	15,028	828
General business licenses	40,000	40,000	40,643	643
Animal licenses	1,700	1,700	940	(760)
Other licenses and permits	1,000	1,000	3,000	2,000
Intergovernmental revenue (See supplemental section for detail)				
State grants	9,500	9,500	4,335	(5,165)
State shared revenues	723,835	723,835	734,268	10,433
Charges for services				
General government	139,550	139,550	112,054	(27,496)
Public works	5,850	5,850	4,110	(1,740)
Fines and forfeitures				
City court	215,000	215,000	253,414	38,414
Other fines and forfeitures	1,050	1,050	1,183	133
Miscellaneous	31,575	31,575	59,495	27,920
Investment and royalty earnings	35,000	35,000	47,145	12,145
Total revenues	<u>\$ 3,089,820</u>	<u>\$ 3,089,820</u>	<u>\$ 3,200,829</u>	<u>\$ 111,009</u>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Legislative services				
Supplies/services/materials, etc	\$ 700	\$ 700	\$ 453	\$ 247
Judicial services				
Personal services	251,737	251,737	229,377	22,360
Supplies/services/materials, etc	128,717	128,717	123,429	5,288
Financial services				
Personal services	56,803	56,803	54,597	2,206
Supplies/services/materials, etc	16,767	16,767	13,549	3,218
Legal services				
Personal services	32,149	32,149	31,209	940
Supplies/services/materials, etc	2,367	2,367	-	2,367
Other general government services				
Supplies/services/materials, etc	1,000	1,000	1,778	(778)
Capital outlay	-	-	10,981	(10,981)
Public Safety:				
Protective inspections				
Personal services	206,348	206,348	200,895	5,453
Supplies/services/materials, etc	43,426	43,426	40,111	3,315
Public Works:				
Transit systems				
Supplies/services/materials, etc	16,800	16,800	16,800	-
Cemetery services				
Personal services	984	984	991	(7)
Supplies/services/materials, etc	1,550	1,550	11,271	(9,721)
Social and Economic Services:				
Aging services				
Supplies/services/materials, etc	1,250	1,250	1,250	-
Culture and Recreation:				
Library services				
Personal services	-	-	(390)	390
Supplies/services/materials, etc	12,700	12,700	7,533	5,167
Participant recreation				
Supplies/services/materials, etc	9,900	9,900	9,756	144
Miscellaneous	10,000	10,000	-	10,000
Total expenditures	<u>\$ 793,198</u>	<u>\$ 793,198</u>	<u>\$ 753,590</u>	<u>\$ 39,608</u>
Excess of revenues over (under) expenditures	<u>\$ 2,296,622</u>	<u>\$ 2,296,622</u>	<u>\$ 2,447,239</u>	<u>\$ 150,617</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Inception of capital lease	\$ -	\$ -	\$ 10,981	\$ 10,981
Transfers in	553,708	553,708	553,708	-
Transfers out	(2,704,780)	(2,704,780)	(2,657,752)	47,028
Total other financing sources (uses)	<u>\$ (2,151,072)</u>	<u>\$ (2,151,072)</u>	<u>\$ (2,093,063)</u>	<u>\$ 58,009</u>
Net change in fund balance	<u>\$ 145,550</u>	<u>\$ 145,550</u>	<u>\$ 354,176</u>	<u>\$ 208,626</u>
Fund balance - July 1, 2011 -				
- As previously reported	\$ 812,957	\$ 812,957	\$ 812,957	\$ -
Prior period adjustments	175	175	175	-
Fund balance - July 1, 2011 - As restated	<u>\$ 813,132</u>	<u>\$ 813,132</u>	<u>\$ 813,132</u>	<u>\$ -</u>
Fund balance - June 30, 2012	<u>\$ 958,682</u>	<u>\$ 958,682</u>	<u>\$ 1,167,308</u>	<u>\$ 208,626</u>

City of Whitefish, Flathead County, Montana  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL**  
**For the Year Ending June 30, 2012**

TAX INCREMENT FUND

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Neg)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>				
Taxes				
Property Taxes	\$ 4,009,614	\$ 4,009,614	\$ 3,964,927	\$ (44,687)
Special assessments	22,000	22,000	# 26,997	4,997
Intergovernmental revenue (See supplemental section for detail)				
State shared revenues	148,194	148,194	148,194	-
Miscellaneous	-	-	8,423	8,423
Total revenues	<u>\$ 4,179,808</u>	<u>\$ 4,179,808</u>	<u>\$ 4,148,541</u>	<u>\$ (31,267)</u>
<b>EXPENDITURES</b>				
Current:				
Housing and Community Development				
Personal services	\$ 210,934	\$ 210,934	\$ 203,901	\$ 7,033
Supplies/services/materials, etc	1,008,300	1,008,300	749,076	259,224
Capital expenditures	1,238,737	1,238,737	885,108	353,629
Total expenditures	<u>\$ 2,457,971</u>	<u>\$ 2,457,971</u>	<u>\$ 1,838,085</u>	<u>\$ 619,886</u>
Excess of revenues over (under) expenditures	<u>\$ 1,721,837</u>	<u>\$ 1,721,837</u>	<u>\$ 2,310,456</u>	<u>\$ 588,619</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 1,264	\$ 1,264
Transfers out	(2,395,311)	(2,395,311)	(2,153,050)	242,261
Total other financing sources (uses)	<u>\$ (2,395,311)</u>	<u>\$ (2,395,311)</u>	<u>\$ (2,151,786)</u>	<u>\$ 243,525</u>
Net change in fund balance	<u>\$ (673,474)</u>	<u>\$ (673,474)</u>	<u>\$ 158,670</u>	<u>\$ 832,144</u>
<b>Fund balance - July 1, 2011 -</b>				
- As previously reported	\$ 1,914,671	\$ 1,914,671	\$ 1,914,671	\$ -
Prior period adjustments	441	441	441	-
Fund balance - July 1, 2011 - As restated	<u>\$ 1,915,112</u>	<u>\$ 1,915,112</u>	<u>\$ 1,915,112</u>	<u>\$ -</u>
Fund balance - June 30, 2012	<u>\$ 1,241,638</u>	<u>\$ 1,241,638</u>	<u>\$ 2,073,782</u>	<u>\$ 832,144</u>

**City of Whitefish, Flathead County, Montana**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**Schedule of Funding Progress**

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%	\$ 5,340,571	40.0%

## **SINGLE AUDIT SECTION**

City of Whitefish, Flathead County, Montana  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For Fiscal Year Ended June 30, 2012

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures June 30, 2012</b>
<b><u>U.S. Department of Housing &amp; Urban Development</u></b>			
<i>Passed through Montana Department of Commerce:</i>			
Community Development Block Grants	14.228	MT-CDBG-09HR-03	\$ <u>7,838</u>
<b>Total U.S. Department of Housing &amp; Urban Development</b>			<b>\$ <u>7,838</u></b>
<b><u>U.S. Department of Justice</u></b>			
<i>Direct:</i>			
Public Safety Partnership and Community Policing Grants	16.710	2009RKWX0523	\$ <u>68,470</u>
<b>Total U.S. Department of Justice</b>			<b>\$ <u>68,470</u></b>
<b><u>U.S. Department of Transportation</u></b>			
<i>Passed through Montana Department of Transportation:</i>			
Highway Planning and Construction	20.205	Contract #105740	\$ 8,685
<i>Direct:</i>			
Surface Transportation - Discretionary Grants for Capital Investment - ARRA	20.932-ARRA	DTFH61-10-G-00009	\$ <u>2,451,438</u>
<b>Total U.S. Department of Transportation</b>			<b>\$ <u>2,460,123</u></b>
<b><u>U.S. Department of Homeland Security</u></b>			
<i>Direct:</i>			
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2008-FF-00288	\$ 117,045
<i>Passed through Montana Department of Emergency Services:</i>			
Emergency Operations Center	97.052	2010-EO-MX-0035	\$ <u>370,174</u>
<b>Total U.S. Department of Homeland Security</b>			<b>\$ <u>487,219</u></b>
<b>Total Federal Financial Assistance</b>			<b>\$ <u>3,023,650</u></b>

CITY OF WHITEFISH  
FLATHEAD COUNTY, MONTANA

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Fiscal year Ended June 30, 2012

*Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of City of Whitefish, Flathead County, Montana, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

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

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

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**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**

City Council  
City of Whitefish  
Flathead County  
Whitefish, Montana

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, 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, 2012, which collectively comprise the City of Whitefish's basic financial statements and have issued our report thereon dated Need Date. We did not audit the financial statements of the Whitefish Housing Authority, which represents 100% of the discretely presented component units. 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.

Internal Control Over Financial Reporting

Management of City of Whitefish is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Whitefish internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Whitefish's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Whitefish's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questions costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the

accompanying schedule of findings and questioned costs to be material weaknesses as items 12-2 through 12-3.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 12-1 to be significant deficiencies.

#### 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*.

City of Whitefish's response to the findings identified in our audit is described in the Auditee's Response to Findings. We did not audit City of Whitefish's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Mayor and City Council, the Montana Department of Administration, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Herring, Downey and Associates, CPAs, P.C.*

June 6, 2013

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

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

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited City of Whitefish, Flathead County, Montana, compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of City of Whitefish's major federal programs for the year ended June 30, 2012. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion of the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Whitefish complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of

expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of management, the Mayor and City Council, the Montana Department of Administration, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Derring, Dorney and Associates, CPAs, P.C.*

June 6, 2013

CITY OF WHITEFISH

FLATHEAD COUNTY, MONTANA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Fiscal Year Ended June 30, 2012

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued	<i>Unqualified</i>
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(s) identified not considered to be material weaknesses	Yes
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weaknesses	No
Type of auditor’s report issued on compliance for major programs:	<i>Unqualified</i>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	Yes

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.932	ARRA – Transportation Investments Generating Economic Recovery (TIGER)
97.052	Emergency Operations Center

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 300,000</u>
Auditee qualified as low-risk auditee?	No

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

### Section II – Financial Statement Findings

#### 12-1 City Court – Outstanding Bonds / Internal Controls

**Condition:**

The administrative function of processing citations after disposition has not kept up with the number of citations processed by the court. As a result the bond account has numerous citations that dispositions have not been entered. Between 2008 and 2009 the outstanding bonds went down by half. Between 2009 and 2010, the outstanding bonds have dropped another 34%. Between 2010 and 2011, the outstanding bonds have dropped a further 31%. And between 2011 and 2012, the outstanding bonds have dropped an additional 45% to \$32,878.38 in outstanding bonds as of June 30, 2012.

In addition, duties are not adequately segregated between the cash receipting and accounting for cash receipts.

**Criteria:**

The City Court should process citations in a timely manner. The duties of receipting, recording, depositing and reconciling should be segregated to ensure the safeguarding of assets.

**Effect:**

The effects of the disposition backlog might include:

- Slow collections and remittance of fines to the City
- Inability to utilize all the functions of the Court's software system to their greatest extent (Time pay system and Overdue processing system)
- Possible delay in reporting dispositions to the State Department of Motor Vehicles

The auditor had no indications of a delay in the judicial functions of the Court.

Internal controls over cash receipting and accounting are significantly weakened when cash receipting and accounting functions are handled by the same individual.

**Cause:**

Overall Court activity has increased over the last several years. The City's administrative functions have not kept pace. Due to the move to the Emergency Service Building the Court has limited staff and is not able to adequately segregate the duties and does not have compensating controls in place.

**Recommendation:**

We recommend that the City continue to address the backlog issue of processing court dispositions and establish procedures to ensure that the backlog does not occur in the future. In addition, the City should continue to monitor and segregate as much as possible the controls over receipting, recording, depositing and reconciling cash receipts.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

### **Auditee Response:**

The City will continue to work to reduce the backlog and continue to explore methods to segregate duties without a significant cost increase or reduced customer service.

### **12-2 Financial Reporting**

#### **Condition:**

The following financial reporting errors were found during the audit of the City of Whitefish:

- 1) Short term portions of long-term liabilities included interest payments to be made in the subsequent year. Because of this short term liabilities are overstated and long-term understated by \$568,374 in governmental activities, \$159,363 in the Water fund and \$96,585 in the Wastewater fund. Total long term liabilities are accurately stated. This has been corrected for financial reporting.
- 2) \$3,106,731 in restricted cash in the Tax increment Bond Debt fund was reported as unrestricted cash. This has been corrected for financial reporting.
- 3) The Hydro project was funded in part by a pre-payment of funds for the electricity which was to be generated. Under this agreement the funds would be earned over a maximum of 8 years and would have to be repaid if not properly earned. Therefore, all unearned funds should be reported as deferred revenues until earned. The total amount of unearned revenue at June 30, 2012 is \$400,000. This has been corrected for financial reporting.
- 4) In the governmental funds *Statement of Revenues, Expenditures, and Changes in fund Balances* report, the general fund properly included the activity of the Law Enforcement fund. In the *Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual* the general fund properly did not include the activity of the Law Enforcement Fund. When these statements are different Generally Accepted Accounting Principles (GAAP) require a reconciliation to be provided.
- 5) Restricted cash balance in the Water fund used for future Revenue bond requirements is overstated by \$296,164 and the Sewer fund amount for Revenue bond requirements is overstated by \$115,461.
- 6) Accounts payable was underreported in the resort tax fund (\$30,102), the water fund (\$201,944) and the wastewater fund (\$50,543).

#### **Criteria:**

- 1) Only the principle portion of long-term debt due within one year should be reported as a short term liability, with the amount due over one year reported as a long-term liability. Interest should not be counted in the short term liability or reduced from the long-term portion.
- 2) Per the Tax Increment Bond requirements, this cash is to be restricted for current and future debt payments.
- 3) Unearned revenues should be reported as a deferred revenue liability until earned.
- 4) Governmental Accounting Standards (GASB) #34 require the budget to actual statement include a reconciliation showing the differences caused by the inclusion of the Law Enforcement fund in the General fund for reporting purposes.
- 5) The amount of funds reported in restricted cash should equal the amount required by third parties (in this case the bond covenants).
- 6) Under both the modified and full accrual methods of accounting, expenditures/expenses are required to be reported in the year incurred.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

### Effect:

- 1) Short term liabilities are overstated and long-term understated by \$568,374 in the governmental activities, \$159,363 in the Water fund and \$96,585 in the Wastewater fund. This has been corrected for financial reporting.
- 2) Short term assets and long term assets on the fund and government wide financial statements are misstated by \$3,106,731. This has been corrected for financial reporting.
- 3) Water fund revenues are overstated and liabilities are understated by \$400,000. This has been corrected for financial reporting.
- 4) Non-compliance with GAAP specifically GASB #34
- 5) Unrestricted cash in the Water and Sewer funds are overstated and the restricted cash is understated by \$296,164 and \$115,461
- 6) Short term liabilities and expenses were both understated in the resort tax fund by (\$30,102), the water fund (\$201,944), and the wastewater fund (\$50,543).

### Cause:

In several of the instances the City was not aware of the applicable accounting requirement.

### Recommendation:

We recommend that the City review financial reporting procedures to ensure financial statement presentation in accordance with Generally Accepted Accounting Principle (GAAP)

### Auditee Response:

The City will review its financial reporting process to ensure the financial statement presentation meets all GAAP requirements.

## 12-3 Schedule of Expenditures of Federal Awards (SEFA)

### Condition:

Community Transportation Enhancement Program (CTEP) funds in the amount of \$22,735 were not properly reported on the SEFA as federal pass through money. A grant related to a donated asset in the amount of \$164,195 was not properly reported on the SEFA. JAG Grant revenues for the Drug task force in the amount of \$75,152 were not properly reported on the SEFA as federal pass through money.

Federal program names reported on the SEFA included informal grant names and acronyms.

### Criteria:

CTEP funds and donated asset grant funds are U.S. Department of Transportation funds (CFDA #20.205) which are passed through the State of Montana Department of Transportation in the form of grants to local governments. JAG grant funds are from the U.S. Department of Justice (CFDA #16.738). These funds are therefore required to be reported on the SEFA as federal pass through funds.

Federal program names on the SEFA are required to be the specific federal government names associated with specific CFDA numbers.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

### **Effect:**

The SEFA is underreporting federal expenditures by \$262,082.

The federal census would be filled out using incorrect grant names which would not necessarily match the CFDA numbers. This has been corrected for reporting purposes.

### **Cause:**

The City was not aware that CTEP funds were passed through from the U.S. Department of Transportation and that JAG grant funds were passed through the U.S. Department of Justice.

The City was not aware of the requirement to use official names for federal programs on the SEFA.

### **Recommendation:**

We recommend that the City research and report all future pass through funds on the SEFA. We also recommend that the City research and report all grant funds using the official CFDA title provided by the federal government.

### **Auditee Response:**

The City will use the official title provided by the federal government and review all intergovernmental revenue and donations to determine if federal dollars were involved.

### **Section III – Federal Award Findings and Questioned Costs**

None

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

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

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**REPORT ON PRIOR AUDIT REPORT RECOMMENDATIONS**

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

The prior audit report contained five recommendations. The action taken on each recommendation is as follows:

<u>Recommendation</u>	<u>Action Taken</u>
11-1 Managerial Review of Adjustments	Implemented
11-2 City Court	Repeated
11-3 Exceeded Budget Authority	Implemented
11-4 Operating Transfer	Implemented
11-5 Controls Over Cash Management of the Federal TIGER Grant	Implemented

*Denning, Downey and Associates, CPAs, P.C.*

June 6, 2013

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**WHITEFISH CITY COUNCIL MINUTES**

**JUNE 3, 2013**

**SPECIAL SESSION, 4:30 TO 7:00 PM**

**1. Call to Order**

Mayor Muhlfeld called the meeting to order. Councilors present were Anderson, Hildner, and Kahle. Councilors Sweeney and Mitchell came at 5:00 pm and 5:15 pm, respectively, and Councilor Hyatt was absent. City Staff present were City Manager Stearns, City Clerk Lorang, City Attorney VanBuskirk, and Planning and Building Director Taylor.

**2. Interviews**

The Mayor and Council conducted interviews with Cora Christensen, Doug Reed, Frank Barnes (via a phone call), Anne Shaw Moran, Ryan Zinke, Rob Pero, Jim Laidlaw and Ian Collins for the Whitefish Highway 93W Corridor Plan Steering Committee. Applicant Katie Williams had withdrawn her application. The City Clerk's Office had received three letters of interest after the application deadline; from William Schnebel, Jay Wolfe and Nancy Woodruff. Nancy Woodruff was in the audience at the Special Session so the Council conducted an interview with her as well. The Mayor and Council also interviewed Life Noell for the Whitefish Housing Authority Board's vacancy, and for a vacancy on the Weed Control Advisory Committee. Jake How was interviewed for another term on the Weed Control Advisory Committee. Tyler Hope and Matt Kennedy were interviewed to be re-appointed to the Tree Advisory Committee; and Tanya Island had sent in a letter of interest to be re-appointed to the Tree Advisory Committee but was not in attendance for an interview.

**3. Public Comment**

Mayre Flowers commented that she appreciated the typical advertisements of a display ad that the City places in the Whitefish Pilot for most committee vacancies. However she said the advertisement for the Corridor Plan Steering Committee came out as a legal notice; and she felt it had possibly not been seen by many people who might be interested in this committee. She said she had discussed it with Planning & Building Director Taylor who said the paper had made a mistake by placing it in the Legal Notices, he meant for it to be a display ad.

**4. Appointments**

Mayor Muhlfeld commented that the position open for the Whitefish Housing Authority was to fill the remainder of a term expiring December 31, 2014; and he hoped to fill the position with someone who could make a commitment for that remainder; Life Noell said he certainly understood that but he has filed for one of the Council positions up for election this year. Mayor Muhlfeld said he could not serve on both boards. No appointment was made to fill the vacancy on the Housing Authority and that position is still open.

**Councilor Hildner offered a motion, seconded by Councilor Kahle, to appoint Life Noell to the Weed Control Advisory Committee, and to re-appoint Jake How for another term to the Weed Control Advisory Committee. The motion passed unanimously. Councilor Anderson offered a motion, seconded by Councilor Kahle, to re-appoint Tyler Hope, Tanya Island and Matt Kennedy for another term each on the Tree Advisory Committee. The motion passed unanimously. The remaining appointments will be made during Agenda Item 8c of the Regular Session that begins at 7:10 p.m.**

**5. Adjournment - Mayor Muhlfeld adjourned the Special Session at 7:00 p.m.**

Attest:

\_\_\_\_\_  
Mayor Muhlfeld

# WHITEFISH CITY COUNCIL MINUTES

June 3, 2013

7:10 P.M.

## **1. CALL TO ORDER**

Mayor Muhlfeld called the meeting to order. Councilors present were Mitchell, Sweeney, Anderson, Hildner, Kahle and Hyatt. City Staff present were City Manager Stearns, City Clerk Lorang, City Attorney VanBuskirk, Assistant City Manager/Finance Director Knapp, Planning and Building Director Taylor, Senior Planner Compton-Ring, Public Works Director Wilson, Parks and Recreation Director Cozad, Police Chief Dial, and Fire Chief Kennelly. Approximately 25 people were in attendance.

## **2. PLEDGE OF ALLEGIANCE**

Mayor Muhlfeld asked Lin Akey to lead the audience in the Pledge of Allegiance.

**3. 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)

Megan Murphy reported a Thank-You from the 2013 Senior Party Committee to the community for participation, sponsors and donations towards a successful Senior Party held at The WAVE again this year. It was a safe, and alcohol and drug-free environment for 90 students from 10 pm to 3 am. The facility was donated by The WAVE and sponsors and donations provided great door prizes. She said, “Thank-you Whitefish!”

## **4. COMMUNICATIONS FROM VOLUNTEER BOARDS**

Councilor Hildner asked Parks and Recreation Director Cozad for a report from the Weed Control Advisory Committee. Director Cozad said a flyer will be enclosed in the next water bill as a public information vehicle regarding the City’s weed abatement program. Councilor Hildner reported he attended the Pedestrian & Bike Path Advisory Committee meeting this morning. The Committee is requesting the Public Works do critical crosswalk striping now, at this time of year, and for them to please place it on their annual maintenance schedule for this time of year. Projects moving forward are the Skye Park Bridge, Dodger Lane Path, Cow Creek culvert, recommendation for 8’ sidewalks on the 93 promenade, accessibility issues on the path at River Bend Condos, and he said the River Trail should be open again on July 1<sup>st</sup>. He hoped the community will support the Friends of Trails activities and those businesses that support it; and bids will go out soon for construction of 4.5 miles of new trail – the Woods Lake Loop.

**5. CONSENT AGENDA**—(The consent agenda is a means of expediting routine matters that require the Council’s action. Debate does not typically occur on consent agenda items. Any member of the Council may remove any item for debate. Such items will typically be debated and acted upon prior to proceeding to the rest of the agenda. Ordinances require 4 votes for passage – Section 1-6-2 (E)(3) WCC)

**5a. Minutes from the May 20, 2013 Council special session (p. 47)**

**5b. Minutes from the May 20, 2013 Council regular session (p.48)**

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Councilor Hildner corrected the spelling of Traverse City, MI on page 9 of the minutes (packet page 56), 4<sup>th</sup> paragraph, 5<sup>th</sup> line.

**Councilor Hildner offered a motion, seconded by Councilor Hyatt, to approve the consent as amended agenda. The motion passed unanimously.**

**6. 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)

**6a. Consideration of a Conditional Use Permit for the Wave Aquatic and Fitness Center to expand their facility by 9,200 square feet. The subject property is addressed as 1250 Baker Avenue and is zoned WB-2 (Secondary Business District) (p. 67)**

Senior Planner Compton-Ring gave the staff report. The expansion area will include a reorganization of the locker rooms, daycare center, party rooms and aerobic room. The back parking area will be expanded approximately 25 feet to the west and 47 spaces will be located in this lot. A Conditional Use Permit is required for this expansion under the city's big box standards as the footprint exceeds 15,000 according to City Codes 11-2K-4 and 11-7-8. The project went before the Architectural Review Committee (ARC) on May 7<sup>th</sup> and received approval subject to additional landscaping along the south side of the building along Flathead Avenue. Staff provided public notice concerning the project and no comments were received. The project is located on several parcels that total approximately 5.9 acres, which is adequate usable land area for the project. The current use of the property is in compliance with regulations for its zoning which are WB-2 and WB-4; and the proposed use complies with Growth Policy Designations of General Commercial and Planned Industrial. There are no environmental hazards present in the subject area for construction and the proposed access should provide adequate emergency access to the site and building. No extra fencing is proposed as the site lends itself to naturally provide screening. Staff review found the project to be in compliance with Zoning Regulations and the City-County Growth Policy and recommended approval subject to Conditions of Approval that are standard for Conditional Use Permits. The City-County Planning Board met on May 16, 2013 and considered the request. Following the hearing, the Planning Board unanimously recommended approval of the conditional use permit with seven (7) conditions as contained in the staff report and adopted the staff report as findings of fact. Planner Compton-Ring noted the lot line elimination required under Condition 5, and Council Mitchell said it should be corrected to read "the lot line" instead of "a lot lines". Planner Compton-Ring said the list of plans under Condition 4 is just a request to have all of the different plans for the project to be submitted all together for city-departmental review. The ARC requested more landscaping with their approval, but the landscaping plan has not been submitted yet.

Mayor Muhlfeld opened the public hearing.

Lin Akey, 1000 E. 9<sup>th</sup> Street, WAVE Board Member, said the WAVE is a success story for a public/private partnership. It has served over 5500 members; it has been a benefit to the community for fitness and health and as an employer. It has outgrown its original footprint and needs expansion. He asked the Council to please support the project.

Lisa Jones, 314 Blanchard Hollow Road, said she was hired by The WAVE for public relations and community outreach for this expansion project. This is a non-profit organization serving the health and recreational needs of the community at an affordable price. There are currently 93 employees, (34 ft). It is open to the public for day-use as well as its membership, and there are scholarship programs

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for those in need and the WAVE supports other community non-profit programs like the back-pack program which provides weekend food to local kids who need it. The WAVE offers free swimming lessons for 3<sup>rd</sup> graders from Whitefish and Columbia Falls. And she said it was recently the host of a great Senior Party on graduation night. There will be project construction updates on the website as well as e-news blasts and notices on social media. She said the Mayor and Council and City Staff are all welcome to come take a tour. The expansion is supported by the Director of the Parkside Credit Union and the Whitefish Visitor's Center Director with letters of support in the Planning Board packet. She thanked the Council and requested their support.

Marcia O'Neill, 1<sup>st</sup> Street, spoke in support. She said both she and her husband are members.

Mayor Muhlfeld closed the public hearing.

**Councilor Mitchell offered a motion, seconded by Councilor Kahle, to approve the Conditional Use Permit for the expansion of the Wave Aquatic and Fitness building by 9200 square feet; adopting the Staff Report (WCUP 13-05), Findings of Fact, and subject to seven (7) Conditions of Approval. The motion passed unanimously.**

Mayor Muhlfeld thanked community members and committee volunteers for a successful operation.

**6b. Consideration of an application from Ryan Zinke for a Conditional Use Permit to operate a bed and breakfast in an existing house at 409 West Second Street. The subject property is zoned WR-3 (Low Density Multifamily Residential) (p. 89)**

Planning and Building Director Taylor gave the staff report. This is a revised request from Bruce Boody Landscape Architects on behalf of Ryan Zinke for a conditional use permit to operate the Snowfrog Inn, a bed and breakfast (B & B) in a single building at 409 W. Second Street; a downsized version of his original plan brought before the Council last year when a microbrewery was included in the proposal. The current proposal is a B & B with six rooms to rent as well as accommodations for a live-in manager, with ten proposed off-street parking spaces. The property is zoned WR-3 (Low Density Multi-family Residential District); regulations require a Conditional Use Permit (CUP) for B & Bs with specific criteria and operation requirements. Staff reviewed the application and found the proposal to be in compliance with all pertinent zoning regulations and the Growth Policy. A public notice was mailed to adjacent land owners as required and three (3) letters were received and are included in the packet. The City County Planning Board (CCPB) held a public hearing on May 20, 2013 and heard public comment. Among concerns raised during the public hearing for neighbors were possible negative impacts with regard to parking and noise if the B & B allowed special events. Also, there were some concerns with existing lighting on the site. Staff addressed these issues with conditions placed on approval of the CUP. The CCPB considered public comment, and following the public hearing the Board recommended approval of the application, adopting the staff report as findings of fact with conditions of approval; and amended two conditions, conditions 11 and 12, to help mitigate the neighbor's concerns.

Amended Condition 11 to read: All daily parking shall be contained on site. A parking plan for any special event shall be on file that does not include parking on Highway 93 West or Third Street.

Amended Condition 12 to read: The balcony on the south side of the building on the east lot serves an apartment that is for residential use either for the owners or the manager. The railing on this balcony

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shall be made opaque. Director Taylor said the public in attendance at the CCPB meeting seemed to be in agreement with the amended conditions.

Councilor Sweeney questioned the opaque requirement on the balcony and Director Taylor explained the railing is about 42" high and will be of solid wood for privacy. Councilor Hildner asked if this would be a good time, during this change of use, to require bear-proof garbage containers and Director Taylor said the Council could talk to the applicant about it. Councilor Mitchell asked more about the existing balcony, and Director Taylor said it is about 4' & 8' and serves the manager's apartment. Director Taylor said there was some concern about an outside light, a motion-sensor light, which the applicant would like to retain for safety of access; it is dark-sky compliant.

Mayor Muhlfeld opened the public hearing.

Ryan Zinke, applicant, spoke to the Council; he said this has been a 2-yr long and painful journey. He said he built it in 2001 specifically as a B & B, so the building exceeds all standards and requirements for that operation. He has spoken with his neighbors and listened to their concerns; he said he has done all he can do to make the project work. He said a typical guest of a B & B is 40 – 65 years old, and he checked with the Whitefish Police Department who report that there have been no incident calls to local B & Bs, they are a quiet business. He wants to keep this house in their family but they feel the district no longer lends itself to single family homes; a B & B fits into the character of the neighborhood and no outdoor activities will go beyond 10:00 p.m. The 3.5' x 7' balcony has been there all along and it will stay. It should be a good business for the town and will provide jobs. He felt the project is in the best interest of the community, for Whitefish, and for visitors to Whitefish. It is in a connective corridor to the downtown business district; and with the current highway improvement project will have a designated bike path. He said parking is provided for 10, maybe up to 13 cars, with no parking on 3<sup>rd</sup> Street, if necessary he will provide a shuttle. His lighting is dark-sky compliant as much as possible, he said all standards have been met, he requested the Council's unanimous support.

Councilor Hildner stressed the importance of bear management and asked if the applicant would agree to bear-resistant garbage containers; he'd like to encourage people who are changing the use at their properties to go in this direction. Zinke said he would be happy to comply if required; he did build a garage and will be increasing his fence height. Councilor Hildner said there a condition that guests do not use kitchen facilities – how do you prevent that? Zinke said there is a door on the downstairs kitchen, and the kitchen on the second floor is in the manager's apartment; there aren't any public accesses to the kitchens. Each room has its own bathroom. He anticipates enhancing the property's access with a ramp and adding more landscaping in the back and a fountain. They anticipate opening late next summer.

Councilor Anderson asked about his frustration with this process – was it frustrating to work with the City's Planning Department? Zinke had said the process was painful; he said he had been coached to do a PUD and his original plan was the microbrewery and a B & B, but that did not get approval. He owns both sides of the street. He appreciates the freedom of assembly; but he felt some of the conditions imposed were outside the boundaries. He felt he had mixed results in working with the Planning Department. He felt there was some disconnect between the City's Planning Department and the Building Department, but he is hopeful to have a positive conclusion. He said he looks forward to continuing to work with Director Taylor.

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Anne Shaw Moran said she lives at 432 W. 3<sup>rd</sup> Street and owns 436 W. 3<sup>rd</sup> Street. She said her points are expressed in the letter in the packet; she appreciates that Zinke listened and worked and collaborated with the neighbors; she is in agreement with the conditions as approved by the City County Planning Board.

Susan Prillin, 334 W. 3<sup>rd</sup> Street, said her north boundary is a common boundary with the Zinke property. She is satisfied with the scaled-back project; it is more in character with the neighborhood. She likes that they are doing more landscaping, a carport for the manager, and the solution for privacy on the balcony. The impact of a B & B is higher than that of a single family dwelling, but the applicant is assuring the neighborhood that his clientele will be quiet and low key. She still has concerns about activity, noise, lights and fumes from special events, the houses are all so close together in that neighborhood; but she appreciates that all parking will be off-street and the shut-down time of 10:00 p.m. She said it is hard to estimate the impact, but now supports the project in the spirit of cooperation and neighborhood respect, and is in agreement with the conditions.

Mayor Muhlfeld closed the public hearing.

**Councilor Anderson offered a motion, seconded by Councilor Sweeney, to approve the request for a Conditional Use Permit for Ryan Zinke to operate a bed and breakfast in an existing house at 409 W. 2<sup>nd</sup> Street; adopting the Staff Report (WCUP 13-04), Findings of Fact, and subject to eighteen (18) Conditions of Approval as amended by the City-County Planning Board.**

Councilor Hildner compared this application with the application the Council heard on November 7, 2011, a proposed B & B at 444 O'Brien Avenue, WCUP 11-20. He said that CUP had 14 conditions, now we are up to 18, but that project did not get nearly the community support that this one had, which speaks well for community inter-action towards a solution that works.

**The motion passed unanimously.**

## **7. COMMUNICATIONS FROM CITY MANAGER**

### **7a. Written report enclosed with the packet. Questions from Mayor or Council? (p. 127)**

None

### **7b. Other items arising between May 1<sup>st</sup> and May 6<sup>th</sup>**

City Manager Stearns reminded the Council of their next budget work session scheduled for June 10, 2013 at 6:00 p.m. Councilor Mitchell said he would be absent from that meeting.

## **8. COMMUNICATIONS FROM MAYOR AND CITY COUNCILORS**

### **8a. Standing budget item - None.**

### **8b. Letter from Montana West Economic Development with update on their activities (p. 134)**

No additional comments

### **8c. Appointments to Committees and Boards that were not made at tonight's Special Session before the meeting.**

**Councilor Sweeney offered a motion, seconded by Councilor Hildner, to make the following appointments on the Whitefish Highway 93 West Corridor Plan Steering Committee:**

**Doug Reed, Resort or Recreation business owner in the corridor**

**Cora Christensen, Commercial or Professional business owner in the corridor**

**Anne Shaw Moran and Ryan Zinke, (2) residential owner-occupied property owners**

**Rob Pero, residential investment or multifamily property owner**

**Ian Collins, WB-3 District property owner**

**Nancy Woodruff, At Large community member**

Discussion followed and other members of the Council supported part of this slate of committee members but had support for others in the specific categories. There was also discussion regarding the letters of interest that came in after the published deadline – and it just happened that Nancy Woodruff attended the Special Session and the Council had time to interview her, but they have not had the chance to interview the other two late applicants. Following discussion the Council decided it might be best to appoint each category separately.

**Councilor Sweeney withdrew his motion and the second agreed to withdraw.**

**Councilor Sweeney offered a motion, seconded by Councilor Kahle, to appoint Doug Reed, for the Resort or Recreation business owner in the corridor. The motion passed unanimously.**

**Councilor Hildner offered a motion, seconded by Councilor Sweeney, to appoint Cora Christensen, for the Commercial or Professional business owner in the corridor. The motion passed unanimously.**

**Councilor Sweeney offered a motion, seconded by Councilor Hyatt, to appoint Anne Shaw Moran and Ryan Zinke, each to fill the two (2) residential owner-occupied property owners positions. The motion passed unanimously.**

**Councilor Anderson offered a motion, seconded by Councilor Hyatt, to appoint Jim Laidlaw for the residential investment or multifamily property owner. The motion passed unanimously.**

**Councilor Hildner offered a motion, seconded by Councilor Hyatt, to appoint Ian Collins, for the WB-3 District property owner. The motion passed unanimously.**

Councilor Hildner suggested the Council leave the At Large position open at this time, to allow time to interview the other two late applicants, and also re-advertise that position to see if there are others interested that might meet the qualifications. Three applicants have already been interviewed – Rob Pero, Frank Barnes and Nancy Woodruff. The Councilors indicated agreement but Councilor Sweeney voiced the concern that time is of the essence for this committee to get started and the process shouldn't be held up. Councilor Hyatt suggested the committee could go ahead and get started while the At Large position is pending.

**Councilor Hildner offered a motion, seconded by Councilor Hyatt, to re-advertise the At Large position for the Whitefish Highway 93 West Corridor Plan Steering Committee. The motion passed unanimously.**

June 3, 2013

**Councilor Sweeney offered a motion, seconded by Councilor Hildner, to ratify the Resort Tax Monitoring Committee's designation of Doug Reed as their representative on the Pedestrian & Bicycle Path Advisory Committee. The motion passed unanimously.**

**Council Comments:**

Councilor Hildner said it is National Chocolate Macaroon Day, but he didn't bring any.

Councilor Anderson commended the Ryan Zinke family for pushing the issue for the City and community to start planning for the future; now in place is the Highway 93 West Corridor Planning process. It will give certainty of expectation for property owners there.

Councilor Mitchell referred back to comments made by Ryan Zinke about the Planning Office and Building Department not working well together; they need to work better together for the benefit of the public. He asked Manager Stearns to follow up on that; it is a comment he has heard before and it seems to have been a problem for awhile. Councilor Mitchell asked Public Works Director Wilson if he knew when the paving would be done between Baker Avenue and the bridge and Director Wilson thought, depending on weather, maybe next week. Director Wilson said he'd like to give the contractor credit, they have been cognizant that Whitefish is a resort town and that it is important for those businesses there to have that paved – so the contractor planned their sequencing to pave that portion before they continue the project over the bridge and west.

Councilor Anderson said that Ryan Zinke didn't say he had a problem working with our Planning or Building Department, he was just saying he didn't like the answers he got; so the Corridor Planning process is now in place to address solutions to those problems. He felt that was two different issues; he has not heard complaints about difficulties in working with either of those departments. He said he has actively sought after answers regarding that issue, and has not heard that complaint. He said if there are those kinds of complaints out there he would certainly like to hear about it. What he has heard is that people don't always like the answers they get, but they certainly appreciate the help they get from the Planning and Building Department.

Mayor Muhlfeld said he had recently met with the North Valley Hospital Fundraising Committee and they brought him up to speed on their ongoing fundraising for capital expansion of their facility; an expansion of the infant nursery and a surgery center is planned. He said it has been a number of years since the Council has heard from North Valley Hospital and he wondered if this might be a good time to invite them to come to a meeting and update the Council on their fundraising campaign. The Council indicated agreement and Mayor Muhlfeld said he would coordinate that with Manager Stearns.

**9. 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 8:20 p.m.

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Mayor Muhlfeld

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Necile Lorang, City Clerk

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



June 11, 2013

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

Re: Extension of preliminary plat for Lookout Ridge (WPP-10-10/WPUD-10-11)

Honorable Mayor and Council:

This office is in receipt of a letter from Taylor Horst of Whitefish Credit on behalf of Lookout Ridge Investors, llc requesting an extension of the preliminary plat for the Lookout Ridge. Lookout Ridge is a 139 units on 267.7 acres located north of Iron Horse and Ptarmigan off the Big Mountain Road. Attached to this report are the conditions of approval and a preliminary plat map.

The preliminary plat was approved by the Whitefish City Council on June 18, 2007. On May 5, 2008, the Council approved an amended preliminary plat to add nearly 40 acres to the subdivision. On June 21, 2010, the Council granted a second amendment to the preliminary plat. This plat now expires on June 21, 2013. The developer is seeking a 24-month extension until June 21, 2015, as permitted by the Subdivision Regulations. (§12-3-8B)

Staff recommends Council **approve** this request.

Sincerely,

A handwritten signature in black ink that reads "Wendy Compton-Ring". The signature is written in a cursive, flowing style.

Wendy Compton-Ring, AICP  
Senior Planner

Att: Conditions of approval, June 23, 2010  
Extension Letter dated June 10, 2013  
Preliminary plat map, dated April 26, 2007

c/w/att: Necile Lorang, City Clerk

c/w/o/att: Taylor Horst, Whitefish Credit Union, PO Box 37 Whitefish, MT 59937

**Lookout Ridge  
Preliminary Plat/Planned Unit Development  
WPP-10-10/WPUD-10-11  
Whitefish City Council  
Conditions of Approval  
June 21, 2010**

1. The subdivision shall comply with Title 12 (Subdivision Regulations) and Title 11 (Zoning Regulations) and all other applicable requirements of the Whitefish City Code, except as amended by these conditions.
2. Except as amended by these conditions, the development of the subdivision and planned unit development shall be in substantial conformance with the approved preliminary plat, accompanying reports along with their recommendations, site plan and elevations that govern the general location of lots, roadways, parking, landscaping and improvements and labeled as “approved plans” by the City Council.
3. Prior to any pre-construction meeting, 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, stormwater management, roads, street lights, trails, sidewalks, driveways, etc.) within the development shall be designed and constructed by a licensed engineer and in accordance with the City of Whitefish’s Engineering Standards. The Public Works Director shall approve the design prior to construction. Plans for grading, drainage, utilities, streets, trails and other improvements shall be submitted as a package and reviewed concurrently. No individual improvement designs shall be accepted by Public Works. Public utilities shall be located only in road rights-of-way unless otherwise approved by the Public Works Director. (City Engineering Standards, 2009)
4. The water system shall be privately owned, operated and maintained. All water valves, water storage tanks, fire hydrants, water piping and appurtenances located within the subdivision boundaries shall be owned, operated and maintained by the Lookout Ridge Homeowners’ Association. (City Engineering Standards, 2009)
5. A tree retention plan shall be submitted to the Planning Department for review and approval. Appropriate trees outside building envelopes, driveways and roads shall be preserved. Any additional tree removal is subject to approval by the Planning & Building Department. To ensure proper root protection, all trees to be retained shall be barricaded to the dripline prior to any construction activity. Contact the Planning & Building Department for a field inspection prior to any construction activity after final engineering plans have been approved. Inspection of barricades shall be on-going during construction. (Subdivision Regulations, 12-4-5)

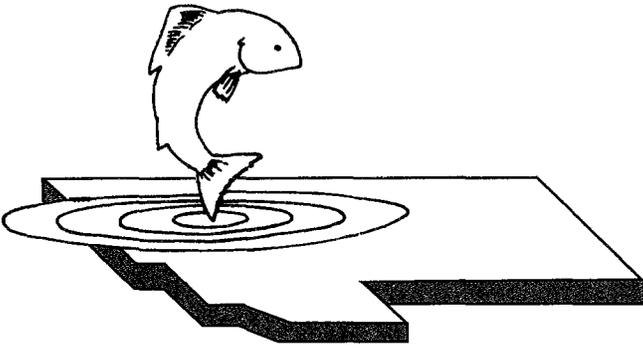
6. A wetland restoration plan shall be submitted to Planning and Public Works Departments for review and approval and shall include a minimum 25-foot buffer from the edge of the wetland after its restoration. (Staff Report, Finding 3)
7. Approval of the preliminary plat is subject to subsequent approval of detailed design of all on and off site improvements, including drainage. Through review of detailed road and drainage plans, applicant is advised that the number, density and/or location of building lots, as well as the location and width of the road right-of-way, shown on the preliminary plat may change depending upon constructability of roads, pedestrian walkways, and necessary retaining walls within the right-of-way, LID design requirements, on-site retention needs, drainage easements or other drainage facilities or appurtenances needed to serve the subject property and/or upstream properties as applicable. This plan, also located within the Homeowners' Association Conditions Covenants and Restrictions, shall include a strategy for long-term maintenance. Fill on-site shall be the minimum needed to achieve positive drainage, and the detailed drainage plan will be reviewed by the City using that criterion. (City Engineering Standards, 2009)
8. Prior to any ground disturbing activities, a plan shall be submitted for review and approval by the Public Works and Planning/Building 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.
  - Construction office siting, staging areas for material and vehicles, and employee parking.
  - Measures to prevent soil and construction debris from being tracked onto public roadways, including procedures to remove soil and construction debris from roadways 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.
9. All roads within the subdivision shall be built to City of Whitefish Public Works Standards and the Whitefish Subdivision Regulations. The roadway within the subdivision shall be privately owned and maintain, but open to the public, including parking. (City Engineering Standards, 2009)
10. Street and other on-site lighting shall be dark sky compliant and meet the requirements of the City's Outdoor Lighting ordinance. (Zoning Section 11-3-25)
11. A Certificate of Subdivision Approval be obtained from the Department of Environmental Quality and written approval by the Whitefish Public Works

Department approving the stormwater management, water and sewage collection facilities for the subdivision. (Subdivision Regulations, Appendix C)

12. A landscaping plan for the open space, trails and landscaping buffers shall be submitted to the Planning Department for review and approval. Landscaping plans shall also be approved by the Public Works Department, as they relate to LID design. (Staff Report, Finding 4)
13. The applicant shall provide a public parking area/trailhead for the public to access the public trail. (Staff Report, Finding 4)
14. The developer shall coordinate with the City's contractor, North Valley Refuse (NVR), regarding garbage collection. The Homeowners' Association shall be responsible to maintain all weather access to the pick up site or sites. If required by NVR, a centralized site or sites shall be established prior to final plat. (City Engineering Standards, 2009)
15. Prior to final plat, the developer shall enter into an agreement with the City whereby the Homeowners' Association shall either assume responsibility for individual property owner's past due bills for sewer service and garbage pick-up services or assist the City by shutting off water service to delinquent accounts. (City Engineering Standards, 2009)
16. Prior to approval of the final plat, the applicant shall produce a copy of the proposed Covenants, Conditions and Restrictions (CC&Rs) for the Lookout Ridge Subdivision Homeowners' Association (HOA) providing for:
  - Long-term maintenance of the open spaces, landscape buffers, private streets, sidewalks, trails and the street trees;
  - Snow removal on the roads and emergency access as a HOA responsibility; and
  - Long-term weed management plan. The weed management plan shall be submitted to the Planning Department for review and approval prior to final plat.
  - Long-term maintenance plan for drainage and stormwater management.
  - Long-term maintenance for the water system including all water valves, water storage tanks, fire hydrants, water piping and appurtenances.
  - All recommended restrictions from the Wildlife Management Plan.
  - The fire protection zone guidelines (appendix K of the subdivision regulations) shall be made a component of the covenants.(Subdivision Regulations 12-4-29; Staff Report Finding 4; City Engineering Standards, 2009)
17. The following notes shall be placed on the face of the plat:
  - a. Garbage shall be stored in a secure location until the day of pick up or in a bear proof container.
  - b. House numbers shall be located in a clearly visible location.

