

Annual Budget Report

FY 2017-2018

CITY OF RED LODGE

1 PLATT AVENUE SOUTH, P.O. BOX 9, RED LODGE, MONTANA 59068



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CITY OF RED LODGE

1 PLATT AVENUE SOUTH, P.O. BOX 9, RED LODGE, MONTANA 59068



August 29, 2017

City Council Members and members of the Red Lodge Community:

I am pleased (and somewhat relieved) to present the City Budget for the Fiscal Year ending June 30, 2018. The budget has been developed and proposed by the Mayor and Staff but is ultimately determined by the Council as they may make any changes that they deem appropriate.

The process of preparing the budget is both lengthy and difficult. As in recent years, the budget continues to be tight. We have made cuts in the past and we have continued to need to make cuts. The City's department heads have had discussions with the Mayor regarding strategic planning to help in determining priorities to try to guide budgetary recommendations. Several of the projects and initiatives identified during the strategic planning discussions were not viable for inclusion in this budget due to the tight nature of our funding. Staff has begun pursuing additional possibilities for City funding with the goal of minimizing impacts to the burden on the taxpayers. Additional grant funding is being investigated and our new City Attorney is working with the Council to adjust our City code to allow more of the fines that are collected to stay here in Red Lodge rather than going to the State.

In the end, while I do not believe that we will be able to continue to maintain our current level of services with our current funding in the long term, I do believe that we have developed a budget for the coming year that continues to provide the municipal services that our community has come to expect. The pool and the library will continue to be vital parts of our community. We will continue our work to replace and improve our aging infrastructure. And the City will continue to do its part in making Red Lodge the safe, welcoming, friendly town that we all love.

Sincerely,

A handwritten signature in blue ink, which appears to read "Michael J. Schoenike". The signature is fluid and cursive.

Michael J. Schoenike
Mayor

History of Red Lodge and Red Lodge City Government

Discovery of coal to feed the Northern Pacific Railroad's coal hungry locomotives brought prosperity. Hundreds of Finnish, Scottish, Irish, Italian, Yugoslavian and Scandinavian miners came to share it. There were three Native Americans to every white man and four men to every woman around 1886. As Red Lodge grew, optimistic citizens had the town platted and incorporated. By 1892, the population reached 1,180, just 875 fewer than were counted in the 2010 census.

By 1896, as mining companies took control, Red Lodge had achieved a more orderly growth. It now had twenty saloons (presumably a grocery store or two) and lots of miners. It was a vibrant, sporting place, teeming with action, filled with strong-willed folks. In 1906, eight men died in the town's first mine disaster, but prosperity continued to smile on the population, which had grown to 4,000.

Large herds of cattle and sheep grazed the foothills of the Beartooth Mountains and crops grew in abundance. By 1910, Carbon County led Montana in coal production and by 1911, Red Lodge boasted a population of 5,000 souls.

Red Lodge suffered an economic blow with the closing of West Side Mine in 1924, and like every place else, suffered the Great Depression of the 1930's, which forced many more mines to close. To offset economic ills, illegal bootleg liquor, labeled "syrup" was made locally and marketed as far as Chicago and San Francisco.

Dr. J.C.F. Siefriedt saw the potential in the beauty of Red Lodge and dreamed of a "high road" connecting Red Lodge and Cooke City. In 1931, federal funds were secured and the Beartooth Highway officially opened in 1936. In 2002, the highway was named an All-American Scenic Byway.

In 1943, tragedy hit the Smith Mine near Bear Creek, the area's largest remaining mine. An explosion trapped and killed 74 miners, the worst coalmine disaster in Montana's history. The mines fell silent forever shortly thereafter.

The 2010 census showed 2,155 Red Lodge residents and data shows the City population had a decrease since the 2000 census. The form of government for the City has also changed on November 5, 2002. Prior to 2002, the City was a statutory mayor-council form of government, but the citizens of the City voted to adopt a charter, which gives the City self-governing powers. This has allowed the City more flexibility in managing its own affairs.

City government consists of a mayor and six council members. The mayor is elected at large every two years, while two council members are elected from each of the three separate wards for two year terms, which are staggered to allow continuity on the Council.