- c. Only class A and class B fire-rated roofing materials are allowed.
  - d. Defensible Space Standards shall be incorporated around all primary structures, as described in the Covenants.
  - e. The internal roads shown on the final plat are intended to be privately owned and maintained and open to the public, including parking. It is understood and agreed that these internal roadways do not conform to City requirements for public roadways. Because of the road configuration, they are not suitable for all-season maintenance by the public authority. The owners (and successors in interest) of the lots described in this plat will provide for all-season maintenance of the private roadways by creation of a corporation or association to administer and fund the maintenance. This dedication is made with the express understanding that the private roadways will never be maintained by any government agency or public authority. It is understood and agreed that the value of each described lot in this plat is enhanced by the private nature of said roadways. Thus, the area encompassed by said private roadways will not be separately taxed or assessed by any government agency or public authority.
  - f. Lots 22, 26, 31, 32, 35, 37, 59, and 60 shall comply with the critical area ordinance in effect at the time of building permit issuance.  
(Subdivision Regulations, Appendix D; Staff Report Finding 3)
- 18. All areas disturbed because of road and utility construction shall be re-seeded as soon as practical to inhibit erosion and the spread of noxious weeds.  
(Subdivision Regulations 12-4-29)
  - 19. The Fire Marshal shall approve the placement and design of all fire hydrants prior to their installation and fire access. (UFC; Subdivision Regulations 12-4-19; Engineering Standards, 2009)
  - 20. Mail facilities shall be provided by the developer and approved by the local post office. (Subdivision Regulations 12-4-23)
  - 21. No building permits shall be issued by the City of Whitefish until the applicant has received final plat, water and sewer lines are installed and inspected and all-weather drivable surface is installed and inspected. (Subdivision Regulations 12-3-11)
  - 22. Development of lot 76 shall require an amended Planned Unit Development prior to the start of construction. Density of lot 76 shall not exceed eight units, as identified on the approved plans. (Staff Report Background)
  - 23. This preliminary plat and planned unit development is valid for three years from Council action. (Subdivision Regulations 12-3-8)

24. Install a trail that is open to the public. Work with the City's Bike and Pedestrian Committee and neighboring properties to place the trail in the best location. (Staff Report, Finding 4)
25. All plans (forest management, wildlife management, etc.) submitted as part of the application shall be adhered to. (Staff Report, Finding 3)
26. Prior to final plat, the applicant shall enter into an agreement with the Whitefish Housing Authority to provide and secure \$50,000.00 per year for 10 years to the WHA. (Staff Report, Finding 7)
27. Lots 22, 26, 31, 32, 35, 37, 59, and 60 shall obtain a Critical Areas Compliance Permit and comply with the critical area ordinance in effect at the time of building permit issuance. (Staff Report, Finding 3)
28. A map of fire protection features shall be submitted to the fire chief or designee for review and approval prior to final plat. This map will show access roads, hydrants, water supply point and any other pertinent items. It shall also be made a component of the homeowners' covenants. (Subdivision Regulations 12-4-6)
29. Roads signs shall be approved by the fire marshal. Such signs shall be noncombustible and reflective. (Subdivision Regulations 12-4-6)



# Whitefish Credit Union

P.O. Box 37  
WHITEFISH, MONTANA 59937-0037

300 Baker Ave. • 862-3525  
Whitefish

234 E. Montana • 257-3123  
Kalispell

320 Nucleus Ave. • 892-8000  
Columbia Falls

110 3rd Ave. E. • 883-3600  
Polson

202 Dewey Ave. E. • 297-7800  
Eureka

107 Pond St. • 827-5626  
Thompson Falls

215 E. Idaho Ave. • 257-6042  
Kalispell

6/10/2013

• • •

Whitefish City Council  
418 E. 2<sup>nd</sup> Street  
Whitefish, MT 59937

### To whom this may Concern:

The Whitefish Credit Union would like to request a two (2) year extension on the Lookout Ridge Second Amended Preliminary Pat/Planned Unit Development; WPP-10-10/WPUD-10-11. Please see attached agreement executed by both parties that authorizes the credit union to make such a request on behalf of Lookout Ridge Investors, LLC.

Sincerely,

A handwritten signature in black ink, appearing to read "Taylor Horst".

Taylor Horst  
SVP/Chief Lending Officer  
Whitefish Credit Union

06-10-13 A 11:26 IN

AGREEMENT

THIS AGREEMENT is made this 7 day of June, 2013, by WHITEFISH CREDIT UNION ("WCU") of Whitefish, Montana and LOOKOUT RIDGE INVESTORS, LLC of Whitefish, Montana.

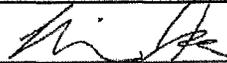
1. APPOINTMENT. Lookout Ridge Investors, LLC hereby appoints WCU as its lawful agent, with all necessary authority to apply for and obtain an extension to that Preliminary Plat (WPP-10-10/WPUD-10-11) from the City of Whitefish, MT and any/all other government permits and licenses in any way relating to the following described real property, currently owned by Lookout Ridge Investors, LLC:

*See "Exhibit A" attached hereto.*

2. COST OR FINANCIAL OBLIGATIONS. If there is any cost associated with the authority given in Paragraph 1 or the activities described in Paragraph 1, or the approval process requires a commitment of future resources, or there are any other monetary obligations involved, WCU agrees to fund the effort.
3. ASSIGNMENT OF RIGHTS. Lookout Ridge Investors, LLC plans to assign whatever permits or rights it obtains in this process to WCU along with the foreclosure judgment. WCU agrees to accept such assignment.
4. FACTUAL REPRESENTATIONS / CANDOR. If questions arise or the context requires it, WCU agrees to act with, and respond to any questions from public officials and others with, the utmost candor, disclosure of all material facts and fairness. This would include, but not be limited to: the status of the lawsuit and expected judgment; the financial condition of Lookout Ridge Investors, LLC and its inability to carry out any commitments it may make via WCU's activities described in Paragraph 1.
5. BINDING AGREEMENT AND ENFORCEABLE. The terms in this Agreement are a contract, binding on Lookout Ridge Investors, LLC and WCU and each attorney hereto represents to the other that he has his respective client's authority, permission and consent to enter into this agreement. Any breach of this agreement or need to enforce it will be undertaken in the pending foreclosure action, Flathead County Cause No. DV-10-1620B.

IN WITNESS WHEREOF, the Parties to this Agreement have caused it to be executed on those dates indicated below.

(WHITEFISH CREDIT UNION)

X 

Brian Joos or Ryan Purdy/Attorneys

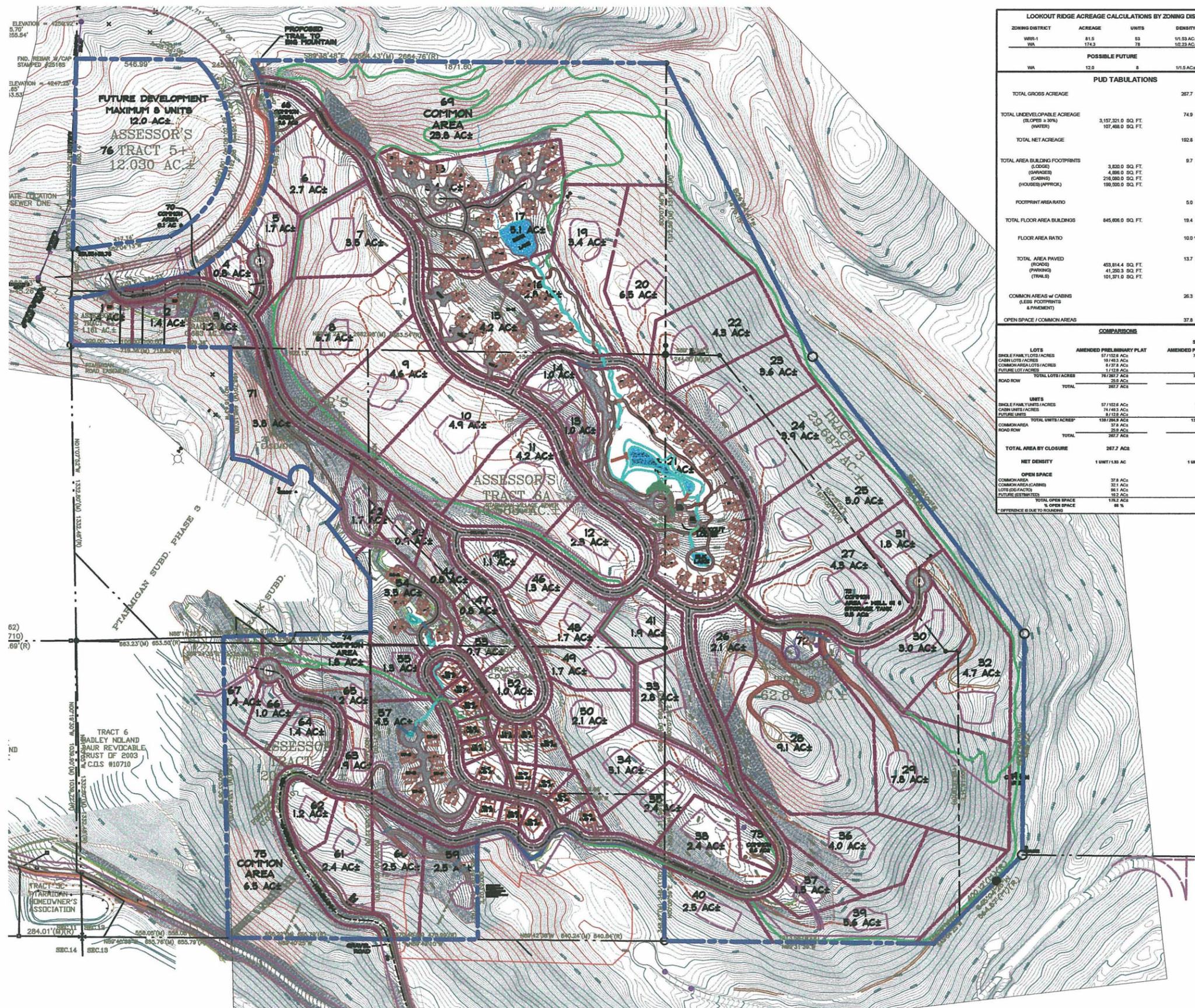
(LOOKOUT RIDGE INVESTORS, LLC)

X /s/ James H. Cossitt

Jim Cossitt/Attorney

**APPROVED**

*By James H (Jim) Cossitt at 3:46 pm, Jun 07, 2013*



LOOKOUT RIDGE ACREAGE CALCULATIONS BY ZONING DISTRICT			
ZONING DISTRICT	ACREAGE	UNITS	DENSITY
WB-1	81.5	83	11.53 AC±
WA	174.3	78	10.23 AC±
POSSIBLE FUTURE			
WA	12.0	8	15.0 AC±
PUD TABULATIONS			
TOTAL GROSS ACREAGE			267.7 AC±
TOTAL UNDEVELOPABLE ACREAGE (SLOPES > 30%) (WATERS)	3,157,321.0 SQ. FT. (72,600.0 SQ. FT.)		74.9 AC±
TOTAL NET ACREAGE			192.8 AC±
TOTAL AREA BUILDING FOOTPRINTS (LOGGERS) (DAPAGES) (CABINS) (HOUSES) (APPROX)	3,830.0 SQ. FT. (4,896.0 SQ. FT.) (216,000.0 SQ. FT.) (190,000.0 SQ. FT.)		9.7 AC±
FOOTPRINT AREA RATIO			5.0 %
TOTAL FLOOR AREA BUILDINGS	845,000.0 SQ. FT.		19.4 AC±
FLOOR AREA RATIO			10.0 %
TOTAL AREA PAVED (ROADS) (PARKING) (TRAILS)	403,814.4 SQ. FT. (41,203.3 SQ. FT.) (101,371.0 SQ. FT.)		13.7 AC±
COMMON AREAS w/ CABINS (LESS FOOTPRINTS & PAVEMENT)			26.3 AC±
OPEN SPACE / COMMON AREAS			37.8 AC±
COMPARISONS			
LOT	AMENDED PRELIMINARY PLAT	SECOND	
SINGLE FAMILY UNITS/ACRES	57/102.6 AC±	73/108.6 AC±	
CABIN UNITS/ACRES	19/83.3 AC±	17/83.3 AC±	
COMMON AREA/ACRES	1/138.8 AC±	1/138.8 AC±	
FUTURE UNITS/ACRES	8/112.0 AC±	8/112.0 AC±	
TOTAL UNITS/ACRES	75/283.7 AC±	79/283.7 AC±	
ROAD ROW	25.0 AC±	25.0 AC±	
TOTAL	287.7 AC±	287.7 AC±	
UNITS			
SINGLE FAMILY UNITS/ACRES	57/102.6 AC±	73/108.6 AC±	
CABIN UNITS/ACRES	19/83.3 AC±	17/83.3 AC±	
FUTURE UNITS	8/112.0 AC±	8/112.0 AC±	
COMMON AREA	1/138.8 AC±	1/138.8 AC±	
ROAD ROW	25.0 AC±	25.0 AC±	
TOTAL	287.7 AC±	287.7 AC±	
TOTAL AREA BY CLOSURE	267.7 AC±	267.7 AC±	
NET DENSITY	1 UNIT/1.83 AC	1 UNIT/1.83 AC	
OPEN SPACE			
COMMON AREA	37.8 AC±	37.8 AC±	
COMMON AREAS CABINS	26.3 AC±	26.3 AC±	
LOTS (EX-FACTO)	98.1 AC±	98.1 AC±	
FUTURE ESTIMATES	19.2 AC±	19.2 AC±	
TOTAL OPEN SPACE	182.2 AC±	182.2 AC±	
% OPEN SPACE	86 %	86 %	

LOT TABULATIONS			
Lot	Type	Area	Units
1	SINGLE FAMILY	1.4 AC±	1
2	SINGLE FAMILY	1.4 AC±	1
3	SINGLE FAMILY	1.2 AC±	1
4	SINGLE FAMILY	0.8 AC±	1
5	SINGLE FAMILY	1.7 AC±	1
6	SINGLE FAMILY	2.1 AC±	1
7	SINGLE FAMILY	3.5 AC±	1
8	SINGLE FAMILY	6.7 AC±	1
9	SINGLE FAMILY	4.6 AC±	1
10	SINGLE FAMILY	4.9 AC±	1
11	SINGLE FAMILY	4.2 AC±	1
12	SINGLE FAMILY	2.3 AC±	1
13	SINGLE FAMILY	1.0 AC±	1
14	SINGLE FAMILY	1.8 AC±	1
15	COMMON / CABINS	1.2 AC±	8
16	COMMON / CABINS	2.8 AC±	5
17	COMMON / CABINS	5.1 AC±	9
18	COMMON / CABINS	2.4 AC±	8
19	SINGLE FAMILY	3.4 AC±	1
20	SINGLE FAMILY	6.5 AC±	1
21	COMMON / CABINS	10.6 AC±	16
22	SINGLE FAMILY	4.3 AC±	1
23	SINGLE FAMILY	3.8 AC±	1
24	SINGLE FAMILY	3.9 AC±	1
25	SINGLE FAMILY	9.9 AC±	1
26	SINGLE FAMILY	2.1 AC±	1
27	SINGLE FAMILY	4.3 AC±	1
28	SINGLE FAMILY	9.1 AC±	1
29	SINGLE FAMILY	7.8 AC±	1
30	SINGLE FAMILY	3.9 AC±	1
31	SINGLE FAMILY	1.8 AC±	1
32	SINGLE FAMILY	4.7 AC±	1
33	SINGLE FAMILY	2.9 AC±	1
34	SINGLE FAMILY	2.1 AC±	1
35	SINGLE FAMILY	2.4 AC±	1
36	SINGLE FAMILY	4.9 AC±	1
37	SINGLE FAMILY	1.9 AC±	1
38	SINGLE FAMILY	2.4 AC±	1
39	SINGLE FAMILY	5.6 AC±	1
40	SINGLE FAMILY	2.5 AC±	1
41	SINGLE FAMILY	1.9 AC±	1
42	SINGLE FAMILY	1.7 AC±	1
43	SINGLE FAMILY	0.8 AC±	1
44	SINGLE FAMILY	0.8 AC±	1
45	SINGLE FAMILY	1.1 AC±	1
46	SINGLE FAMILY	1.3 AC±	1
47	SINGLE FAMILY	0.8 AC±	1
48	SINGLE FAMILY	1.7 AC±	1
49	SINGLE FAMILY	1.7 AC±	1
50	SINGLE FAMILY	2.1 AC±	1
51A	SINGLE FAMILY	0.34 AC±	1
51B	SINGLE FAMILY	0.38 AC±	1
51C	SINGLE FAMILY	0.80 AC±	1
51D	SINGLE FAMILY	1.39 AC±	1
51E	SINGLE FAMILY	0.40 AC±	1
51F	SINGLE FAMILY	0.48 AC±	1
51G	SINGLE FAMILY	0.48 AC±	1
52	SINGLE FAMILY	1.8 AC±	1
53	SINGLE FAMILY	0.7 AC±	1
54	COMMON / CABINS	3.5 AC±	9
55	SINGLE FAMILY	1.3 AC±	1
56A	SINGLE FAMILY	0.32 AC±	1
56B	SINGLE FAMILY	0.38 AC±	1
56C	SINGLE FAMILY	0.36 AC±	1
56D	SINGLE FAMILY	0.48 AC±	1
56E	SINGLE FAMILY	0.30 AC±	1
56F	SINGLE FAMILY	0.48 AC±	1
57	COMMON / CABINS	4.5 AC±	7
58A	SINGLE FAMILY	0.44 AC±	1
58B	SINGLE FAMILY	0.25 AC±	1
58C	SINGLE FAMILY	0.32 AC±	1
59	SINGLE FAMILY	2.5 AC±	1
60	SINGLE FAMILY	2.4 AC±	1
61	SINGLE FAMILY	1.2 AC±	1
62	SINGLE FAMILY	0.9 AC±	1
63	SINGLE FAMILY	1.4 AC±	1
64	SINGLE FAMILY	1.2 AC±	1
65	SINGLE FAMILY	1.0 AC±	1
66	SINGLE FAMILY	1.4 AC±	1
67	SINGLE FAMILY	1.4 AC±	1
68	COMMON AREA	6.6 AC±	8
69	COMMON AREA	2.8 AC±	0
70	COMMON AREA	0.1 AC±	0
71	COMMON AREA	3.8 AC±	0
72	COMMON WELL #1	8.5 AC±	8
73	COMMON WELL #2	8.6 AC±	0
74	COMMON AREA	1.8 AC±	0
75	COMMON AREA	6.5 AC±	0
SINGLE FAMILY LOTS			
CABIN UNITS			
TOTAL			
SINGLE FAMILY LOTS		188.8 AC±	
COMMON AREAS (W/ CABINS)		34.8 AC±	
COMMON AREAS (W/O CABINS)		31.8 AC±	
ROAD ROW		25.0 AC±	
TOTAL		280.4 AC±	
Average Area/Unit		1.8 AC±	
(NOTE: TOTAL ACREAGE OF ALL LOTS = 280.4 AC±)			
POSSIBLE FUTURE DEVELOPMENT			
76	COMMON / CABINS	12.0 AC±	8
TOTAL OF ALL ACREAGE = 267.7			

**Revisions:**

**LOOKOUT RIDGE**

**NOT TO SCALE**  
**DATE: 03/22/10**  
**JOB #: 09-62**

**SECOND AMENDED PUD & PRELIMINARY PLAT PLAN OVERALL**

**SHEET 2 OF 5**

**Survey By:**  
**BRUCE BOODY**  
**LANDSCAPE ARCHITECT INC.**  
**301 EAST 2ND STREET, SUITE 1B**  
**WHITEFISH, MONTANA 59907**  
**PHONE: (406) 842-4755**  
**FAX: (406) 842-4755**

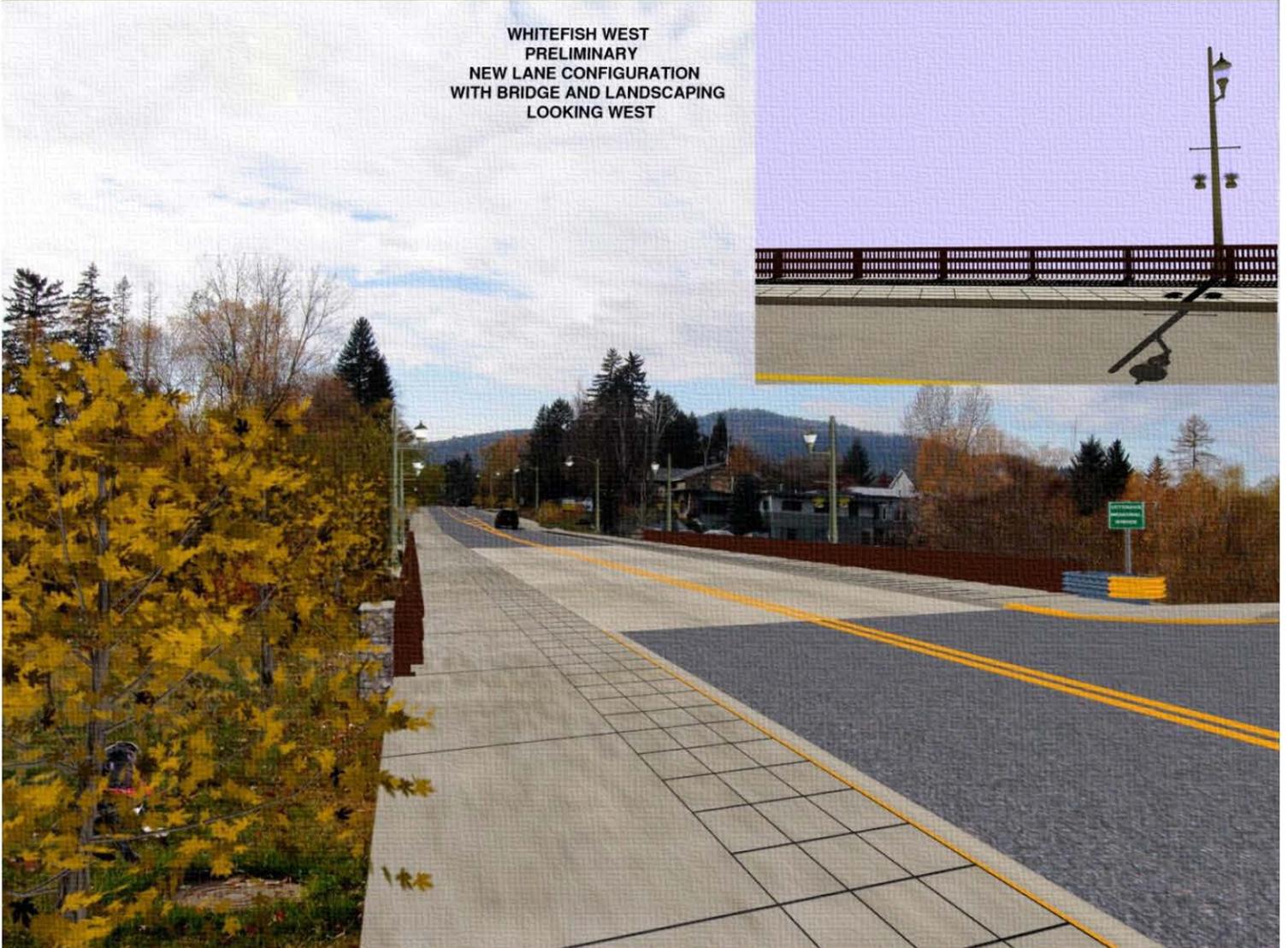
**LAND PLANNING:**  
**CACHE CREEK CONSULTING**  
**10 OREGON AVE.**  
**WHITEFISH, MT 59937**  
**PHONE: (406)-862-1107**

**ENGINEER:**  
**JOHN D. HOSKINS, LLC**  
**31 THREE MILE DR #101**  
**KAISER, MT 59901**  
**PHONE: (406) 759-8546**

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# CITY OF WHITEFISH MONTANA

WHITEFISH WEST  
PRELIMINARY  
NEW LANE CONFIGURATION  
WITH BRIDGE AND LANDSCAPING  
LOOKING WEST



## FISCAL YEAR 2014 PRELIMINARY BUDGET



## **Mayor**

John Muhlfeld

## **City Council**

Chris Hyatt

Bill Kahle

Phil Mitchell

John Anderson

Frank Sweeney

Richard Hildner

## **City Manager**

Chuck Stearns

## **Assistant City Manager/Finance Director**

Rich Knapp



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# MEMORANDUM

#2013-025



To: Mayor John Muhlfield  
City Councilors

From: Chuck Stearns, City Manager

*Chuck Stearns*

Re: FY14 Budget Transmittal Message

Date: May 3, 2013

## INTRODUCTION

The Fiscal Year 2014 (FY14) City of Whitefish Budget provides budget authority for the services and projects the City anticipates during the upcoming fiscal year, which runs from July 1, 2013 to June 30, 2014. The City budget contains a total of 25 active, self-balancing funds. “Self-balancing” means that resources equal requirements. Each fund exists to provide segregated accounting for specific activities. This message provides a general description of the budget document and the financial plans for the City for the upcoming fiscal year.

## FY14 BUDGET MAJOR CHANGES AND ISSUES

With the economy continuing to improve and increasing building permit revenues, the FY14 budget was still difficult to balance. The major points and issues in the FY14 budget are as follows:

- For property tax supported funds, the budget is balanced at the same property tax mill levy as last year at 120.401 mills. There is no increase in the property tax mill levy rate.
- In property tax supported funds, we spending down a net \$197,932 of the year end cash balance, but most of that is for one time types of expenditures. We are actually proposing to increase the year end cash balances as a % of expenditures from 10.0% in last year’s budget to 10.5% for FY14. That increase would translate to a year end FY cash balance for property tax supported funds of \$983,669 compared to our FY13 year end original projection of \$898,889. Of course, after our actual July 1, 2013 cash balance is known, the aggregate numbers and percentages will change, but the \$197,932 use of reserves will only change as the Mayor and City Council might change the budget.
- We are estimating the property tax base (mill value) to grow by 4% from last year’s figure of \$21,631.411 per mill to \$22,500. The 2013 Legislature’s changes to the tax base should all be reimbursed by the state, so if our tax base does not grow by this amount, it should be offset by higher entitlement payments from the State.

- The Montana Municipal Interlocal Authority (MMIA), our provider for insurance programs, has announced only a 2.5% increase in premiums for medical insurance and no increases for vision or dental programs. In past labor agreements and practice, the City has paid for the cost of living increase portion (1.7%) and then employees and the City split the remaining percentage increase, 0.8%. That is the basis upon which we continue negotiations and the financial impact to the City is quite small.
- The proposed budget provides funding for a 3.7% pay increase. The cost of living adjustment (COLA) that we use is 1.7% and 3.7% would allow resumption of a 2% STEP increase. Negotiations on a FY13 labor contract with the firefighters IAFF union continue and we are currently in mediation. We will negotiate with AFSCME this year for the Public Works union as their collective bargaining agreement ends June 30, 2013. The MPEA police unit is currently in the first year of a three year collective bargaining unit, so there will be no negotiations with them. In preliminary discussions with City Council members, there was some interest in providing only a 2.7% pay increase, but when I was able to build into the budget additional staffing requested by the Parks and Recreation and Planning/Building departments, increase reserves, and still provide a 3.7% pay increase without a tax increase, I felt that was appropriate to recommend.
- This budget provides additional seasonal staffing for the Parks and Recreation Department in the amount of \$63,720 plus employer contributions/benefits. Karl Cozad, Parks and Recreation Director, said he preferred the equivalent amount of funding for seasonal employees rather than a year round permanent employee. Part of the \$63,720 also provides additional seasonal employees for work on the Whitefish Trail, but this cost is offset by contributions of up to \$59,157 for maintenance from the Whitefish Legacy Partners and their maintenance endowment.
- After considering the pros and cons of hiring an additional planner versus contracting for additional planning services, I felt that the hiring of an additional planner is more efficient and effective than contracting for planning services. The cost for a new planner is \$76,744 in wages and benefits, plus additional costs for supplies and equipment for an approximate cost of \$80,000. When we tallied up the costs for contracting out Hwy 93 South Corridor Plan and Lakeshore work, that total cost would be \$95,000. That cost differential plus the flexibility of a staff person to work on a multitude of projects, not just what is in a contractual scope of work, and the institutional knowledge and history that a staff person gains tipped me in favor of recommending that we hire a staff person rather than do contracts for this planning work.
- This budget continues the \$300,000 lower Stormwater assessments which the City Council enacted two years ago. The City Council held a work session last year where pay as you go financing of stormwater improvements was compared to debt financing. The City Council decided to wait until more precise engineering costs are known before they decide on a stormwater improvements financing mechanism. The engineering study is close to getting underway.
- This budget would do some improvements to the current Cemetery by funding an irrigation system (\$30,000 one time cost out of cash reserves in General Fund) and providing a columbarium for cremations. This columbarium is self-funded from the sale of columbarium vaults.
- The City Attorney's two year contract ends on June 30, 2013 so the Mayor and City Council need to negotiate a new contract with Mary VanBuskirk.

- The City Council needs to decide whether or not to increase garbage rates by the 3% that our contract with North Valley Refuse/Montana Waste will increase in October.
- I think we need to have a discussion about continued subsidies for the Ice Den which are contained in the budget. The budgeted subsidy is \$41,769 for FY14 and the actual subsidy in FY12 was \$71,000. I believe that we need to increase user rates or shorten the season to close this subsidy. I also worry that we continue to fall behind on capital improvements at the Ice Den.
- I also believe we may need to discuss an increase to our Ambulance Rates.
- This budget does not contain any proposed rate increase for our two street lighting districts, but we continue to spend down their cash balances, so the day is coming soon for a rate increase. The FY14 budget also proposes replacing the current bucket truck for street light repairs at a cost of \$60,000 as they have not yet purchased the new truck which was budgeted in FY13.
- In the FY14 budget, we absorbed the end of our SAFER grant for funding of 6 firefighters which were hired in 2009 and the end of our COPS grant which funded one police officer for the past three years. These two revenue decreases were \$78,120 and \$36,000 respectively. On the positive side, we successfully integrated all of these positions, both financially and operationally, so both grants were very important and successful.
- Our proposed one time uses of the cash balance for property tax supported funds are:
  1. Cemetery Irrigation system - \$30,000
  2. Fire SCBA local matching funds for a possible grant (from WFSA prior \$300,000 contribution) - \$20,000
  3. Fire Radios for new apparatus - \$30,000
  4. Parks Plow Truck - \$40,000

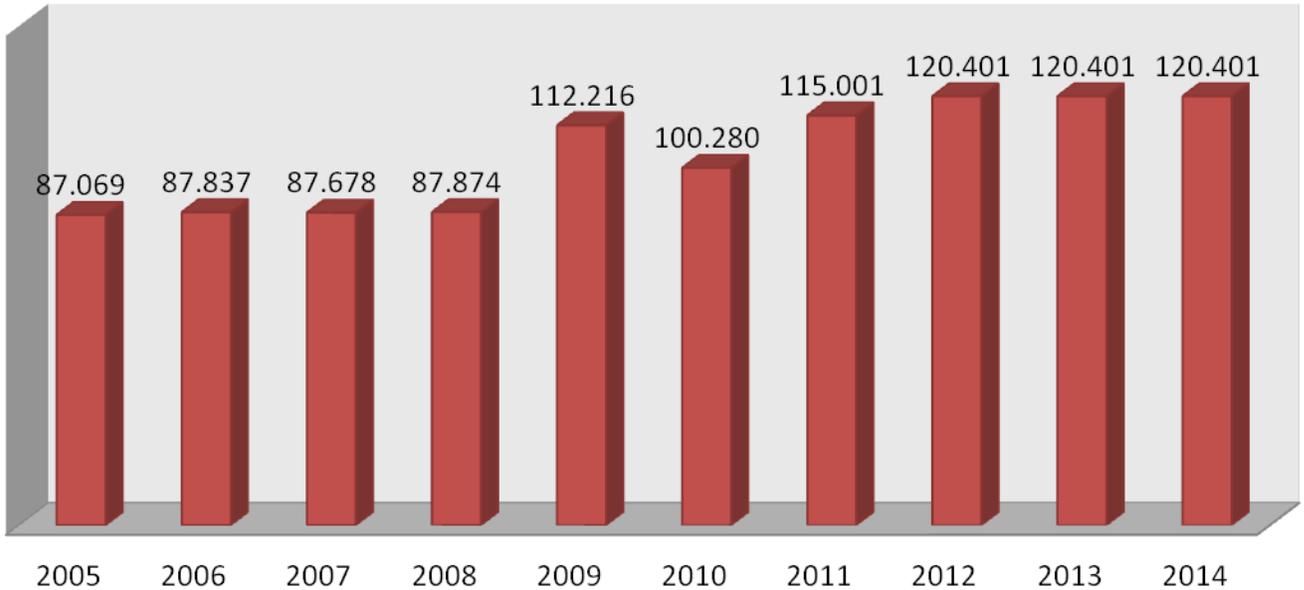
So at least \$120,000 of the \$197,932 use of the cash balance or reserves is for one time types of expenditures, not ongoing costs. I also think that our actual cash balances on July 1<sup>st</sup> will be higher than the estimates in the preliminary budget.

## **FY14 BUDGET OVERVIEW**

The FY14 proposed budget totals \$36,562,523 of transfers and expenditures for all funds as compared to \$36,920,853 in FY13, a 0.97% or \$358,330 decrease. There are a lot of different factors which affect this figure. Some of these items were discussed above and some will be discussed below.

The chart below shows the trend of our net property tax mills levied in recent years and that there is no increase proposed for FY14.

### After Rebate Mill Levy

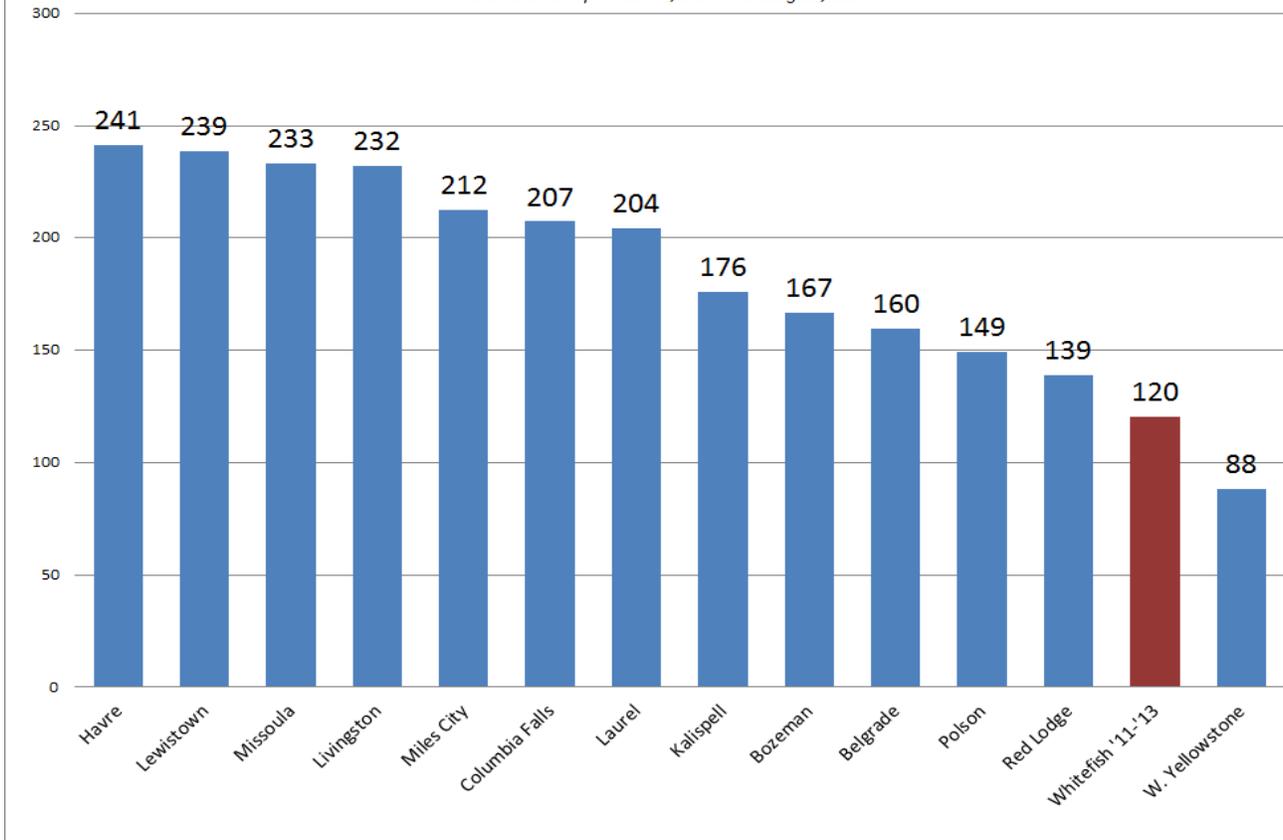


When considering mill rates, it is instructive to compare the City of Whitefish to other Montana cities. Rich Knapp prepared the comparison graphic below. Whitefish has historically had very low property tax mill levy rates because of our Resort Tax rebate for property tax reductions, high property valuations, and maintenance district assessments.

While levy comparisons are of interest, caution should be exercised in not drawing hard conclusions based on such information. Cities use property taxes to support similar, but not always the same mix of public services. For example, some cities support libraries, public transportation and other such services with mill-rate levies while others do not. Some cities have maintenance district assessments and others do not.

### 2011 Total Property Tax Mills for Cities over 4,500 Population

*W. Yellowstone Population 1,271 Red Lodge 2,125*



Even though the FY14 proposed budget would decrease year end cash balances or reserves in the property tax supported funds by \$197,932 to \$983,669 it would increase the year end cash balances as a percentage of expenditures from 10% projected year end balance in the FY13 budget to 10.5% of expenditures at the end of FY14. Last year's budget estimated we would end FY13 with a cash balance of \$898,889 or 10.0% of expenditures.

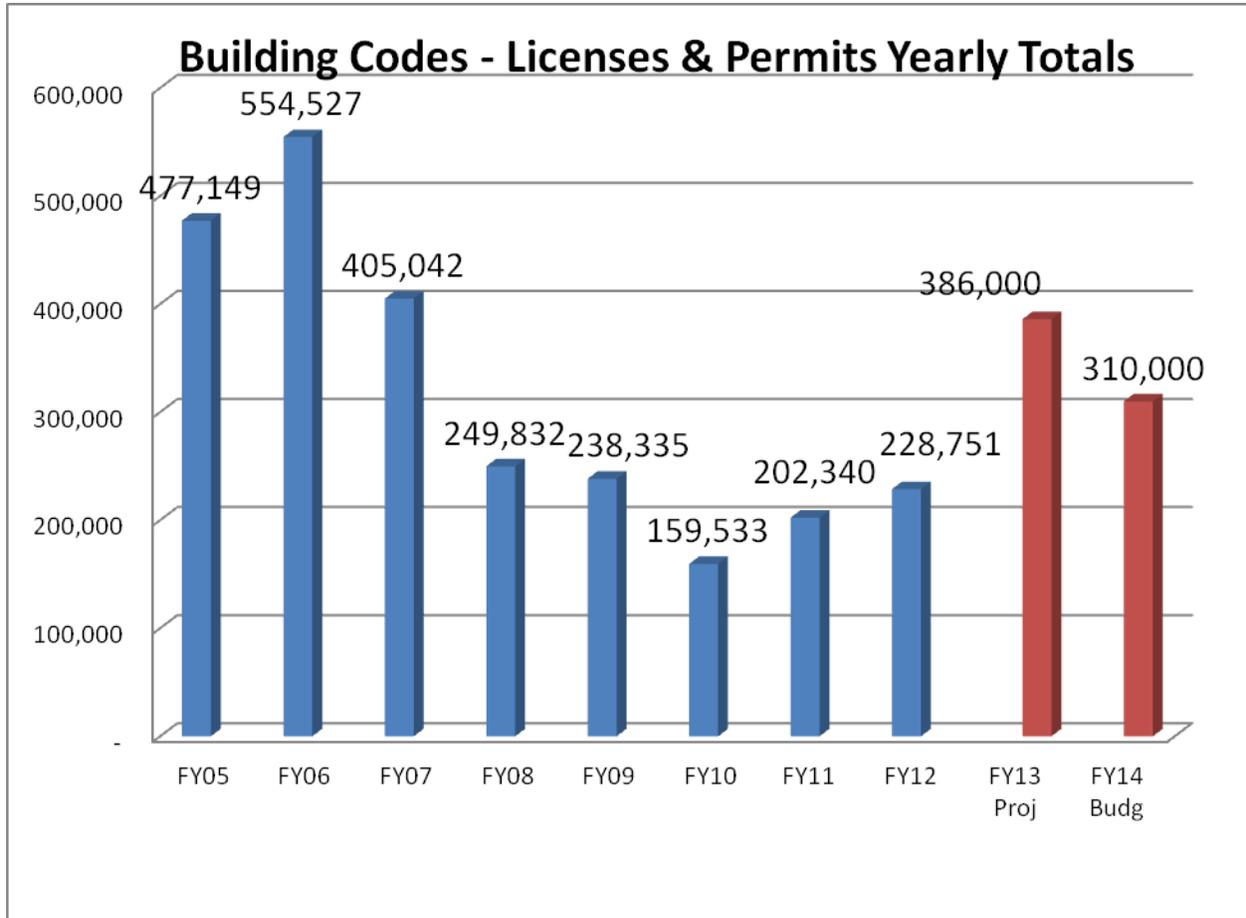
### REVENUES

The proposed property tax and assessment changes for FY14 were discussed above.

Total revenues for all 25 budgeted funds are estimated at \$25,686,932 which is \$539,822 or 2.15% higher than the FY13 budget. Most of these increases are from additional property tax revenue because of a higher mill value, higher Fire and Ambulance revenues (mostly from new debt), higher Resort Tax revenues, higher Tax Increment Revenues, and higher Wastewater system revenues from the possibility of \$2,000,000 of SRF loans to finance projects.

Total General Fund Revenues are projected at \$3,335,798 in FY14 which is a \$188,769 or a 6.00% increase from last year. Property tax revenues are 4.02% higher because of a higher valuation, the state entitlement reimbursements are expected to increase \$16,000, and Planning and Zoning fees are expected to increase by \$52,300. Transfers into the General Fund are \$18,472 higher than last year because of higher, excess Resort Tax revenues.

The history and budget for total building permit and plan review fees are shown below. The FY14 estimate is the same as FY13 except for excluding the large big building permit for the high school.



Water usage revenues are up by \$70,000 which is an increase of 2.99%, but that increase is caused by higher usage in the current year. We have not anticipated a water rate increase in this budget.

Wastewater usage charges are estimated at \$2,070,000 or \$170,000 or 8.95% more in FY14 – again for the same reasons as the water revenues are estimated higher. We have not anticipated a wastewater rate increase in this budget.

**EXPENDITURES**

Total proposed appropriations and transfers equal \$36,562,523 which is a \$358,330 or 0.97% decrease in budget authority as compared to the adopted FY13 Budget of \$36,920,853.

Property tax supported funds spending is \$645,722 or 5.48% higher, Tax Increment Fund appropriations are \$640,000 less primarily because of the payment for the high school project being \$250,000 less, and spending in the Enterprise Funds of Water, Wastewater, and Solid Waste are \$700,000 higher.

Total expenditures and transfers for the General Fund equal \$4,023,784 which is a \$339,252 or 9.21% increase from the FY13 budget figure of \$3,684,532. The biggest increase in this fund is \$261,406 of additional transfers for property tax support to Police, Fire, Parks and Recreation and other property tax supported funds. There is an additional position in the Planning area for an incremental cost of approximately \$80,000. There are additional seasonal positions in the Parks and Recreation Department as described at the beginning of this memo.

We have outlined major expenditure and capital outlay items in the narrative for each fund, so I will not repeat that information here.

## **CONCLUSION**

This proposed FY14 accomplishes a lot in regards to adding staffing or resources to Planning and Parks and Recreation as the City Council has discussed during the past six months. We were able to keep the property tax mill levy at the same level as last year, provide strategic additional staffing, increase the year end cash balance on a percentage of expenditures basis, and provide a 3.7% pay increase. Sometimes it seems like magic to me, but we will know more as we get our June 30<sup>th</sup> year end cash balances and the mill levy valuation in early August.

Rich Knapp again did most of the number crunching, preparation, and review of the FY14 budget. The Department Heads turned in responsible budget requests and are watching their budgets carefully. Special thanks are also extended to Necile Lorang, Administrative Services Director/City Clerk; Vanice Woodbeck, Asst. City Clerk; and Sherri Baccaro, Public Works Assistant for their invaluable help on the budget.



## BUDGET BITES: Missoula keeps stocking up its savings

56 MINUTES AGO • BY [KEILA SZPALLER](#)

Saving money isn't always easy, and in 2008 credit analysts told the city of Missoula to beef up its rainy-day account.

At the time, the "unassigned" part of the city's savings account had fallen to roughly \$1 million, said city finance director Brentt Ramharter. The city has since socked away double the amount, for a total of \$2.1 million, he said.

"We will try real hard to achieve some savings and have it still grow," Ramharter said.

Standard & Poor's and Moody's give the city its credit ratings, and the agencies recommend that account sit at around \$2.9 million, or 7 percent of the city's expenses, Ramharter said.

"What we have counted on is just that steady growth as things have picked up," he explained.

The overall fund balance, which includes money restricted to specific expenses, sat last June at \$4.6 million, or 10.7 percent of general fund expenses. It's well above the 9 percent analysts recommend, Ramharter said.

In the upcoming 2014 fiscal year, Mayor John Engen wants to keep that account around the same size – if not grow it.

"Our recommendation is that any additional revenues that develop over the course of the budget process be applied first to rebuild the fund balance, a critical component of good credit with our lenders and a reserve for handling fiscal problems that surface without warning," Engen wrote in his budget narrative.

The city's credit rating was AA- in 2008 and 2011, according to the 2012 Comprehensive Annual Financial Report and Audit. The good grade is due in part to "low overall debt burden," but "low reserves preclude a higher rating at this time," according to S&P, which is quoted in the audit.

### Editor's note

Have a question about the city budget or audit? Contact [keila.szpaller@missoulia.com](mailto:keila.szpaller@missoulia.com) or [@keilaszpaller](https://twitter.com/keilaszpaller).

The Missoulia will be running "Budget Bites," an intermittent series of short stories about city finances until the Missoula City Council adopts the 2014 budget.

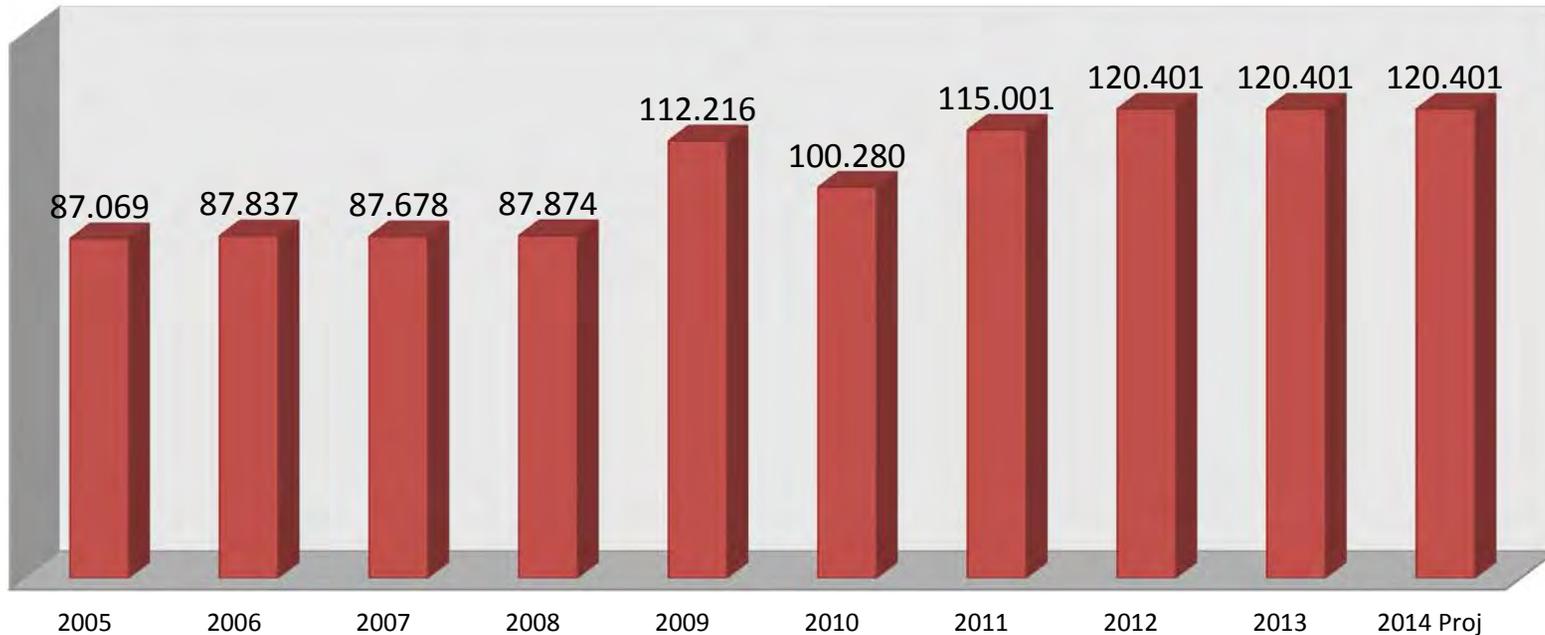
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	
1	<b>Budget Summary by Main Revenue Source</b>															
2	<b>City of Whitefish Preliminary Budget</b>															
3	<b>Fiscal Year 2014</b>															
4	<b>Resources</b>							<b>Requirements</b>								
5	<b>Beginning Available</b>										<b>Total</b>		<b>Ending Available</b>		<b>Total</b>	
6											<b>Approp Budget</b>		<b>Cash</b>		<b>Approp. &amp; Unapprop</b>	
7	<b>Fund</b>	<b>Cash</b>	<b>Revenue</b>	<b>Transfers</b>	<b>Total</b>	<b>Personal Services</b>	<b>Materials &amp; Services</b>	<b>Capital Outlay</b>	<b>Transfers</b>	<b>Debt Service</b>	<b>Conting.</b>					<b>Change in Cash</b>
8																
9	<b>Property Tax Supported Funds:</b>															
10	General	670,000	3,335,798	616,479	4,622,276	621,125	282,288	53,000	3,057,371	-	10,000	4,023,784	598,492	4,622,276	(71,508)	
11	Library	10,000	186,140	34,371	230,511	145,212	62,636				3,500	211,348	19,163	230,511	9,163	
12	Law Enforcement	40,000	371,036	1,845,000	2,256,036	1,716,560	496,600	35,800	-	-	-	2,248,960	7,076	2,256,036	(32,924)	
13	Fire & Ambulance	460,000	3,365,902	575,000	4,400,902	2,046,565	824,385	1,160,000	-	17,000	-	4,047,950	352,952	4,400,902	(107,048)	
14	Bldg Codes	961	341,500	-	342,461	295,235	42,518	-	-	-	-	337,753	4,708	342,461	3,747	
15	Parks/Rec	640	960,503	603,000	1,564,142	824,468	578,397	120,000	-	30,000	10,000	1,562,865	1,278	1,564,142	638	
16	<b>Total</b>	<b>1,181,601</b>	<b>8,560,878</b>	<b>3,673,850</b>	<b>13,416,328</b>	<b>5,649,164</b>	<b>2,286,824</b>	<b>1,368,800</b>	<b>3,057,371</b>	<b>47,000</b>	<b>23,500</b>	<b>12,432,659</b>	<b>983,669</b>	<b>13,416,328</b>	<b>(197,932)</b>	
17																
18	Total Operating Budget = 7,935,988 Change in Cash \$ (197,932) Ending Cash as a % of Budget 10.5%															
19	<b>Other Tax, Fee &amp; Assessment Supported Funds:</b>															
20	Resort Tax	2,441,453	1,936,000	-	4,377,453	-	-	2,305,000	656,279	-	-	2,961,279	1,416,174	4,377,453	(1,025,279)	
21	Tax Inc Dist	1,090,000	4,938,894	-	6,028,894	220,850	1,723,885	1,500,000	2,046,986	-	200,000	5,691,721	337,173	6,028,894	(752,827)	
22	Street Fund	700,000	1,297,820	-	1,997,820	704,036	478,379	492,120	-	-	50,000	1,724,535	273,285	1,997,820	(426,715)	
23	Street Lighting #1	70,000	66,370	-	136,370	21,092	44,829	30,000	-	-	-	95,921	40,449	136,370	(29,551)	
24	Street Lighting #4	72,000	57,250	-	129,250	21,092	77,229	30,000	-	-	-	128,321	929	129,250	(71,071)	
25	Impact Fees	360,000	128,500	-	488,500	-	-	488,500	-	-	-	488,500	-	488,500	(360,000)	
26	Sidewalk	127,000	750	-	127,750	-	-	127,750	-	-	-	127,750	-	127,750	(127,000)	
27	Stormwater	1,030,000	63,280	-	1,093,280	-	47,267	725,000	-	-	-	772,267	321,013	1,093,280	(708,987)	
28	<b>Total</b>	<b>5,890,453</b>	<b>8,488,864</b>	<b>-</b>	<b>14,379,317</b>	<b>967,070</b>	<b>2,371,589</b>	<b>5,698,370</b>	<b>2,703,265</b>	<b>-</b>	<b>250,000</b>	<b>11,990,293</b>	<b>2,389,023</b>	<b>14,379,317</b>	<b>(3,501,429)</b>	
29																
31	<b>Enterprise Funds:</b>															
32	Water	1,740,683	2,622,700	-	4,363,383	887,116	771,751	1,253,550	-	543,450	-	3,455,867	907,516	4,363,383	(833,167)	
33	Wastewater	790,000	4,091,200	-	4,881,200	834,840	720,432	2,329,800	-	297,575	-	4,182,647	698,553	4,881,200	(91,447)	
34	Solid Waste	42,000	748,170	-	790,170	71,565	667,495	-	-	-	-	739,060	51,110	790,170	9,110	
35	<b>Total</b>	<b>2,572,683</b>	<b>7,462,070</b>	<b>-</b>	<b>10,034,753</b>	<b>1,793,521</b>	<b>2,159,677</b>	<b>3,583,350</b>	<b>-</b>	<b>841,025</b>	<b>-</b>	<b>8,377,573</b>	<b>1,657,180</b>	<b>10,034,753</b>	<b>(915,503)</b>	
36																
38	<b>Other Funding Source Funds:</b>															
39	City Hall Reserve	2,040,900	8,000	250,000	2,298,900	-	-	400,000	-	-	-	400,000	1,898,900	2,298,900	(142,000)	
40	Housing Authority	3,153	645,000	-	648,153	-	648,153	-	-	-	-	648,153	-	648,153	(3,153)	
41	WF Trail Construct	310,000	101,500	-	411,500	-	-	400,000	-	-	11,500	411,500	-	411,500	(310,000)	
42	Park Dev	115,020	256,900	39,800	411,720	-	22,483	366,600	-	-	-	389,083	22,637	411,720	(92,383)	
43	Bike & Ped Path	1,837	-	-	1,837	-	-	-	-	-	1,837	1,837	-	1,837	(1,837)	
44	TIF Debt Svc	3,125,331	10,000	1,796,986	4,932,317	-	-	-	-	1,784,824	-	1,784,824	3,147,493	4,932,317	22,162	
45	Victim/Wit	230	15,000	-	15,230	-	15,000	-	-	-	-	15,000	230	15,230	-	
46	Misc. S.I.D.	145,368	138,720	-	284,088	-	-	-	-	111,600	-	111,600	172,488	284,088	27,120	
47	<b>Total</b>	<b>5,741,839</b>	<b>1,175,120</b>	<b>2,086,786</b>	<b>9,003,745</b>	<b>-</b>	<b>685,636</b>	<b>1,166,600</b>	<b>-</b>	<b>1,896,424</b>	<b>13,337</b>	<b>3,761,997</b>	<b>5,241,748</b>	<b>9,003,745</b>	<b>(500,091)</b>	
48																
49	<b>Total</b>	<b>15,386,575</b>	<b>25,686,932</b>	<b>5,760,636</b>	<b>46,834,143</b>	<b>8,409,755</b>	<b>7,503,726</b>	<b>11,817,120</b>	<b>5,760,636</b>	<b>2,784,449</b>	<b>286,837</b>	<b>36,562,523</b>	<b>10,271,620</b>	<b>46,834,143</b>	<b>(5,114,955)</b>	

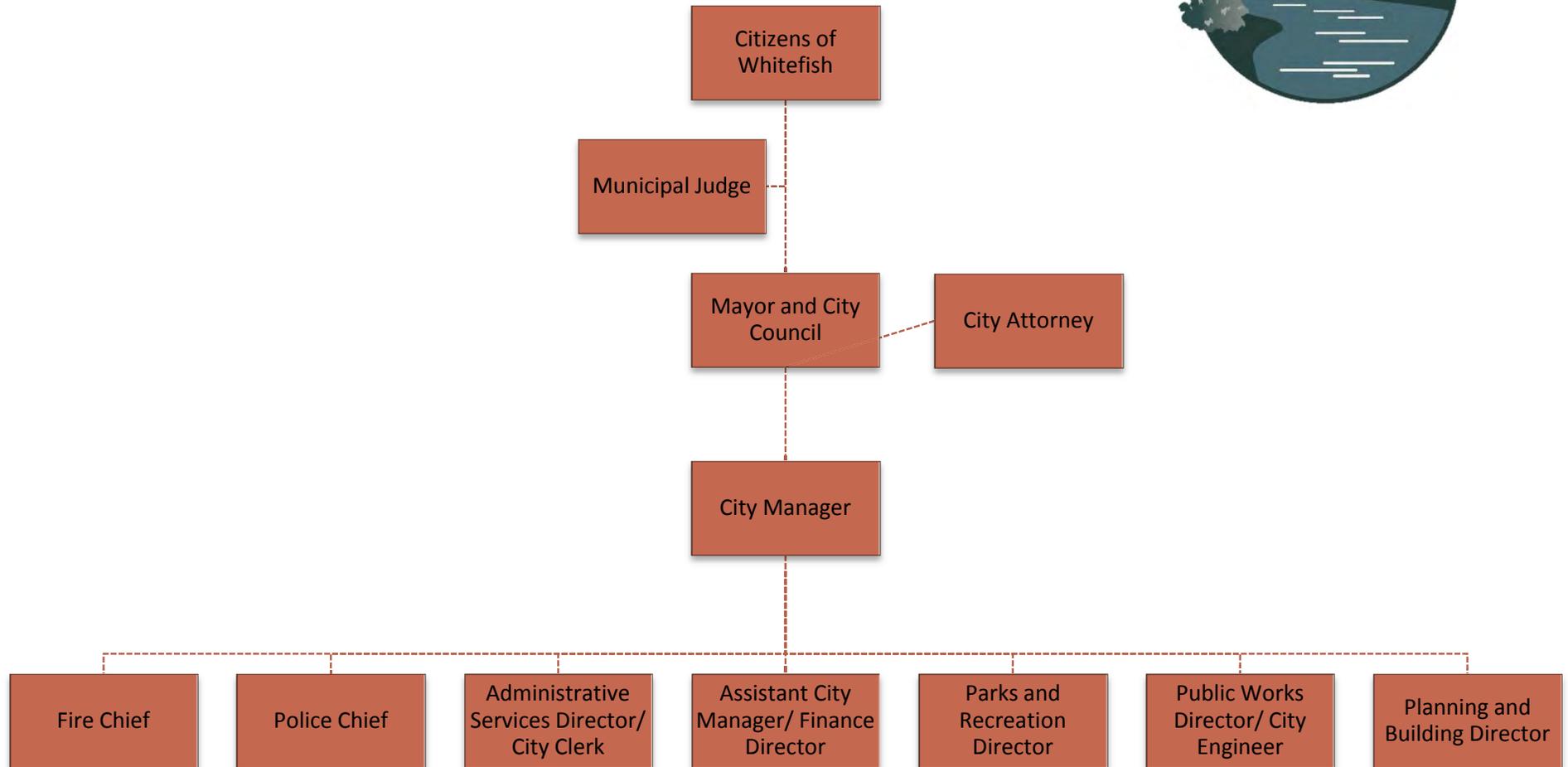


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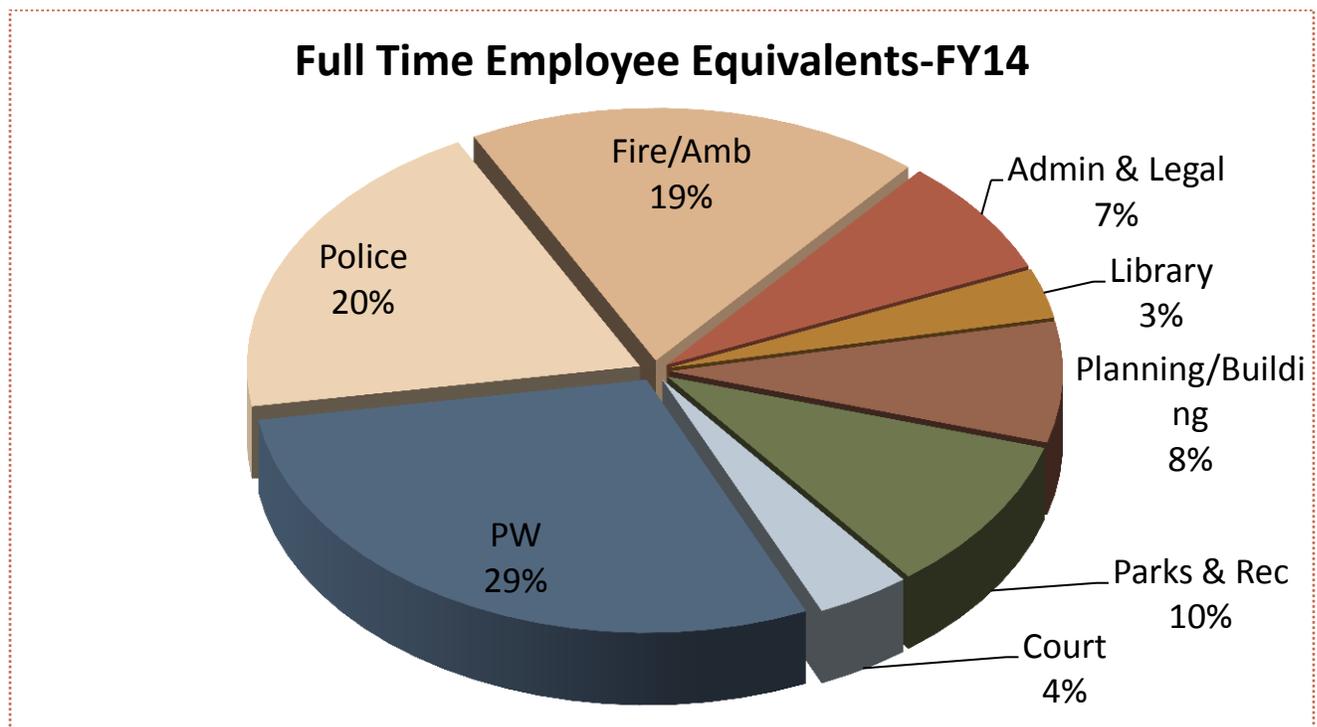
Fiscal Year	Total Market Value	Newly Taxable Value	Mill Value	d	HB 124 Mills Levied	Health Insur Mills	Gross Mills Levied	Resort Tax Relief	Net Mills Levied	Fire & Amb Mills	Total Mills Levied	Distribution of Property Tax Levy				Total Property Tax Revenue
												General	Library	Fire Pension	Fire/Amb	
	a	b	c		e	f	g (e+f)	h	i (g+h)	j	k (i+j)	l	m	n	o	p (c x k)
2002	\$ 331,297,444	\$ 1,543,904	\$ 9,521.589	16.1%	97.90		97.90	-28.63	69.267		69.267					\$ 659,532
2003	\$ 376,926,297	\$ 1,171,218	\$ 10,540.581	11%	106.40	4.81	111.21	-26.43	84.782		84.782	\$ 851,489		\$ 42,162		\$ 893,652
2004	\$ 438,821,953	\$ 1,688,291	\$ 12,324.709	17%	106.40	4.81	111.21	-24.07	87.139		87.139	\$ 1,024,664		\$ 49,299		\$ 1,073,963
2005	\$ 496,460,096	\$ 1,042,687	\$ 13,398.957	9%	106.40	4.81	111.21	-24.14	87.069		87.069	\$ 1,113,038		\$ 53,596		\$ 1,166,634
2006	\$ 577,691,081	\$ 1,438,400	\$ 15,023.975	12%	107.40	3.81	111.21	-23.37	87.837		87.837	\$ 1,259,565		\$ 60,096		\$ 1,319,661
2007	\$ 676,545,891	\$ 1,121,030	\$ 16,608.044	11%	105.68	5.53	111.21	-23.53	87.678		87.678	\$ 1,389,728		\$ 66,432		\$ 1,456,160
2008	\$ 755,263,708	\$ 1,812,408	\$ 18,512.556	11%	105.68	5.53	111.21	-23.34	87.874		87.874	\$ 1,552,722		\$ 74,050		\$ 1,626,772
2009	\$ 789,392,160	\$ 1,029,224	\$ 19,499.520	5.3%	108.75	2.46	111.21	-22.99	88.216	24	112.216	\$ 1,642,172		\$ 77,998	\$ 467,988	\$ 2,188,158
2010	\$ 888,143,474	\$ 1,238,391	\$ 20,103.083	3%	108.75	2.46	111.21	-23.29	87.920	12.36	100.280	\$ 1,687,048		\$ 80,412	\$ 248,474	\$ 2,015,935
2011	\$ 952,357,384	\$ 563,091	\$ 20,434.118	2%	115.40	2.46	117.86	-22.54	95.321	19.68	115.001	\$ 1,866,064		\$ 81,736	\$ 402,143	\$ 2,349,944
2012	\$ 1,022,102,349	\$ 710,377	\$ 21,287.796	4%	116.33	6.08	122.41	-26.01	96.401	24	120.401	\$ 1,852,060	\$ 114,954	\$ 85,151	\$ 510,907	\$ 2,563,072
2013	\$ 1,090,881,100	\$ 522,087	\$ 21,631.411	2%	117.966	6.08	124.05	-27.65	96.401	24	120.401	\$ 1,881,954	\$ 116,810	\$ 86,526	\$ 519,154	\$ 2,604,444
2014 Proj			\$ 22,500.000	4%	117.991	6.08	124.07	-27.67	96.401	24	120.401	\$ 1,957,523	\$ 121,500	\$ 90,000	\$ 540,000	\$ 2,709,023
			change from last year		0.03			-0.03	0.00	0.000	0.000	\$ 75,568	\$ 4,690	\$ 3,474	\$ 20,846	\$ 104,579
									0.0%	0.0%	0.00%	\$ 1.6%	\$ 1.6%	\$ 1.6%	\$ 1.6%	\$ 1.6%

After Rebate Mill Levy



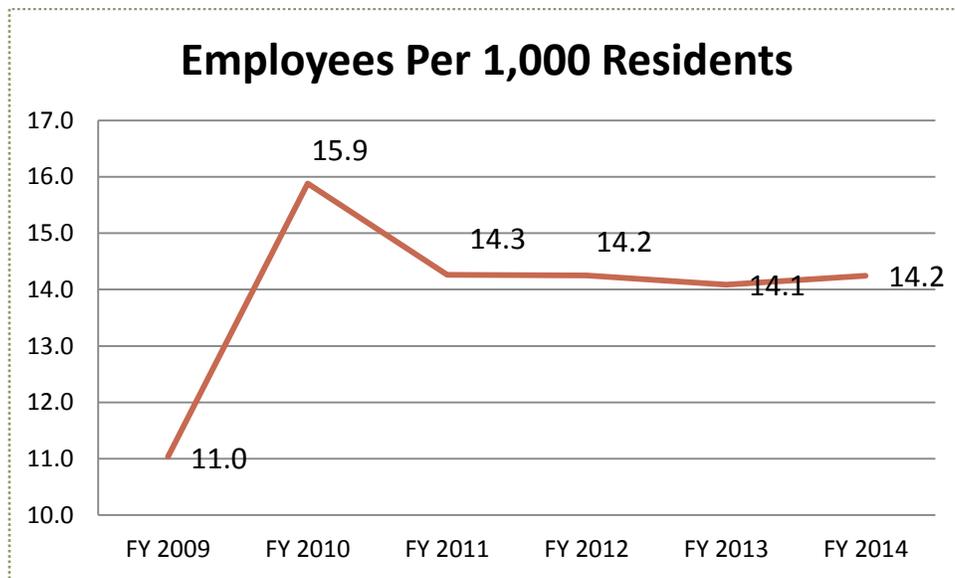
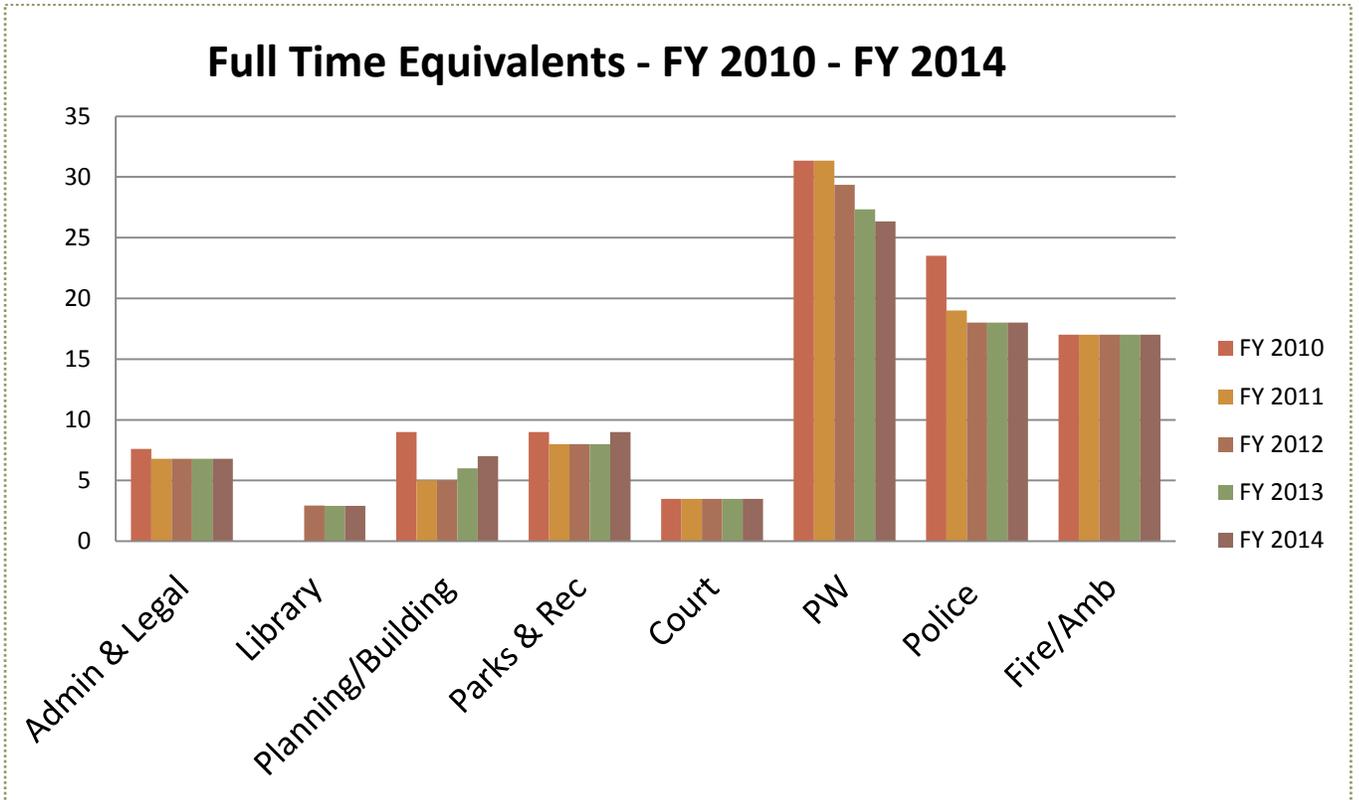


The FY 2014 Budget funds 90.55 full time equivalent employees or 14.2 employees per 1,000 residents. The budgeted payroll expense increased about \$394,689 from FY 2013 to FY 2014. Changes in payroll include a 2.5% increase in health premiums, the addition of 1 full time Planner, and an equivalent of one full time employee in Parks. A 1.7% cost of living adjustment and a 2% performance/longevity adjustment is included in this budget. The chart below breaks down full time employees by department.

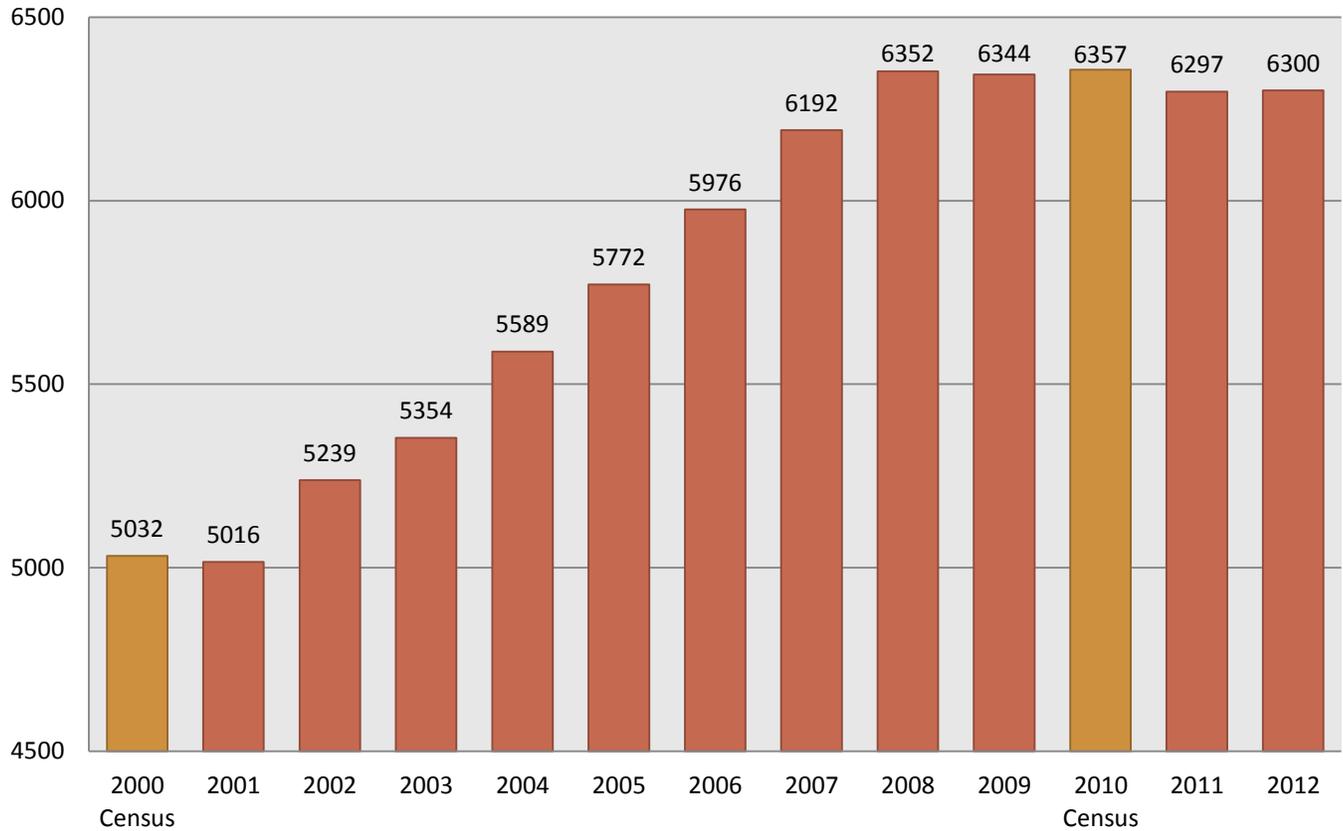


FY 2014	FT	PT	FTE	per 1,000
Admin & Legal	6	0.8	6.8	1.1
Library	1	1.90	2.9	0.5
Planning/Building	7		7	1.1
Parks & Rec	8	1	9	1.4
Court	3	0.5	3.5	0.6
PW	25	1.35	26.35	4.1
Police	17	1	18	2.8
Fire/Amb	17		17	2.7
	84	6.55	90.55	14.2

This chart shows the change by department from FY 2010 to FY 2014.



### Annual Population Estimate Based on Active Accounts



The City carries debt from revenue bonds and loans from the State Revolving Fund. Revenue bonds are backed by the underlying revenue applicable to the financing.

About half of TIF bond was for the construction of the Emergency Services Center, the rest was a refinancing of previous projects. This loan is backed by and paid for with the tax increment tax revenues. In 2009, the City received an A- and stable rating on this bond issue from Standard and Poor's. The SID 166 bond was for the JP Road construction project and is backed by an assessment within that Special Improvement District.

The water and sewer low interest loans were provided by the State of Montana's revolving fund for construction and upgrades to the water and sewer system. The loans are backed by and paid for through the user fees generated from the water and sewer systems. In November 2012, the city refinanced the water and sewer loans. The lower rates will save the water and sewer funds a combined \$760,231 over 20 years.

The City has no General Obligation bonds.

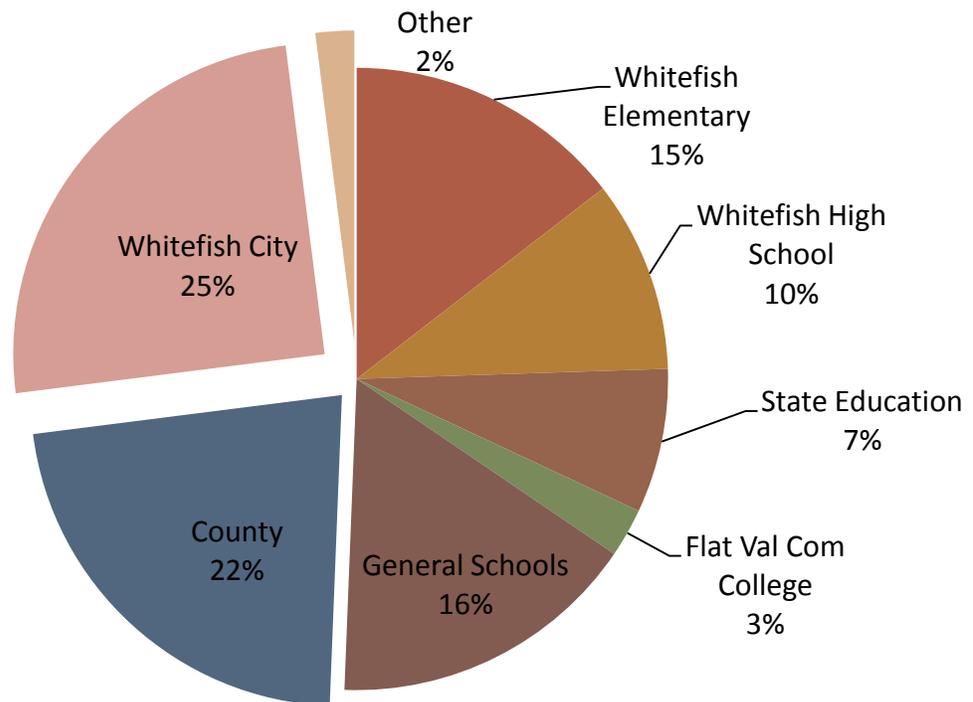
	Original Loan Issue Date	Total Borrowed	Principal 6/30/2013	Current year Payment (p & i)	Rate after Refi
<b>Revenue Bonds</b>					
TIF 2009	7/14/2009	\$15,695,000	\$12,020,000	\$1,783,824	
SID 166	7/1/2006	\$1,360,000	\$865,000	\$110,663	
<b>Loans</b>					
Water 1998	8/7/1998	\$400,000	\$131,000	\$29,740	2.00%
Water 1999	9/3/1999	\$5,839,000	\$2,234,000	\$426,700	2.00%
Water 2006	6/15/2006	\$895,835	\$651,000	\$64,038	2.25%
Water 2007	9/6/2007	\$900,000	\$628,000	\$64,388	2.25%
Water 2009B	10/21/2009	\$120,100	\$96,000	\$6,799	0.75%
Sewer 2002	11/7/2002	\$200,000	\$97,000	\$13,645	2.00%
Sewer 2008A	12/11/2008	\$500,000	\$350,000	\$31,990	2.25%
Sewer 2008B	1/16/2009	\$1,711,000	\$1,188,000	\$122,900	2.25%
Sewer 2009B	2/4/2010	\$48,211	\$42,000	\$2,341	0.75%
Sewer 2011 B	8/1/2011	\$340,000	\$315,000	\$11,312	3.00%
Sewer 2011 C	8/1/2011	\$386,000	\$336,000	\$12,031	3.00%
		<b>\$28,395,146</b>	<b>\$18,953,000</b>	<b>\$2,680,369</b>	

<b>Outstanding Debt History</b>				
	Rate/TIC	June 30 2012	June 30 2011	June 30 2010
<b>Revenue Bonds</b>				
TIF ESC	4.23%	\$13,285,000	\$14,510,000	\$ 15,695,000
SID166	4.18%	\$935,000	\$ 1,005,000	\$ 1,080,000
<b>Loans</b>				
Water	~3.85%	\$4,272,000	\$ 4,676,000	\$ 5,076,000
Sewer	~3.65%	\$2,788,000	\$ 2,171,000	\$ 2,217,911
Total		\$ 21,280,000	\$22,362,000	\$ 24,068,911
	\$ Change	\$ (1,082,000)		
	% Change	-4.8%		

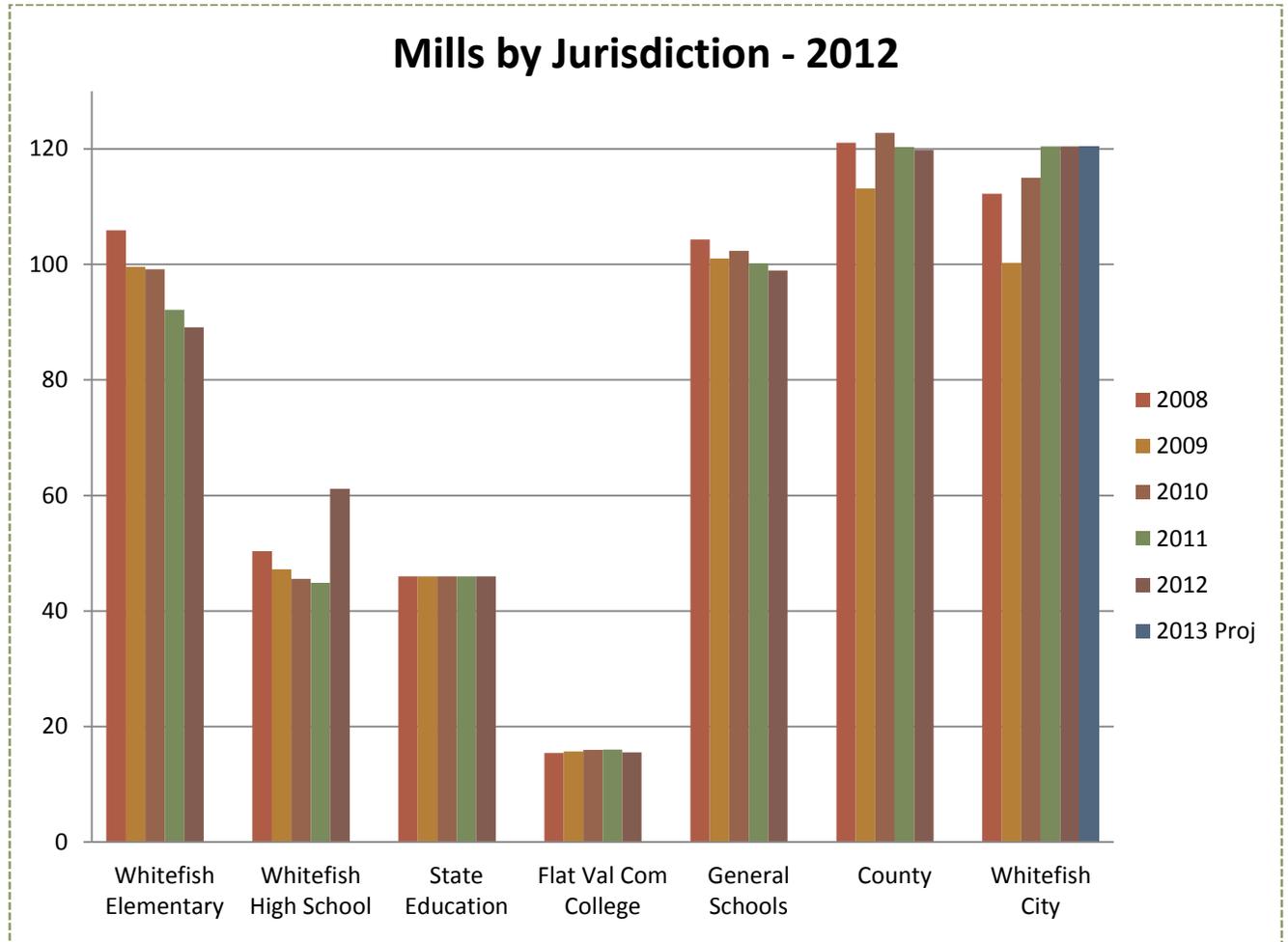
## Revenue

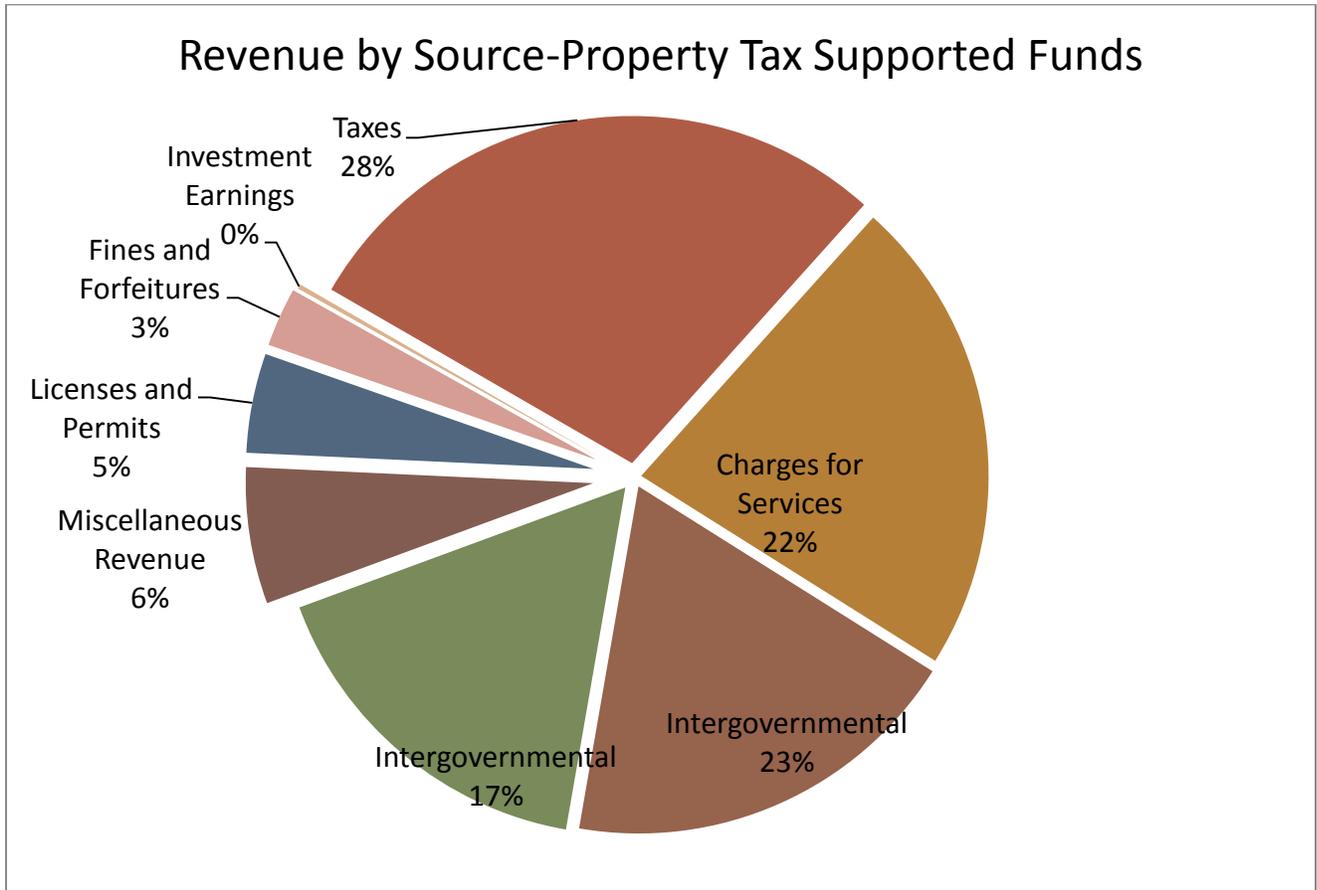
Of the total property tax bill (includes taxes and assessments), the City of Whitefish accounts for 25%. About 50% of a city resident property tax bill goes to education.