[City History courtesy of Carbon County Historical Society]

| CLASS OF CITY/TOWN..... | 3rd Class |
|---|------------------|
| COUNTY LOCATED IN..... | Carbon |
| YEAR ORGANIZED..... | 1892 |
| REGISTERED VOTERS..... | 1609 |
| AREA (SQ. MILES)..... | 15 |
| POPULATION OF CITY/TOWN..... | 2144 |
| FORM OF GOVERNMENT..... | Charter |
| NUMBER OF EMPLOYEES (ELECTED)..... | |
| NUMBER OF EMPLOYEES (NON-ELECTED)..... | 20 |
| MILES OF STREETS AND ALLEYS..... | 32 |
| MUNICIPAL WATER | |
| NUMBER OF CONSUMERS..... | 1575 |
| WATER RATE PER 1,000 GALLONS..... | 28.22 |
| SEWER RATES..... | 37.86 |
| | |

City Of Red Lodge Charter

- A charter is a document that spells out the powers, duties and structures of **government** and the rights of citizens. It is often compared to constitutions at the local level.
 - Red Lodges' Charter
 - Strong Mayor Form of Government- Mayor is Executive Branch- Chief Administrative officer of the city. Chair of the Council
 - Alderman-2 from each ward (3 wards) -City Council – Legislative Branch
 - City Staff
 - Boards Review and make recommendations to council
-

CHARTER OF THE CITY OF RED LODGE, CARBON COUNTY, MONTANA

PREAMBLE

WE, THE PEOPLE OF THE CITY OF RED LODGE, COUNTY OF CARBON, STATE OF MONTANA, in accordance with Article XI, Section 5 of the Constitution of Montana, do hereby adopt this Charter.

ARTICLE I

POWERS OF THE CITY

Section 1.01 Powers of the City

The City of Red Lodge shall have all powers not prohibited by the Constitution of Montana, the laws of Montana, or this Charter.

Section 1.02 Interpretation of Powers

The powers and authority of this self-government city shall be liberally construed. Every reasonable doubt as to the existence of a city power or authority shall be resolved in favor of the existence of that power or authority.

Section 1.03 Restrictions

The mill levy shall be limited to that of Montana municipal governments with general government powers, except with the prior approval of the electors voting on the question in a general or special municipal election.

No change in any city license fee, user fee, permit fee or utility charge shall be made without prior public hearings, as prescribed by law.

Section 1.04 Charter Supremacy

As provided by Article XI, Section 5 of the Constitution of Montana, charter provisions herein establishing executive, legislative and administrative structure and organization are superior to statutory provisions.

Section 1.05 Oath of Office

Before entering upon the duties of office, all elected city officials shall take and subscribe to the oath of office as prescribed in Article III, Section 3 of the Constitution of Montana.

ARTICLE II CITY COUNCIL

Section 2.01 Legislative Branch

The legislative branch and governing body shall be the city council.

Section 2.02 Composition

The City of Red Lodge shall have a city council of six (6) members, three of whom shall be elected every two years.

The compensation of council members shall be set annually by ordinance.

Section 2.03 Powers and Duties

The council shall be the legislative and policy determining body of the city. All powers of the City shall be vested in the city council except as otherwise provided by law or this Charter. The council may override the mayor's veto with a two-thirds vote of the entire council.

Section 2.04 Term of Office

Members of the council shall be elected for two (2) year overlapping terms of office.

Section 2.05 Election

The election of council members shall be conducted on a non-partisan basis. There shall be three wards apportioned by population following every federal decennial census, each of which shall be represented by two council members. Candidates for the city council must reside in the ward they seek to represent at the time of their election and during their entire term of office. One council member from each of the three wards shall be elected every two years.

Section 2.06 Chairman of the Council

The council shall have a chairman who shall be elected by the members of the council from their own number for a term established by resolution. The chairman of the council shall preside when the mayor is absent.

Section 2.07 Council Procedures

The council shall, by resolution adopt its own rules of procedure. A quorum of the council shall consist of four (4) council members physically present at a meeting of the council. No resolution or ordinance may be adopted without the affirmative vote of at least four (4) council members.