### Property Tax Bill Based on 2012 Tax Rates

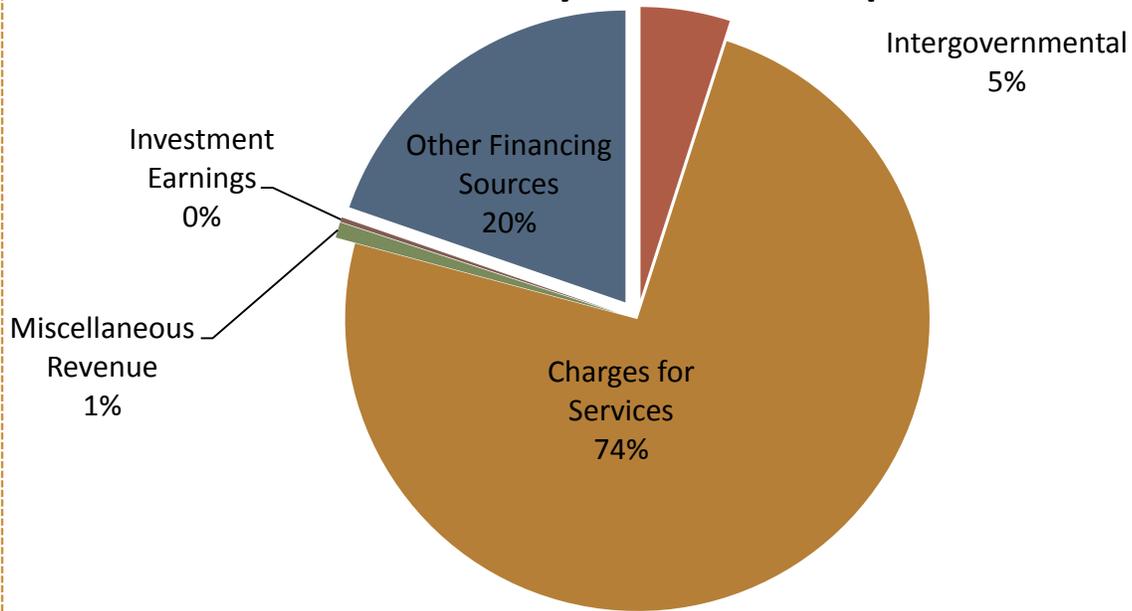


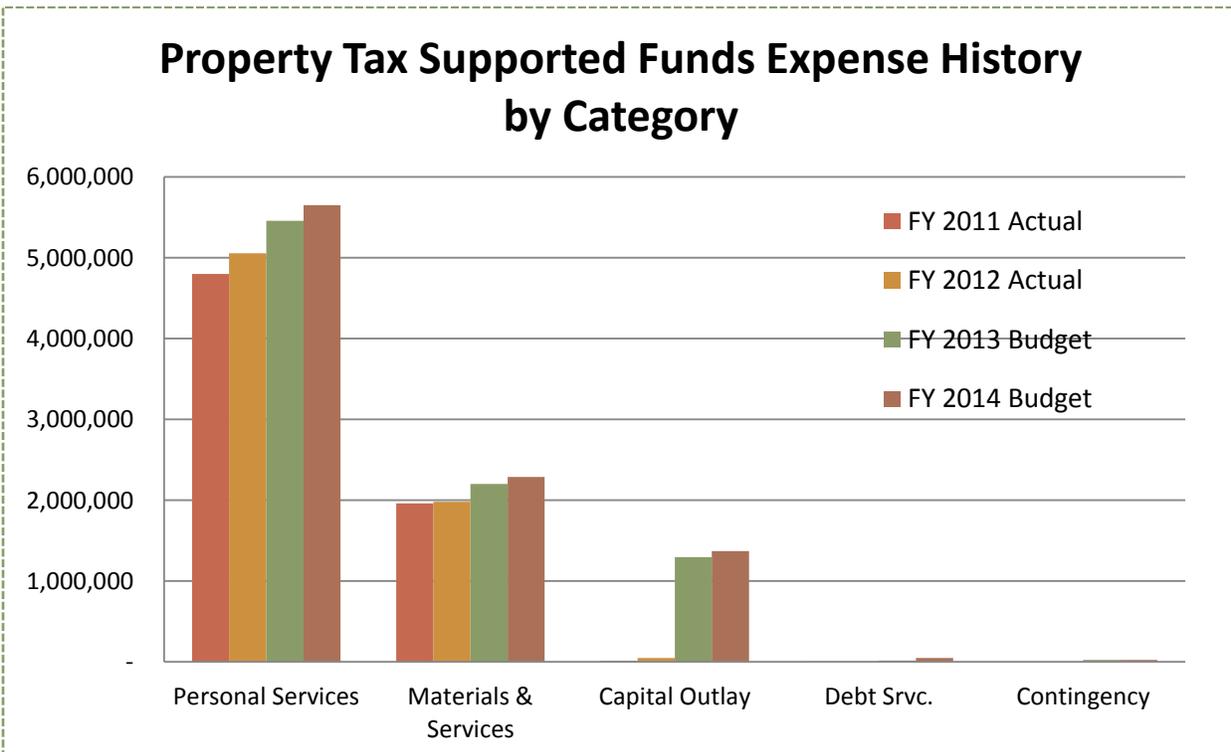
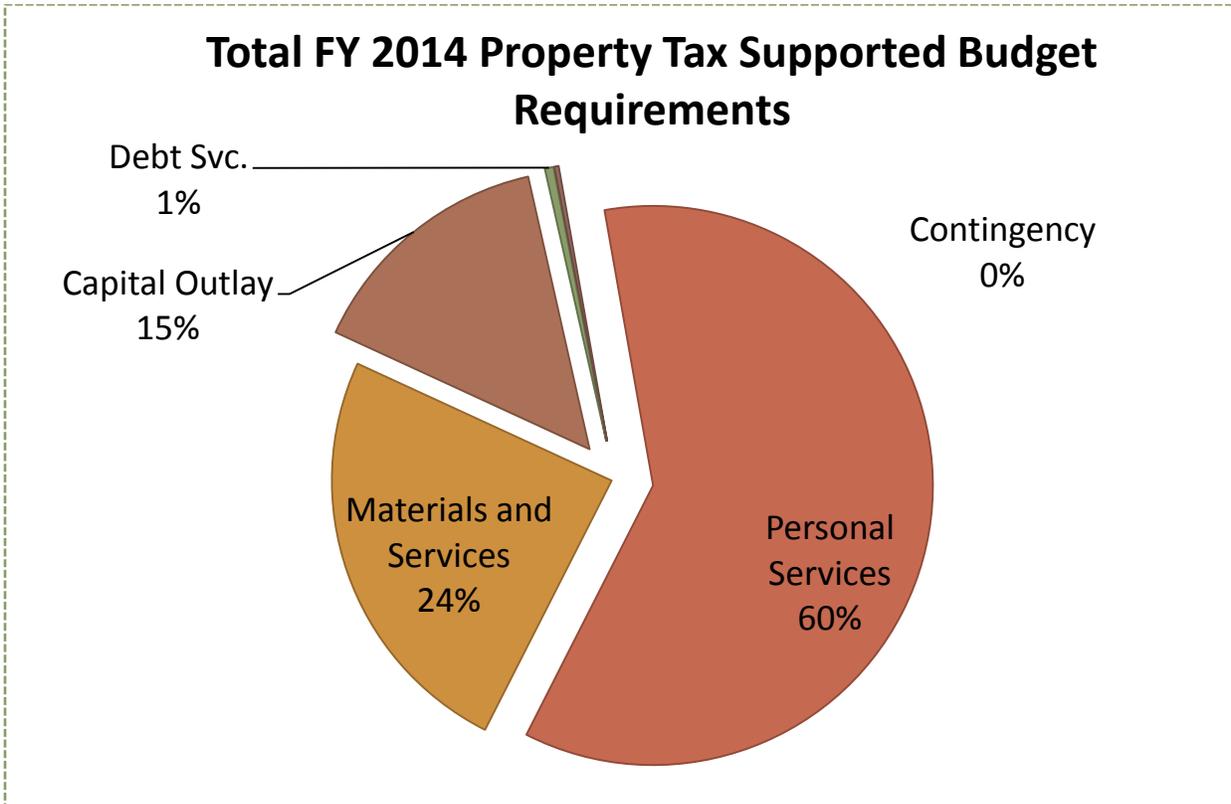
Calendar year 2008 was the first year the city levied the 24 mills for 24/7 coverage for Fire and Ambulance. In 2011, 5.4 library mills were levied by the city instead of the county. The City's 2011, 2012, and 2013 proposed mill levy is the same.



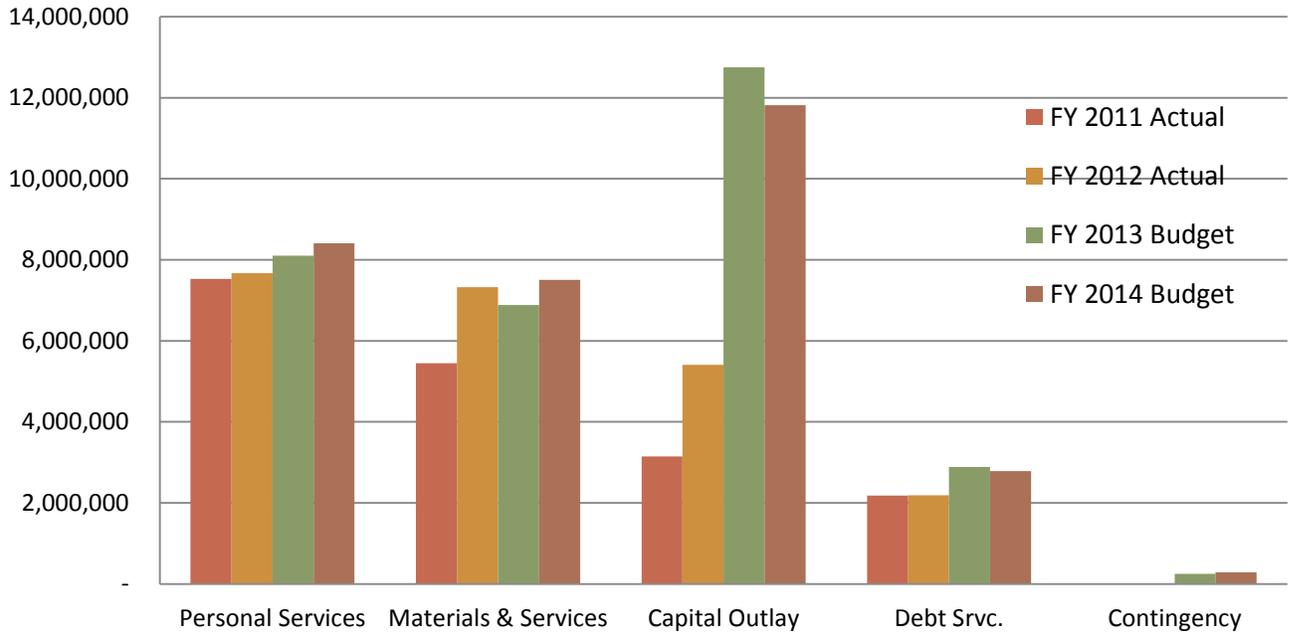


### FY13 Revenue by Source - Enterprise Funds

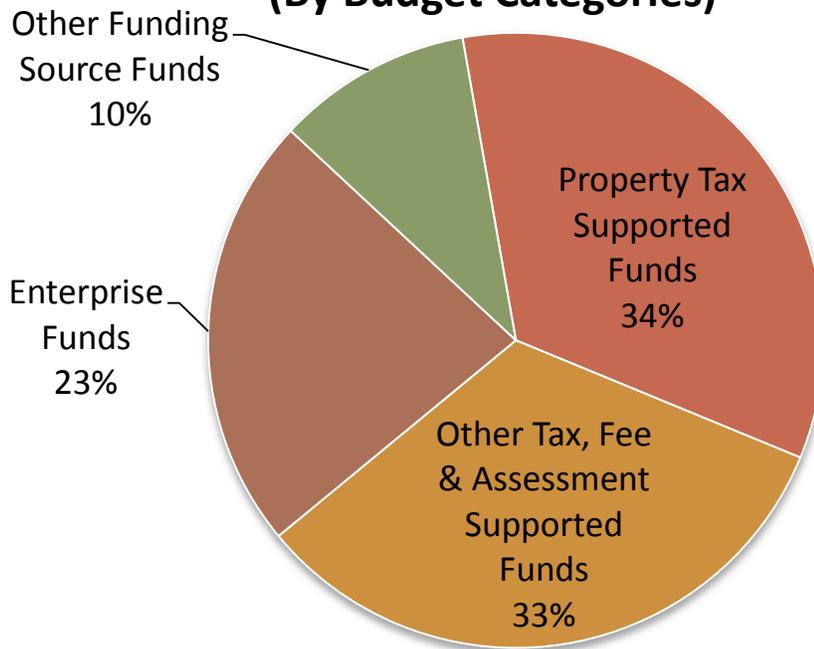




### All Funds Expense History by Category



### Total FY 2014 Budget Requirements (By Budget Categories)



### Purpose

The General Fund provides services and projects that are not typically self-supporting. Services provided by the General Fund are City Court, Administrative Services, Resort Tax Administrative Services, Legal Services, Community Planning, Community Agencies, Cemetery Services, and Non-Departmental functions. Significant transfers of resources are also made from the General Fund to support the Law Enforcement Fund, Fire and Ambulance Fund, Library Fund and the Parks and Recreation Fund. General Fund services generate relatively little or no revenue to off-set their costs. As such, property tax revenue and other “general” income sources are utilized to pay for General Fund expenses.

### FY 2014 Objectives

The objective of the General Fund for FY14 is to provide budget authority to provide the above listed services within the City.

Significant or Changed Appropriations during FY14 are:

Item/Project	Amount
<b>Revenue Changes</b>	
• Increased Planning & Zoning fee estimates	\$55,000
• Increased Resort Tax Property Tax Relief	\$44,299
• Added Cemetery Cremain Niches Revenue	\$30,000
<b>Expenditure Changes</b>	
• Employee Classification Study (Admin Services)	\$5,000
• Server (Admin Services)	\$7,000
• Election (Admin Services)	\$10,000
• Hwy 93 S Corridor Study split with TIF-\$20k total (Planning)	\$10,000
• Hwy 93 S W Corridor Study split with TIF-\$40k total (Planning)	\$20,000
• Added Planner (Planning)	\$75,000
• Irrigation & Cremain Niche (Cemetery Services)	\$53,000
• Increased transfers to Park, Police, Fire by 9.3%	\$261,406

# General Fund Revenue - 1000

5/3/2013

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Taxes</b>					
Real Property Taxes	1,841,503	1,877,221	1,847,454	1,274,222	1,923,023
Personal Property Taxes	18,926	25,957	34,500	31,246	34,500
Penalty and Interest	14,968	13,659	14,000	9,391	12,000
In Lieu of Taxes - Housing Auth.		8,363	8,000	4,000	6,500
	<b>\$ 1,875,397</b>	<b>\$ 1,925,200</b>	<b>\$ 1,903,954</b>	<b>\$ 1,318,859</b>	<b>\$ 1,976,023</b>
<b>Licenses and Permits</b>					
Fees in Lieu of Taxes	467	395	400	278	400
Alcohol Bvrg Licenses/Permits	17,701	14,853	14,000	2,335	15,000
Catering License Fees	105	175	200	140	200
General Business License	41,194	40,643	41,000	41,309	41,000
Special Events Permit Fees	1,935	2,605	2,700	2,650	2,700
Animal Licenses	1,074	940	1,000	685	1,000
	<b>\$ 62,476</b>	<b>\$ 59,611</b>	<b>\$ 59,300</b>	<b>\$ 47,397</b>	<b>\$ 60,300</b>
<b>Intergovernmental</b>					
Whitefish Theatre Grant	5,744	4,335	9,500	7,631	9,500
Live Card Game Table Permit	2,775	2,625	2,800		2,800
Gambling Machine Permits	18,125	17,300	17,000	18,013	18,000
State Entitlement Distribution	702,833	702,833	729,000	552,260	745,000
	<b>\$ 729,477</b>	<b>\$ 727,093</b>	<b>\$ 758,300</b>	<b>\$ 577,904</b>	<b>\$ 775,300</b>
<b>Charges for Services</b>					
Copies, Maps & Misc.	199	224	200	134	200
Bad Check Service Charges	50	75	100	125	100
Temporary Use/Vendor Fees			500	950	1,000
Variance Fee	10,875	1,520	4,000	7,260	7,500
Conditional Use Permit Fees	4,950	12,340	6,000	19,460	17,000
Sign Fee	15,446	11,676	14,000	7,290	12,000
Architectural Review Fee	13,410	7,435	5,000	13,345	15,000
Lakeshore Fee	12,030	9,510	8,000	12,845	11,000
Floodplain	400	600	500	400	500
Critical Area Fee - Inside City	200	50	200	3,020	1,500
Critical Area Fee - Outside City	650	450	1,000	1,000	1,000
Planning Fees	36,898	14,264	30,000	19,722	30,000
Zoning Fees	45,911	48,309	45,000	59,960	70,000
5% Admin Fee for Impact Fees	4,171	5,602	5,000	5,721	5,500
Sale of Cemetery Lots			250		250
Sale of Cemetery Cremain Niches					30,000
Cemetery Burial Fees	3,650	3,600	4,000	3,800	4,000
Weed Control Charges	2,786	510	1,600		1,000
	<b>\$ 151,626</b>	<b>\$ 116,165</b>	<b>\$ 125,350</b>	<b>\$ 155,032</b>	<b>\$ 207,550</b>
<b>Fines and Forfeitures</b>					
Municipal Court Fines	188,534	227,824	220,000	187,513	230,000
Parking Fines	17,963	25,590	17,500	24,915	25,000
Dog Fines	690	1,183	1,000	868	1,000
Defense Attrny Fee Reimburse	310		250	175	250
	<b>\$ 207,497</b>	<b>\$ 254,597</b>	<b>\$ 238,750</b>	<b>\$ 213,470</b>	<b>\$ 256,250</b>

# General Fund Revenue - 1000

5/3/2013

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Miscellaneous Revenue</b>					
Golf Course Lease Fee	24,952	25,616	25,375	1,706	25,375
Miscellaneous Revenue	12,848	32,871	10,000	15,337	15,000
Contributions & Donations		1,000	1,000		-
	<b>\$ 37,870</b>	<b>\$ 59,487</b>	<b>\$ 36,375</b>	<b>\$ 17,043</b>	<b>\$ 40,375</b>
<b>Investment Earnings</b>					
Investment Earnings	60,785	47,145	25,000	11,613	20,000
	<b>\$ 60,785</b>	<b>\$ 47,145</b>	<b>\$ 25,000</b>	<b>\$ 11,613</b>	<b>\$ 20,000</b>
<b>Other Financing Sources</b>					
Inception of Capital Lease		10,981			
Resort Tax - Tax Relief Transfer	460,574	553,708	598,007	598,007	616,479
SID Revolving Fund Transfer	80,000	-	-		-
	<b>\$ 540,574</b>	<b>\$ 564,689</b>	<b>\$ 598,007</b>	<b>\$ 598,007</b>	<b>\$ 616,479</b>
<b>Total Fund Revenue</b>	<b>\$ 3,665,702</b>	<b>\$ 3,753,987</b>	<b>\$ 3,745,036</b>	<b>\$ 2,939,325</b>	<b>\$ 3,952,276</b>
<b>Beginning Available Cash</b>		<b>\$ 170,926</b>	<b>\$ 506,101</b>		<b>\$ 670,000</b>
<b>Total Resources</b>	<b>\$ 3,665,702</b>	<b>\$ 3,924,913</b>	<b>\$ 4,251,137</b>		<b>\$ 4,622,276</b>

## **Purpose**

The Municipal Court Division provides for the administration of the Whitefish Municipal Court.

## **FY 2014 Objectives**

The objective of the Municipal Court Division for FY14 is to provide budget authority to operate the Whitefish Municipal Court. Two full time and one part time clerk assist the Municipal Judge in operating the Municipal Court.

# WHITEFISH MUNICIPAL COURT

## BUDGET MEMORANDUM FOR FISCAL YEAR 2013-14

\* \* \* \* \*

*B.F.J.* ✓ **To:** The City Manager, the Mayor and the City Council of Whitefish

**From:** Whitefish Municipal Judge Bradley F. Johnson

**Date:** April 26, 2013

**Re:** Budget Matters from July 1, 2013 to June 30, 2014

received  
4/26/13 CS

### OVERVIEW & SPECIFIC COMMENTS

#### THE ESC BUILDING

Last year's disclosure of perceived mechanical problems in/around the ESC building and grounds have seen improvement. Efforts to reduce the dangers created by snow/ice accumulations on the north side parking lot are being addressed. The mere location and its lack of winter-time sun along with the drainage course make a mechanical solution difficult. The internal heating issues have been and/or are being corrected on an as needed basis.

It is doubtful that the dangerous conditions to pedestrian traffic caused by winter weather will ever be fully diminished, absent a covered parking area or a sub-surface heating system as some commercial venues have integrated into their premises.

The surface-treatment applied last summer has worked to better the dangerous conditions, but winter season walking by the main entry path can still be treacherous. The accumulation of ice and icicles that periodically break free and fall onto the walkway below the front entry awning is a continuing issue. **Enough Said** on this continuing problem with potential for tort liability.

#### OPPERATIONAL MATTERS

Issues raised in last year's auditor's report are being addressed. They center on

the accumulation of clerical work necessary to complete and comply with the finality requirement of past adjudications. As discussed, the Court operated for many years with a complement of one judge and one clerk. The cases were timely administered but the supporting paper work lagged behind. Thanks to the additional court personnel the Court is not only current (it was never delinquent in adjudication of filed cases) but also “working backwards” to clear cases that were finalized in the past, but for which clerical attention was needed.

The uniform state computer software continues to be refined with periodic upgrades to reflect advancements in the manner of reporting dispositions.

The Court’s part-time receptionist, Jackie Nelson, has evolved into a staffer who has assumed more functions to assist with real time court administration. This is a very significant factor and the Court is fortunate to have the three person staff (and personalities) that work well together and are insightful in accomplishing most routine and even extraordinary tasks.

#### EFFECT OF THE 2013 LEGISLATURE

The Legislature has adjourned this week and the statutory enactments will be fully effective on October 1, 2013, some have already become operational law. From early reports little procedural changes will impact municipal courts in Montana as a result of direct legislative action. Anticipated jurisdictional revisions concerning subject matter and even geographical jurisdiction did not happen. Apparently the *status quo* of subject matter issues will remain pretty much unchanged among the various courts of the state. There was no drastic shifting of jurisdictional issues from the district courts to the lower courts by this Legislature.

#### SALARY REVIEW

The presiding judge gave no timely notice as mandated by ordinance concerning a compensation review by the City Council during this year’s budget session. It is assumed that the automatic COLA factor will be made as specified in the Judge’s Compensation Ordinance language. In prior years a specific request was thought to be necessary as the old ordinance was “unclear” on the issue; it is believed that the current (revised)

ordinance grants the standard COLA factor as a matter of course – as it does to all other city employees.

Last year (2012) the Court asked that the Council give a meaningful compensation review to one of the two court clerks, Pam Cotton. She is a non-union city employee and her compensation package is only brought before the City by action of the municipal judge. Because of “tight financial times” for city government both the Court Administrator (Shellee Abel) and the Municipal Judge (Bradley Johnson) conferred between themselves and sought no salary adjustment last year, other than the standard COLA, so that resources might be available for Pam’s compensation.

The outcome of that review was less than reasonable expected. This year (2013) the Judge would respectfully request that the Council provide a comprehensive compensation review to each of the three Court staff personnel: Shellee Abel, Pam Cotton, and Jackie Nelson. Again, the Judge would remind the Council that the court staff is not represented by a union negotiator and rely solely on the periodic *good faith evaluation* of the City to provide fair and adequate compensation to each of the non-represented staff/employees.

Within the past six weeks the Judge participated in a City conference which included the City Manager, the City Finance Director, the City Clerk and other appropriate staff supervisors. The stated purpose of the conference was to initiate an evaluation process within the City -- consistent with evolving state protocol & data -- that would endeavor to pay (compensate) all City employees in a manner premised upon the general principle of “equal pay for equal type work”. This is a commendable and long overdue process to “level out” inconsistent pay schedules among employees who perform varying duties and responsibilities for the City – for which compensation varies substantially. The Judge would ask the Council to perform its duty by making a meaningful evaluation of the Court’s staff personnel and, thereafter, affix compensation that reflects the duties, responsibilities and the type of work that each conducts on behalf of the Court and the City. There is no other department within city government that is comparable to the municipal court, so the City Council has a special obligation to discharge its legal duty in meaningful way that reflect careful and adequate consideration of each staffer’s work place function and responsibility.

Thank you for a proper deliberation on the facts relevant to the employee compensation package which should include longevity of service, acquired knowledge and practical experience, lack of disciplinary action, and notice of successful completion of formal training provided to each through periodic sessions sponsored and monitored by the state supreme court's administrator. All of these facts and factors are important to know and to be appreciated in making a decision about adequate and appropriate compensation to each person.

IN ADDITION,

This budget year it is believed that Shellee Abel will receive a programmed "step" in her compensation package as well as the city wide COLA increment. Pam Cotton will receive the appropriate adjustment provided under last year's financial review to include the COLA increment.

Jackie Nelson, our part time receptionist, will receive the standard adjustment in compensation and a "step" increase for her position and grade. Mrs. Nelson was hired in March, 2011 and is now enjoying the status of a non-probationary part-time employee. She has established herself in the office and she is performing her duties as assigned.

Municipal Judge Johnson is making no request for a compensation review this budget cycle.

### **SPECIFIC BUDGET REQUESTS**

For the upcoming fiscal year the Court would request that the Council discuss and fund the following specific items necessary to the Court's operations:

**TRAVEL and TRAINING EXPENSES:** The Court has received preliminary information that the state will be conducting a special clerks' conference in April of 2014. It is believed that it will be a two day hands-on training program with special emphasis on use of a new computer software program format. Because of the increased reliance on "paperless" data reporting it is requested that both of the Court's clerks: Shellee Abel and Pam Cotton be adequately funded in order to attend the additional training conference scheduled for 2014. The exact amount of tuition fees is not currently known, and the venue will be in Helena. This would be in addition to the normal yearly clerks' conferences that traditional coincides with one of the Judges' training sessions, and one separate clerks only meeting.

It is believed that the benefits from having both clerks attend this special school and received direct instruction would justify the cost outlay of tuition, travel, lodging and meals. Because it is sponsored by the state all tuition is deemed *per se* reasonable. The per diem travel allotment would be for "in state "ground transportation in a single motor vehicle.

### **MANDATORY FUNDING FOR JUDGES' CONFERENCES**

As in past years the Court would request adequate funding, specified by statute(s) MCA § 3-6-202(4) with internal reference to MCA § 3-10-203 and MCA § 3-6-202(6), of a sufficient amount of money to allow for compliance with the mandate for annual training. The two yearly conferences are staged at varying venues as set by the Montana supreme court. Also the duration of each conference may vary depending upon the subject matter to be covered. It is believed that the same funding as last year will be sufficient to cover anticipated costs of both conferences.

### **CLERKS' TRAINING SESSIONS**

The clerks' conferences are a very important training process that includes direct supervised education about best office practice and procedures. It is worthwhile to have both court clerks attend the conferences as often as possible to keep current on new developments.

The Court would like an allocation of money sufficient for periodic participation in selected training programs. We would like funding based upon our reasonable projections which would allow both clerks to travel and attend those training sessions which they deem important. Normally there is one combined conference that is staged in conjunction with a Judges' conference, and one independent conference for clerks only. This year the fall 2013 combined conference will be conducted in Billings which is the most expense travel venue for those of us in Whitefish.

This budget year the Court is requesting additional Travel Expenses so that both clerks can attend all three of the offered training programs. It is money well spent on government assets.

REPAIR AND MAINTENANCE SUPPLIES: The Court has no direct control over the amount designated as a "Special Assessment" for its occupancy and use of the EMS building. Whatever the allocation, it will be decided by the City and attributed to the Court. It is assumed that the amount is proper in the ordered scheme of budgetary items.

OTHER RELEVANT ISSUES: As discussed last year in open hearings each day a Court staff person has to travel by personal vehicle to the downtown City Hall in order to conduct routine administrative business: pick-up new mail; deposit outgoing mail in the central container; pick-up in house distributions; pick-up money payments & receipts.

The staff remains concerned about having to use their personal motor vehicles for strictly city business purposes. No alternative method(s) were proposed from last year's discussions; possibly a renewal of this disclosure will cause a City solution to this issue.

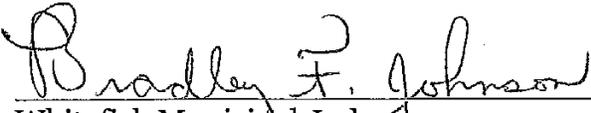
The Court's office and courtroom walls are painted but devoid of pictures, a clock, and items to take the starkness off the interior surfaces. The court staff spends most of their work hours in that internal area. They would like a minimal amount of money, \$300, to purchase certain items appropriate to a court office's decorum. At a minimum it will include an appropriate sized wall clock, some traditional pictures becoming to a court setting, possibly a framed copy of the US Constitution, and a reproduction of the classic depiction of Justice Oliver Wendell Holmes!

#### SUMMARY

The Court is working well and the staff is addressing all business in a timely and professional manner. The city of Whitefish should be proud of its judicial department which reflects not only on the City but also on the state judiciary. Whitefish Municipal Court is a credible legal forum.

As in past years and by tradition all aspects of the new proposed budget will be subject to open and direct discussion during the regularly scheduled session(s) specified by the City Manager and the City Council.

This year's State-of-the Court and Budget Request have been accelerated in order to meet a submission date of April 26, 2013. The presiding judge will be attending one of the mandatory training conferences during the week of initial review of the City's new budget proposals.

  
\_\_\_\_\_  
Whitefish Municipal Judge

# General Fund Expenditures - 1000

5/3/2013

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Legislative Services</b>					
Operating Supplies/Material			5,600	3,139	3,000
Council Travel & Training	75	400	1,000	564	1,000
Other Purchased Services			4,500	2,303	4,500
<b>Total Legislative Services</b>	<b>\$ 75</b>	<b>\$ 400</b>	<b>\$ 11,100</b>	<b>\$ 6,006</b>	<b>\$ 8,500</b>
<b>Municipal Court</b>					
<b>Personal Services</b>					
Salaries	143,083	149,737	149,269	124,298	156,836
Permanent Part Time	3,977	14,452	12,968	10,369	13,260
Overtime	3,142	3,283	3,147	1,728	3,023
Vacation/Sick Accrual			4,860		4,860
Employer Contributions	58,798	61,904	66,292	50,177	68,888
	<b>\$ 211,817</b>	<b>\$ 229,376</b>	<b>\$ 236,536</b>	<b>\$ 186,573</b>	<b>\$ 246,867</b>
<b>Materials and Services</b>					
Office Supplies/Materials	1,710	2,574	2,300	1,423	2,300
Operating Supplies/Material	1,427	1,040	3,000	1,118	3,000
Repair/Maintenance Supplies	916	135	1,100	173	1,100
Communication & Transportation	1,402	1,353	1,400	1,430	1,400
Printing			200		200
Publicity/Subscriptions/Dues	124	105	600	253	600
Utility Services	5,231	4,824	7,000	3,905	7,000
Repair & Maintenance	394	1,733	1,920	2,827	1,920
Travel & Training	3,168	2,091	5,000	3,206	5,000
Other Purchased Services	6,943	2,516	3,762	1,536	3,762
Sub-Judge Contracts	675		1,200	988	1,200
Insurance	7,485	7,654	8,207	8,207	8,207
Special Assessments		101	105	101	105
	<b>\$ 29,475</b>	<b>\$ 24,126</b>	<b>\$ 35,794</b>	<b>\$ 25,167</b>	<b>\$ 35,794</b>
<b>Total City Court</b>	<b>\$ 257,433</b>	<b>\$ 253,502</b>	<b>\$ 272,330</b>	<b>\$ 211,740</b>	<b>282,661</b>

## **Purpose**

The Administrative Services Division provides for the general administration of the City. There are five full time employees in Administrative Services, but most of their personnel costs are spread throughout the city's budget in a cost allocation formula.

## **FY 2014 Objectives**

The objective of the General Fund for FY14 is to provide budget authority to provide the above listed services within the City. The City Council approved a resolution on Apr 15, 2013 establishing short term and long term goals for the City and these goals guide the operations and objectives during FY14.

CITY OF WHITEFISH – MAYOR AND COUNCIL GOALS  
 FY14  
 PREPARED: April 1, 2013

Mayor/Council Short Term Goals (no particular order)	Mayor/Council Longer Term Goals (no particular order)	Mayor/Council Ongoing Goals (no particular order)	Staff Goals (no particular order)
Hwy 93 South Corridor Plan	Code Enforcement improvements	Economic Development – Public-Private Partnerships and targeted business assistance	MDT – Hwy 93 west project
Downtown Parking	Maintenance plans for parks, facilities, and buildings and Riverside Park protection and improvement for erosion	BNSF – cleanup of CECRA site and river, maintain good relationship on all issues	Parks Master Plans
City Hall planning	Whitefish River waterway development and improvement	Whitefish Trail - work with Whitefish Legacy Partners	Explore extent of waivers for utility contracts
Depot Park Phase II Redevelopment – including new restrooms at O’Shaughnessy Center		Water quality improvements and projects (AIS, water rights, City Beach, Stormwater pond improvements)	Long Term Financial Planning and Sustainability
Possible Amendments to sign code		Affordable Housing	Green Initiatives
New Cemetery development			Records Management/Imaging Phase II
Address Aquatic Invasive Species problem			Redesign City website

# General Fund Expenditures - 1000

5/3/2013

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Administrative Services</b>					
<b>Personal Services</b>					
Salaries	40,725	40,853	41,864	33,043	49,316
Overtime	253	1,031	942	719	1,204
Employer Contributions	14,281	13,879	14,683	11,860	18,665
	<b>\$ 55,259</b>	<b>\$ 55,763</b>	<b>\$ 57,489</b>	<b>\$ 45,621</b>	<b>\$ 69,185</b>
<b>Materials and Services</b>					
Office Supplies/Materials	858		687	65	687
Operating Supplies/Materials	772		1,787	486	1,451
Repair/Maintenance Supplies	86		76	161	115
Communication & Transportation	429		534		458
Printing	172		76		38
Publicity/Subscriptions/Dues	601		687	410	764
Utility Services	1,287		1,832	2,353	2,062
Professional Services	4,290		5,039	144	2,901
Repair & Maintenance	515		840	514	611
Travel & Training	858		611	709	611
Other Purchased Services	257		229	177	916
Contracted Workers	978		870	1,192	870
Insurance	472		305		305
Rent / Lease	-		290		290
Special Assessments	167		115		99
Administrative Costs		11,602	-	8,970	-
	<b>\$ 11,742</b>	<b>\$ 11,602</b>	<b>\$ 13,980</b>	<b>\$ 15,182</b>	<b>\$ 12,178</b>
<b>Total Administrative Services</b>	<b>\$ 67,001</b>	<b>\$ 67,365</b>	<b>\$ 71,469</b>	<b>\$ 60,803</b>	<b>\$ 81,363</b>

## Resort Tax Administrative Services Division

### Purpose

**The Resort Tax Administrative Services Division provides for the administration of the City's Resort Tax.** Ordinance 95-15, the Resort Tax Ordinance, does not allow the use of resort tax collections to pay for the administrative expenses of the tax. Due to this prohibition such expenses are paid from the General Fund.

### FY 2014 Objectives

The objective of the General Fund for this budget year is to provide budget authority to provide the above listed services within the City.

## Legal Services Division

### Purpose

The Legal Services Division provides for the administration of the Legal Services Division and the contract for prosecution services with the Hedman, Hileman and Lacosta Law Firm. The staff City Attorney provides legal support to the City organization in civil matters, including legal consultation, preparation and review of legal documents, and representation in civil matters. **The prosecution contract provides for the City's prosecution needs in the City Court.** The contract was renewed for two years in February 2011 and again in February 2013.

### FY 2014 Objectives

The objective of the General Fund for this budget year is to provide budget authority to provide the above listed services within the City.

# General Fund Expenditures - 1000

5/3/2013

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Resort Tax Admin Services</b>					
<b>Materials and Services</b>					
Professional Services	8,938	1,947	6,000	4,949	6,000
<b>Total Resort Tax</b>	<b>\$ 8,938</b>	<b>\$ 1,947</b>	<b>\$ 6,000</b>	<b>\$ 4,949</b>	<b>\$ 6,000</b>
<b>Prosecution Services</b>					
<b>Materials and Services</b>					
Professional Services	133,494	99,303	98,000	84,831	98,000
<b>Total Prosecution</b>	<b>\$ 133,494</b>	<b>\$ 99,303</b>	<b>\$ 98,000</b>	<b>\$ 84,831</b>	<b>\$ 98,000</b>
<b>Legal Services</b>					
<b>Personal Services</b>					
Salaries	9,812	18,700	18,923	16,558	23,000
Part-Time Wages	3,251	6,590	6,706	5,297	6,977
Employer Contributions	3,928	5,920	8,076	5,182	6,938
	<b>\$ 16,991</b>	<b>\$ 31,210</b>	<b>\$ 33,705</b>	<b>\$ 27,037</b>	<b>\$ 36,915</b>
<b>Materials and Services</b>					
Office Supplies/Materials			172	44	172
Operating Supplies/Materials			326	45	326
Printing			43		43
Publicity/Subscriptions/Dues			172		172
Utility Services			215	164	215
Professional Services			950		950
Travel & Training			167		167
Other Purchased Services			150		150
Insurance			172		172
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,366</b>	<b>\$ 253</b>	<b>\$ 2,366</b>
<b>Total Legal Services</b>	<b>\$ 16,991</b>	<b>\$ 31,210</b>	<b>\$ 36,071</b>	<b>\$ 27,289</b>	<b>\$ 39,281</b>

## Purpose

The Community Planning Division provides for the development, administration and **enforcement of the City's land use, development and zoning regulations and other provisions of the City Code.** These functions are performed by the City's Planning and Building Department.

## FY 2014 Objectives

The objective of the Community Planning Division for this budget year is to provide budget authority for a broad range of planning activities including review, development and revision of planning regulations, long-range planning, processing land use and development applications, and enforcement of land use, development and zoning regulations and other provisions of the City Code. Due to recent increased building activity this budget includes a new Planner position.

# General Fund Expenditures - 1000

5/3/2013

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Other General Gvrnmnt Services</b>		\$ 12,759	\$ 1,000		\$ -
<b>Community Planning</b>					
<b>Personal Services</b>					
Salaries	135,997	144,213	153,969	123,424	183,913
Part-Time Wages	3,130	3,295	3,353	2,648	3,488
Employer Contributions	50,039	53,387	61,982	48,470	79,695
	<b>\$ 189,166</b>	<b>\$ 200,895</b>	<b>\$ 219,304</b>	<b>\$ 174,542</b>	<b>\$ 267,096</b>
<b>Materials and Services</b>					
Office Supplies/Materials	1,008	851	2,500	1,571	2,500
Operating Supplies/Materials	2,842	1,610	3,500	698	4,500
Repair & Maintenance Supplies	316	424	650	307	650
Communication & Transportation	686	763	1,000	780	1,000
Printing			100	402	500
Publicity/Subscriptions/Dues	6,782	4,299	7,300	3,925	7,300
Utility Services	5,984	6,281	6,000	4,354	6,000
Professional Services	2,000	4,973	26,100		30,000
Repair & Maintenance Services	872	801	4,000	513	1,000
Travel & Training	2,950	3,433	4,500	2,762	4,500
Other Purchased Services	161	225	100	1,094	100
Contract Services	926	7,751	17,396	16,053	10,000
Insurance	7,863	6,122	6,700	6,696	6,700
Lease	2,476	2,476	2,476		-
	<b>\$ 34,866</b>	<b>\$ 40,112</b>	<b>\$ 82,322</b>	<b>\$ 39,259</b>	<b>\$ 74,750</b>
<b>Total Community Planning</b>	<b>\$ 224,032</b>	<b>\$ 241,007</b>	<b>\$ 301,626</b>	<b>\$ 213,801</b>	<b>\$ 341,846</b>

## Community Agencies Division

### Purpose

The Community Agencies Division provides budget authority to support various community organizations. These include the Eagle Bus Service, Big Mountain SNOW Bus, Golden Agers Community Center, Whitefish Theatre Grant, O’Shaughnessy Center Insurance, and property insurance for The Wave.

### FY 2014 Objectives

The objective of the Community Agencies Division for this budget year is to provide budget authority to support various community organizations, as described above.

## Cemetery Services

### Purpose

The Cemetery Division provides budget authority for the ongoing maintenance of the Whitefish Cemetery. The City operates a 7.0 acre cemetery on Hwy 93 North next to the golf course.

### FY 2014 Objectives

The objective of the Cemetery Division this fiscal year is to provide budget authority for the maintenance of the Whitefish Cemetery. The City is pursuing purchasing land for a new Cemetery. The City is budgeting \$2,000 for additional water testing on possible sites.

The FY14 budget also includes a budget of \$30,000 for a new irrigation system at the current Cemetery which will free up space for a Columbarium – Cremain Niche Wall. There is budgeted expenditures of \$23,000 for a Cremain Niche Wall which is offset by a possible \$30,000 in revenues.

Cemetery fees were increased in February 2011 to match costs.

# General Fund Expenditures - 1000

5/3/2013

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Community Agencies</b>					
<b>Materials and Services</b>					
Eagle Bus Service	9,300	9,300	9,300	9,300	9,300
Big Mountain Snow Bus	7,500	7,500	7,500	7,500	7,500
Golden Agers Cmmnty Center	1,250	1,250	1,500	1,500	1,500
Whitefish Theater Grant	10,744	4,266	9,500		9,500
O'Shaughnessy Center Insrnc	2,902	3,182	3,010	3,009	3,010
WAVE Property Insurance	9,169	9,756	8,350	8,348	8,350
<b>Total Community Agencies</b>	<b>\$ 40,865</b>	<b>\$ 35,254</b>	<b>\$ 39,160</b>	<b>\$ 29,657</b>	<b>\$ 39,160</b>
<b>Cemetery Services</b>					
<b>Personal Services</b>					
Salaries	652	687	687	551	726
Overtime	451	78	63	163	82
Employer Contributions	371	226	236	255	254
	<b>\$ 1,474</b>	<b>\$ 991</b>	<b>\$ 986</b>	<b>\$ 969</b>	<b>\$ 1,062</b>
<b>Materials and Services</b>					
Operating Supplies	758	74	500		500
Repair/Maintenance Supplies	396	1,430	3,000		3,000
Other Purchased Services		9,719	12,000	5,849	2,000
Insurance	33	48	40	35	40
	<b>\$ 1,187</b>	<b>\$ 11,271</b>	<b>\$ 15,540</b>	<b>\$ 5,885</b>	<b>\$ 5,540</b>
<b>Capital Outlay</b>					
Improvements					\$ 53,000
<b>Total Cemetery Services</b>	<b>\$ 2,661</b>	<b>\$ 12,262</b>	<b>\$ 16,526</b>	<b>\$ 6,854</b>	<b>\$ 59,602</b>
<b>Operating Contingency</b>					
Operating Contingency			10,000		10,000
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ 10,000</b>
<b>Interfund Loan Transfer Out</b>					
Trans to Other Funds-Building	29,405		-		-
	<b>\$ 29,405</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Transfers to Other Funds</b>					
Trans to Library Fund		33,370	34,371	25,778	34,371
Trans to Parks and Rec Fund	413,984	478,928	472,000	354,000	603,000
Trans to Law Enforcmnt Fund	1,730,227	1,710,000	1,795,000	1,346,250	1,845,000
Trans to Fire & Ambulance Fund	343,502	434,014	494,594	370,946	575,000
	<b>\$ 2,487,713</b>	<b>\$ 2,656,312</b>	<b>\$ 2,795,965</b>	<b>\$ 2,096,974</b>	<b>\$ 3,057,371</b>
<b>Total Non-Departmental</b>	<b>\$ 2,517,118</b>	<b>\$ 2,656,312</b>	<b>\$ 2,805,965</b>	<b>\$ 2,096,974</b>	<b>\$ 3,067,371</b>
<b>Total Expenditures</b>	<b>\$ 3,268,607</b>	<b>\$ 3,411,321</b>	<b>\$ 3,659,246</b>	<b>\$ 2,742,905</b>	<b>\$ 4,023,784</b>
<b>Ending Cash Balance (Reserves)</b>		<b>\$ 506,100</b>	<b>\$ 591,891</b>		<b>\$ 598,492</b>
<b>Total General Fund</b>		<b>\$ 3,917,421</b>	<b>\$ 4,251,137</b>		<b>\$ 4,622,276</b>

# General Fund Expenditures - 1000

5/3/2013

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Total General Fund</b>					
Personal Services	474,707	518,235	548,020	434,742	621,125
Materials and Services	260,641	236,774	305,261	211,189	282,288
Capital Outlay	-	-	-	-	53,000
Contingency	-	-	10,000	-	10,000
Transfers	2,517,118	2,656,312	2,795,965	2,096,974	3,057,371
	<u>3,252,466</u>	<u>3,411,321</u>	<u>3,659,246</u>	<u>2,742,905</u>	<u>4,023,784</u>
<b>Personal Services</b>					
110	330,269	364,712	364,712	297,873	413,791
111	2,817	-	-	-	-
112	10,358	23,027	23,027	18,315	23,725
120	3,846	4,152	4,152	2,610	4,309
130	-	4,860	4,860	-	4,860
140	127,417	151,269	151,269	115,944	174,440
<b>Materials and Services</b>					
210	3,576	3,425	5,659	3,103	5,659
220	5,799	2,724	14,713	5,486	12,777
230	1,714	1,989	4,826	641	4,865
310	2,517	2,116	2,934	2,210	2,858
320	172	-	419	402	781
330	7,507	4,404	8,759	4,589	8,835
340	12,502	11,105	15,047	10,776	15,276
350	148,722	106,222	136,089	89,925	137,851
360	1,781	2,534	6,760	3,855	3,531
370	7,051	5,924	11,278	7,241	11,278
390	7,361	12,460	20,741	10,958	11,428
397	2,579	7,751	19,466	18,234	12,070
510	27,924	26,762	26,784	26,295	26,784
530	2,476	2,476	2,766	-	290
540	167	205	220	205	204
730	10,744	4,266	9,500	-	9,500
790	18,050	18,050	18,300	18,300	18,300
<b>Capital Outlay</b>					
940			-		53,000
<b>Contingency</b>					
960			10,000		10,000
<b>Transfers</b>					
820			2,795,965		3,057,371
<b>Total</b>					
			3,642,351		4,306,072
			(16,895)		282,288

## Purpose

Title 22, Chapter 1, Part 3 of the Montana Code Annotated provides for the establishment and laws related to free public libraries. The Whitefish Community Library was created as a City Library via Resolution 10-48 on November 15, 2010 after the City Council had voted to terminate the Interlocal Agreement with the Flathead County Library Board of Trustees for the consolidated county-wide library service. This fund provides for the collection of property taxes, donations, fines and other revenues and the appropriations for the Whitefish Community Library.

## FY 2014 Objectives

The objective of the Library Fund for this fiscal year is to provide budget authority for the Whitefish Community Library.

Significant policy issues in the FY14 Budget are:

Item/Project	Amount
<b>Revenue Changes</b>	
• Misc donations, fundraising, & grants	\$25,000
• Whitefish Library Association contribution	\$26,000
<b>Expenditure Changes</b>	

# Library Fund - 2220

5/3/2013

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Taxes</b>					
Real Property Taxes		94,246	116,810	78,799	121,500
		<b>\$ 94,246</b>	<b>\$ 116,810</b>	<b>\$ 78,799</b>	<b>\$ 121,500</b>
<b>Intergovernmental</b>					
State Aid			610		2,640
		<b>\$ -</b>	<b>\$ 610</b>	<b>\$ -</b>	<b>\$ 2,640</b>
<b>Charges for Services</b>					
Library Collections		5,839	7,200	10,490	11,000
		<b>\$ 5,839</b>	<b>\$ 7,200</b>	<b>\$ 10,490</b>	<b>\$ 11,000</b>
<b>Miscellaneous Revenue</b>					
Private Gifts and Bequests	55,120	70,512	51,000	40,229	51,000
	55,120	70,512	51,000	40,229	<b>\$ 51,000</b>
<b>Other Financing Sources</b>					
General Fund Operating Transfer		33,370	34,371	25,778	34,371
		33,370	34,371	25,778	<b>\$ 34,371</b>
<b>Total Fund Revenue</b>	<b>\$ 55,120</b>	<b>\$ 198,128</b>	<b>\$ 202,791</b>	<b>\$ 144,807</b>	<b>\$ 220,511</b>
<b>Beginning Available Cash</b>		<b>\$ 15,183</b>	<b>\$ 8,029</b>		<b>\$ 10,000</b>
<b>Total Resources</b>		<b>\$ 213,311</b>	<b>\$ 218,020</b>		<b>\$ 230,511</b>

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Personal Services</b>					
Salaries	9,355	46,903	46,525	37,428	50,238
Permanent Part Time	2,244	54,093	50,164	41,294	50,904
Overtime		651			1,020
Employer Contributions	5,963	33,226	42,348	29,412	43,050
	<b>\$ 17,561</b>	<b>\$ 134,873</b>	<b>\$ 139,037</b>	<b>\$ 108,134</b>	<b>\$ 145,212</b>
<b>Materials and Services</b>					
Office Supplies/Materials	32,629	1,577	8,600	958	9,600
Operating Supplies	1,335	20,302	7,400	6,811	12,400
Repair & Maintenance Supplies	280	1,068	1,100	1,046	2,300
Communication & Transportation	87	1,338	5,000	2,581	4,000
Publicity, Subscriptions & Dues	1,268	7,724	3,200	1,833	3,300
Utility Services	10,413	14,951	14,640	11,629	13,960
Repair & Maintenance Services	2,339	12,162	2,000	5,118	2,100
Travel & Training	300	1,473	3,000	1,099	3,000
Other Purchased Services	2,242	7,875	360	555	360
Contracted Services	579	524	450	398	810
Insurance	3,593	4,112	6,806	6,806	6,806
Administrative Costs		1,787	4,000	2,377	4,000
	<b>\$ 55,065</b>	<b>\$ 74,893</b>	<b>\$ 56,556</b>	<b>\$ 41,211</b>	<b>\$ 62,636</b>
<b>Operating Contingency</b>			3,500		3,500
		<b>\$ -</b>	<b>\$ 3,500</b>	<b>\$ -</b>	<b>\$ 3,500</b>
<b>Total Expenditures</b>	<b>\$ 72,627</b>	<b>\$ 209,766</b>	<b>\$ 199,093</b>	<b>\$ 149,345</b>	<b>\$ 211,348</b>
<b>Ending Available Cash</b>		<b>\$ 8,029</b>	<b>\$ 18,095</b>		<b>\$ 19,163</b>
<b>Total Fund</b>		<b>\$ 217,795</b>	<b>\$ 217,188</b>	<b>\$ 149,345</b>	<b>\$ 230,511</b>

## Purpose

The Law Enforcement Fund provides the primary financial support for the City Police Department. The Department provides policing services through a staff of 15 sworn officers (including the Chief of Police), and a part-time parking enforcement officer.

## FY 2014 Objectives

The objective of the Law Enforcement Fund for this fiscal year is to provide budget authority for the Police Department.

Significant or changed appropriations during FY14 are:

Item/Project	Amount
Revenue Changes	
• The three year COPS grant expired – reduced revenue	\$36,000
Expenditure Changes	
• Capital Expense – Fleet replacement (net trade-ins) 1 carryover from FY11	\$22,000
• Capital Expense – 3 yr lease Chief truck	\$8,300
• 5 Tasers	\$3,000

# Law Enforcement Fund - 2300

5/3/2013

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Intergovernmental</b>					
Traffic Safety Grant			-	10,700	-
DOT Overtime Reimbursement	17,667	17,478	15,000	23,845	15,000
Offset for State Payment to MPORS	248,221	228,800	283,000	115,050	242,583
Reimbursement - Drug TF Overtime		3,158	6,684		7,453
Homeland Security Eqpmnt Grant			-	2,526	-
Drug Task Force Grant	59,932	71,994	65,300	30,611	80,000
COPS Hiring Grant	44,000	68,470	36,000	35,580	-
Dept of Justice Grant				3,034	
MDOT Equipment Grant					5,000
	<b>\$ 742,948</b>	<b>\$ 389,900</b>	<b>\$ 410,984</b>	<b>\$ 221,346</b>	<b>\$ 355,036</b>
<b>Charges for Services</b>					
Contract Charges - School Events	450		-		-
	<b>\$ 450</b>		<b>\$ -</b>		<b>\$ -</b>
<b>Miscellaneous Revenue</b>					
Misc. Law Enforcement Collections	34,757	14,934	16,000	14,055	16,000
Contributions	30,000	1,000		2,500	
	<b>\$ 64,757</b>	<b>\$ 15,934</b>	<b>\$ 16,000</b>	<b>\$ 16,555</b>	<b>\$ 16,000</b>
<b>Other Financing Sources</b>					
General Fund Operating Transfer	1,730,227	1,710,000	1,795,000	1,346,250	1,845,000
	<b>\$ 1,730,227</b>	<b>\$ 1,710,000</b>	<b>\$ 1,795,000</b>	<b>\$ 1,346,250</b>	<b>\$ 1,845,000</b>
<b>Total Fund Revenue</b>	<b>\$ 2,538,382</b>		<b>\$ 2,221,984</b>	<b>\$ 1,584,151</b>	<b>\$ 2,216,036</b>
<b>Beginning Available Cash</b>		<b>\$ 54,252</b>	<b>\$ 46,718</b>		<b>\$ 40,000</b>
<b>Total Resources</b>			<b>\$ 2,268,702</b>		<b>\$ 2,256,036</b>

# Law Enforcement Fund - 2300

5/3/2013

<b>Expenditures</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Personal Services</b>					
Salaries	985,563	869,890	933,635	764,427	943,636
Part-Time Wages	31,843	33,710	38,990	32,177	37,321
Overtime	52,667	76,318	42,189	47,072	41,194
Reimbursed Overtime			20,000		20,000
Employer Contributions	564,581	370,692	422,962	319,129	431,826
Offset State Pymnt to MPORS	248,221	228,800	283,000	115,050	242,583
	<b>\$ 1,882,875</b>	<b>\$ 1,579,410</b>	<b>\$ 1,740,776</b>	<b>\$ 1,277,855</b>	<b>\$ 1,716,560</b>
<b>Materials and Services</b>					
Office Supplies/Materials	5,694	3,348	6,500	3,368	6,500
Operating Supplies/Materials	48,011	61,998	62,500	53,751	60,300
Repair/Maintenance Supplies	41,399	40,064	55,100	36,239	50,100
Postage & Freight	351	1,059	450	667	1,000
Publicity/Subscriptions/Dues	795	4,856	800	811	800
Utility Services	31,535	28,225	33,800	24,860	33,150
Professional Services	4,725	3,077	7,000	3,194	7,000
Repair & Maintenance	28,560	41,225	46,730	25,452	43,000
Travel & Training	6,857	25,158	18,000	9,445	18,000
Other Purchased Services	136,572	140,389	141,070	95,023	140,000
Contracted Workers	26,350	40,894	40,000	42,326	57,000
Insurance	49,297	49,181	44,200	47,893	44,200
Rent	1,200	1,200	1,050	1,000	1,100
Special Assessments	1	429	450	429	450
Administrative Expense	32,511	29,886	30,000	25,015	34,000
	<b>\$ 413,858</b>	<b>\$ 470,989</b>	<b>\$ 487,650</b>	<b>\$ 369,475</b>	<b>\$ 496,600</b>
<b>Capital Outlay</b>					
Machinery & Equipment	-	36,991	27,500	40,591	35,800
	<b>\$ -</b>	<b>\$ 36,991</b>	<b>\$ 27,500</b>	<b>\$ 40,591</b>	<b>\$ 35,800</b>
<b>Operating Contingency</b>					
	<b>\$ -</b>		<b>\$ -</b>		<b>\$ -</b>
<b>Total Fund Expenditures</b>	<b>\$ 2,296,733</b>	<b>\$ 2,087,390</b>	<b>\$ 2,255,926</b>	<b>\$ 1,687,921</b>	<b>\$ 2,248,960</b>
<b>Ending Available Cash</b>		46,718	12,776		<b>7,076</b>
<b>Total Law Enforcement</b>		<b>\$ 2,134,108</b>	<b>\$ 2,268,702</b>		<b>\$ 2,256,036</b>

## **Purpose**

The Victim and Witness Assistance Fund provides budget authority to comply with Montana House Bill 257, adopted during the 1999 Legislative Session. The bill requires cities to establish a fund to account for a Victim and Witness Assistance Fine to be assessed on those convicted of misdemeanor and felony charges. Funds collected through assessments shall be used to pay restitution and to assist the victims and witnesses of criminal acts.

## **FY 2014 Objectives**

The objective of the Victim and Witness Assistance Fund for this fiscal year is to administer the requirements of the Montana Victim and Witness Assistance Statute.

## Crime Victims Assistance Fund - 2017

<b>Revenues</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
Victim & Witness Prgrm Fines		8,616	15,000	6,639	15,000
<b>Total Fund Revenue</b>		<b>\$ 8,616</b>	<b>\$ 15,000</b>	<b>\$ 6,639</b>	<b>\$ 15,000</b>
<b>Beginning Available Cash</b>			<b>\$ 230</b>		<b>\$ 230</b>

<b>Expenditures</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Materials and Services</b>					
Crime Victim's Assistance	7,472	8,616	15,000	6,051	15,000
	<b>\$ 7,472</b>	<b>\$ 8,616</b>	<b>\$ 15,000</b>	<b>\$ 6,051</b>	<b>\$ 15,000</b>
<b>Ending Available Cash</b>			<b>\$ 230</b>		<b>\$ 230</b>

### Purpose

The purpose of the Fire and Ambulance Fund is to provide budget authority for the delivery of fire prevention and suppression, rescue services, and ambulance and advanced life support service to the City of Whitefish, the rural fire service area, and surrounding areas.

### FY 2014 Objectives

The objective of the Fire and Ambulance Fund for this fiscal year is to provide fire suppression, fire and accident rescue, hazardous materials incident response, fire code enforcement, ambulance and advanced life support service, and community education on related issues.

Significant policy issues in the FY14 Budget are:

- The four years of SAFER grant revenue that helped fund six new firefighters has ended.
- Whitefish fire equipment has aged to point of reducing safety and increasing maintenance costs. This budget anticipates borrowing from the State Inter-cap Loan program, and soliciting a contribution from the Rural Fire District and the WFSA.

Significant or changed appropriations during FY14 are:

Item/Project	Amount
<b>Revenue Changes</b>	
• Decrease in 5 year SAFER Grant	\$78,120
<b>Expenditure Changes</b>	
• Fire – Capital Expense – 2011 AFG Grant match for \$200,000 SCBA	\$20,000
• Fire – Capital Expense – Brush Engine (\$70k Rural Fire , rest debt)	\$165,000
• Fire – Capital Exp – Structural Pumper (\$75k Fire Association , rest debt)	\$525,000
• Fire – Capital Expense – Tenders (debt)	\$285,000
• Amb – Capital Expense – Cot (debt financed)	\$15,000
• Amb – Capital Expense – Ambulance (debt financed)	\$150,000

# Fire and Ambulance Fund - 2340

5/3/2013

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Budget FY 2014
<b>Taxes</b>					
Real Property Taxes	374,389	488,098	512,154	351,195	532,000
Personal Property Taxes	2,074	5,534	7,000	7,896	8,000
	<b>\$ 376,463</b>	<b>\$ 493,632</b>	<b>\$ 519,154</b>	<b>\$ 359,091</b>	<b>\$ 540,000</b>
<b>Licenses and Permits</b>					
Fire Prevention Program Fee	44,375	46,688	82,750	57,995	60,000
Burning Permits	125	175	300	225	300
	<b>\$ 44,500</b>	<b>\$ 46,863</b>	<b>\$ 83,050</b>	<b>\$ 58,220</b>	<b>\$ 60,300</b>
<b>Intergovernmental</b>					
SAFER Grant	188,543	117,045	78,120	58,590	-
Offset for State Pymnt to FURS	331,560	315,627	344,000	150,685	347,402
Countywide Ambulance Assessment	91,965	57,449	60,000	32,138	65,000
	<b>\$ 612,068</b>	<b>\$ 490,121</b>	<b>\$ 482,120</b>	<b>\$ 241,413</b>	<b>\$ 412,402</b>
<b>Charges for Services</b>					
Rural Fire Service Assessment	525,177	225,819	230,000	225,709	230,000
Ambulance Services	846,087	856,552	850,000	724,300	950,000
RescueCare Ambulance Prog	30,258	32,847	31,000	7,189	31,000
	<b>\$ 1,401,522</b>	<b>\$ 1,115,218</b>	<b>\$ 1,111,000</b>	<b>\$ 957,198</b>	<b>\$ 1,211,000</b>
<b>Miscellaneous Revenue</b>					
Miscellaneous Income	6,826	61,383	2,200	3,269	2,200
Contributions			140,000		145,000
	<b>\$ 6,826</b>	<b>\$ 61,383</b>	<b>\$ 142,200</b>	<b>\$ 3,269</b>	<b>\$ 147,200</b>
<b>Other Financing Sources</b>					
Loan Proceeds			815,000		995,000
General Fund Operating Transf	343,502	434,014	494,594	370,946	575,000
	<b>\$ 343,502</b>	<b>\$ 434,014</b>	<b>\$ 494,594</b>	<b>\$ 370,946</b>	<b>\$ 1,570,000</b>
<b>Total Fund Revenue</b>	<b>\$ 2,784,881</b>	<b>\$ 2,641,231</b>	<b>\$ 2,832,118</b>	<b>\$ 1,990,137</b>	<b>\$ 3,940,902</b>
<b>Beginning Available Cash</b>		<b>\$ 515,004</b>	<b>\$ 471,138</b>		<b>\$ 460,000</b>
Restricted Amb. Replacment Bal.			-		-
<b>Total Resources</b>	<b>\$ 2,784,881</b>		<b>\$ 4,118,256</b>		<b>\$ 4,400,902</b>

# Fire and Ambulance Fund - 2340

5/3/2013

<b>Expenditures</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Fire and Rescue</b>					
<b>Personal Services</b>					
Salaries	369,740	1,039,160	387,170	249,679	401,227
Permanent Part-time	1,566	1,648	1,677	1,324	1,744
Overtime	24,807	155,047	14,000	24,663	23,194
Scheduled Overtime			14,395		7,898
Employer Contributions	147,057	374,833	152,802	105,955	160,362
State Contribution to FURS	120,572	315,627	124,000	45,206	125,065
Other Personal Services	10,337	35,609	8,200	6,722	10,000
	<b>\$ 674,079</b>	<b>\$ 1,921,924</b>	<b>\$ 702,244</b>	<b>\$ 433,549</b>	<b>\$ 729,490</b>
<b>Materials and Services</b>					
Office Supplies/Materials	1,176	4,070	1,000	712	1,000
Operating Supplies/Materials	41,558	46,655	30,300	22,357	61,000
Repair & Maintenance Supplies	27,463	63,709	40,600	17,886	36,000
Communication & Transportation	302	2,945	250	186	250
Publicity/Subscriptions/Dues	1,599	4,556	3,180	2,028	3,900
Utility Services	10,810	35,690	16,600	14,314	15,000
Professional Services	6,607	19,817	8,800	5,083	13,900
Repair and Maintenance	32,251	26,924	10,900	11,700	11,100
Travel & Training	3,288	8,968	4,500	1,912	4,500
Training Services	454	8,493	11,200	3,763	12,250
Other Purchased Services	220	12,772	6,600	4,991	6,900
Insurance	20,933	50,658	24,315	24,313	24,315
Administrative Services	12,680	34,237	12,000	9,902	12,000
	<b>\$ 159,341</b>	<b>\$ 319,494</b>	<b>\$ 170,245</b>	<b>\$ 119,146</b>	<b>\$ 202,115</b>
<b>Capital Outlay</b>					
Equipment	-	-	925,000	42,905	995,000
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 925,000</b>	<b>\$ 42,905</b>	<b>\$ 995,000</b>
<b>Total Fire</b>	<b>\$ 833,420</b>	<b>\$ 2,241,418</b>	<b>\$ 1,797,489</b>	<b>\$ 595,601</b>	<b>\$ 1,926,605</b>

# Fire and Ambulance Fund - 2340

5/3/2013

<b>Expenditures</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Ambulance</b>					
<b>Personal Services</b>					
Salaries	647,004	557,522	690,912	511,678	711,281
Overtime	57,740	87,664	38,000	55,135	54,119
Scheduled Overtime			33,587		18,430
Employer Contributions	245,044	209,359	277,019	205,482	290,908
State Contribution to FURS	210,988	220,939	220,000	105,480	222,337
Other Personal Services	22,311	16,836	16,800	20,304	20,000
	<b>\$ 1,183,087</b>	<b>\$ 1,092,320</b>	<b>\$ 1,276,318</b>	<b>\$ 898,078</b>	<b>\$ 1,317,075</b>
<b>Materials and Services</b>					
Office Supplies/Materials	2,710	2,170	2,000	1,114	2,000
Operating Supplies/Materials	33,579	26,599	40,400	27,291	40,000
Repair & Maintenance Supplies	31,857	17,054	29,200	20,079	36,000
Communication & Transportation	3,101	1,095	250	983	3,100
Publicity/Subscriptions/Dues	3,926	1,547	1,590	2,172	2,000
Utility Services	24,395	19,520	30,000	26,109	35,500
Professional Services	16,529	13,177	19,500	6,886	20,900
Repair and Maintenance	15,834	7,348	11,000	24,827	12,000
Travel & Training	7,398	4,891	2,100	89	2,600
Training Services		3,801	6,550	4,291	7,070
Other Purchased Services	926	8,087	15,400	11,973	16,100
Insurance	31,019	30,302	36,200	36,201	36,200
Special Assessments		521		512	
Administrative Expense	22,817	15,292	22,000	18,049	22,000
	<b>\$ 194,091</b>	<b>\$ 151,403</b>	<b>\$ 216,190</b>	<b>\$ 180,577</b>	<b>\$ 235,470</b>
<b>Debt Service</b>					<b>\$ 17,000</b>
<b>Accounts Payable Adjustments</b>					
Bad Debt Expense	107,916	109,752	125,000	124,147	135,000
Medicare/Medicaid Adjustment	220,872	230,507	231,000	177,805	231,000
RescueCare Benefits	14,056	15,054	17,000	7,275	16,000
City Resident		1,313	4,800	3,279	4,800
	<b>\$ 342,844</b>	<b>\$ 356,626</b>	<b>\$ 377,800</b>	<b>\$ 312,506</b>	<b>\$ 386,800</b>
<b>Capital Outlay</b>					
Equipment	-		165,000		165,000
	<b>\$ -</b>		<b>\$ 165,000</b>		<b>\$ 165,000</b>
<b>Contingency</b>					<b>\$ -</b>
<b>Total Ambulance</b>	<b>\$ 1,720,022</b>	<b>\$ 1,600,349</b>	<b>\$ 2,035,308</b>	<b>\$ 1,391,161</b>	<b>\$ 2,121,345</b>
<b>Total Expenditures</b>	<b>\$ 2,553,442</b>	<b>\$ 3,841,767</b>	<b>\$ 3,832,797</b>	<b>\$ 1,986,762</b>	<b>\$ 4,047,950</b>
<b>Ending Available Cash</b>		<b>\$ 471,138</b>	<b>\$ 285,459</b>		<b>\$ 352,952</b>
<b>Total Fund</b>		<b>\$ 4,312,905</b>	<b>\$ 4,118,256</b>		<b>\$ 4,400,902</b>

# Fire and Ambulance Fund - 2340

5/3/2013

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Total Fire &amp; Amb Fund</b>					
Personal Services	1,857,166	3,014,244	1,978,562	1,331,627	2,046,565
Materials and Services	353,432	470,897	386,435	299,723	437,585
Debt Service	-	-	-	-	17,000
Capital Outlay	-	-	1,090,000	42,905	1,160,000
Contingency	-	-	-	-	-
Account Payable Adjustment	342,844	356,626	377,800	312,506	386,800
	<u>2,553,442</u>	<u>3,841,767</u>	<u>3,832,797</u>	<u>1,986,762</u>	<u>4,047,950</u>
<b>Personal Services</b>					
110	1,016,744	1,596,682	1,078,082	761,356	1,112,508
112	1,566	1,648	1,677	1,324	1,744
120	82,547	242,711	99,982	79,798	103,641
140	392,101	584,192	429,821	311,437	451,270
146	-	-	344,000	150,685	347,402
190	32,648	52,445	25,000	27,026	30,000
<b>Materials and Services</b>					
210	3,886	6,240	3,000	1,827	3,000
220	75,137	73,254	70,700	49,648	101,000
230	59,320	80,763	69,800	37,965	72,000
310	3,403	4,040	500	1,170	3,350
330	5,525	6,103	4,770	4,200	5,900
340	35,205	55,210	46,600	40,422	50,500
350	23,136	32,994	28,300	11,969	34,800
360	48,085	34,272	21,900	36,527	23,100
370	10,686	13,859	6,600	2,001	7,100
380	454	12,294	17,750	8,054	19,320
390	1,146	20,859	22,000	16,965	23,000
510	51,952	80,960	60,515	60,513	60,515
880	35,497	49,529	34,000	27,951	34,000
<b>Debt Service</b>			-	-	17,000
<b>Accounts Payable Adjustments</b>					
810	107,916	109,752	125,000	124,147	135,000
811	220,872	230,507	231,000	177,805	231,000
812	14,056	15,054	17,000	7,275	16,000
813	-	-	4,800	3,279	4,800
<b>Capital Outlay</b>					
920	-	-	-	-	-
940	-	-	1,090,000	42,905	1,160,000
<b>Contingency</b>					
960	-	-	-	-	-
<b>Total</b>	<b>2,221,882</b>	<b>3,303,367</b>	<b>3,832,797</b>	<b>1,986,249</b>	<b>4,047,950</b>

## Purpose

The Building Code Program Fund provides budget authority to administer the City's Building Code Program and also contract Building Code services for the City of Columbia Falls. Administration of the Building Codes Program is provided by the Planning and Building Department.

## FY 2014 Objectives

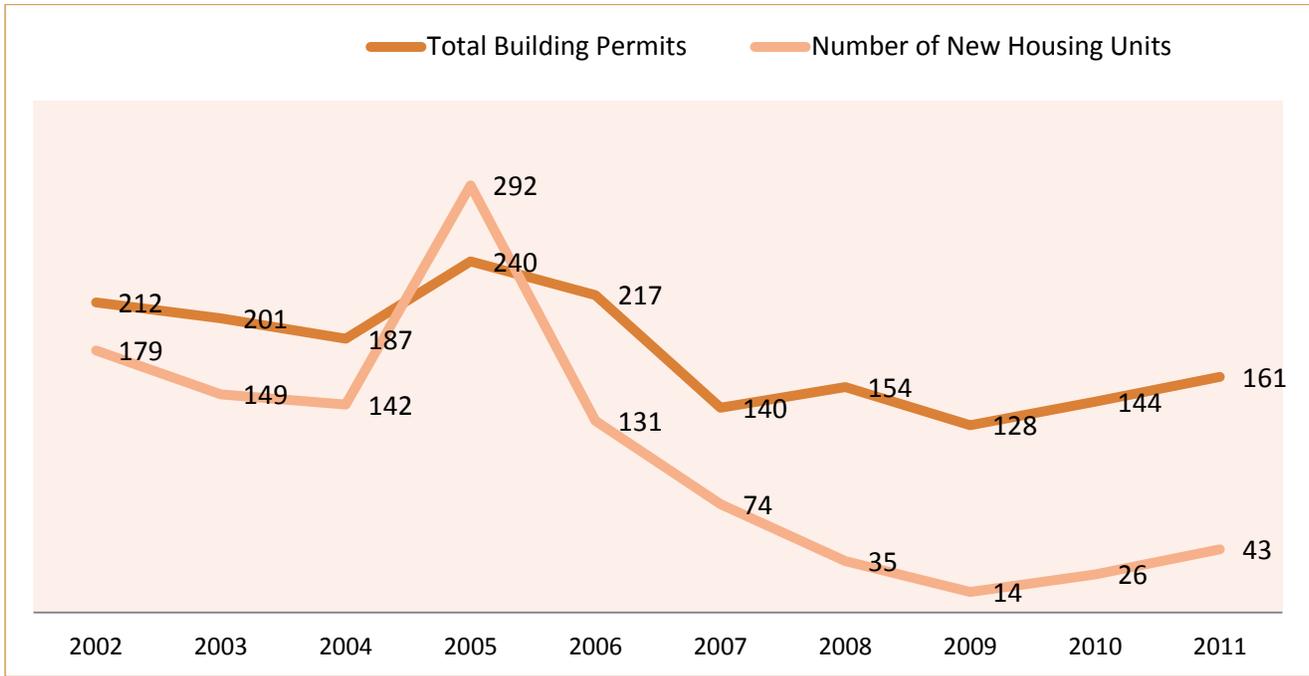
The objective of the Building Code Program Fund for this fiscal year is to promote dependable and safe buildings and structures through the implementation and enforcement of the International Building Code, International Plumbing Code, International Mechanical Code, and National Electric Code within the City of Whitefish.

The City had to lay off one building inspector in FY09 and one in FY10 because of greatly reduced building permit activity and revenues. In addition, the City had to lay of a Permit Tech in FY10. The City General Fund lent a total of \$460,978 to the Building Code program in FY09, FY10, and FY11 until such time as building activity and building permit revenues rebound.

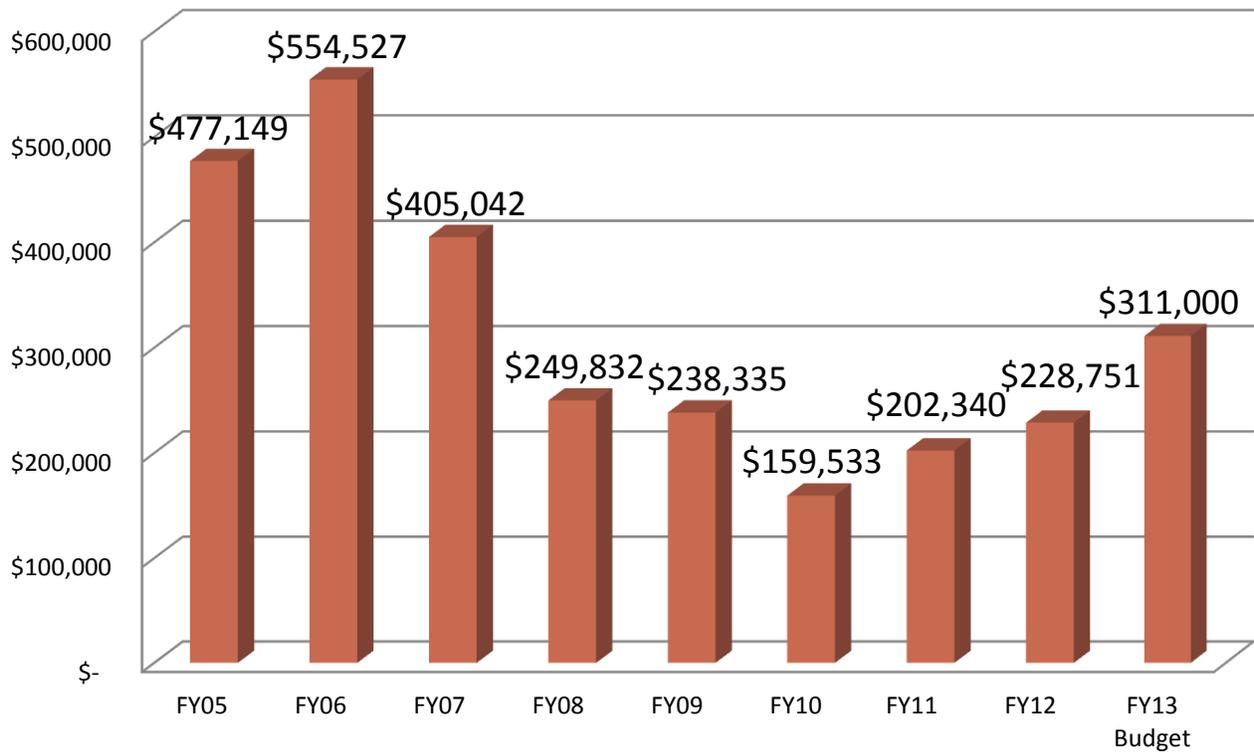
The FY 2013 budget added a new Building Inspector/Code Enforcement officer—60% paid from the Building Fund and 40% from the planning division of the General Fund. The justification was an increased workload, increased building activity, including revenue generated by the new high school. The FY 2014 budget proposes a continuation of increased building activity.

Significant or changed appropriations during FY14 are:

Item/Project	Amount
<b>Revenue Changes</b>	
<b>Expenditure Changes</b>	



### Building Codes - Licenses & Permits Yearly Totals



## Building Code Fund - 2394

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Licenses and Permits</b>					
Plan Review Fee	71,000	86,610	112,000	102,817	111,500
Building Permits	82,500	84,145	123,000	101,980	122,500
Electrical Permits	20,500	27,428	35,000	25,596	35,000
Plumbing Permits	9,508	13,434	12,000	17,236	12,000
Mechanical Permits	11,581	17,136	29,000	16,147	29,000
	<b>\$ 195,089</b>	<b>\$ 228,753</b>	<b>\$ 311,000</b>	<b>\$ 263,776</b>	<b>\$ 310,000</b>
<b>Charges for Services</b>					
Col. Falls Building Codes Contract	20,241	36,835	26,000	28,175	30,000
	<b>\$ 20,241</b>	<b>\$ 36,835</b>	<b>\$ 26,000</b>	<b>\$ 28,175</b>	<b>\$ 30,000</b>
<b>Miscellaneous Revenue</b>					
Miscellaneous Revenue	13,945	1,232	1,500	594	1,500
	<b>\$ 13,945</b>	<b>\$ 1,232</b>	<b>\$ 1,500</b>	<b>\$ 594</b>	<b>\$ 1,500</b>
<b>Other Financing Sources</b>					
Interfund Loan from General Fund	29,405		-		-
	<b>\$ 29,405</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>
<b>Total Fund Revenue</b>	<b>\$ 258,680</b>	<b>\$ 266,820</b>	<b>\$ 338,500</b>	<b>\$ 292,545</b>	<b>\$ 341,500</b>
<b>Beginning Available Cash</b>		<b>\$ -</b>	<b>\$ 961</b>		<b>\$ 961</b>
<b>Total Resources</b>		<b>\$ 266,820</b>	<b>\$ 339,461</b>		<b>\$ 342,461</b>

## Building Code Fund - 2394

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Construction Inspection</b>					
<b>Personal Services</b>					
Salaries	125,715	134,060	170,309	134,560	185,385
Overtime	45	166	-	113	205
Employer Contributions	52,038	57,375	78,151	61,826	83,620
	<b>\$ 179,972</b>	<b>\$ 191,601</b>	<b>\$ 248,460</b>	<b>\$ 196,499</b>	<b>\$ 269,210</b>
<b>Materials and Services</b>					
Office Supplies/Materials	1,041	740	2,000	1,559	2,000
Operating Supplies	3,874	1,821	2,000	966	3,000
Repair & Maintenance Supplies	3,453	4,575	6,000	3,839	6,000
Postage & Freight	370	389	350	190	350
Publicity/Subscriptions/Dues	1,155	1,316	1,300	1,718	1,800
Utility Services	5,458	5,763	5,300	4,439	5,300
Professional Services	5,430		2,900	1,211	2,900
Repair and Maintenance	1,375	3,443	2,100	844	2,100
Travel & Training	472	371	4,000	479	4,000
Insurance	8,440	7,207	5,703	5,785	5,703
Administrative Expense	4,935	5,018	6,000	4,190	6,000
	<b>\$ 36,276</b>	<b>\$ 30,643</b>	<b>\$ 37,653</b>	<b>\$ 25,220</b>	<b>\$ 39,153</b>
<b>Total Construction Inspection</b>	<b>\$ 216,248</b>	<b>\$ 222,244</b>	<b>\$ 286,113</b>	<b>\$ 221,719</b>	<b>\$ 308,363</b>
<b>Columbia Falls Building Codes</b>					
<b>Personal Services</b>					
Salaries	30,792	24,253	23,137	18,348	17,077
Employer Contributions	12,878	11,409	11,545	9,250	8,948
	<b>\$ 43,670</b>	<b>\$ 35,662</b>	<b>\$ 34,682</b>	<b>\$ 27,598</b>	<b>\$ 26,025</b>
<b>Materials and Services</b>					
Operating Supplies/Materials			400		400
Repair & Maintenance Supplies	2,048	2,691	1,900	2,718	1,900
Insurance	1,544	1,285	1,065	1,064	1,065
	<b>\$ 3,592</b>	<b>\$ 3,976</b>	<b>\$ 3,365</b>	<b>\$ 3,783</b>	<b>\$ 3,365</b>
<b>Total Columbia Falls Contract</b>	<b>\$ 47,262</b>	<b>\$ 39,638</b>	<b>\$ 38,047</b>	<b>\$ 31,381</b>	<b>\$ 29,390</b>
<b>Total Fund Expenditures</b>	<b>\$ 263,510</b>	<b>\$ 261,882</b>	<b>\$ 324,160</b>	<b>\$ 253,100</b>	<b>\$ 337,753</b>
<b>Ending Available Cash</b>		<b>\$ 4,938</b>	<b>\$ 15,301</b>		<b>\$ 4,708</b>
<b>Total Building Code Fund</b>		<b>\$ 266,820</b>	<b>\$ 339,461</b>		<b>\$ 342,461</b>

## Purpose

The purpose of the Parks, Recreation and Community Services Fund is to provide the budgetary authority necessary to maintain the parks, trails and property owned by the City, operate community facilities, provide recreational programs, and provide other beautification and community services as needed.

## FY 2014 Objectives

The objectives of the Parks, Recreation and Community Services Fund for this fiscal year are to

- (1) maintain and, where appropriate, operate various City facilities. These include the Stumptown Ice Den, Mountain Trails Park, Roy Duff Memorial Armory Center, Armory Park, Credit Union Park, City Hall building and grounds, City Beach, Soroptimist Park, Baker Park, Riverside Park, Creekwood Park, Grouse Mountain Park, Memorial Ball Park perimeter, Jack Zerr Fields, Canoe Park, Kay Beller Park, Crestwood Park, Riverwood Park, the Baker/Wisconsin Street Viaduct, S. Baker Avenue right-of-way, W. Edgewood Place right-of-way, property at 2nd and Spokane Avenue, Greenwood Drive property, Central Avenue Medium, and the grounds of the Whitefish Cultural Arts Center, Whitefish Library, and City Wastewater Plant. The Department also maintains the various sections of the Fish Trails” Bicycle and Pedestrian Trails System
- (2) provide a series of recreation programs and special events
- (3) provide maintenance for boulevard trees and pre-planting administration
- (4) maintain the Hwy. 93 right-of-way landscape, and provide weed spraying services on City property and right-of-ways as needed
- (5) provide other general beautification and community services as needed

Significant or changed appropriations during FY14 are:

Item/Project	Amount
Revenue Changes	
• Donation for Ice Rink Locker Upgrade	\$50,000
• Whitefish Trail Operating Endowment from Whitefish Legacy Partners	\$59,158
Expenditure Changes	
• Whitefish Trail Maint-New account to track city expenses to maint WF Trail	\$59,158
• Capital Expense-Parks & Prop – Leaf Blower	\$5,500
• Capital Expense-Parks & Prop – used 1 ton plow truck	\$40,000
• Capital Expense-Ice Rink Locker Upgrade (donation offset)	\$55,000
• Capital Expense-Ice Rink Flooring	\$10,000
• Capital Expense-Ice Rink New Boiler	\$15,000

# Parks and Recreation Fund Revenue - 2210

5/3/2013

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Licenses and Permits</b>					
Alcohol Consumption Permit	470	490	500	220	500
	<b>\$ 470</b>	<b>\$ 490</b>	<b>\$ 500</b>	<b>\$ 220</b>	<b>\$ 500</b>
<b>Intergovernmental</b>					
Grants	59,759	750	22,000	5,162	5,750
	<b>\$ 59,759</b>	<b>\$ 750</b>	<b>\$ 22,000</b>	<b>\$ 5,162</b>	<b>\$ 5,750</b>
<b>Charges for Services</b>					
Beach Concessions	13,572	17,519	18,500	14,996	18,500
Beach Gazebo Rental	1,473	2,100	2,150	1,360	2,150
Boat Launch Passes	4,342	6,245	7,500	4,815	7,000
Beach Flootation Rentals	1,185	2,615	3,000	2,140	4,000
Hockey Tournaments	28,755	28,121	37,500	30,805	40,000
Ice Rink Admissions	50,212	46,449	55,000	42,994	50,000
Ice Rink Advertising	10,225	10,175	12,500	10,950	22,200
Ice Rink Concessions	25,379	23,670	35,000	21,841	30,000
Ice Rink Pro Shop	19,574	26,278	27,000	22,084	27,000
Ice Rink Rentals	89,486	113,619	129,000	97,001	129,000
Ice Rink Season Passes	30,112	26,799	35,000	27,402	32,000
Ice Skating Lessons	16,194	8,610	19,000	11,284	17,000
After School Program	31,742	38,693	70,680	40,897	82,950
Summer Day Camp	83,875	82,521	109,325	30,623	86,505
Adult Programs	14,091	11,149	24,635	3,686	13,900
Youth Programs	16,671	25,490	44,920	13,766	35,990
Special Events	3,558	4,650	7,000	1,465	7,000
Saddle Club Rental	1,480	2,017	2,500	1,110	2,500
Armory Rental	2,519	7,856	7,000	9,678	8,000
Facility Usage Revenue	2,804	1,850	1,900	5,345	2,400
	<b>\$ 447,249</b>	<b>\$ 486,426</b>	<b>\$ 649,110</b>	<b>\$ 394,243</b>	<b>\$ 618,095</b>
<b>Miscellaneous Revenue</b>					
Miscellaneous Revenue	218	6,525	3,000	20,362	5,000
Program Guide Revenue	11,585	20,221	20,000	5,910	10,000
Greenways & PrkInd Assessmnt	189,539	187,611	180,000	135,036	190,000
P&I Special Assessmnts	2,090	1,721	1,000	1,092	1,000
Contributions & Donations	9,281	3,480	2,000	1,200	71,000
WF Trail Operating Endowment				12,703	59,158
	<b>\$ 212,713</b>	<b>\$ 219,558</b>	<b>\$ 206,000</b>	<b>\$ 163,600</b>	<b>\$ 336,158</b>
<b>Other Financing Sources</b>					
Op. Transfer from Gen. Fund	413,984	478,928	472,000	354,000	603,000
Loan Proceeds			140,000	<b>\$ 69,599</b>	-
	<b>\$ 413,984</b>	<b>\$ 478,928</b>	<b>\$ 612,000</b>	<b>\$ 423,599</b>	<b>\$ 603,000</b>
<b>Total Fund Revenue</b>	<b>\$ 1,134,175</b>	<b>\$ 1,186,152</b>	<b>\$ 1,489,610</b>	<b>\$ 986,824</b>	<b>\$ 1,563,503</b>
<b>Beginning Available Cash</b>		<b>\$ 45</b>	<b>\$ 640</b>		<b>\$ 640</b>
<b>Total Resources</b>		<b>\$ 1,186,197</b>	<b>\$ 1,490,250</b>		<b>\$ 1,564,142</b>

# Parks & Recreation Fund - 2210

5/3/2013

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Bicycle Path Maint. Program</b>					
<b>Personal Services</b>					
Salaries	11,561	6,567	10,735	6,422	11,135
Part-time/Seasonal Wages	680	512	2,925	2,125	4,200
Employer Contributions	4,800	2,719	5,600	2,859	6,135
	<b>\$ 17,041</b>	<b>\$ 9,798</b>	<b>\$ 19,260</b>	<b>\$ 11,406</b>	<b>\$ 21,470</b>
<b>Materials and Services</b>					
Operating Supplies	2,738	3,656	3,000	3,158	3,500
Repair & Maintenance Supplies	4,067	6,659	9,000	3,773	5,000
Publicity/Subscriptions/Dues	467	331	100	43	100
Professional Services				5,314	
Repair & Maintenance Services	2,083	81	1,500		5,000
Insurance	664	748	500	483	500
Rent	2,575	2,652	2,575	2,732	2,575
	<b>\$ 12,594</b>	<b>\$ 14,127</b>	<b>\$ 16,675</b>	<b>\$ 15,503</b>	<b>\$ 16,675</b>
<b>Capital Outlay</b>					
Machinery & Equipment		-	-		-
		<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>
<b>Total Bicycle Path Maint.</b>	<b>\$ 29,635</b>	<b>\$ 23,925</b>	<b>\$ 35,935</b>	<b>\$ 26,909</b>	<b>\$ 38,145</b>
<b>Whitefish Trail Maintenance</b>					
<b>Personal Services</b>					
Salaries					3,557
Part-time/Seasonal Wages				4,000	21,815
Employer Contributions				1,000	6,786
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 32,158</b>
<b>Materials and Services</b>					
Operating Supplies					1,000
Repair & Maintenance Supplies					1,000
Publicity/Subscriptions/Dues					500
Repair & Maintenance Services					7,000
Travel & Training					500
Insurance					2,000
Rent					15,000
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ 27,000</b>
<b>Total Whitefish Trail Maint.</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 59,158</b>

# Parks & Recreation Fund - 2210

5/3/2013

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Parks &amp; Rec Administration</b>					
<b>Personal Services</b>					
Salaries	103,834	108,419	105,403	88,169	106,955
Seasonal	3,132	174		1,421	1,800
Permanent Part-Time	1,566	1,648	1,677	1,325	1,682
Employer Contributions	44,224	38,623	46,514	28,652	46,953
	<b>\$ 152,764</b>	<b>\$ 148,871</b>	<b>\$ 153,594</b>	<b>\$ 119,568</b>	<b>\$ 157,390</b>
<b>Materials and Services</b>					
Office Supplies/Materials	2,208	2,539	2,250	3,077	2,250
Operating Supplies	4,337	2,465	2,750	1,772	2,750
Repair & Maintenance Supplies	177	467	250	1,483	1,000
Postage & Freight	1,104	710	1,200	2,685	1,200
Printing	248	50	300		300
Publicity/Subscriptions/Dues	2,527	1,796	1,200	2,247	2,000
Utility Services	5,464	5,088	3,750	2,706	3,750
Professional Services	11,715		1,000	9	1,000
Repair & Maintenance Services	1,047	1,188	750	2,460	1,500
Travel & Training	393	415	1,000	1,786	1,000
Other Purchased Services	5,881	19,079	15,000	7,216	8,000
Contract Services	916		1,000	769	1,000
Insurance	4,039	4,264	4,550	5,273	4,860
Administrative Expense	9,824	9,506	10,000	7,524	10,000
	<b>\$ 49,880</b>	<b>\$ 47,567</b>	<b>\$ 45,000</b>	<b>\$ 39,005</b>	<b>\$ 40,610</b>
<b>Total Parks and Rec Admin</b>	<b>\$ 202,644</b>	<b>\$ 196,438</b>	<b>\$ 198,594</b>	<b>\$ 158,573</b>	<b>\$ 198,000</b>
<b>City Parks &amp; Properties</b>					
<b>Personal Services</b>					
Salaries	113,236	118,101	120,327	93,896	125,195
Part-time/Seasonal Wages	15,756	28,508	26,160	21,314	55,660
Overtime			1,000	112	1,000
Employer Contributions	49,555	52,635	62,757	44,200	72,812
	<b>\$ 178,547</b>	<b>\$ 199,244</b>	<b>\$ 210,244</b>	<b>\$ 159,522</b>	<b>\$ 254,667</b>
<b>Materials and Services</b>					
Office Supplies/Materials	424	548	500	370	500
Operating Supplies	17,711	15,190	12,000	8,140	12,000
Repair & Maintenance Supplies	31,184	35,989	35,100	28,906	41,505
Postage & Freight	29	47	150	27	150
Printing	94	361	150		150
Publicity/Subscriptions/Dues	395	447	350	1,040	350
Utility Services	33,166	33,874	36,000	36,063	40,000
Professional Services			500	150	500
Repair & Maintenance Services	26,171	10,047	15,000	19,739	15,000
Travel & Training	60	1,221	1,500	695	6,000
Other Purchased Services	4,566	6,276	5,000	4,886	6,000
Insurance	10,889	10,445	11,340	15,090	12,000
Rent/Lease Expense	1,200	1,236	2,475	1,678	2,600
	<b>\$ 125,889</b>	<b>\$ 115,681</b>	<b>\$ 120,065</b>	<b>\$ 116,783</b>	<b>\$ 136,755</b>
<b>Capital Outlay</b>					
Machinery & Equipment	12,000		27,500	25,335	40,000
	<b>\$ 12,000</b>	<b>\$ -</b>	<b>\$ 27,500</b>	<b>\$ 25,335</b>	<b>\$ 40,000</b>
<b>Total City Parks &amp; Properties</b>	<b>\$ 316,436</b>	<b>\$ 314,925</b>	<b>\$ 357,809</b>	<b>\$ 301,640</b>	<b>\$ 431,422</b>

# Parks & Recreation Fund - 2210

5/3/2013

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Urban Forestry Program</b>					
<b>Personal Services</b>					
Part-time/Seasonal Wages	703	1,180	2,400	2,727	10,920
Employer Contributions	143	184	525	602	2,295
	<b>\$ 846</b>	<b>\$ 1,364</b>	<b>\$ 2,925</b>	<b>\$ 3,329</b>	<b>\$ 13,215</b>
<b>Materials and Services</b>					
Operating Supplies	3,358	1,763	5,250	2,136	8,000
Repair & Maintenance Supplies	3,079	723	2,000	1,119	2,000
Utility Services			1,000		1,000
Professional Services			500	11,040	500
Repair & Maintenance Services	3,058	1,579	3,250	1,649	10,000
Other Purchased Services	500	140	500		500
Contract Services	58,353	250	16,000	2,740	
Insurance		35	40	40	50
	<b>\$ 68,363</b>	<b>\$ 4,490</b>	<b>\$ 28,540</b>	<b>\$ 18,725</b>	<b>\$ 22,050</b>
<b>Total Urban Forestry</b>	<b>\$ 69,209</b>	<b>\$ 5,854</b>	<b>\$ 31,465</b>	<b>\$ 22,054</b>	<b>\$ 35,265</b>
<b>After School Program</b>					
<b>Personal Services</b>					
Salaries	3,680	2,971	12,074	2,811	21,316
Part-time/Seasonal Wages	4,801	14,745	17,258	19,491	20,142
Employer Contributions	2,055	3,803	8,650	4,358	19,055
	<b>\$ 10,536</b>	<b>\$ 21,519</b>	<b>\$ 37,982</b>	<b>\$ 26,660</b>	<b>\$ 60,513</b>
<b>Materials and Services</b>					
Operating Supplies	1,807	6,583	7,605	3,709	6,988
Communication & Transportation		16	323		2,946
Printing		53	538		-
Publicity/Subscriptions/Dues	47	150	538		538
Repair and Maintenance Services			323		108
Contract Services	4,282	7,675	18,640	2,646	7,869
Insurance	329	337	717	717	500
	<b>\$ 6,465</b>	<b>\$ 14,814</b>	<b>\$ 28,684</b>	<b>\$ 7,072</b>	<b>\$ 18,949</b>
<b>Total After School Program</b>	<b>\$ 17,001</b>	<b>\$ 36,333</b>	<b>\$ 66,666</b>	<b>\$ 33,731</b>	<b>\$ 79,462</b>