**ARTICLE III
MAYOR**

Section 3.01 The Executive Branch

The mayor shall be the chief executive and chief administrative officer of the city.

Section 3.02 Term of Office

The mayor shall be elected for a two-year term of office.

Section 3.03 Election

The mayor, who must reside within the city limits, shall be nominated and elected at large on a non-partisan basis.

Section 3.04 Powers and Duties

The mayor shall:

enforce laws, ordinances, and resolutions;
perform duties required of him by law, charter, ordinance or resolution;
administer affairs of the local government;
carry out policies established by the council;
recommend measures to the council;
report to the council on the affairs and financial condition of the city government;
execute bonds, notes, contracts and written obligations of the council, subject to the approval of the council;
report to the council as the council may require;
chair council meetings and may take part in discussion;
execute the budget adopted by the council;
appoint, with the consent of the council, all members of boards, except the mayor may appoint without consent of the council temporary committees established by the mayor.

Section 3.05 Administrative Duties

The mayor may:

prepare the budget in consultation with the council and department heads;
appoint one or more administrative assistants to assist him in the supervision and operation of the local government, and such administrative assistants shall be answerable solely to the mayor;
appoint, with the consent of a majority of the council all department heads and may remove department heads without the consent of the council and appoint and remove all other city employees;
exercise control and supervision of all departments and boards to the degree authorized by resolution of the council.

Section 3.06 Legislative Authority

The mayor shall decide all tie votes of the council, but shall have no other vote. The mayor may veto ordinances and resolutions, subject to override by a two-thirds vote of the entire council.

Section 3.07 Compensation

The compensation of the mayor shall be set by ordinance.

Section 3.08 Absence of Mayor

The mayor must receive the consent of the council for an absence from the city for ten (10) or more consecutive days.

Section 3.09 Grounds for Removal

The mayor may be removed from office by a finding of a majority of the entire council that, pursuant to law, there is a vacancy in the office of mayor.

Section 3.10 City Attorney

There shall be a legal officer of the city, appointed by the mayor, with the approval of the council, who shall serve as chief legal advisor to the council, the mayor, and all city departments, offices, and agencies. The chief legal advisor shall represent the city in all legal proceedings unless otherwise determined by council, and shall perform any other duties prescribed by ordinance. The chief legal officer, who may be called the city attorney, shall have the status of a department head, except that he or she may not be removed or suspended by the mayor without the consent of the council.

**ARTICLE IV
JUDICIAL**

Section 4.01 City Court

There shall be a city court and a city judge as provided by law.

**ARTICLE V
DEPARTMENT STRUCTURE**

Section 5.01 Organization of Departments

The organization of city departments shall be prescribed by ordinance.

**ARTICLE VI
GENERAL PROVISIONS**

Section 6.01 Amendment of Charter

This Charter may be amended only as prescribed by state law.

Section 6.02 Effective Date

This Charter shall become effective on July 1, 2003.

Section 6.03 Vacancy in Office

An elected office under this Charter becomes vacant as prescribed by law. When any vacancy occurs in any elective office, this position shall be considered open and subject to nomination and election at the next general municipal election in the same manner as the election of any person holding the same office, except the term shall be limited to the unexpired term of the person who originally created the vacancy. Pending such election and qualification the council shall, by majority vote of the members, appoint a qualified person within 30 days of the vacancy to hold the office until the successor is elected and qualified. A person appointed to fill a vacant council position must reside in the ward wherein the vacancy occurred.

Section 6.04 Severability

If any provision of this Charter is held invalid, the other provisions of this Charter shall not be affected thereby. If the application of the Charter or any part of its provisions, to any person or circumstance is held invalid the application of the Charter and its provisions to other persons or circumstances shall not be affected thereby.

**ARTICLE VII
TRANSITION PROVISIONS**

Section 7.01 General Transition

Transition to this charter form of government shall be as prescribed by state law. The council may provide for such transition by ordinance, rule or resolution not inconsistent with state law. The provisions of this transition article shall not be published as part of the Charter after July 1, 2004.