# Parks & Recreation Fund - 2210

5/3/2013

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Armory Facility</b>					
<b>Personal Services</b>					
Salaries	8,029	6,483	7,798	6,134	-
Employer Contributions	3,054	3,074	5,454	3,807	-
	<b>\$ 11,083</b>	<b>\$ 9,557</b>	<b>\$ 13,252</b>	<b>\$ 9,940</b>	<b>\$ -</b>
<b>Materials and Services</b>					
Office Materials and Supplies	760	285	150		150
Operating Supplies	1,841	5,210	2,200	1,719	2,200
Repair & Maintenance Supplies	712	1,771	1,500	2,575	2,000
Publicity/Subscriptions/Dues			150		150
Utility Services	10,284	10,607	11,000	10,933	12,000
Repair & Maintenance Services	1,551	1,913	3,000	567	3,000
Travel and Training	165		500		500
Insurance	1,562	1,605	1,370	1,368	1,400
Special Assessments	479	479	280	479	500
	<b>\$ 17,354</b>	<b>\$ 21,870</b>	<b>\$ 20,150</b>	<b>\$ 17,641</b>	<b>\$ 21,900</b>
<b>Total Armory Facility</b>	<b>\$ 28,437</b>	<b>\$ 31,427</b>	<b>\$ 33,402</b>	<b>\$ 27,581</b>	<b>\$ 21,900</b>
<b>City Beach</b>					
<b>Personal Services</b>					
Salaries and Wages	9,422	9,917	10,093	7,958	10,504
P.T./Seasonal Lifeguard Wages	13,621	16,744	19,000	14,314	19,000
P.T./Seasonal Concession Wages	7,578	9,880	12,000	7,514	12,000
Employer Contributions	7,495	8,166	8,992	6,913	9,359
	<b>\$ 38,148</b>	<b>\$ 44,725</b>	<b>\$ 50,085</b>	<b>\$ 36,699</b>	<b>\$ 50,863</b>
<b>Materials and Services</b>					
Office Materials and Supplies	26	72	250	114	250
Operating Supplies	3,767	5,340	5,100	5,001	5,300
Concessions	8,990	9,112	10,900	8,038	10,900
Repair & Maintenance Supplies	2,822	11,044	4,100	7,174	5,000
Postage & Freight			50		50
Printing, Duplicating, Typing			150		150
Publicity, Subscriptions & Dues	85	110	350	85	350
Utility Services	5,612	7,618	6,500	5,837	6,500
Professional Services	400		500		500
Repair & Maintenance Services	3,822	4,195	8,500	8,578	10,500
Travel and Training			550		550
Other Purchased Services	89	433	500	480	500
Insurance	1,572	1,629	1,790	1,789	1,970
Special Assessments	81	81	80	81	80
	<b>\$ 27,266</b>	<b>\$ 39,634</b>	<b>\$ 39,320</b>	<b>\$ 37,177</b>	<b>\$ 42,600</b>
<b>Total City Beach</b>	<b>\$ 65,414</b>	<b>\$ 84,359</b>	<b>\$ 89,405</b>	<b>\$ 73,876</b>	<b>\$ 93,463</b>

# Parks & Recreation Fund - 2210

5/3/2013

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Community Ice Rink Pavilion</b>					
<b>Personal Services</b>					
Salaries and Wages	28,267	29,750	30,280	23,874	31,513
Temporary/Seasonal Wages	48,431	66,973	56,400	62,169	60,000
Part-time wages - LTS Instructors	4,312	5,636	6,200	3,556	6,200
Part-time wages - Concessions	28,682	24,561	21,500	22,557	25,000
Employer Contributions	27,558	29,950	31,875	26,353	31,777
	<b>\$ 137,250</b>	<b>\$ 158,115</b>	<b>\$ 146,254</b>	<b>\$ 138,509</b>	<b>\$ 154,490</b>
<b>Materials and Services</b>					
Office Materials and Supplies	703	307	900	616	1,100
Operating Supplies	15,059	22,799	24,000	16,362	24,000
Concessions	25,551	27,105	23,075	23,404	26,500
Repair & Maintenance Supplies	6,759	13,525	12,000	15,406	13,000
Printing, Duplicating, Typing	513		650	636	650
Public Notices/Subscriptions	4,023	1,924	2,000	3,605	2,000
Utility Services	76,300	86,106	80,000	65,963	80,000
Professional Services		6,097	250		250
Repair & Maintenance Services	7,355	24,792	15,000	16,683	15,000
Travel and Training	388		2,500	358	2,500
Other Purchased Services	6,999	6,078	6,800	8,867	6,000
Insurance	11,247	8,181	8,475	8,474	8,475
	<b>\$ 154,897</b>	<b>\$ 196,914</b>	<b>\$ 175,650</b>	<b>\$ 160,374</b>	<b>\$ 179,475</b>
<b>Debt Service</b>			<b>\$ 15,000</b>	<b>\$ 7,202</b>	<b>\$ 30,000</b>
<b>Capital Outlay</b>					
Building Improvements			10,000	26,648	65,000
Machinery & Equipment			140,000	8,026	15,000
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,000</b>	<b>\$ 34,674</b>	<b>\$ 80,000</b>
<b>Total Ice Rink Pavilion</b>	<b>\$ 292,147</b>	<b>\$ 355,029</b>	<b>\$ 486,904</b>	<b>\$ 340,759</b>	<b>\$ 443,965</b>

# Parks & Recreation Fund - 2210

5/3/2013

<b>Expenditures</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Saddle Club Rental</b>					
<b>Materials and Services</b>					
Operating Supplies	15	58	250	171	250
Repair & Maintenance Supplies	126	713	200		700
Utility Services	2,752	3,719	3,500	2,808	4,250
Insurance			50		100
Special Assessments			100		100
<b>Total Saddle Club Rental</b>	<b>\$ 2,893</b>	<b>\$ 4,490</b>	<b>\$ 4,100</b>	<b>\$ 2,979</b>	<b>\$ 5,400</b>
<b>Special Events</b>					
<b>Materials and Services</b>					
Operating Supplies	81	640	500		500
Contract Services			6,500		6,500
<b>Total Special Events</b>	<b>\$ 81</b>	<b>\$ 640</b>	<b>\$ 7,000</b>	<b>\$ -</b>	<b>\$ 7,000</b>
<b>Adult Programs</b>					
<b>Personal Services</b>					
Salaries and Wages	3,680	2,971	3,574	2,811	677
Temporary/Seasonal Wages	7,057	7,863	6,443	2,368	4,300
Employer Contributions	2,377	2,718	3,300	1,864	1,335
	<b>\$ 13,114</b>	<b>\$ 13,552</b>	<b>\$ 13,317</b>	<b>\$ 7,043</b>	<b>\$ 6,312</b>
<b>Materials and Services</b>					
Operating Supplies	2,350	2,217	4,842	1,384	3,872
Communication & Transportation			277		90
Printing	3		215		161
Publicity/Subscriptions/Dues		150	985		823
Contract Services	1,780	3,894	2,223	1,265	2,223
	<b>\$ 4,133</b>	<b>\$ 6,261</b>	<b>\$ 8,542</b>	<b>\$ 2,649</b>	<b>\$ 7,169</b>
<b>Total Adult Programs</b>	<b>\$ 17,247</b>	<b>\$ 19,813</b>	<b>\$ 21,859</b>	<b>\$ 9,692</b>	<b>\$ 13,481</b>

# Parks & Recreation Fund - 2210

5/3/2013

<b>Expenditures</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Youth Programs</b>					
<b>Personal Services</b>					
Salaries and Wages	9,033	7,293	8,772	6,900	3,722
Temporary/Seasonal Wages	4,265	4,620	7,204	7,218	9,010
Employer Contributions	4,056	4,193	6,136	5,222	4,413
	<b>\$ 17,354</b>	<b>\$ 16,106</b>	<b>\$ 22,112</b>	<b>\$ 19,340</b>	<b>\$ 17,145</b>
<b>Materials and Services</b>					
Operating Supplies	2,146	2,078	7,319	2,073	8,163
Contract Services	2,337	755	12,900	8,786	10,204
Insurance	637	510	520	518	520
	<b>\$ 5,120</b>	<b>\$ 3,343</b>	<b>\$ 20,739</b>	<b>\$ 11,377</b>	<b>\$ 18,887</b>
<b>Total Youth Programs</b>	<b>\$ 22,474</b>	<b>\$ 19,449</b>	<b>\$ 42,851</b>	<b>\$ 30,717</b>	<b>\$ 36,032</b>
<b>Summer Camp</b>					
<b>Personal Services</b>					
Salaries and Wages	9,033	7,293	8,772	6,900	8,120
Temporary/Seasonal Wages	29,463	35,492	40,694	22,229	35,357
Employer Contributions	7,903	8,987	13,396	7,454	12,768
	<b>\$ 46,399</b>	<b>\$ 51,772</b>	<b>\$ 62,862</b>	<b>\$ 36,583</b>	<b>\$ 56,245</b>
<b>Materials and Services</b>					
Operating Supplies	3,091	5,031	5,006	3,814	4,408
Communication & Transportation			430		688
Printing	525		1,075	658	
Publicity/Subscriptions/Dues		366	538		538
Repair and Maintenance Services			323		323
Contract Services	18,970	18,215	27,632	20,582	25,650
Insurance	1,426	1,905	2,320	2,320	2,320
	<b>\$ 22,586</b>	<b>\$ 25,517</b>	<b>\$ 37,324</b>	<b>\$ 27,374</b>	<b>\$ 33,927</b>
<b>Total Summer Camp</b>	<b>\$ 68,984</b>	<b>\$ 77,289</b>	<b>\$ 100,186</b>	<b>\$ 63,957</b>	<b>\$ 90,172</b>
<b>Operating Contingency</b>	<b>\$ -</b>		<b>\$ 10,000</b>		<b>\$ 10,000</b>
<b>Total Expenditures</b>	<b>\$ 1,132,603</b>	<b>\$ 1,169,971</b>	<b>\$ 1,486,176</b>	<b>\$ 1,097,469</b>	<b>\$ 1,562,865</b>
<b>Ending Available Cash</b>		<b>\$ 640</b>	<b>\$ 4,074</b>		<b>\$ 1,278</b>
<b>Total Parks &amp; Recreation Fund</b>	<b>\$ 1,132,603</b>	<b>\$ 1,170,611</b>	<b>\$ 1,490,250</b>		<b>\$ 1,564,142</b>

# Parks & Recreation Fund - 2210

5/3/2013

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Total Parks and Rec Fund</b>					
Personal Services	623,082	674,623	731,887	573,599	824,468
Materials and Services	497,521	495,348	551,789	456,659	578,397
Debt Service	-	-	15,000	7,202	30,000
Capital Outlay	12,000	-	177,500	60,009	120,000
	<b>\$ 1,132,603</b>	<b>\$ 1,169,971</b>	<b>\$ 1,486,176</b>	<b>\$ 1,097,469</b>	<b>\$ 1,562,865</b>
<b>Personal Services</b>					
110	299,775	299,765	317,828	245,875	322,694
111	111,156	159,893	159,484	145,062	223,204
112	1,566	1,648	1,677	1,325	1,682
114	54,193	56,821	58,700	47,941	62,200
120	40	1,270	1,000	112	1,000
140	153,220	155,052	193,198	133,284	213,688
<b>Materials and Services</b>					
210	4,121	3,751	4,050	4,177	4,250
220	58,301	73,030	79,822	49,438	82,931
223	34,541	36,217	33,975	31,442	37,400
230	48,926	70,891	64,150	60,436	71,205
310	1,133	773	2,430	2,712	5,124
320	1,383	464	3,078	1,294	1,411
330	7,544	5,274	6,211	7,020	7,349
340	133,578	147,012	141,750	124,310	147,500
350	12,115	6,097	2,750	16,513	2,750
360	45,087	43,795	47,646	49,676	67,431
370	1,006	1,636	6,050	2,839	11,050
390	18,035	32,006	27,800	21,449	21,000
397	86,638	30,789	84,895	36,789	53,446
510	30,939	27,754	31,672	36,071	34,695
530	3,775	3,888	5,050	4,410	20,175
540	560	560	460	560	680
880	9,824	9,506	10,000	7,524	10,000
<b>Contingency</b>					
	-	-	10,000	-	10,000
<b>Debt Service</b>					
	-	-	15,000	7,202	30,000
<b>Capital Outlay</b>					
930	-	-	10,000	26,648	65,000
940	-	-	167,500	33,361	55,000

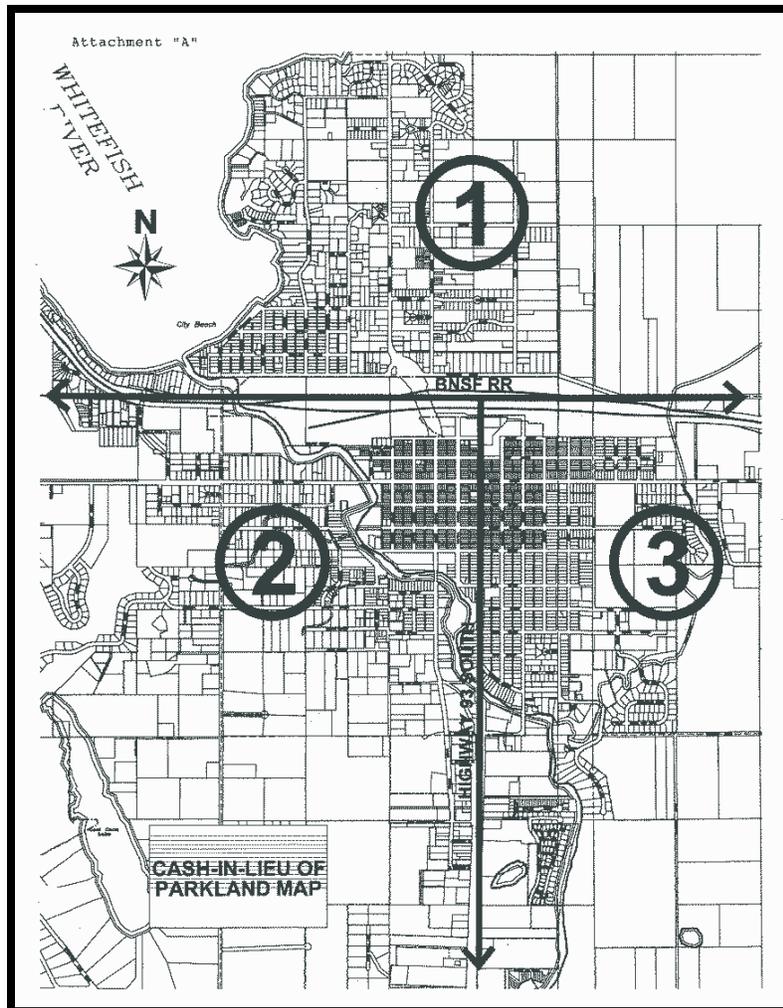
## Purpose

The Parkland Acquisition and Development Fund is a capital fund designed to accommodate the purchase of parkland and enable park improvement projects funded through contributions, grants, and payments made in lieu of park land dedication requirements.

Authority for the Parkland Acquisition and Development Fund derives in the Montana Subdivision and Platting Act, specifically Section 76-3-621 (5) MCA. In order to comply with the proximity requirements of the law, the City has designated three quadrants in the City where the funds are spent—Resolution 07-10.

## FY 2014 Objectives

The objective of this fund is to track and spend monies for the purchase of parkland and park improvements.



# Parkland Acquisition & Development - 2990

5/3/2013

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Licenses &amp; Permits</b>					
Other Misc Permits		44,850			
<b>Intergovernmental</b>					
CTEP Project Grant		22,735	256,000		256,000
	\$ -	\$ 22,735	\$ 256,000		\$ 256,000
<b>Investment Earnings</b>					
Investment Earnings	1,921	1,015	900	241	900
	\$ 1,921	\$ 1,015	\$ 900	\$ 241	\$ 900
<b>Other Financing Sources</b>					
Proceeds From Cash In-lieu / Dist W	-	-	-		-
Proceeds From Cash In-lieu / Dist N	-	-	-		-
Transfer from Resort Tax			39,800		39,800
	\$ -	\$ -	\$ 39,800		\$ 39,800
<b>Total Fund Revenue</b>	<b>\$ 1,921</b>	<b>\$ 68,600</b>	<b>\$ 296,700</b>		<b>\$ 296,700</b>
<b>Operating Cash</b>					
		\$ 112,267	\$ 92,383		\$ 92,700
Cash - District West			\$ 2,323		\$ 2,335
Cash - District North			\$ 19,926		\$ 19,985
<b>Total Resources</b>	<b>\$ 1,921</b>		<b>\$ 411,332</b>		<b>\$ 411,720</b>
Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Materials and Services</b>					
Professional Services	4,953	5,548	6,000		6,000
Repair & Maintenance Services	10,548	28,001	16,483		16,483
	\$ 15,501	\$ 33,549	\$ 22,483		\$ 22,483
<b>Capital Outlay</b>					
Buildings	-		70,000		70,000
Park Improvements	7,132	5,111			
Trail Improvements	1,050	1,037	296,600		296,600
	\$ 8,182	\$ 6,148	\$ 366,600		\$ 366,600
<b>Total Expenditures</b>	<b>\$ 23,683</b>	<b>\$ 39,697</b>	<b>\$ 389,083</b>		<b>\$ 389,083</b>
<b>Operating Cash</b>					
	\$ (21,761)	\$ 92,383	\$ (0)		\$ 317
Cash - District West		\$ 2,323	\$ 2,323		\$ 2,335
Cash - District North		\$ 19,926	\$ 19,926		\$ 19,985
<b>Total Park Acquisition Fund</b>	<b>\$ 1,921</b>	<b>\$ 132,080</b>	<b>\$ 411,332</b>		<b>\$ 411,720</b>

## Whitefish Trail Construction - 4540

<b>Revenues</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Intergovernmental</b>					
Grants					100,000
					<b>\$ 100,000</b>
<b>Investment Earnings</b>					
Investment Earnings					1,500
					<b>\$ 1,500</b>
<b>Total Fund Revenue</b>					<b>\$ 101,500</b>
<b>Beginning Available Cash</b>					<b>\$ 310,000</b>
<b>Total Resources</b>					<b>\$ 411,500</b>
<b>Expenditures</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Capital Outlay</b>					
Trail Construction					400,000
					<b>\$ 400,000</b>
<b>Operating Contingency</b>					
Operating Contingency					11,500
					<b>\$ 11,500</b>
<b>Total Expenditures</b>					<b>\$ 411,500</b>
<b>Ending Available Cash</b>					<b>\$ -</b>
<b>Total WF Construction Fund</b>					<b>\$ 411,500</b>

## Purpose

The resort tax is authorized by Section 7-6-1501 MCA and was originally approved by Whitefish voters on November 7, 1995 by a 56%-44% vote. The resort tax was approved for a 20 year term beginning January 1, 1996. At the November 2, 2004 City election, the voters approved an extension of the resort tax until January 31, 2025 by a margin of 2012 to 632. **Whitefish's** resort tax is a 2% tax on the retail sale of lodging, restaurant and prepared food, alcoholic beverages, ski resort goods and services, and defined luxury items. Whitefish voters allocated the use of the resort tax as follows:

- A. *Property tax reduction for taxpayers residing in the city in an amount equal to twenty five percent (25%) of the resort tax revenues derived during the preceding fiscal year;*
- B. *Provision for the repair and improvement of existing streets, storm sewers, all underground utilities, sidewalks, curbs and gutters, in an amount equal to sixty five percent (65%) of resort tax revenues derived during the preceding fiscal year;*
- C. *Bicycle paths and other park capital improvements in an amount equal to five percent (5%) of the resort tax revenues derived during the preceding fiscal year;*
- D. *Cost of administering the resort tax in an amount equal to five percent (5%) per year.*

## FY 2014 Objectives

Specific projects appropriated during FY14 are shown below. Additional funds are appropriated in case of cost increases or if other projects are approved during the year.

Item/Project	Amount
Revenue Changes	
<ul style="list-style-type: none"> <li>● Increased tax collection projections from FY13 budget</li> </ul>	\$210,000
Expenditures	
<ul style="list-style-type: none"> <li>● 6th &amp; Geddes Projects &amp; E. 2<sup>nd</sup> Street remainder</li> </ul>	\$540,000
<ul style="list-style-type: none"> <li>● E 2<sup>nd</sup> Street undergrounding, scrubbing &amp; engineering (FY15 \$2.7million)</li> </ul>	\$400,000
<ul style="list-style-type: none"> <li>● Riverside Tennis Court Reconstruction</li> </ul>	\$210,000
<ul style="list-style-type: none"> <li>● Comprehensive Parks &amp; Rec Master Plan remainder</li> </ul>	\$10,000
<ul style="list-style-type: none"> <li>● Memorial Stadium Contribution \$50k in FY12 and \$25k in FY13 &amp; FY14</li> </ul>	\$25,000
<ul style="list-style-type: none"> <li>● Projected increase in Transfer for Property Tax Relief</li> </ul>	\$18,472
<ul style="list-style-type: none"> <li>● CTEP Match for Design of 2nd Street Trail</li> </ul>	\$39,800
<ul style="list-style-type: none"> <li>● Soroptimist and Memorial Park Equipment</li> </ul>	\$60,000

**Resort Tax projects funded since 1996:**

**STREETS:**

- Baker Avenue (2nd Street to River)
- Baker Avenue (River to 10th Street)
- Baker Avenue overlay (10th Street to 19th Street)
- 7th Street (Columbia Avenue to Pine Avenue)
- 7th Street (Pine Avenue to street terminus)
- 19th Street overlay (Baker Avenue to Hwy 93)
- Columbia Avenue (River to 7th Street)
- Columbia Avenue (2nd Street to 7th Street)
- Skyles Place (Wisconsin Avenue to Dakota Avenue)
- Lupfer Avenue (Entire length)
- Railway St. (Miles Avenue to O'Brien Avenue)
- Railway St. (Columbia Avenue to Somers Avenue)
- Somers Avenue (Railway Street to 2nd Street)
- Colorado Avenue (Edgewood Drive to Crestwood Court)
- Community-wide sidewalk replacement project - 84 blocks
- 6th St / Geddes-Baker Ave to 3rd Street-In progress
- Central Avenue-Railway to 3rd

**Future Projects:**

- 6th & Geddes-Complete construction
- East 2nd Street
- West 7th Street
- East Edgewood Place
- Karrow Avenue
- State Park Road

**PARKS:**

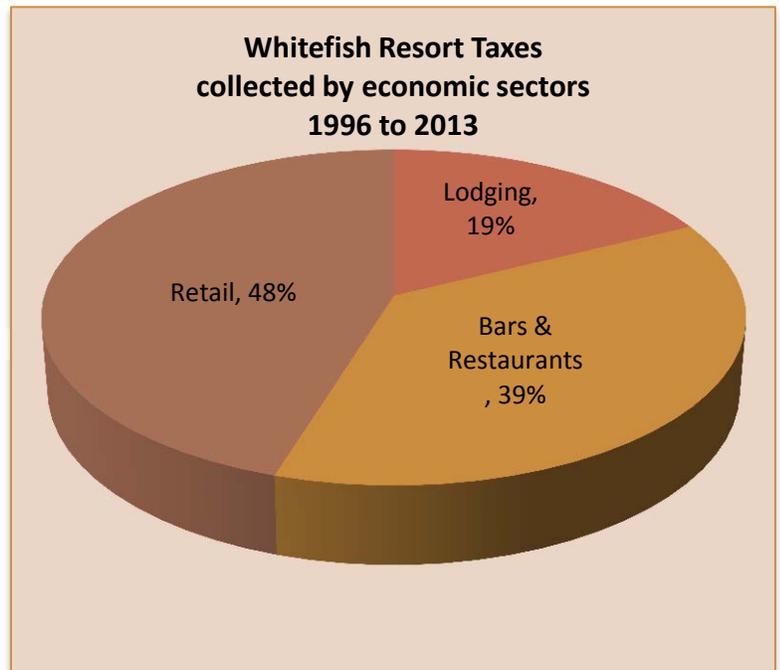
- Riverside Park Bike/Ped Path.
- Baker Street Park Bike/Ped Path.
- Grouse Mnt Park Tennis Court reconstruction.
- Riverside Park Tennis Court improvements.
- Kay Beller Park Construction.
- Memorial Park Basketball Court Resurfacing.
- Baker Park Bike/Ped Path.
- 2nd to Armory Trail
- East Edgewood Trail
- Rocksund/Monegan Trail
- Rocksund Footbridge
- Ice Den Signage
- Donation for New Baseball Stadium

**Future Projects:**

- Additional Donations for New Baseball Stadium
- Riverside Tennis Court Renovation
- Comprehensive Parks & Rec Master Plan
- Soroptimist and Memorial Park Equipment

**Resort Tax Expenditures (Inception through June 2012):**

Property tax relief since 1996:	\$ 5,867,695
Street improvements since 1996:	\$ 12,806,594
Park improvements since 1996:	\$ 736,185



# Resort Tax Fund - 2100

5/3/2013

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Taxes</b>					
Resort Taxes	1,680,394	1,819,283	1,720,000	1,720,363	1,930,000
	<b>\$ 1,680,394</b>	<b>\$ 1,819,283</b>	<b>\$ 1,720,000</b>	<b>\$ 1,720,363</b>	<b>\$ 1,930,000</b>
<b>Investment Earnings</b>					
Investment Earnings	37,616	21,542	15,000	4,230	6,000
	<b>\$ 30,000</b>	<b>\$ 21,542</b>	<b>\$ 15,000</b>	<b>\$ 4,230</b>	<b>\$ 6,000</b>
<b>Total Revenue</b>	<b>\$ 1,580,000</b>	<b>\$ 1,840,825</b>	<b>\$ 1,735,000</b>	<b>\$ 1,724,593</b>	<b>\$ 1,936,000</b>
<b>Beginning Cash-Rebate</b>	<b>\$ 460,574</b>	<b>\$ 553,708</b>	<b>\$ 598,007</b>		<b>\$ 616,479</b>
<b>Beginning Cash-Streets</b>	<b>\$ 1,786,400</b>	<b>\$ 1,493,523</b>	<b>\$ 1,411,436</b>		<b>\$ 1,411,436</b>
<b>Beginning Cash-Parks</b>	<b>\$ 310,000</b>	<b>\$ 368,678</b>	<b>\$ 413,538</b>		<b>\$ 413,538</b>
<b>Total Resources</b>		<b>\$ 4,256,734</b>	<b>\$ 4,157,981</b>		<b>\$ 4,377,453</b>
Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Capital Outlay</b>					
Street Improvements	1,398,325	1,253,815	2,000,000	1,531,559	2,000,000
Park Development	198	102,035	285,000	42,080	305,000
	<b>\$ 1,398,523</b>	<b>\$ 1,355,850</b>	<b>\$ 2,285,000</b>	<b>\$ 1,573,639</b>	<b>\$ 2,305,000</b>
<b>Other Financing Uses</b>					
Property Tax Relief Transfer	460,574	553,708	598,007	598,007	616,479
Transfer to Park Development Fund	-	-	39,800	-	39,800
	<b>\$ 460,574</b>	<b>\$ 553,708</b>	<b>\$ 637,807</b>	<b>\$ 598,007</b>	<b>\$ 656,279</b>
<b>Total Expenditures</b>	<b>\$ 1,859,097</b>	<b>\$ 1,909,558</b>	<b>\$ 2,922,807</b>	<b>\$ 2,171,646</b>	<b>\$ 2,961,279</b>
<b>Ending Cash - Rebate</b>	<b>\$ 415,698</b>	<b>\$ 598,007</b>	<b>\$ 456,479</b>		<b>\$ 509,362</b>
<b>Ending Cash - Streets</b>	<b>\$ 867,594</b>	<b>\$ 1,411,436</b>	<b>\$ 598,697</b>		<b>\$ 736,241</b>
<b>Ending Cash - Parks</b>	<b>\$ 231,108</b>	<b>\$ 413,538</b>	<b>\$ 179,999</b>		<b>\$ 170,572</b>
<b>Total Resort Tax Fund</b>	<b>\$ 3,373,497</b>	<b>\$ 4,332,539</b>	<b>\$ 4,157,981</b>		<b>\$ 4,377,453</b>

### Purpose

Section 7-15-4282 MCA authorizes the use of Tax Increment Financing for Urban Renewal purposes. Resolution 87-3, establishing the Whitefish Urban Renewal Plan, was adopted by the City Council on May 4, 1987. Resolution 87-16, establishing the tax increment provisions of the Urban Renewal Plan, was subsequently adopted by the City Council on July 6, 1987. In accordance with Section 7-15-4292 of the Montana Code, tax increment districts must be terminated 15 years after their creation or at a later date necessary to pay all bonds and related interest for which the tax increment has been pledged. Due to the City's issuance of tax increment bonds in 2000 and 2001, termination of the district is now projected to be July 15, 2020.

### FY 2014 Objectives

Significant or changed appropriations during FY14 are:

Item/Project	Amount
<b>Expenditures</b>	
• Downtown Master Plan (Professional Services) remainder	\$20,000
• Parking Structure Engineering (Professional Services)	\$40,000
• \$10k Hwy 93 S Corridor Study \$20k Hwy 93 W Study other half planning	\$30,000
• Funding for WHA for Railway District BNSF properties (Prof. Services)	\$50,000
• Business Rehab Loan Program (Contributions)	\$30,000
• Private Development Assistance (Contributions)	\$100,000
• Donation to High School (Grants)	\$750,000
• Downtown O Shaugnessy Restrooms (Buildings)	\$100,000
• Lighting Riverside Park trail (Urban Renewal Projects)	\$10,000
• Skye Park Bridge (Urban Renewal)	\$600,000
• Depot Park phase II (Urban Renewal)	\$400,000
• Way Finding Install (Urban Renewal)	\$10,000
• Chamber Trolley (Urban Renewal)	\$100,000
• Armory Floor Installation (Urban Renewal)	\$30,000
• Reroute Block 46 (Urban Renewal)	\$250,000

## Tax Increment District Fund - 2310

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Taxes</b>					
Real Property Taxes	3,867,955	3,820,628	4,084,596	2,965,942	4,280,000
Personal Property Taxes	119,064	117,044	120,000	100,382	120,000
Penalty and Interest	40,517	27,254	20,000	15,328	20,000
	<b>\$ 4,027,536</b>	<b>\$ 3,964,926</b>	<b>\$ 4,224,596</b>	<b>\$ 3,081,652</b>	<b>\$ 4,420,000</b>
<b>Intergovernmental</b>					
CTEP					140,000
Baucus Earmark for Trails-SAFETEA-LU			-		210,700
State Entitlement Share	164,660	148,194	148,194	85,662	148,194
	<b>\$ 164,660</b>	<b>\$ 148,194</b>	<b>\$ 148,194</b>	<b>\$ 85,662</b>	<b>\$ 498,894</b>
<b>Miscellaneous Revenue</b>					
Miscellaneous Revenue	125,677	8,423	-	2,186	-
Special Assessments	33,420	26,753	21,000	20,397	20,000
P & I Special Assessments	698	244		83	
Transfer from Impact Fees	1,700	1,264			
	<b>\$ 161,495</b>	<b>\$ 36,683</b>	<b>\$ 21,000</b>	<b>\$ 22,666</b>	<b>\$ 20,000</b>
<b>Total Revenue</b>	<b>\$ 4,353,691</b>	<b>\$ 4,149,803</b>	<b>\$ 4,393,790</b>	<b>\$ 3,189,980</b>	<b>\$ 4,938,894</b>
<b>Beginning Available Cash</b>		<b>\$ 1,986,742</b>	<b>\$ 2,361,820</b>		<b>\$ 1,090,000</b>
<b>Total Resources</b>	<b>\$ 4,353,691</b>	<b>\$ 6,136,546</b>	<b>\$ 6,755,610</b>		<b>\$ 6,028,894</b>

## Tax Increment District Fund - 2310

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Personal Services</b>					
Salaries	132,077	147,738	138,286	110,613	162,578
Part-Time Wages	7,705	4,943	5,030	3,973	1,744
Overtime	1,987	2,868	3,613	1,095	1,993
Employer Contributions	43,913	48,352	48,606	37,140	54,535
	<b>\$ 185,682</b>	<b>\$ 203,901</b>	<b>\$ 195,535</b>	<b>\$ 152,821</b>	<b>\$ 220,850</b>
<b>Materials and Services</b>					
Operating Supplies	392	681	2,000	58	2,000
Repair and Maintenance Services	908	17,754		2,135	
Professional Services	35,900	113,244	100,000	169,236	100,000
Repair and Maintenance Services	6,798	14,372		28,023	
Other Purchased Services	6,373	3,229	30,000	1,649	30,000
Insurance	6,629	5,657	6,385	6,384	6,385
Special Assessments	1,955	6,900			
Contributions		9,798	150,000	9,504	130,000
Grants	42,391		1,000,000	1,000,000	800,000
Administrative Expense	4,748	4,539	5,500	3,320	5,500
	<b>\$ 106,094</b>	<b>\$ 176,174</b>	<b>\$ 1,293,885</b>	<b>\$ 1,220,308</b>	<b>\$ 1,073,885</b>
<b>Intergovernmental Allocations</b>					
School District Residential Rebate	576,028	567,901	590,000	358,764	650,000
	<b>\$ 576,028</b>	<b>\$ 567,901</b>	<b>\$ 590,000</b>	<b>\$ 358,764</b>	<b>\$ 650,000</b>
<b>Transfers</b>					
Trans to ESC Construction	76,337	123,392	125,000	25,773	-
Transfer to TIF Debt Service Fund	1,720,360	1,779,659	1,778,000	1,789,836	1,796,986
Trans to City Hall Const. Res. Fund	250,000	250,000	250,000	250,000	250,000
	<b>\$ 2,046,697</b>	<b>\$ 2,153,051</b>	<b>\$ 2,153,000</b>	<b>\$ 2,065,610</b>	<b>\$ 2,046,986</b>
<b>Capital Outlay</b>					
Land		752,589	-		-
Buildings	11,856		100,000		100,000
Urban Renewal Projects		137,519	1,948,737	351,602	1,400,000
	<b>\$ 11,856</b>	<b>\$ 890,108</b>	<b>\$ 2,048,737</b>	<b>\$ 351,602</b>	<b>\$ 1,500,000</b>
<b>Contingency</b>			50,000		<b>\$ 200,000</b>
<b>Total Expenditures</b>	<b>\$ 2,926,357</b>	<b>\$ 3,991,136</b>	<b>\$ 6,331,157</b>	<b>\$ 4,149,106</b>	<b>\$ 5,691,721</b>
<b>Year end Available Cash</b>		2,361,820	424,453		<b>\$ 337,173</b>
<b>Total Fund</b>		<b>\$ 6,352,956</b>	<b>\$ 6,755,610</b>		<b>\$ 6,028,894</b>

## **Purpose**

The Tax Increment Debt Service Fund was established pursuant to resolutions related to the sale of the City's Series 2000, 2001 and 2004 Tax Increment Revenue Bonds. The resolutions specify that debt service requirements related to the bond issues be provided for through a special debt service fund. The resolutions also require the establishment of a bond reserve account, which has been provided for in this fund.

The City refinanced the Series 2000, 2001, and 2004 Bonds in order to lower its interest rates in July, 2009 as part of a new bond issue which provided funding of \$7,500,000 for the construction of the Emergency Services Center. The City received an A- and stable rating on the 2009 bond issue from Standard and Poor's. The true interest cost on the 2009 bonds is 4.23% compared to the 5.8% - 6.625% interest rate of the 2001 bonds, the 6% interest rate of the 2001 bonds, and the 5.1% interest rate of the 2004 bonds.

In April 2012, the city looked to see if a refinance of the construction portion of TIF bond would save money on interest costs through 2020. Due to call feature, the refinance didn't pencil out.

## **FY 2014 Objectives**

Meet debt service on the 2009 TIF Revenue Bond.

## Tax Increment Debt Service Debt - 3110

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Investment Earnings</b>					
Investment Earnings	31,443	21,622	12,000	6,532	10,000
<b>Other Financing Sources</b>					
Transfer from TIF District Fund	1,720,361	1,779,659	1,778,000	1,789,836	1,796,986
<b>Total Fund Revenue</b>	<b>\$ 1,751,804</b>	<b>\$ 1,801,281</b>	<b>\$ 1,790,000</b>	<b>\$ 1,796,368</b>	<b>\$ 1,806,986</b>
<b>Dbt Service Reserve</b>		<b>\$ 1,516,343</b>	<b>\$ 1,537,231</b>		<b>\$ 1,555,831</b>
<b>Dbt Reserve</b>		<b>\$ 1,569,500</b>	<b>\$ 1,569,500</b>		<b>\$ 1,569,500</b>
<b>Total Resources</b>		<b>\$ 3,370,781</b>	<b>\$ 4,896,731</b>		<b>\$ 4,932,317</b>
Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Debt Service</b>					
Amortization of Bond Premium		22,524	22,524		22,525
Principal	1,185,000	1,225,000	1,265,000	1,265,000	1,305,000
Interest	600,461	564,311	524,000	523,799	478,824
Paying Agent Fees	300	300	1,000	300	1,000
		<b>\$ 1,789,611</b>	<b>\$ 1,790,000</b>	<b>\$ 1,789,099</b>	<b>\$ 1,807,349</b>
<b>Total Requirements</b>		<b>\$ 1,789,611</b>	<b>\$ 1,790,000</b>	<b>\$ 1,789,099</b>	<b>\$ 1,784,824</b>
<b>Dbt Service Reserve</b>		<b>\$ 1,516,343</b>	<b>\$ 1,537,231</b>		<b>\$ 1,577,993</b>
<b>Dbt Reserve</b>		<b>\$ 1,569,500</b>	<b>\$ 1,569,500</b>		<b>\$ 1,569,500</b>

## Purpose

The City Council adopted Ordinance No. 07-25 authorizing the collection of impact fees on August 6, 2007. The ordinance required the segregation of impact fees from other funds, therefore, this fund provides that segregation for impact fee expenditures other than for enterprise funds such as Water and Wastewater. These areas are Paved Trails, Park Maintenance Building, the Emergency Services Center, City Hall, and Stormwater.

## FY 2014 Objectives

The objective of the Impact Fee Fund for this fiscal year is to provide a segregated fund for appropriate impact fee project expenditures. The City has established an Impact Fee Advisory Committee to help monitor the impact fees and advise the City on appropriate expenditures. A five year review of the impact fee calculation took place in FY 2013.

## Impact Fees - 2399

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Charges for Services</b>					
Impact Fee - Paved Trails	15,577	18,945	19,000	21,892	23,000
Impact Fee - Park Maint Building	1,036	1,260	1,500	1,456	1,500
Impact Fee - ESC	29,892	42,074	45,000	41,284	45,000
Impact Fee - City Hall	28,311	39,850	45,000	39,100	45,000
Impact Fee - Stormwater	8,606	9,919	12,000	10,679	13,000
	<b>\$ 83,422</b>	<b>\$ 112,048</b>	<b>\$ 122,500</b>	<b>\$ 114,411</b>	<b>\$ 127,500</b>
<b>Investment Earnings</b>					
Investment Earnings	2,482	2,085	2,500	661	1,000
	<b>\$ 2,482</b>	<b>\$ 2,085</b>	<b>\$ 2,500</b>	<b>\$ 661</b>	<b>\$ 1,000</b>
<b>Total Fund Revenue</b>	<b>\$ 85,904</b>	<b>\$ 114,133</b>	<b>\$ 125,000</b>	<b>\$ 115,073</b>	<b>\$ 128,500</b>
<b>Beginning Available Cash:</b>					
		<b>\$ 179,500</b>	<b>\$ 250,200</b>		<b>\$ 360,000</b>
Paved Trails		39,241	58,630		90,000
Park Maint Building		0	0		0
ESC		0	0		0
City Hall		103,703	144,706		200,000
Stormwater		36,556	46,863		70,000
<b>Total Resources</b>		<b>\$ 293,633</b>	<b>\$ 375,200</b>		<b>\$ 488,500</b>
Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Transfers</b>					
TIF-Park Maint Building			1,510		1,503
Emergency Services Building			45,302		45,092
City Hall Construction			190,979		245,503
Paved Trails			78,151		113,232
Stormwater Fund			59,258		83,170
<b>Total Expenditures</b>	<b>\$ 110,489</b>	<b>\$ 43,432</b>	<b>\$ 375,200</b>		<b>\$ 488,500</b>
<b>Total Requirements</b>	<b>110,489</b>	<b>43,432</b>	<b>375,200</b>		<b>\$ 488,500</b>

## Purpose

The Sidewalk Districts Fund provides budget authority for construction of community sidewalks resulting from cash-in-lieu fees paid by developments when new construction occurs in established neighborhoods. Funds are segregated into three districts; east, north and west. Projects are undertaken within each district when sufficient funds are available to build substantial lengths of sidewalks.

## FY 2014 Objectives

The objective of the Sidewalk Districts Fund for this fiscal year is to accumulate funds for future projects and provide for construction of sidewalks as funds become available.

## Sidewalk Districts Fund - 2992 (cash in lieu)

<b>Revenues</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Investment Earnings</b>					
Investment Earnings	1,914	1,152	1,700	266	750
	<b>\$ 1,914</b>	<b>\$ 1,152</b>	<b>\$ 1,700</b>	<b>\$ 266</b>	<b>\$ 750</b>
<b>Other Financing Sources</b>					
Cash In-lieu - District E		-	-		-
Cash-in-lieu - District W	5,607	-	-		-
Cash-in-lieu - District N		-	-		-
	<b>\$ 5,607</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>
<b>Total Fund Revenue</b>	<b>\$ 7,521</b>	<b>\$ 1,152</b>	<b>\$ 1,700</b>	<b>\$ 266</b>	<b>\$ 750</b>
<b>Beginning Available Cash</b>			<b>\$ 126,485</b>		<b>\$ 127,000</b>
<b>Total Resources</b>		<b>\$ 1,152</b>	<b>\$ 128,185</b>		<b>\$ 127,750</b>
<b>Expenditures</b>					
<b>Capital Outlay</b>					
East District Improvements			11,460		11,417
West District Improvements			60,405		60,213
North District Improvements			56,320		56,119
<b>Total Expenditures</b>		<b>\$ -</b>	<b>\$ 128,185</b>		<b>\$ 127,750</b>

## Purpose

The City Hall Construction Reserve Fund was established by Resolution 03-63, which was approved by the City Council on November 17, 2003. The purpose of the fund is to accumulate funds towards construction of new City facilities. The Resolution established a schedule of annual deposits to be transferred into the fund from the Tax Increment District Fund. For the next several years the yearly contribution is set at \$250,000 per year.

## FY 2014 Objectives

The objective of the City Hall Construction Reserve Fund for this fiscal year is to deposit funds from the Tax Increment District Fund as prescribed in Resolution 03-63 and to support pre-construction activities related to a new city hall.

## City Hall Construction Reserve Fund - 4005

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Investment Earnings</b>					
Investment Earnings	20,365	14,823	17,000	3,830	8,000
<b>Other Financing Sources</b>					
Transfer from TIF District Fund	250,000	250,000	250,000	250,000	250,000
<b>Total Revenue</b>	<b>\$ 270,365</b>	<b>\$ 264,823</b>	<b>\$ 267,000</b>	<b>\$ 253,830</b>	<b>\$ 258,000</b>
<b>Beginning Available Cash</b>		<b>\$ 1,507,249</b>	<b>\$ 1,772,073</b>		<b>\$ 2,040,900</b>
<b>Total Resources</b>		<b>\$ 1,772,072</b>	<b>\$ 2,039,073</b>	<b>\$ 253,830</b>	<b>\$ 2,298,900</b>

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Capital Outlay</b>					
City Hall Project	2,451		200,000		400,000
<b>Total Expenditures</b>	<b>\$ 2,451</b>	<b>\$ -</b>	<b>\$ 200,000</b>		<b>\$ 400,000</b>
<b>Unappropriated</b>		<b>\$ 1,772,072</b>	<b>\$ 1,839,073</b>		<b>\$ 1,898,900</b>
<b>Total Fund</b>		<b>\$ 1,772,072</b>	<b>\$ 2,039,073</b>		<b>\$ 2,298,900</b>

## CDBG Homebuyers Assistance Fund - 2945

### Purpose

**The CDBG Homebuyers Assistance Fund provides budget authority to facilitate a “pass-through”** grant for first-time homebuyer assistance in Whitefish. The Community Development Block Grant (CDBG) Program pays grant funds to the City of Whitefish. These funds are then paid to the Whitefish Housing Authority. The Housing Authority administers the program.

### FY 2014 Objectives

The objective of the CDBG Homebuyers Assistance Fund for this fiscal year is to facilitate the pass-through of grant dollars to the Whitefish Housing Authority.

## Housing Rehabilitation Fund - 2987

### Purpose

The Housing Rehabilitation Fund provides budget authority to facilitate **the City’s Housing Rehabilitation Revolving Loan Program** for qualified homeowners and property owners. The program is administered by the Whitefish Housing Authority through an inter-local agreement with the City.

### FY 2014 Objectives

The objective of the Housing Rehabilitation Fund for this fiscal year is to comply with Federal requirements to manage the repayment and reuse of rehabilitation loans.

## Affordable Housing Fund - 2989

### Purpose

The purpose of the Affordable Housing Fund is to provide budget authority to administer the **City’s voluntary affordable housing cash in-lieu** program.

### FY 2014 Objectives

The objective of the Affordable Housing Fund for this fiscal year is to administer the affordable housing cash in-lieu program in cooperation with the Whitefish Housing Authority.

The City Council may evaluate options for a mandatory affordable housing program during FY14.

## CDBG Homebuyers Assistance Fund - 2945

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Intergovernmental Revenues</b>					
CDBG Community Development Grant			-	11,748	-
CDBG Grant		7,838	100,000	34,839	400,000
<b>Total Revenue</b>		<b>\$ 7,838</b>	<b>\$ 100,000</b>	<b>\$ 46,587</b>	<b>\$ 400,000</b>
<b>Beginning Available Cash</b>		-	-		-
<b>Total Resources</b>		<b>\$ 7,838</b>	<b>\$ 100,000</b>	<b>\$ 46,587</b>	<b>\$ 400,000</b>

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Economic Development</b>					
Professional Services			-	13,928	-
		\$ -	\$ -	\$ 13,928	\$ -
<b>Homebuyers Assistance</b>					
Homebuyers Assistance	16,673		90,000		380,000
Administrative Expense	139,267	7,838	10,000	32,659	20,000
	<b>155,940</b>	<b>7,838</b>	<b>100,000</b>	<b>32,659</b>	<b>400,000</b>
<b>Total Expenditures</b>	<b>\$ 155,940</b>	<b>\$ 7,838</b>	<b>\$ 100,000</b>	<b>\$ 46,587</b>	<b>\$ 400,000</b>

## Housing Rehabilitation Fund - 2987

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Miscellaneous Revenue</b>					
Miscellaneous Revenue			30,000		30,000
		\$ -	\$ 30,000		\$ 30,000
<b>Investment Earnings</b>					
HOME Loan Repayments	675	615	-	595	5,000
USDA Program Loan Repayments	2,533	1,795	50,000	1,690	10,000
	<b>\$ 3,208</b>	<b>\$ 2,410</b>	<b>\$ 50,000</b>	<b>\$ 2,285</b>	<b>\$ 15,000</b>
<b>Total Fund Revenue</b>	<b>\$ 3,208</b>	<b>\$ 2,410</b>	<b>\$ 80,000</b>	<b>\$ 2,285</b>	<b>\$ 45,000</b>
<b>Beginning Available Cash</b>			\$ 2,088		\$ 3,153
<b>Total Resources</b>	<b>\$ 3,208</b>	<b>\$ 2,410</b>	<b>\$ 82,088</b>		<b>\$ 48,153</b>

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Materials and Services</b>					
USDA Housing Rehab Projects	1,929	2,719	52,088		40,000
HOME Grant Projects			30,000		8,153
<b>Total Expenditures</b>	<b>\$ 1,929</b>	<b>\$ 2,719</b>	<b>\$ 82,088</b>		<b>\$ 48,153</b>

## Affordable Housing Fund - 2989

### (Cash-in-Lieu of Affordable Housing)

<b>Revenues</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
Cash-in-Lieu Payments		1,000	150,000		200,000
<b>Total Revenue</b>		<b>\$ 1,000</b>	<b>\$ 150,000</b>		<b>\$ 200,000</b>
<b>Beginning Available Cash</b>		-	1,000		-
<b>Expenditures</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Materials and Services</b>					
Homeowner Assistance			150,000		200,000
<b>Total Expenditures</b>		<b>\$ -</b>	<b>\$ 150,000</b>		<b>\$ 200,000</b>

### Purpose

The Residential Lighting District Fund 2400 and the Commercial Lighting District Fund 2410 provides budget authority to provide, maintain, and improve residential and commercial street lighting within the City. The districts are funded through a lighting assessment on property.

### FY 2014 Objectives

The objective of the Residential & Commercial Lighting District Funds for this fiscal year is to provide street lighting within residential and commercial areas. Funds are used to pay for electricity used by street lights located in the Residential & Commercial Lighting Districts and to support capital improvement and replacement of system components.

Significant or changed appropriations during FY14 are:

Item/Project	Cost
<b>Expenditure Changes</b>	
• 1 ton 4x4 pickup replace 1992 ford f-350 the bucket truck (split 50/50)	\$58,000

# Residential Light District Fund - 2400

(Lighting District #1)

5/3/2013

<b>Revenues</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Miscellaneous Revenue</b>					
Maintenance Assessments	72,697	69,176	66,000	51,153	66,000
Penalties & Interest	789	695	370	621	370
<b>Total Fund Revenue</b>	<b>\$ 73,486</b>	<b>\$ 69,871</b>	<b>\$ 66,370</b>	<b>\$ 51,774</b>	<b>\$ 66,370</b>
<b>Beginning Available Cash</b>		<b>\$ 47,283</b>	<b>\$ 47,283</b>	<b>\$ 47,283</b>	<b>\$ 70,000</b>
<b>Total Resources</b>		<b>\$ 117,154</b>	<b>\$ 113,653</b>	<b>\$ 99,057</b>	<b>\$ 136,370</b>
<b>Expenditures</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Personal Services</b>					
Salaries	12,306	14,819	14,711	11,926	15,519
Overtime	643	380	796	50	336
Employer Contributions	3,826	4,547	4,871	3,789	5,237
		<b>\$ 19,746</b>	<b>\$ 20,378</b>	<b>\$ 15,765</b>	<b>\$ 21,092</b>
<b>Materials and Services</b>					
Repair & Maintenance Supplies	10,072	8,177	10,000	2,105	15,000
Utility Services	44,639	44,630	43,000	20,611	27,000
Repair & Maintenance Services		211	1,600	175	1,600
Insurance	259	553	729	729	729
Administrative Costs	446	448	500	350	500
		<b>\$ 54,019</b>	<b>\$ 55,829</b>	<b>\$ 23,970</b>	<b>\$ 44,829</b>
<b>Capital Outlay</b>					
Machinery & Equipment			30,000	-	30,000
		<b>\$ -</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ 30,000</b>
<b>Total Expenditures</b>		<b>\$ 73,765</b>	<b>\$ 106,207</b>	<b>\$ 39,735</b>	<b>\$ 95,921</b>
<b>Ending Available Cash</b>		<b>\$ 43,255</b>	<b>\$ 3,418</b>		<b>\$ 40,449</b>
<b>Total Fund</b>		<b>\$ 117,020</b>	<b>\$ 109,625</b>		<b>\$ 136,370</b>

# Commerical Light District Fund - 2410

## (Lighting District #4)

<b>Revenues</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Miscellaneous Revenue</b>					
Maintenance Assessments	62,552	58,833	57,000	42,788	57,000
Penalties & Interest	729	279	250	273	250
<b>Total Revenue</b>	<b>\$ 63,281</b>	<b>\$ 59,112</b>	<b>\$ 57,250</b>	<b>\$ 43,060</b>	<b>\$ 57,250</b>
<b>Beginning Available Cash</b>		<b>\$ 61,361</b>	<b>\$ 71,063</b>		<b>\$ 72,000</b>
<b>Total Resources</b>		<b>\$ 120,473</b>	<b>\$ 128,313</b>	<b>\$ 43,060</b>	<b>\$ 129,250</b>
<b>Expenditures</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Personal Services</b>					
Salaries	12,306	14,819	14,711	11,926	15,519
Overtime	643	380	796	50	336
Employer Contributions	3,826	4,547	4,871	3,789	5,237
	<b>\$ 16,775</b>	<b>\$ 19,746</b>	<b>\$ 20,378</b>	<b>\$ 15,765</b>	<b>\$ 21,092</b>
<b>Materials and Services</b>					
Repair & Maintenance Supplies	9,851	9,845	14,000	3,079	22,000
Utility Services	11,750	15,446	13,000	31,907	42,000
Repair & Maintenance Services	7,964	3,144	10,000	175	12,000
Insurance	256	553	729	729	729
Administrative Costs	446	448	500	350	500
	<b>\$ 30,267</b>	<b>\$ 29,436</b>	<b>\$ 38,229</b>	<b>\$ 36,240</b>	<b>\$ 77,229</b>
<b>Capital Outlay</b>					
Machinery & Equipment			30,000	-	30,000
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ 30,000</b>
<b>Total Requirements</b>	<b>\$ 47,042</b>	<b>\$ 49,182</b>	<b>\$ 88,607</b>	<b>\$ 52,005</b>	<b>\$ 128,321</b>
<b>Ending Available Cash</b>		<b>\$ 71,063</b>	<b>\$ 39,706</b>		<b>\$ 929</b>
<b>Total Fund</b>	<b>\$ 47,042</b>	<b>\$ 120,245</b>	<b>\$ 128,313</b>		<b>\$ 129,250</b>

## Purpose

The Street Fund provides budget authority to support the operation, maintenance and improvement of the City of Whitefish street and storm drainage systems.

## FY 2014 Objectives

The objective of the Street Fund for this fiscal year is to provide street maintenance and improvements for the driving, walking and bicycling public. Typical maintenance activities include street sweeping, asphalt repairs and preventative maintenance, snow & ice removal, and upkeep of traffic signs and markings.

Significant or changed appropriations during FY14 are:

Item/Project	Amount
<b>Expenditures</b>	
• Overlays & Chipseals – Previous two budgets was \$350k (Repair & Maint)	\$80,000
• Monitoring & Design for Central Ave. Slump & Baker Retaining Wall 10 <sup>th</sup> St	\$50,000
<b>Improvement Projects 930</b>	
• Shop Building Expansion (split Str/Wat/Sew)	\$8,000
• Birch Point RxR Crossing Quiet Zone	\$20,000
• Safe Routes to Schools	\$45,820
• Wireless Data & Com System – Mobile Nodes & Interface for (split Str/Wat/Sew)	\$16,000
• Dodger Lane Road Extension	\$170,000
• Somers Avenue Reconstruction – Overall Design (2 <sup>nd</sup> to 8 <sup>th</sup> Street) & Construction from 7 <sup>th</sup> to 8 <sup>th</sup>	\$100,000
<b>Machinery and Equipment 940</b>	
• Loader – Replace 1993 John Deere \$131k total (split Street/Water/Sewer)	\$40,000
• Pickup, 4x4 (Dump Bed) – Replace 1995 Chevy C30	\$32,000

# Street Fund - 2110

5/3/2013

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Licenses and Permits</b>					
Cable T.V. Franchise Fee	164,217	63,853	70,000	90,280	85,000
Water Utility ROW Fee	107,532	116,551	117,000	68,229	120,500
Wastewater Utility ROW Fee	91,040	96,834	95,000	52,016	103,500
Street Excavation Permit Fees	1,575	1,900	1,000	2,475	1,500
	<b>\$ 364,364</b>	<b>\$ 279,138</b>	<b>\$ 283,000</b>	<b>\$ 213,000</b>	<b>\$ 310,500</b>
<b>Intergovernmental Revenues</b>					
Safe Routes to School		164	92,035	36,337	45,820
Gasoline Tax Apportionment	162,054	146,139	145,709	121,424	140,000
	<b>\$ 162,054</b>	<b>\$ 146,303</b>	<b>\$ 237,744</b>	<b>\$ 157,762</b>	<b>\$ 185,820</b>
<b>Charges for Services</b>					
Plan Review/Const. Oversight Fees			2,000	-	2,000
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,000</b>	<b>\$ -</b>	<b>\$ 2,000</b>
<b>Miscellaneous Revenue</b>					
Miscellaneous Revenue	4,133	8,854	-	15,218	-
Maintenance Assessments	801,208	832,625	797,000	601,931	797,000
Penalties and Interest	10,054	8,350	2,500	4,732	2,500
	<b>\$ 815,395</b>	<b>\$ 849,829</b>	<b>\$ 799,500</b>	<b>\$ 621,881</b>	<b>\$ 799,500</b>
<b>Other Financing Sources</b>					
Interfund Operating Transfer In	22,672	12,303		-	
	<b>\$ 22,672</b>	<b>\$ 12,303</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Fund Revenue</b>	<b>\$ 1,364,485</b>	<b>\$ 1,287,573</b>	<b>\$ 1,322,244</b>	<b>\$ 935,360</b>	<b>\$ 1,297,820</b>
<b>Beginning Available Cash</b>	<b>\$ 592,572</b>	<b>\$ 801,162</b>	<b>\$ 893,701</b>		<b>\$ 700,000</b>
<b>Total Resources</b>		<b>\$ 2,088,735</b>	<b>\$ 2,215,945</b>		<b>\$ 1,997,820</b>

# Street Fund - 2110

5/3/2013

<b>Expenditures</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Street and Alley</b>					
<b>Personal Services</b>					
Salaries	413,987	420,805	342,004	276,092	414,207
Permanent Part Time	30,288	33,564	29,700	24,762	23,981
Overtime	12,228	7,146	7,035	2,297	9,302
Stand By or Call Back Time	10,739	13,320	11,000	10,540	11,000
Employer Contributions	185,097	186,013	164,358	123,760	199,546
	<b>\$ 652,339</b>	<b>\$ 660,848</b>	<b>\$ 554,097</b>	<b>\$ 437,451</b>	<b>\$ 658,036</b>
<b>Materials and Services</b>					
Office Supplies/Materials	2,066	(399)	5,000	955	3,000
Operating Supplies/Materials	6,993	23,367	11,000	5,839	12,000
Repair & Maintenance Supplies	115,030	105,287	79,030	61,747	80,700
Communication & Transportation	126	154	1,500	126	1,000
Printing	144		1,500		1,500
Notices, Subscriptions, Dues	938	2,394	5,000	862	3,000
Utility Service	12,366	12,840	13,550	10,091	13,550
Professional Services	2,476	6,927	54,100	4,843	98,600
Repair & Maintenance Services	211,236	237,782	380,000	220,388	113,000
Travel & Training	2,165	1,304	6,000	285	6,000
Other Purchased Services	2,521	4,433	5,000	5	10,000
Contract Services	585	262	2,500	199	2,500
Insurance Expense	19,814	21,178	26,500	23,489	26,500
Special Assessments	31,464	27,704	29,043	35,606	28,929
Administrative Expense	15,075	14,669	16,000	10,106	16,000
	<b>\$ 422,999</b>	<b>\$ 457,902</b>	<b>\$ 635,723</b>	<b>\$ 374,540</b>	<b>\$ 416,279</b>
<b>Capital Outlay</b>					
Street Improvements		66,717	167,835	67,615	374,820
Machinery & Equipment	59,912	40,577	65,733	23,180	75,000
	<b>\$ 59,912</b>	<b>\$ 107,294</b>	<b>\$ 233,568</b>	<b>\$ 90,795</b>	<b>\$ 449,820</b>
<b>Operating Contingency</b>					
Operating Contingency			50,000		50,000
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ 50,000</b>
<b>Total Street and Alley</b>			<b>\$ 1,473,388</b>		<b>\$ 1,574,135</b>

# Street Fund - 2110

3/6/2013

5/3/2013

<b>Expenditures</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Ice and Snow Removal</b>					
<b>Personal Services</b>					
Salaries			30,000	19,484	25,000
Overtime			3,000	1,511	3,000
Stand By or Call Back Time			2,500		2,500
Employer Contributions			14,300	13,726	15,500
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 49,800</b>	<b>\$ 34,721</b>	<b>\$ 46,000</b>
<b>Materials and Services</b>					
Operating Supplies/Materials			4,000	5,766	6,000
Repair & Maintenance Supplies			32,300	33,423	35,800
Repair & Maintenance Services			7,000	10,329	18,300
Contract Services			2,000		2,000
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 45,300</b>	<b>\$ 49,518</b>	<b>\$ 62,100</b>
<b>Capital Outlay</b>					
Machinery & Equipment			\$ 94,700	\$ 26,723	\$ 42,300
<b>Total Ice and Snow Removal</b>			<b>\$ 189,800</b>	<b>\$ 110,962</b>	<b>\$ 150,400</b>
<b>Total Expenditures</b>	<b>\$ 1,135,250</b>	<b>\$ 1,226,044</b>	<b>\$ 1,663,188</b>	<b>\$ 110,962</b>	<b>\$ 1,724,535</b>
<b>Year End Available Cash</b>	<b>\$ 798,406</b>	<b>\$ 893,701</b>	<b>\$ 552,757</b>		<b>\$ 273,285</b>
<b>Total Street Fund</b>	<b>\$ 1,933,656</b>	<b>\$ 2,119,744</b>	<b>\$ 2,215,945</b>		<b>\$ 1,997,820</b>

## Purpose

The Water Fund provides budget authority to support the operation, maintenance and improvement of the City of Whitefish water system.

## FY 2014 Objectives

The objective of the Water Fund for this fiscal year is to supply potable water to City water customers, provide preventative and emergency maintenance for the system as needed.

Significant or changed appropriations during FY14 are:

Item/Project	Amount
<b>Expenditure Changes</b>	
• Professional Services- Water rights legal & analysis	\$33,000
• Shop Building Expansion (split Str/Wat/Sew)	\$8,500
• HVAC in Chemical Rooms Replacement	\$40,000
• Purchase land for new reservoir south of railroad tracks	\$150,000
<b>Improvement Projects 930</b>	
• Raw Water Improvements to Control DDBP (TTHM & HAA5)	\$20,000
• Grouse Mnt/Mnt Park Interconnect – Enhance Grid & Eliminate Booster 70% impact fee	\$150,000
• Peregrine Lane Water Services	\$100,000
• Replace small diameter cast iron mains @ Central Avenue South of 3rd	\$150,000
• Whitefish West Water Main Project Ph II FY 2015	\$0
• Columbia Avenue Bridge Water Main Upgrade	\$150,000
• Dodger Lane Rd Extension – Water Main Extension	\$135,000
• E. Second St Apartments – Water Main Upsizing for Future RR Crossing	\$50,000
• Somers Avenue Reconstruction – Overall Design (2 <sup>nd</sup> to 8 <sup>th</sup> Street) & Construction from 7 <sup>th</sup> to 8 <sup>th</sup>	\$100,000
• Wireless Data & Com System – Mobile Nodes & Interface for (split Str/Wat/Sew)	\$45,000
<b>Machinery and Equipment 940</b>	
• Pickup Truck, 4x4 - Replace 2004 Chevy Colorado (Total \$25k, split wtr/swr)	\$12,500
• Loader – Replace 1993 John Deere \$131k total (split Street/Water/Sewer)	\$45,000

# Water Fund - 5210

5/3/2013

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Intergovernmental Revenues</b>					
RRGL Grant - Haskill Basin Project			100,000		
ARRA Block Grant - Hydro Project			200,000	200,000	
NorthWestern Energy Incentive			5,800		
		\$ -	\$ 305,800	\$ 200,000	\$ -
<b>Charges for Services</b>					
5% Admin Fee for Impact Fees	4,667	5,556	4,000	4,696	4,000
Water Usage Charges	2,151,878	2,331,447	2,340,000	2,060,216	2,410,000
Impact Fees - Water	95,149	109,445	75,000	110,330	110,000
Installation Fees	26,840	28,154	25,000	37,097	25,000
Miscellaneous Income	3,837	461,516	35,000	40,540	35,000
Late Fees	42,035	39,025	36,000	26,770	33,000
Plan Review/Const. Oversight Fees	200		2,500	1,050	2,500
	\$ 2,324,606	\$ 2,975,143	\$ 2,517,500	\$ 2,280,698	\$ 2,619,500
<b>Miscellaneous Revenues</b>					
Special Assessments	4,962	4,465	2,000	4,451	2,000
Latecomer Fees			500	-	500
	\$ 4,962	\$ 4,465	\$ 2,500	\$ 4,451	\$ 2,500
<b>Investment Earnings</b>					
Investment Earnings	36,954	27,751	13,000	5,819	700
	\$ 36,954	\$ 27,751	\$ 13,000	\$ 5,819	\$ 700
<b>Other Financing Sources</b>					
SRF Loan Proceeds			840,000		-
	\$ -	\$ -	\$ 840,000		\$ -
<b>Total Revenue</b>	<b>\$ 2,366,522</b>	<b>\$ 3,007,359</b>	<b>\$ 3,678,800</b>	<b>\$ 2,490,967</b>	<b>\$ 2,622,700</b>
<b>Beginning Available Cash</b>					
Impact/PIF Balance Beginning	653,867	790,992	1,493,446		1,000,000
Dbt Srvce & Dbt Rsrv Balance Beginning	537,352	625,611	729,780		740,683
			1,011,657		946,138
			\$ 3,234,883		\$ 2,686,821
<b>Total Resources</b>		<b>\$ 3,007,359</b>	<b>\$ 6,913,683</b>		<b>\$ 5,309,521</b>

# Water Fund - 5210

5/3/2013

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Personal Services</b>					
Salaries	549,858	520,872	511,508	404,544	568,028
Permanent Part Time	21,515	23,666	29,700	17,789	26,815
Overtime	13,749	19,274	26,010	13,792	29,326
Stand By or Call Back	7,023	6,835	9,000	5,245	9,378
Employer Contributions	225,854	211,541	228,390	170,050	253,569
	<b>\$ 817,999</b>	<b>\$ 782,188</b>	<b>\$ 804,608</b>	<b>\$ 611,421</b>	<b>\$ 887,116</b>
<b>Materials and Services</b>					
Office Supplies/Materials	1,708	3,752	7,500	2,530	7,500
Operating Supplies	33,919	35,048	52,900	32,769	56,240
Repair & Maintenance Supplies	115,572	75,998	143,900	77,202	137,025
Postage & Freight	12,889	11,149	13,000	9,849	13,000
Printing	262	352	2,500	127	2,500
Publicity/Subscriptions/Dues	16,345	13,827	15,010	10,241	15,010
Utility Services	89,776	78,449	80,850	70,967	93,050
Professional Services	44,358	50,519	134,600	40,106	112,600
Repair & Maintenance Services	31,277	49,332	50,000	15,903	52,500
Travel & Training	6,176	3,768	9,600	282	9,100
Other Purchased Services	13,709	20,296	11,500	29,634	16,500
Contract Services	579	524	53,000	398	53,000
Insurance	42,296	41,839	42,280	39,666	42,280
Rent	7,924		7,725	8,161	7,725
Special Assessments	5,688	8,267	7,555	6,254	7,555
Water Utility ROW Fee	107,532	116,551	117,000	68,229	120,500
Whitefish Lake Institute	5,000	5,000	6,667	6,667	6,667
Administrative Expense	18,767	17,603	19,000	13,661	19,000
	<b>\$ 553,777</b>	<b>\$ 532,274</b>	<b>\$ 774,586</b>	<b>\$ 432,648</b>	<b>\$ 771,751</b>
<b>Total Water Operating</b>	<b>\$ 1,371,776</b>	<b>\$ 1,314,462</b>	<b>\$ 1,579,194</b>	<b>\$ 1,044,069</b>	<b>\$ 1,658,867</b>
<b>Capital Outlay</b>					
Property Purchase					150,000
Buildings			95,600	5,133	59,500
Improvements	113,392	310,787	2,430,600	1,534,196	900,000
Machinery and Equipment	31,916	6,174	130,933	52,708	144,050
	<b>\$ 145,308</b>	<b>\$ 316,961</b>	<b>\$ 2,657,133</b>	<b>\$ 1,592,037</b>	<b>\$ 1,253,550</b>
<b>Debt Service</b>					
DNRC Loan Principal	400,000	414,000	590,000	229,000	469,000
DNRC Loan Interest	191,550	176,784	157,333	75,360	74,450
	<b>\$ 591,550</b>	<b>\$ 590,784</b>	<b>\$ 747,333</b>	<b>\$ 304,360</b>	<b>\$ 543,450</b>
<b>Total Expenditures</b>	<b>\$ 2,108,634</b>	<b>\$ 2,222,207</b>	<b>\$ 4,983,659</b>	<b>\$ 2,940,466</b>	<b>\$ 3,455,867</b>
<b>Ending Available Cash</b>	<b>\$ 790,497</b>	<b>\$ 1,493,446</b>	<b>\$ 401,586</b>		<b>\$ 162,683</b>
Ending PIF/Impact Fee Balance	\$ 626,109	\$ 729,780	\$ 516,780		\$ 744,833
Debt Service Ending Balance		1,011,657	1,011,657		\$ 946,138
		<b>\$ 3,234,883</b>	<b>\$ 1,930,024</b>		<b>\$ 1,853,654</b>
<b>Total Water Fund</b>		<b>\$ 5,457,090</b>	<b>\$ 6,913,683</b>		<b>\$ 5,309,521</b>

### Purpose

The Wastewater Fund provides budget authority to support the operation, maintenance and improvement of the City of Whitefish wastewater system.

### FY 2014 Objectives

The objective of the Wastewater Fund for this fiscal year is to collect and treat the community's wastewater and provide preventative and emergency maintenance for the system as needed.

Significant or changed appropriations during FY14 are:

Item/Project	Amount
<b>Revenue Changes</b>	
• Loan Proceeds – Whitefish West Remainder	\$400,000
• Loan Proceeds – Cow Creek	\$800,000
<b>Improvement Projects 930</b>	
• Gravity Main to Reroute JP Road Flow to Headworks, Design & Build	\$200,000
• Treatment Plant – Waste Receiving Station, Site Irrigation 70% impact fee	\$150,000
• I&I Mitigation - Field Data Acquisition/Analysis & TSEP Grant Application	\$70,000
• Generator - City Beach Liftstation Standby Power	\$75,000
• Birch Point Lift Station - Phase I Pump Station Upgrades & Generator	\$300,000
• Whitefish West Sewer Main Project Remainder (debt finance)	\$400,000
• Whitefish West – Laidlaw Sewer	\$30,000
• WF Lake Septic Leachate Mitigation - Grant Applications & Report Writing	\$25,000
• Cow Creek Sewer Extension (up to Edgewood Place)	\$800,000
• Wireless Data & Com System – Mobile Nodes & Interface for (split Str/Wat/Sew)	\$49,000
<b>Machinery and Equipment 940</b>	
• System Modifications for DO Control, Recycle & Heat Retention	\$40,000
• Loader – Replace 1993 John Deere \$131k total (split Street/Water/Sewer)	\$45,000
• Pickup Truck, 4x4 - Replace 2004 Chevy Colorado (Total \$25k, split wtr/swr)	\$12,500
• Manhole Chimney Repair Equipment	\$35,000
• Slurry Pump w/VFD & Alum Percipitate Recycle	\$19,000
• TV Camera Tractor – Replace 2007 Aries TR3000	\$11,000

# Wastewater Fund - 5310

5/3/2013

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Intergovernmental Revenues</b>					
Treasure State Endowment Prog	32,409	482,591			
NorthWestern Energy Incentive			17,500		-
DNRC ARRA Grant - Energy Proj.		68,629	28,000	28,000	-
DNRC Planning Grants					175,000
RRGL & WRDA Grants	139,841			12,750	
	<b>\$ 172,250</b>	<b>\$ 551,220</b>	<b>\$ 45,500</b>	<b>\$ 40,750</b>	<b>\$ 175,000</b>
<b>Charges for Services</b>					
5% Admin Fee for Impact Fees	4,290	5,664	5,000	6,236	5,000
Sewer Service Charges	1,820,209	1,937,067	1,900,000	1,715,320	2,070,000
Inspection Fees	435	680	500	1,040	500
Impact Fees - Wastewater	87,496	111,137	87,000	123,543	120,000
Impact Fees - Big Mt.	7,962	7,469	5,000	14,595	10,000
Miscellaneous Income	7,106	1,392	1,000	8,818	1,000
Plan Review/Const. Oversight Fees	200		1,500	850	1,500
	<b>\$ 1,927,698</b>	<b>\$ 2,063,409</b>	<b>\$ 2,000,000</b>	<b>\$ 1,870,403</b>	<b>\$ 2,208,000</b>
<b>Miscellaneous Revenues</b>					
Special Assessments	6,685	6,017	1,000	6,632	5,000
Penalties and Interest	263		200	9	200
Contributions & Donations				17,800	
	<b>\$ 6,948</b>	<b>\$ 6,017</b>	<b>\$ 1,200</b>	<b>\$ 24,441</b>	<b>\$ 5,200</b>
<b>Investment Earnings</b>					
Investment Earnings	9,939	11,672	4,500	2,891	3,000
	<b>\$ 9,939</b>	<b>\$ 11,672</b>	<b>\$ 4,500</b>	<b>\$ 2,891</b>	<b>\$ 3,000</b>
<b>Other Financing Sources</b>					
SRF Loan Proceeds	109,593	886,000	560,000		1,700,000
	<b>\$ 109,593</b>	<b>\$ 886,000</b>	<b>\$ 560,000</b>	<b>\$ -</b>	<b>\$ 1,700,000</b>
<b>Total Revenue</b>	<b>\$ 2,226,428</b>	<b>\$ 3,518,318</b>	<b>\$ 2,611,200</b>	<b>\$ 1,938,485</b>	<b>\$ 4,091,200</b>
<b>Beginning Available Cash</b>					
Impact/PIF Balance Beginning		53,260	495,740		400,000
Debt Service Balance Beginning		345,404	448,897		390,000
			450,029		408,670
			<b>\$ 1,394,666</b>		<b>\$ 1,198,670</b>
<b>Total Resources</b>	<b>\$ 2,226,428</b>	<b>\$ 3,518,318</b>	<b>\$ 4,005,866</b>		<b>\$ 5,289,870</b>

# Wastewater Fund - 5310

5/3/2013

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Personal Services</b>					
Salaries	587,724	556,677	579,306	439,185	535,032
Permanent Part Time	21,509	23,658	21,874	17,781	26,815
Overtime	16,453	15,736	13,978	11,415	13,463
Stand By or Call Back	8,388	6,835	9,848	5,245	7,606
Employer Contributions	259,740	250,252	287,216	201,927	251,924
	<b>\$ 893,814</b>	<b>\$ 853,158</b>	<b>\$ 912,222</b>	<b>\$ 675,553</b>	<b>\$ 834,840</b>
<b>Materials and Services</b>					
Office Supplies/Materials	1,377	1,985	6,500	1,582	3,000
Operating Supplies	109,108	116,892	83,998	93,020	139,998
Repair & Maintenance Supplies	108,802	55,316	128,385	78,757	114,275
Postage & Freight	13,008	11,108	21,000	9,916	21,000
Printing	262	247	600	127	600
Notices, Subscriptions, Dues	5,445	11,443	8,503	8,931	8,503
Utility Services	112,473	103,096	111,400	76,423	107,400
Professional Services	53,006	48,019	90,200	40,596	75,200
Repair & Maintenance Services	14,768	28,482	50,000	38,401	50,000
Travel & Training	4,219	6,823	11,500	1,064	11,000
Other Purchased Services	124	599	3,000	-	8,000
Contract Services	579	524	2,500	398	2,500
Insurance	40,488	39,597	39,429	37,594	39,429
Land Rental	160	165	5,210	770	5,210
Special Assessments	144	361	150	361	150
State Assessments and Fees			10,500	4,559	3,500
Wastewater Utility ROW Fee	91,040	96,834	95,000	52,016	103,500
Whitefish Lake Institute Grant	5,000	5,000	6,667	6,667	6,667
DEQ SSO Fines/WF Lake Institute	2,000		-		-
Bad Debt Write-Offs			500		500
Administrative Expense	20,607	19,024	20,000	15,379	20,000
	<b>\$ 582,610</b>	<b>\$ 545,515</b>	<b>\$ 695,042</b>	<b>\$ 466,562</b>	<b>\$ 720,432</b>
<b>Total Wastewater Operating</b>	<b>\$ 1,476,424</b>	<b>\$ 1,398,673</b>	<b>\$ 1,607,264</b>	<b>\$ 1,142,114</b>	<b>\$ 1,555,272</b>
<b>Capital Outlay</b>					
Buildings			35,600	2,102	19,500
Improvement Projects	11,706	255	30,000	41,306	8,500
Wastewater System	364,122	1,228,587	1,014,990	259,880	2,109,000
Machinery and Equipment	15,950	27,754	175,434	64,150	192,800
	<b>\$ 391,778</b>	<b>\$ 1,256,596</b>	<b>\$ 1,256,024</b>	<b>\$ 367,438</b>	<b>\$ 2,329,800</b>
<b>Debt Service</b>					
Bonded Debt Principal	93,911	117,236	127,000	67,000	232,000
Bonded Debt Interest	77,068	100,542	96,585	43,954	65,575
	<b>\$ 170,979</b>	<b>\$ 217,778</b>	<b>\$ 223,585</b>	<b>\$ 110,954</b>	<b>\$ 297,575</b>
<b>Total Expenditures</b>	<b>\$ 2,039,181</b>	<b>\$ 2,873,047</b>	<b>\$ 3,086,873</b>	<b>\$ 1,620,506</b>	<b>\$ 4,182,647</b>
<b>Ending Available Cash</b>	<b>53,260</b>	<b>495,740</b>	<b>233,068</b>		<b>284,403</b>
Ending PIF/Impact Fee Balance	345,404	448,897	235,897		414,150
Debt Service Ending Balance		450,029	450,029		408,670
		1,394,666	918,994		\$ 1,107,223
<b>Total Wastewater Fund</b>		<b>\$ 4,267,713</b>	<b>\$ 4,005,866</b>		<b>\$ 5,205,870</b>

## **Purpose**

The Solid Waste Fund provides budget authority to support contract and administrative services for the solid waste collection program.

## **FY 2014 Objectives**

The objective of the Solid Waste Fund for this budget year is to administer the City's solid waste collection and recycling services contract with North Valley Refuse. The City administers the North Valley Refuse contract, provides customer assistance, monthly billing, alley maintenance, and general administrative support services for the solid waste collection program.

A new North Valley Refuse contract was signed in May 2012 and is valid through October 31, 2016. Three percent rate increases are built in for every year of the contract starting with October 2012. In October 2012, the Council decided not to pass the increased rates to the residents. Despite increasing rates from North Valley Refuse the fund net is close to neutral.

# Solid Waste Fund - 5410

5/3/2013

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Charges for Services</b>					
Solid Waste Collection Fees	707,795	724,783	744,000	615,553	744,000
Container Charge	2,760	3,070	4,000	3,645	4,000
Miscellaneous Revenue			50	58	50
	<b>\$ 710,555</b>	<b>\$ 727,853</b>	<b>\$ 748,050</b>	<b>\$ 619,256</b>	<b>\$ 748,050</b>
<b>Investment Earnings</b>					
Interest Earnings	163	263	120	147	120
	<b>\$ 163</b>	<b>\$ 263</b>	<b>\$ 120</b>	<b>\$ 147</b>	<b>\$ 120</b>
<b>Total Revenue</b>	<b>\$ 710,718</b>	<b>\$ 728,116</b>	<b>\$ 748,170</b>	<b>\$ 619,403</b>	<b>\$ 748,170</b>
<b>Beginning Available Cash</b>		<b>\$ -</b>	<b>\$ 41,398</b>		<b>\$ 42,000</b>
<b>Total Resources</b>		<b>\$ 728,116</b>	<b>\$ 789,568</b>		<b>\$ 790,170</b>

# Solid Waste Fund - 5410

5/3/2013

<b>Expenditures</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Personal Services</b>					
Salaries	45,238	47,511	50,286	39,096	51,830
Permanent Part Time	1,561	1,646	1,677	1,323	1,744
Overtime	797	797	1,110	487	661
Employer Contributions	15,615	16,032	17,527	13,200	17,330
	<b>\$ 63,211</b>	<b>\$ 65,986</b>	<b>\$ 70,600</b>	<b>\$ 54,105</b>	<b>\$ 71,565</b>
<b>Materials and Services</b>					
Office Supplies/Materials	332	225	500	198	500
Operating Supplies	400	562	1,000	234	1,000
Repair & Maintenance Supplies	1,835	1,752	5,330	1,130	5,330
Communication & Transportation	12,703	10,923	16,000	9,490	14,000
Printing	118	247	250	127	250
Publicity/Subscriptions/Dues	764	2,241	300	107	300
Utility Services	1,892	1,646	1,700	1,011	1,550
Professional Services	1,525	2,316	150	2	150
Repair & Maintenance Services	513	772	800	773	800
Travel & Training			500		500
Refuse Hauling Contract	594,758	596,289	639,000	514,257	639,000
Contract Services	145	131	500	100	500
Insurance	2,126	1,907	2,065	2,063	2,065
Bad Debt Write-Offs			150		150
Administrative Expense	1,222	1,464	1,400	1,169	1,400
	<b>\$ 618,333</b>	<b>\$ 620,475</b>	<b>\$ 669,645</b>	<b>\$ 530,661</b>	<b>\$ 667,495</b>
<b>Total Solid Waste Operating</b>	<b>\$ 681,544</b>	<b>\$ 686,461</b>	<b>\$ 740,245</b>	<b>\$ 584,767</b>	<b>\$ 739,060</b>
<b>Ending Available Cash</b>	<b>\$ -</b>	<b>\$ 41,398</b>	<b>\$ 48,909</b>		<b>\$ 51,110</b>
<b>Total Solid Waste Fund</b>		<b>\$ 727,858</b>	<b>\$ 789,154</b>	<b>\$ 584,767</b>	<b>\$ 790,170</b>

## Purpose

The Stormwater Fund provides budget authority to support the operation, maintenance and **improvement of the City's stormwater system.**

## FY 2014 Objectives

The objectives of the Stormwater Fund for this fiscal year is to provide continuing maintenance **and improvements for the City's stormwater system, as well as contract services necessary to** implement environmental regulations. The Fund is supported by a stormwater utility assessment on all properties within the City.

Significant or changed appropriations during FY14 are:

Item/Project	Amount
Revenue Changes	
<ul style="list-style-type: none"> <li>Continued reduction of assessment from \$72 to about \$12</li> </ul>	\$300,000
Expenditure Changes	
<ul style="list-style-type: none"> <li>Shady River Outfall Stabilization &amp; Overflow 20% impact fee</li> </ul>	\$30,000
<ul style="list-style-type: none"> <li>Armory Road Culvert Improvement &amp; Locate Outfall (Engineering &amp; Const)</li> </ul>	\$25,000
<ul style="list-style-type: none"> <li>Riverside Park Stormwater Treatment Pond - Dredge &amp; Install New Stormwater Treatment Filter</li> </ul>	\$100,000
<ul style="list-style-type: none"> <li>Edgewood Place and Texas Avenue Drainage Improvements</li> </ul>	\$150,000
<ul style="list-style-type: none"> <li>Monegan &amp; State Park Road Stormwater Improvements (state Park 80% impact fee)</li> </ul>	\$200,000
<ul style="list-style-type: none"> <li>Dodger Lane</li> </ul>	\$25,000
<ul style="list-style-type: none"> <li>Somers Avenue - Overall Design (2nd to 8th Street) and Construction</li> </ul>	\$50,000
<ul style="list-style-type: none"> <li>4th Street Drainage Improvements</li> </ul>	\$145,000
<ul style="list-style-type: none"> <li>City Beach Boat Ramp - Mitigation for Petroleum Contamination</li> </ul>	\$50,000

# Stormwater Fund - 2525

5/3/2013

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Charges for Services</b>					
Plan Review / Construction Oversight	4,500	5,700	6,000	6,400	6,000
	<b>\$ 4,500</b>	<b>\$ 5,700</b>	<b>\$ 6,000</b>	<b>\$ 6,400</b>	<b>\$ 6,000</b>
<b>Miscellaneous Revenue</b>					
Maintenance Assessments	146,016	74,489	55,680	47,028	55,680
Penalties and Interest	4,233	2,329	1,600	472	1,600
	<b>\$ 150,249</b>	<b>\$ 76,818</b>	<b>\$ 57,280</b>	<b>\$ 47,501</b>	<b>\$ 57,280</b>
<b>Total Fund Revenue</b>	<b>\$ 154,749</b>	<b>\$ 82,518</b>	<b>\$ 63,280</b>	<b>\$ 53,901</b>	<b>\$ 63,280</b>
<b>Beginning Available Cash</b>					
Impact Fee Balance Beginning		\$ 1,057,714	\$ 1,130,230		\$ 990,000
			46,863		40,000
<b>Total Resources</b>		<b>\$ 1,140,232</b>	<b>\$ 1,193,510</b>	<b>\$ 53,901</b>	<b>\$ 1,093,280</b>

## Stormwater Fund - 2525

<b>Expenditures</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Materials and Services</b>					
Office Supplies/Materials			500	-	500
Operating Supplies			5,000	-	5,000
Repair & Maintenance Supplies	358	412	22,500	60	22,500
Postage & Freight			1,000	-	1,000
Printing			500	-	500
Publicity/Subscriptions/Dues		500	1,000	-	1,000
Utility Services			500	-	500
Professional Services			-	30	-
Repair & Maintenance Services			5,000	-	5,000
Travel & Training	250	447	2,500	150	2,500
Other Purchased Services	1,500		2,000	97	2,000
Contract Services			100		100
Whitefish Lake Institute Grant	5,000	5,000	6,667	6,667	6,667
	<b>\$ 7,108</b>	<b>\$ 6,359</b>	<b>\$ 47,267</b>	<b>\$ 7,004</b>	<b>\$ 47,267</b>
<b>Capital Outlay</b>					
Improvements		3,974	205,000	38,683	725,000
	<b>\$ -</b>	<b>\$ 3,974</b>	<b>\$ 205,000</b>	<b>\$ 38,683</b>	<b>\$ 725,000</b>
<b>Total Expenditures</b>	<b>\$ 7,108</b>	<b>\$ 10,333</b>	<b>\$ 252,267</b>	<b>\$ 45,687</b>	<b>\$ 772,267</b>
<b>Ending Available Cash</b>	<b>\$ 1,057,714</b>	<b>\$ 1,130,230</b>	<b>\$ 1,044,744</b>		<b>\$ 329,513</b>
Ending Impact Fee Balance		\$ 46,863	\$ (56,637)		<b>\$ (8,500)</b>
<b>Total Stormwater Fund</b>	<b>\$ 1,064,822</b>	<b>\$ 1,140,563</b>	<b>\$ 1,240,373</b>		<b>\$ 1,093,280</b>

## **Purpose**

The purpose of a Special Improvement District (S.I.D.) Fund is to provide budget authority to collect district assessments and to disperse principle and interest payments on behalf of district property owners and to repay the various City funds for the early retirement of externally-held S.I.D. bonds. S.I.D.s can be formed to address infrastructure needs (i.e. water, sewer, streets, sidewalks, etc.) in specific neighborhoods or areas of the City or on a City-wide basis.

## **FY 2014 Objectives**

The objective of the S.I.D. Fund for this fiscal year is to meet obligations previously incurred to facilitate various community improvement projects.

### SID Revolving Fund - 3400

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Miscellaneous Revenue</b>					
Transfer from Other S.I.D. Funds	412				13,760
Investment Earnings	2,641	1,308	1,500	287	500
<b>Total Fund Revenue</b>		<b>\$ 1,308</b>	<b>\$ 1,500</b>	<b>\$ 287</b>	<b>\$ 14,260</b>
<b>Beginning Fund Balance</b>		<b>\$ 127,921</b>	<b>\$ 127,921</b>	<b>\$ 127,921</b>	<b>\$ 145,368</b>

Expenditures	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Transfers</b>					
Transfers to Other S.I.D. Funds	-		50,000		20,000
Transfer to General Fund	80,000		-		-
		<b>\$ -</b>	<b>\$ 50,000</b>		<b>\$ 20,000</b>
<b>Total Requirements</b>	<b>\$ -</b>	<b>\$ 136,686</b>	<b>\$ 138,186</b>		<b>\$ 159,628</b>
Unappropriated Balance		<b>\$ 136,686</b>	<b>\$ 88,186</b>		<b>\$ 139,628</b>

### SID 151 Bond Debt - 3502

Revenues	Actual FY 2011	Actual FY 2012	Budget FY 2013	YTD April	Proposed FY 2014
<b>Miscellaneous Revenue</b>					
Special Assessments	5,731	4,774	5,000	744	5,000
Penalties and Interest	107	11	50	23	50
Investment Earnings	87	12	10	1	10
<b>Total Fund Revenue</b>	<b>\$ 5,925</b>	<b>\$ 4,797</b>	<b>\$ 5,060</b>	<b>\$ 768</b>	<b>\$ 5,060</b>
<b>Expenditures</b>					
<b>Transfers</b>					
Transfers to Other Funds	8,954	4,797	5,060		5,060
	<b>\$ 8,954</b>	<b>\$ 4,797</b>	<b>\$ 5,060</b>		<b>\$ 5,060</b>
Unappropriated Balance		0	-		-

**SID 154 Bond Debt - 3506**

<b>Revenues</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Miscellaneous Revenue</b>					
Special Assessments	8,626	7,376	8,500	6,534	8,500
Penalties and Interest	237	100	150	45	150
		<b>\$ 7,476</b>	<b>\$ 8,650</b>	<b>\$ 6,579</b>	<b>\$ 8,650</b>
<b>Investment Earnings</b>					
Investment Earnings	140	29	50	8	50
	<b>\$ 140</b>	<b>\$ 29</b>	<b>\$ 50</b>	<b>\$ 8</b>	<b>\$ 50</b>
<b>Total Fund Revenue</b>	<b>\$ 140</b>	<b>\$ 7,505</b>	<b>\$ 8,700</b>	<b>\$ 6,587</b>	<b>\$ 8,700</b>

Beginning Fund Balance

<b>Expenditures</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Transfers</b>					
Transfers to Other Funds	13,718	7,506	8,700		8,700
	<b>\$ 13,718</b>	<b>\$ 7,506</b>	<b>\$ 8,700</b>		<b>\$ 8,700</b>
Unappropriated Balance			-		-

**S.I.D. 166 FUND - 3545**

<b>Revenues</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Miscellaneous Revenue</b>					
Bond Principal & Interest Assessments	124,353	112,725	110,000	78,459	110,000
Penalties and Interest	653	430	600	403	600
	<b>\$ 125,007</b>	<b>\$ 113,155</b>	<b>\$ 110,600</b>	<b>\$ 78,862</b>	<b>\$ 110,600</b>
<b>Investment Earnings</b>					
Investment Earnings	658	226	200	51	100
	<b>\$ 658</b>	<b>\$ 226</b>	<b>\$ 200</b>	<b>\$ 51</b>	<b>\$ 100</b>
<b>Other Financing Sources</b>					
Transfer from Revolving S.I.D.			50,000		20,000
		<b>\$ -</b>	<b>\$ 50,000</b>		<b>\$ 20,000</b>
<b>Total Fund Revenue</b>	<b>\$ 125,664</b>	<b>\$ 113,381</b>	<b>\$ 160,800</b>	<b>\$ 78,912</b>	<b>\$ 130,700</b>

Beginning Fund Balance

- - -

<b>Expenditures</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>YTD April</b>	<b>Proposed FY 2014</b>
<b>Debt Service</b>					
Principal	75,000	70,000	70,000		70,000
Interest	48,193	45,268	44,000	21,234	41,000
Paying Agent Fee	300	300	600	300	600
<b>Total Requirements</b>	<b>\$ 123,493</b>	<b>\$ 115,568</b>	<b>\$ 114,600</b>	<b>\$ 21,534</b>	<b>\$ 111,600</b>
Unappropriated Balance		<b>\$ (2,187)</b>	<b>\$ 46,200</b>	<b>\$ 57,379</b>	<b>\$ 19,100</b>

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# MANAGER REPORT

June 12, 2013



## WAYFINDING SIGNS UPDATE

We will install the new Whitefish entry/gateway sign by Walgreens on Hwy 93 South on Friday, June 21<sup>st</sup> and Monday, June 24<sup>th</sup>. Public Works staff will help me with the foundation and construction. Virgil Bench, Chief Building Official, was extremely helpful in designing the proper foundation for the sign. A picture of the gateway sign is attached in this packet.

We are going to leave the existing western gateway sign by Grouse Mountain Park in place until after MDT and their contractor finish that portion of the Hwy 93 North – Whitefish West road construction project in 2014. After they are finished, we will put in the western gateway sign.

## MEETINGS

Future City Hall Location Committee (6/12) – The City Hall committee is going to meet on Wednesday, June 12<sup>th</sup> to finalize the Request for Qualifications for an architect for City Hall. The City Council did not want to expend any money on the City Hall/Parking Structure project prior to research and schedule for establishing a Business Improvement District (BID). Therefore, once the committee narrows down the submittals to three architectural firms for a design competition, any further work will await further approval by the City Council.

## UPCOMING SPECIAL EVENTS

Saturday, June 29<sup>th</sup> – Whitefish Lake Run

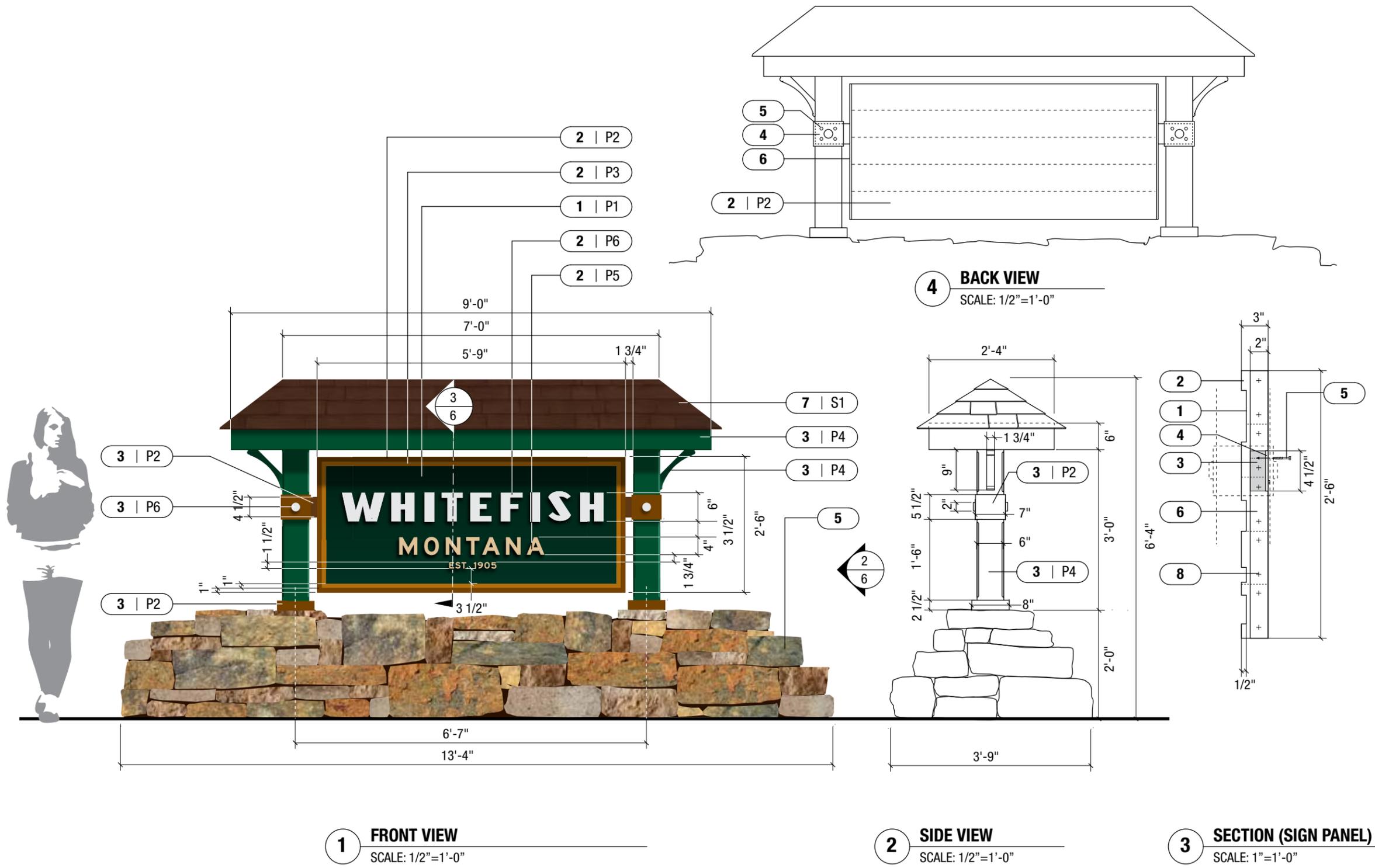
## REMINDERS

Monday, July 1, 2014 – Happy new fiscal year!

Respectfully submitted,

A handwritten signature in blue ink that reads "Chuck Stearns".

Chuck Stearns  
City Manager



1. Glue/Lam cedar. Sandblasted 1/2" deep.
2. Glue/Lam cedar. Original Surface, finished smooth.
3. Cedar timber/board.
4. 1/4" thick flat steel strap, bolted into vertical cedar post, covered with cedar board. Strap welded to vertical edge strap. All exposed surfaces painted to match adjoining finishes.
5. Lag bolts. Covered by cedar board.
6. Vertical steel strap. Fastened with flat-head wood screws, counter-sunk into vertical strap. All exposed surfaces painted to match adjoining finishes.
7. Asphalt shingles.
8. Flat-head wood screws, counter-sunk into vertical strap.
9. Natural stone base. Use hidden mortar dry stack method.

NOTE:  
Fabricator is responsible for all structural engineering for maximum wind load and foundation compliance.

See Specific Conditions for specifications on type of cedar.

# MEMORANDUM

#2013-030



To: Mayor John Muhlfield  
City Councilors

From: Chuck Stearns, City Manager

Re: Staff Report – Consideration of a request from Neil Stuber and Corrie Colbert representing Hurraw! Balm, LLC for commitment of Tax Increment Financing Funds for water line and sewer line costs and payment of impact fees, and consideration of property tax incentives for new and expanding industry with their proposed new manufacturing facility at 267 Flathead Avenue

Date: June 6, 2013

## Introduction/History

Corrie Colbert and Neil Stuber, owners of Hurraw! Balm, LLC (hereinafter Hurraw) contacted me a couple of years ago during their search for a light manufacturing building in Whitefish to accommodate their expanding lip balm manufacturing business. While their search for an existing building did not yield a viable building, I also mentioned to them at that time that, if they chose to build a new building, the City might be able to assist with infrastructure related costs from Tax Increment Funds and that state law had some tax incentives for new and expanding industries.

## Current Report

After a couple of years of work and business expansion, they have been planning to build a new manufacturing building in Baker Commons subdivision, south of the Food Bank building currently under construction and north of our Emergency Services Center (see attached plat map). We met again last fall and then talked again recently because their plans had progressed to the point of consideration by the City's Architectural Review Committee. At that point, Neil Stuber sent me information on costs for their planned building and an application for property tax incentives – see attachments in the packet with this memo.

Somewhat similar, but on a different scale to what the City Council recently considered and tentatively approved for the proposed boutique hotel on Block 46, Hurraw would like the City Council to consider one or both types of incentives and assistance for their building project.

The first type of assistance would be reimbursement of eligible costs for infrastructure development associated with their project as allowed by Section 7-15-4288 (4) MCA (copy

enclosed with packet). This type of assistance is also contemplated in the 1987 Urban Renewal Plan with the following objective:

*“4. The development of industrial parks that will allow for the diversification in the economic base in Whitefish;*

*The diversification of the City's economic base is a goal that must receive high consideration because of the impact that it has on many aspects of urban renewal and redevelopment. The creation of an industrial park on city owned property could lead to the attraction of new businesses to Whitefish and would allow Whitefish to become less dependent on the tourism industry. This would require the relocation of the Department of Public Works facilities to a location adjacent to the railroad tracks in close proximity to the new site for the proposed City Hall facility. All communities should diversify their economies so that the economic ups and downs are minor in nature. New businesses in Whitefish will lead to new jobs, new housing and new investments by private individuals and companies. The end result is a stronger economy for both government and for private businesses.”*

The direct assistance that Hurraw is requesting would entail:

- |  |                 |
|--|-----------------|
| 1. Payment of impact fees for the project, estimated at  | \$ 9,296        |
| 2. Payment of costs to excavate and connect the water and sanitary sewer services from the main to the building estimated at | <u>\$10,165</u> |
| Total  | \$19,461        |

There are pages showing the breakdown of these costs in the packet.

The second type of incentive Hurraw is requesting is consideration of the property tax incentives allowed in state law for new and expanding industries. Again, this incentive was discussed and reviewed during the Block 46 boutique hotel presentation, although that project is not going to ask the City for such tax incentives, they only plan to go to Flathead County for the incentives the County can grant. In the case of Hurraw, they would like the City Council to consider approving such property tax incentives. The incentives requested would reduce their property taxes on the building by 50% for the first five years and that incentive would reduce to 40% in year six, 30% in year seven and so on until full taxes were paid in year ten after construction.

As shown in a spreadsheet in the packet, the City could grant incentives totaling an estimated \$13,229.20 for the ten years of tax reductions. If Hurraw were to apply to Flathead County for the same tax incentives, they could possibly obtain an additional \$5,857.95 of property tax reductions.

Financial Requirement

The financial aspects are discussed above, but I will provide a summary of them here.

Direct financial assistance from a TIF reimbursement for impact fees and water and sewer line connections – estimated at	\$ 19,461
Property tax incentives for new and expanding industry over ten years	\$ 13,229.20

The process for granting the property tax incentives requires a public hearing and approval of a Resolution, so we are not asking for that at tonight’s meeting. Rather than present a resolution at this time, we wanted to present the topic and get direction from the City Council on whether they would want to approve either form of assistance or both. Based on the direction we receive from the City Council, we would come back for approval of resolutions at the appropriate time.

As shown in the spreadsheet in the packet, if all of the property tax incentives are granted by both the City and the County, the Tax Increment Fund would only receive net estimated revenues of \$23,564.30 prior to it’s termination in 2020. Thus, you would be putting 83% of the new Tax Increment revenues received over the next six years back into the project.

Recommendation

Staff respectfully recommends the City Council consider the extent of Tax Increment Funds and property tax incentives that they would like to commit towards the proposed development of the Hurraw! Balm LLC manufacturing building development at 267 Flathead Avenue and provide direction to City staff and the applicant on the extent of such assistance.

# HURRAW!<sup>®</sup> premium organic, vegan, & raw ingredients.™

info@hurrawbalm.com | ph: 406.730.2571 | fax: 406.545.2263 | www.hurrawbalm.com

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Hi John Muhlfeld & Whitefish City Council!

In 2009 my wife Corrie Colbert and I began a collaborative venture into cosmetics manufacturing with an emphasis on sustainable ingredients and a business model that focuses on both international sales and local employment.

We currently offer 22 sku's of lip balm and are quickly outgrowing our current location (a home-studio originally designed as a photography studio!). *Hurraw! Balm* employs a handful of family and friends in Whitefish and we look to add to the roster an additional 7 part-time to full staff positions in the next couple of years.

Our original hopes were to find an industrial space to repurpose. However, it has become apparent to us that Whitefish has little to no infrastructure in place for manufacturing. Where much of the country has warehouse and production space available for rent or purchase, Whitefish simply hasn't had the population or industry in the past to provide these types of properties in the real estate market.

As our manufacturing process becomes more refined, we realize the need to build a high-end facility weighted towards clean manufacturing. Building this facility within the city limits will offer both efficiency and legs to our business as well as lifestyle/connectedness to the larger community.

We have purchased a lot next to the city services building in the Baker Commons subdivision (267 Flathead Avenue) and are in the process of finalizing building plans for a 2013 build.

In doing so, we'd like your consideration in regards to possible tax incentives and/or any city support we could receive with limiting our impact fees. As a growing business our working capital circulates from one R&D project to another as we carve out our own little niche in the larger cosmetics field. I should point out that council member John Anderson's wife Shani is a valued staff member here at Hurraw! This of course makes his input highly suspect ;)

Any community support is more than appreciated and we aim to return that support as we make Whitefish Hurraw!'s forever home. We intend to remain a community engaged local business providing a premium product at an excellent price to our customers' worldwide.

Thanks for your time & consideration!

Neil & Corrie

Neil Stuber  
neil@hurrawbalm.com  
Office: 406.730.2571  
Mobile: 406.314.2865



**Exhibit of:  
Baker Commons Subdivision**

Hurraw! Balm : Lot 7A (267 Flathead Ave. Whitefish, MT. 59937

# Montana Code Annotated 2011

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**7-15-4288. Costs that may be paid by tax increment financing.** The tax increments may be used by the municipality to pay the following costs of or incurred in connection with an urban renewal project, industrial infrastructure development project, technology infrastructure development project, or aerospace transportation and technology infrastructure development project:

- (1) land acquisition;
- (2) demolition and removal of structures;
- (3) relocation of occupants;
- (4) [REDACTED] industrial infrastructure, technology infrastructure, or aerospace transportation and technology infrastructure that includes streets, roads, curbs, gutters, sidewalks, pedestrian malls, alleys, parking lots and offstreet parking facilities, sewers, [REDACTED] sewage treatment facilities, storm sewers, [REDACTED] waterways, water treatment facilities, natural gas lines, electrical lines, telecommunications lines, rail lines, rail spurs, bridges, spaceports for reusable launch vehicles with associated runways and launch, recovery, fuel manufacturing, and cargo holding facilities, publicly owned buildings, and any public improvements authorized by Title 7, chapter 12, parts 41 through 45; Title 7, chapter 13, parts 42 and 43; and Title 7, chapter 14, part 47, and items of personal property to be used in connection with improvements for which the foregoing costs may be incurred;
- (5) costs incurred in connection with the redevelopment activities allowed under [7-15-4233](#);
- (6) acquisition of infrastructure-deficient areas or portions of areas;
- (7) administrative costs associated with the management of the urban renewal area, industrial district, technology district, or aerospace transportation and technology district;
- (8) assemblage of land for development or redevelopment by private enterprise or public agencies, including sale, initial leasing, or retention by the municipality itself at its fair value;
- (9) the compilation and analysis of pertinent information required to adequately determine the needs of an urban renewal project in an urban renewal area, the infrastructure needs of secondary, value-adding industries in the industrial district, the needs of a technology infrastructure development project in the technology district, or the needs of an aerospace transportation and technology infrastructure development project in the aerospace transportation and technology district;
- (10) the connection of the urban renewal area, industrial district, technology district, or aerospace transportation and technology district to existing infrastructure outside the district;
- (11) the provision of direct assistance, through industrial infrastructure development projects, technology infrastructure development projects, or aerospace transportation and technology infrastructure development projects, to secondary, value-adding industries to assist in meeting their infrastructure and land needs within the district; and
- (12) the acquisition, construction, or improvement of facilities or equipment for reducing, preventing, abating, or eliminating pollution.

**History:** En. 11-3921 by Sec. 1, Ch. 287, L. 1974; amd. Sec. 1, Ch. 452, L. 1975; amd. Sec. 2, Ch. 532, L. 1977; amd. Sec. 31, Ch. 566, L. 1977; R.C.M. 1947, 11-3921(part); amd. Sec. 1, Ch. 147, L. 1981; amd. Sec. 9, Ch. 712, L. 1989; amd. Sec. 1, Ch. 737, L. 1991; amd. Sec. 1, Ch. 500, L. 1993; amd. Sec. 2, Ch. 269, L. 1999; amd. Sec. 16, Ch. 114, L. 2003; amd. Sec. 7, Ch. 566, L. 2005; amd. Sec. 5, Ch. 394, L. 2009.

*Provided by Montana Legislative Services*

# HURRAW!<sup>®</sup> premium organic, vegan, & raw ingredients.™

info@hurrawbalm.com | ph: 406.730.2571 | fax: 406.545.2263 | www.hurrawbalm.com

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Hurraw! Balm LLC  
267 Flathead Avenue, Whitefish, MT. 59937

## Manufacturing Facility 2013 Build / Estimated Utility & Impact Fees

Excavation / connection to city services:

Water Service Trench 85'	\$1,365
Sewer Trench 170'	\$3,300
Install Water and sewer and Meter pit	\$5,500
	<hr/>
	\$10,165

Impact fees:

Building Permit	\$5,000
Impact Assessment	\$9,296
	<hr/>
	\$14,296

Total: 

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\$24,461

**\$19,461 without the building permit**

Neil Stuber  
neil@hurrawbalm.com  
Office: 406.730.2571  
Mobile: 406.314.2865

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Hurraw! Balm LLC  
267 Flathead Avenue, Whitefish, MT. 59937

## Manufacturing Facility 2013 Build / Estimated Budget

Preliminary Budget:  
Hurraw\_Prelim-Budget\_021113.pdf \$395k

Recent modifications have increased the budget slightly.  
CURRENT estimate: \$425k

### Property for Internal Build-out ( 2013 - 2015 ):

Custom Temper / Pouring Unit 50lb tank / water-jacketed ( x 5 units )	\$80,000
Custom Labeler / Tamp Blow (x3 units)	\$60,000
Rotary Screw Compressor	\$23,000
Batch Code printer	\$20,000
Shelving & Storage (ingredients & shipping)	\$20,000
Lift Truck / Stacker & Drum lift	\$17,000
Office Computers & Peripherals	\$10,000
Total:	<u>\$230k</u>

Estimated Total: \$655,000

Neil Stuber  
neil@hurrawbalm.com  
Office: 406.730.2571  
Mobile: 406.314.2865



## PRELIMINARY BUDGET

Mindful Designs Incorporated  
PO Box 4562  
Whitefish, MT 59937  
fax (406) 863 2355

2/11/13

Project Manager Marty Beale:  
cell (406) 250-1668  
email: [marty@mindfuldesignsinc.com](mailto:marty@mindfuldesignsinc.com)

**I. Parties/Location:**

**Mindful Designs' Proposal & Contract for HURRAW! production facility and offices at Lot 7A in Baker Commons, Whitefish MT.**

**II. Scope of Work:**

This estimate of **\$386K** is based on carrying out the following scope of work: Construction of new production facility according to the final build plan and specifications below.

**Some special notes regarding this estimate:**

- 1) This bid is good for **30** days.
- 2) The project is expected to take **5-7 months** to complete on site build time.
- 3) Client will receive invoices for work completed by the 1st of every month, with corresponding payment to be received by Mindful Designs within 10 (business or non business days -- ie. by the 10th of every month)
- 4) This estimate is based on a summer start to the project. Tenting and heating of concrete and stucco are NOT included in this estimate. Any tenting and heating needed will be in addition to this estimate.
- 5) The bottom line can be considered a bid price or cap budget cap for cost plus contract.
- 6) The bottom line does NOT include: building permits, impact assessments, builders risk insurance, contingency funds. Estimates of these amounts are found in the notes below.
- 7) This estimate does NOT include signage or building numbers, or the install of these types of items.

<b>SCOPE OF WORK --New construction</b>				
<b>Cost</b>	<b>Item</b>	<b>Specification</b>	<b>Suggestions/Notes/Questions</b>	<b>Upgrades/Options</b>
\$ -	Land	N/A		0
\$ 750.00	Plans, Permits, Impact Assessment & Survey	THIS LINE INCLUDES LOT LINE SURVEY ONLY. NO PERMITS OR IMPACT ASSESMENTS INCLUDED IN THIS ESTIMATE.		0  NOT included in this estimate are the building permit, impact assessments, and the architectural review fee. Estimates of these fees are: ARC =\$1,650, Estimated building permit =\$5000, estimated impact assessments =\$9,296. This line includes NO engineering allowance as a formal engineering redline/cost should be completed in the pre-construction phase. Plumbing/Electrical permits are in plumb/electric lines below.
\$ 16,836.00	Utility company connection fees and Sprinkler System Cost	This line includes estimates of the Sprinkler system, FEC Electrical service (600 AMP single phase power), northwestern energy for natural gas service plow in and meter. Water/sewer/storm drain service connection Fees are estimated in permit line above, actual dig and pipe included in plumbing/excavator line below. This line does NOT include communications company fees as they will be part of your service contract with them.		This is for 600 Amp SINGLE phase power. Please let me know if you need 3 phase power. As we dial in the heating and mechanical systems we may be able to reduce this to 400 Amp service. TBD
\$ 13,500.00	Driveway FINISH	Based on middle of the road estimate for 3/4" crush prep and 3" Asphalt pad for required drive and parking. 4350SF of asphalt. Includes and allowance for line painting.	Asphalt is typically not included in the "per sf" build cost of the building.	0

\$ 29,735.00	Excavation/ Backfill	Excavation line and Scope of Work includes: water service trench, sewer service trench, drainage pond excavation and trench for connection to city storm drain, Electrical/communications service trench/conduit/ rope, driveway hardscape and drainage only, building hardscape, building excavation, perimeter drain materials and labor, sub grade gutter drains materials and labor, all backfill and interior and exterior slab prep, all related materials and trucking.	0	0
\$ -	Demolition	N/A	0	0
\$ 21,500.00	Footings/ Foundation/ Ground floor concrete walls and Slab	Allowance for 3' tall foundation walls over 10" x 3' wide footers for entire perimeter. In-slab spread footings included in this estimate. This line includes 9' tall 8" thick above grade concrete walls. Waterproofing included in this line for concrete walls/foundation walls that have backfill. Above backfill concrete walls do NOT have waterproofing.	0	could upgrade to add all above grade walls ADD \$1,500
\$ 14,000.00	Project Management	Based on 5 Months at average of 20 hours a week including all monthly billing, bank communications, lien wavers, material ordering, scheduling, project management and quality control.		0
\$ 7,525.00	Main Slab / Includes 100 SF of exterior Slab	Based on 4" thick 5 1/2 sack mix hard troweled finish sealed for interior and broom finish for exterior.	0	0
\$ -	Masonry		0	0

\$ 30,140.00	Framing: Walls/ Floors/ Roof Labor	This line includes all wood framing: main floor ext. wood walls, all blocking. This line includes labor, crane, gradall for all wall, floor, roof building and for housewrap. Roof trusses (only) are in a separate line below. Includes 3/4" for roof sheeting so it can be used as subfloor if a second story is built.	0	No masonry first floor walls included in this estimate.
\$ 7,675.00	Roof System Framing	This line includes roof trusses. (Crane, additional materials, sheeting, labor are all in main frame line above.)	0	0
\$ 23,304.00	Roofing	This line includes Epdm over EPS foam for flat roofs, parapet wall flashing and four 3" roof drains.	0	0
\$ 11,200.00	Windows/ Ext. Doors	This line includes an allowance for 2 x 4 1/2 thermally broken aluminum frame commercial/storefront windows with center set glazing. Glazing is 1" OA insulated glass with 1/4 solar ban 70/Argon/Warm edge spacer /1/4 clear with safety glass as required by code.	0	0
\$ 27,047.00	Metal Siding/ Metal Roofing/ Metal Fascia/ Metal Soffit/ Metal Window and door wraps.	This line includes all exterior metal siding finish. This line and Metal team scope of work includes: all fasteners/equipment and materials needed to install 24 gauge metal siding with hidden fasteners (building wrap not included), 2" poly foam on all siding applications over concrete (SPRAY FOAM AT ALL INSULATION SEAMS), all window and door exterior jam metal, trim for all exterior wall penetrations and a 5 year warranty.	0	Potential savings in this line if we move to exposed fastener metal.

\$ 37,600.00	HVAC	This line includes Low Velocity Forced Hot Air Distribution heating and cooling with Honeywell controls and filter system. This estimate includes 16 SEER two stage Air to Air heat pump heat generation (SEE UPGRADE OPTION FOR GEOTHERMAL HEAT GENERATION OPTION). This includes one 5 ton air handlers with DX or Chiller coils. The heat pump includes 15KW electric strip for backup heat when the exterior temperature is below freezing. This line includes one HRV systems for air exchange. This line includes venting for the production area/ kitchen/bathroom/ laundry /mech rooms.	0	0
\$ 23,500.00	Plumbing Rough-in	This line and the Plumbing Scope of Work Includes the following: plumbing permit, water service (pipe & all materials and labor to mech room - trench in excavator line), sewer service (pipe and all materials and labor - trench in excavator line), Storm water pond plumbing connections (combination manhole/inlet provided by excavator - all pipe and materials and labor to connect to city storm drain done by plumber). This line includes fixture allowance.	This will go up a bit if we move to cast Iron Drain Pipe.	0
\$ -	Plumbing Finish	0	0	0
\$ 44,081.00	Electrical Service to building/ Rough-in/ Trim out / Communications	This line includes all permitting and materials and labor needed to rough in and finish: 600 Amp Single Phase power service to the building. 240 V to production area, production bathroom. Electrical is to commercial code. The lighting allowance is NOT in this line - it is in a separate line below.	Note: There may be up to 5K of potential savings in this line as we get into the specific details of the electrical layout.	NOTE: This does not include exterior lighting away from the building (lamp posts in the parking etc.). Please let me know if you would like me to add any of these in the next estimate. Note: If you downgrade to 400 amp service you would save some cost in this line.
\$ -	Electrical Finish	Electrical Trim out is included in line above.	0	0

\$ 10,275.00	Insulation	Includes: R 21 Wall cellulose in all exterior cavity walls, 3" spray foam and DC 315 fire retardant attic rim, blown cellulose for interior sound walls, 2" poly board installed for below grade, supply of poly board for all above grade concrete walls (siding team to install), foam insulation around all windows/doors. This line does include an allowance to air seal the drywall to minimize air leakage.	0	0
\$ 4,200.00	Interior Finish: Drywall Hang/ Tape/ Finish	This includes drywall supply/ hang/ tape/ finish for all framed walls. (NO drywall over concrete in ground floor). This includes drywall wraps on all 4 sides of windows and 3 sides of all doors. NO drywall lids on ground floor. This includes level 4 smooth finish in mech, loading, storage, shipping areas. This includes a level 5 smooth finish (or custom skim text hand finish) in entry/office, baths, and lab. This includes an allowance to apply metal to the sills of the drywall windows.	0	0
\$ -	Low Voltage	This is a minimal allowance to cover basic phone and data for 6 jacks in the office/entry. This does NOT include security, distributed audio, etc. (Cost INCLUDED in line voltage line above)	0	We can add security/ distributed audio, etc. later with surface mounted conduit.
\$ -	Fireplace/ Woodstove	n/a	0	0
\$ 1,200.00	Cabinets/ Vanities	Minimal Allowance for Materials and Labor for kitchenette space	0	This does not include any cabs in employee bath. We can upgrade to add cabs to the employee bath in the future.
\$ 750.00	Countertops	10 LF ' Countertop Solid Surface. Vanity tops supplied by sink base in cab line.	0	This does not include any countertop over the WD in the employee bath. Please let me know if you would like to upgrade to add this.
\$ 3,500.00	Int. Trim	Allowance for Minimal Paint Grade trim. Baseboard Everywhere. Drywall wrap on 4 sides for all windows. Drywall wrap on doors. This line includes interior door/knob install labor and misc. trim work.	Note: this is estimated using industry standard labor prices. Final bids may be lower than this.	0

\$ 3,700.00	Int. Doors	This line includes interior doors (install labor of interior doors/knobs is in the interior trim line above). This line includes flush panel solid core slabs for bathrooms/ closets. This line includes three double swing aluminum doors for production area. Door knobs are in hardware line below.	0	0
\$ 300.00	Shelves/ Closet rods etc.	This line includes 250 allowance per closet for basic closets materials and labor.	0	0
\$ 200.00	Ext. Painting	Metal side team provides metal and window flash/jam color. Touch up and Misc. only. Use stock garage door color no paint needed. Use stock window color no paint needed.	0	0
\$ 4,263.00	Int. Painting	This line includes mid/low VOC level tinted prime and 1 coat of paint of interior walls, base, door case, interior door slabs. This is a base allowance for a minimal color variation.	Please let me know if you would like high gloss or VERY LOW VOC paints. Price will increase a little the more we vary the color of trim/ walls/ ceilings/ doors. This is a base level quote with little color variation. Please let me know if you would like to plan on more color variation.	0
\$ -	Flooring	Ground Level Flooring is buffed and sealed concrete and is included in Flatwork line above.	0	0
\$ -	Shower Pan/Surround/Tile		0	0
\$ -	Stairs and Corresponding rail systems		0	0
\$ 750.00	Finish Hardware/ Mirrors etc.	This line includes allowance for basic door knobs for all interior and exterior doors (labor for interior knobs is included in the interior trim line above). This line includes an allowance for plain mirrors in all bathrooms.	0	0
\$ -	Ext. Concrete/flatwork	100 SF exterior flatwork included in Main Slab line above	0	0

\$	-	WHEELCHAIR LIFT	0	0	0
\$	2,550.00	Garage Door/ Floor/ Opener	R 18 insulated steel Garage door 12' wide 9' tall with one row of insulated glass, smooth panel exterior and side mount Lift Master 3900 light commercial operator with wall key pad and remote. This line includes custom paint to match the windows/doors.	0	0
\$	2,900.00	Appliances	This line includes allowance for the following: under sink RO water filter (no install), instant hot water unit in break room (no install), allowance for very good quality washer/dryer.	0	NO micro, refrigerator/freezer, dishwasher/ range/ hood included - Please let me know if you would like to add these.
\$	11,264.00	Light Fixture Allowance	Allowance for dark sky compliant lights on the exterior and warehouse style lights for the production area and in ceiling lights for the offices. This line includes all code required safety and exit lights.	Note: we will need thorough review of the electrical diagram for the next round of detailed review.	0
\$	-	Gutter/ Downspouts	0	0	0
\$	-	Yard Finish/ Landscape	NO FINISHED LANDSCAPE INCLUDED IN THIS ESTIMATE AS THE CLIENTS HAVE SAID THEY WILL HANDLE THIS PHASE.	This needs to be coordinated with the excavator hardscape/asphalt/ utilities/ and plumbing for irrigation potential.	PLEASE LET ME KNOW IF YOU WOULD LIKE TO ME TO INCLUDE THIS SERVICE IN THE FINAL BUILD BID.
\$	3,200.00	Dumpster rental / Interior Clean-up / Window Clean	This line includes all waste management dumpster rental, dump fees, and disposal during the course of the build. This line includes an allowance for interior "move in clean" at the end of the project and window wash at end of project as well as end of project site clean up.	0	0
\$	1,450.00	Rentals/Services	This line includes rentals of: toilet, on site bobcat, and allowance for misc. rentals if needed.	0	Note: there is no provision for winter heating/tenting/ in this estimate. Any and all heating costs needed to complete the project will be billed on top of this allowance.
\$	-	Change Orders	All change orders must follow the change order process and will be billed at t & m rates to complete the change order.	0	0

\$ -	Insurance	NO insurance included.	Estimate = 1,000. This line DOES include an allowance for builders risk insurance - ALTHOUGH THE CLIENT NEEDS TO PURCHASE THIS DIRECTLY AND LIST MDI AS AN ADDITIONAL INSURED.	0
\$ 1,750.00	Material Handling/ Staging cost and mobilization/ Tool and Equipment mobilization/ site material management	This line needs to cover all non production tasks that are needed to complete the build. This includes trailer/tool mobilization/de-mobilization, scaffolding costs and mobilization, material handling and moving from warehouse/supplier to site, site material management.	0	0
\$ -	Contingency Fund	NO CONTINGENCY FUND INCLUDED IN THIS ESTIMATE AT THE CURRENT MOMENT.	Glacier Bank may require, and I do suggest, a contingency allowance for the project to cover any upgrades the Client may want to make during the course of construction and to overcome any unforeseen "acts of god" in order to complete the project at scheduled. Any of the contingency fund not used during the course of the build will not be billed by MDI. Contingency used during the course of construction will be subject to the same contractor mark up. NOTE: MDI will not bill anything to the contingency fund without consent from the Clients. The change order process will document all \$ spend from this line due to deviations from the build plan set/finish schedule.	0

\$ 3,200.00	End of Project Punch List	80 Man Hours and Misc Materials	0	0
\$ 5,000.00	Air Compressor Sound Proof Location	Allowance for Sound Proof Location for Aircompressor	0	0
<b>\$ 394,664.15</b>	<b>Total</b>	This line includes roughly 70K of permitting/ impact assessment/ asphalt/ contingency fund which is typically not considered part of the build cost.	Note: This line includes an industry standard 10% mark up to cover profit and overhead and warranty work.	

### **III. Payments**

Contractor will bill monthly for these services and the Owner will agree to pay in full within ten days.

The Owner will be responsible for all costs incurred during the pre-construction phase of the Home, including but not limited to all hard and soft costs such as material costs, all labor costs, costs for prints, and for any and all contracts set up on their behalf (including all interest, penalties, charges and collection fees for untimely payment of bills arising from same) and all insurance including builders risk, liability, fire, and theft. Owner will pay all bills for Home based on the terms of the subcontractors and Suppliers. We will mark up each month's total cost by 7% for our profit/overhead allowance.

**MDI will submit the needed paperwork to document the right to file a lien as a matter of office protocol.** If you receive a notice of right to file it is NOT necessarily a reason for alarm – we have to follow strict rules and time related requirements regarding proper documentation in order to have the ability to file a lien if it becomes necessary in the future. Please contact us immediately if you have any questions about receiving lien related paperwork regarding your design/build project.

**MDI reserves the right to add a finance charge of 5% of the outstanding amount due for any payments made more than 10 days after payment is due.**

For example: All payments are due by the 10<sup>th</sup> of the month, if there is a balance due of \$1,000 left unpaid after the 20<sup>th</sup> of the month the following month's bill will add a \$50 finance charge to the \$1,000 outstanding balance. Please contact us ahead of time if there need to be any special billing considerations made to avoid these late payment finance charges.

### **IV. Liability**

The Owner will indemnify and hold Contractor harmless from and against all third party claims, damages, losses, and expenses, including attorney's fees arising out of or resulting from Contractor activities for the construction of dwelling. The Owner agrees to hold Contractor harmless from any contract, design, action, or results thereof, done for the Owner with their best interests in mind, with the exception of gross negligence on the part of the Contractor.

The Owner agrees to purchase "builders risk insurance" with Mindful Designs Incorporate as additional insured party. This insurance will cover any part of the dwelling that is partially completed and any materials locked inside. Mindful Designs Incorporated will name the Owners as additional insured on their Contractors insurance policy for the build portion of the project.

It is the responsibility of the Contractor to facilitate, and see to, through the pre-construction phase, the best quality house possible given the budget and design.

Any individuals or entity performing or providing work shall possess and keep in full force a policy of public liability and property damage insurance, together with workers compensation coverage for its workers (when appropriate) entering the property. Said insurance shall be issued prior to the commencement of work to be performed. The Owner may waive, in writing, this requirement for any individual or entity.

**V. Signature**

It is understood and agreed by and between the parties that should, for any reason, after due diligence of the Owner, the lending institution reject the Owner's mortgage application, then this contract shall become null and void, however, any monies due to the Contractor for services already performed will still be due and Owners agree to pay such promptly.

The foregoing is hereby agreed to between the parties as witnessed by their signatures below and any changes or additions shall be in writing and signed by all parties hereto:

**We, Mindful Designs, propose to furnish materials and labor, subcontractor services and corresponding contracts, complete in accordance with the above specifications, terms and conditions .**

**Any changes to the scope of work for this project will have to be analyzed and budgeted by a Mindful Designs Project Manager, reviewed by Client, and signed by both parties before the scope of work can be officially adjusted.**

**Acceptance of Proposal: the above estimations and conditions are satisfactory and are accepted. You are authorized to do the work specified. Payment to be made as outlined above.**

Date: \_\_\_\_\_

Client/Owner: Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Contractor Signature: \_\_\_\_\_

**VI. Contact Information**

Please note who we should contact for billing; who we should contact for day-to-day contracting matters:

Client/Owner Name: \_\_\_\_\_ Cell #: \_\_\_\_\_ home #: \_\_\_\_\_ work #: \_\_\_\_\_ fax #: \_\_\_\_\_

Email address: \_\_\_\_\_

Billing address: \_\_\_\_\_

Client/Owner Name: \_\_\_\_\_ Cell #: \_\_\_\_\_ home #: \_\_\_\_\_ work #: \_\_\_\_\_ fax #: \_\_\_\_\_

Email address: \_\_\_\_\_

Billing address: \_\_\_\_\_



### New or Expanding Industry Classification Application

*This page is completed by applicant.*

Assessment Office \_\_\_\_\_

County Flathead

Name of Applicant Hurraw! Balm LLC / Neil Stuber

Mailing Address PO BOX 4299, Whitefish, MT. 59937

Legal Description of Affected Property Baker Commons Subdivision Lot 7A / 267 Flathead Ave.

1. Date construction permit issued Summer 2013 planned start

(If no permit is required, please specify the date when certificate was issued in lieu of building permit.)

2. This application covers the (expansion/new) construction of the \_\_\_\_\_

Hurraw! Balm LLC (www.hurrawbalm.com) cosmetics manufacturing facility plant.

3. Has an application for new industry classification under 15-6-135, MCA been made to the Department of Revenue for these facilities? Yes  No

4. Please list the qualifying property below.

Baker Commons Subdivision Lot 7A / 267 Flathead Ave.

Please attach site plat, construction prints and detailed equipment list identifying the above property, along with complete installed costs for each qualifying component.

5. Complete this section only if the application is for a firm that:

- engages in transportation, warehousing or distribution of commercial products, if 50% or more of the gross receipts are earned from outside the state; **or**
- earns 50% or more of its annual gross income from out-of-state sales.

Type of business _____	cosmetics manufacturer
Total gross sales or receipts .....	\$ <u>2012 - \$670k</u>
Total gross income .....	\$ <u>\$266k</u>
Sales and receipts from outside of Montana.....	\$ <u>\$660k</u>
Income earned from sales outside of Montana.....	\$ _____

(attach income statements)

Signature of Applicant

Print Name Neil Stuber Date 05/30/13

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	
1			Estimate of Value of Property Tax Incentives Allowed under 15-24-1401														
2				Project:		Hurraw Manufacturing Facility - 267 Flathead Avenue											
3				Prepared:		6/5/2013											
4																	
5																	
6	Assumptions:																
7	1. Assessor's building valuation equals valuation on building permit - caution, may not be the case																
8	2. Machinery and Furniture, Fixtures and Equipment (FFE) is valued at acquisition cost																
9	3. Construction starts - Summer, 2013																
10	4. Construction ends - Winter, 2013-2014																
11	5. New building, machinery, and FFE is assessed at full value as of 1/1/15																
12	6. First year of full taxation is 2015 tax year, FY16 with first tax bill issued October, 2015																
13	7. City tax mills equal 120 *** may change over time																
14	8. Elementary SD mills equal 62 *** may change over time																
15	9. High SD mills equal 89 *** may change over time																
16	10. Flathead County mills equal 120 *** may change over time																
17	11. Mills applicable to TIF equal 545 *** may change over time																
18																	
19																	
20			Market	Tax Rate		Taxable		Total Taxes									
21			Valuation	Multiplier		Valuation		@ 551 mills	w/o abatement								
22	Building		\$425,000	0.0247		\$10,498		\$5,784									
23	Machinery		\$230,000	0.015		\$3,450		\$1,901									
24	FFE		\$0	0.015		\$0		\$0									
25																	
26	Totals		\$655,000			\$13,948		\$7,685									
27																	
28																	
29																	
30			Tax Break			City tax	Elementary	High School									
31	Tax Year	FY	Rate			reduction	tax reduction	tax reduction		Totals							
32																	
33	2015	15	0.5			\$836.85	\$432.37	\$620.66		\$1,889.89		\$836.85				\$3,800.69	
34	2016	16	0.5			\$836.85	\$432.37	\$620.66		\$1,889.89		\$836.85				\$3,800.69	
35	2017	17	0.5			\$836.85	\$432.37	\$620.66		\$1,889.89		\$836.85				\$3,800.69	
36	2018	18	0.5			\$836.85	\$432.37	\$620.66		\$1,889.89		\$836.85				\$3,800.69	
37	2019	19	0.5			\$836.85	\$432.37	\$620.66		\$1,889.89		\$836.85				\$3,800.69	
38	2020	20	0.4			\$669.48	\$345.90	\$496.53		\$1,511.91		\$669.48				\$4,560.83	
39	2021	21	0.3			\$502.11	\$259.42	\$372.40		\$1,133.93		\$502.11		\$1,171.59			
40	2022	22	0.2			\$334.74	\$172.95	\$248.27		\$755.95		\$334.74		\$1,338.96			
41	2023	23	0.1			\$167.37	\$86.47	\$124.13		\$377.98		\$167.37		\$1,506.33			
42	2024	24	0			\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$1,673.70			
43																	
44	Totals					\$5,857.95	\$3,026.61	\$4,344.65		\$13,229.20		\$5,857.95		\$5,690.58		\$23,564.30	
45																	

# Montana Code Annotated 2011

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**15-24-1401. Definitions.** The following definitions apply to [15-24-1402](#) unless the context requires otherwise:

(1) "Expansion" means that the industry has added after July 1, 1987, at least \$50,000 worth of qualifying improvements or modernized processes to its property within the same jurisdiction either in the first tax year in which the benefits provided for in [15-24-1402](#) are to be received or in the preceding tax year.

(2) "Industry" includes but is not limited to a firm that:

(a) engages in the mechanical or chemical transformation of materials or substances into products in the manner defined as manufacturing in the North American Industry Classification System Manual prepared by the United States office of management and budget;

(b) engages in the extraction or harvesting of minerals, ore, or forestry products;

(c) engages in the processing of Montana raw materials such as minerals, ore, agricultural products, and forestry products;

(d) engages in the transportation, warehousing, or distribution of commercial products or materials if 50% or more of the industry's gross sales or receipts are earned from outside the state;

(e) earns 50% or more of its annual gross income from out-of-state sales; or

(f) engages in the production of electrical energy in an amount of 1 megawatt or more by means of an alternative renewable energy source as defined in [15-6-225](#).

(3) "New" means that the firm is new to the jurisdiction approving the resolution provided for in [15-24-1402](#)(2) and has invested after July 1, 1987, at least \$125,000 worth of qualifying improvements or modernized processes in the jurisdiction either in the first tax year in which the benefits provided for in [15-24-1402](#) are to be received or in the preceding tax year. New industry does not include property treated as new industrial property under [15-6-135](#).

(4) "Qualifying" means meeting all the terms, conditions, and requirements for a reduction in taxable value under [15-24-1402](#) and this section.

**History:** En. Sec. 2, Ch. 564, L. 1981; amd. Sec. 1, Ch. 574, L. 1987; amd. Sec. 2, Ch. 694, L. 1991; amd. Sec. 29, Ch. 51, L. 1999; amd. Sec. 7, Ch. 591, L. 2001; amd. Sec. 2, Ch. 405, L. 2003.

*Provided by Montana Legislative Services*

# Montana Code Annotated 2011

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**15-24-1402. New or expanding industry -- assessment -- notification.** (1) In the first 5 years after a construction permit is issued, qualifying improvements or modernized processes that represent new industry or expansion of an existing industry, as designated in the approving resolution, must be taxed at 50% of their taxable value. Subject to [15-10-420](#), each year thereafter, the percentage must be increased by equal percentages until the full taxable value is attained in the 10th year. In subsequent years, the property must be taxed at 100% of its taxable value.

(2) (a) In order for a taxpayer to receive the tax benefits described in subsection (1), the governing body of the affected county or the incorporated city or town must have approved by separate resolution for each project, following due notice as defined in [76-15-103](#) and a public hearing, the use of the schedule provided for in subsection (1) for its respective jurisdiction. The governing body may not grant approval for the project until all of the applicant's taxes have been paid in full. Taxes paid under protest do not preclude approval.

(b) Subject to [15-10-420](#), the governing body may end the tax benefits by majority vote at any time, but the tax benefits may not be denied an industrial facility that previously qualified for the benefits.

(c) The resolution provided for in subsection (2)(a) must include a definition of the improvements or modernized processes that qualify for the tax treatment that is to be allowed in the taxing jurisdiction. The resolution may provide that real property other than land, personal property, improvements, or any combination thereof is eligible for the tax benefits described in subsection (1).

(d) Property taxes abated from the reduction in taxable value allowed by this section are subject to recapture by the local governing body if the ownership or use of the property does not meet the requirements of [15-24-1401](#), this section, or the resolution required by subsections (2)(a) and (2)(c) of this section. The recapture is equal to the amount of taxes avoided, plus interest and penalties for nonpayment of property taxes provided in [15-16-102](#), during any period in which an abatement under the provisions of this section was in effect. The amount recaptured, including penalty and interest, must be distributed by the treasurer to funds and accounts subject to the abatement in the same ratio as the property tax was abated. A recapture of taxes abated by this section is not allowed with regard to property ceasing to qualify for the abatement by reason of an involuntary conversion. The recapture of abated taxes may be canceled, in whole or in part, if the local governing body determines that the taxpayer's failure to meet the requirements is a result of circumstances beyond the control of the taxpayer.

(3) The taxpayer shall apply to the department for the tax treatment allowed under subsection (1). The application by the taxpayer must first be approved by the governing body of the appropriate local taxing jurisdiction, and the governing body shall indicate in its approval that the property of the applicant qualifies for the tax treatment provided for in this section. Upon receipt of the form with the approval of the governing body of the affected taxing jurisdiction, the department shall make the assessment change pursuant to this section.

(4) The tax benefit described in subsection (1) applies only to the number of mills levied and assessed for local high school district and elementary school district purposes and to the number of mills levied and assessed by the governing body approving the benefit over which the governing body has sole discretion. The benefit described in subsection (1) may not apply to levies or assessments required under Title 15, chapter 10, [20-9-331](#), [20-9-333](#), or [20-9-360](#) or otherwise required under state law.

(5) Prior to approving the resolution under this section, the governing body shall notify by certified mail all taxing jurisdictions affected by the tax benefit.

**History:** En. Sec. 3, Ch. 564, L. 1981; amd. Sec. 2, Ch. 574, L. 1987; amd. Sec. 3, Ch. 694, L. 1991; amd. Sec. 48, Ch. 767, L. 1991; amd. Sec. 116, Ch. 27, Sp. L. November 1993; amd. Sec. 97, Ch. 584, L. 1999; amd. Sec. 1, Ch. 597, L. 2005.

*Provided by Montana Legislative Services*