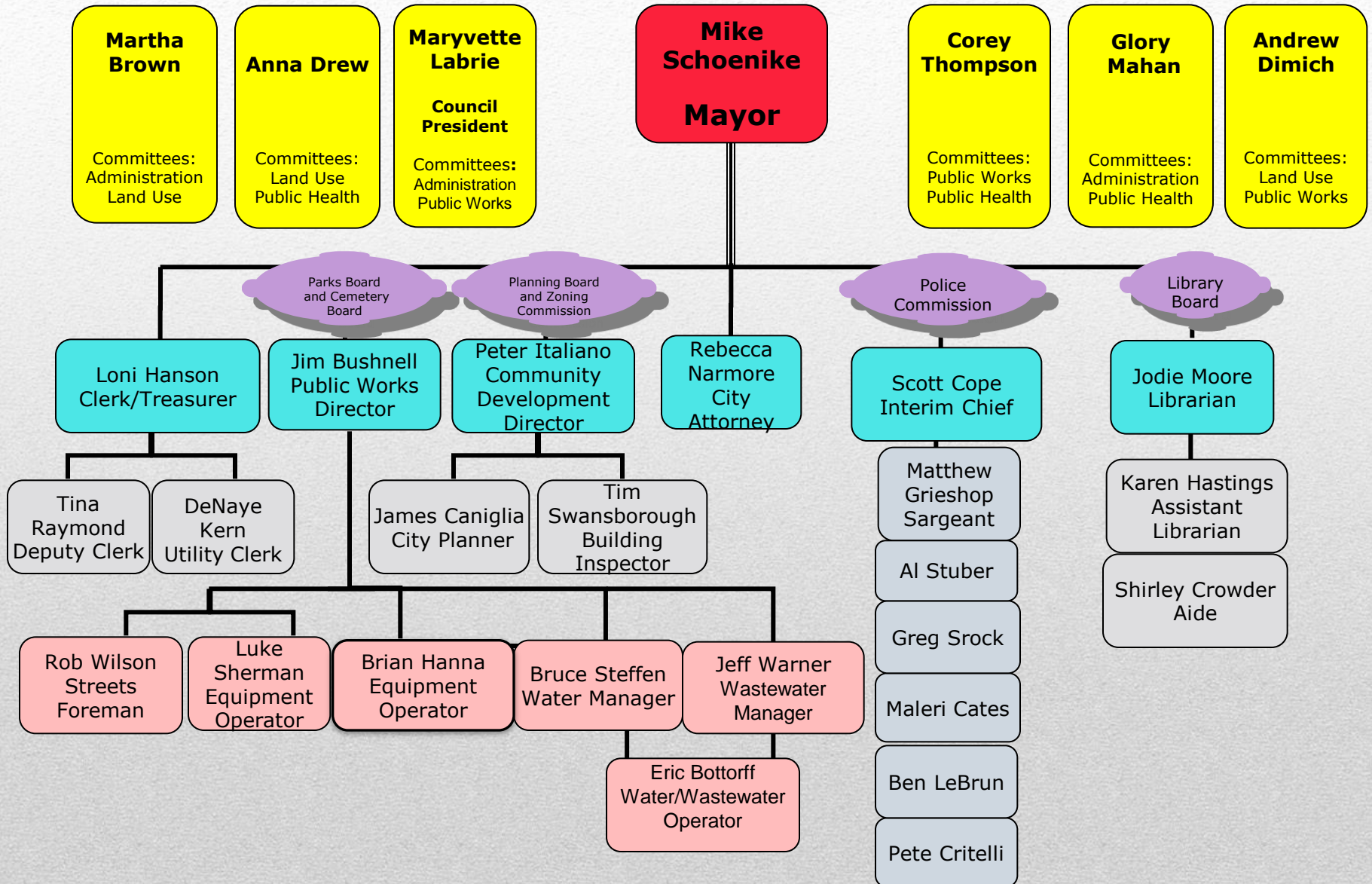
Section 7.02 City Employee

No city employee or elected official currently holding a city office will lose employment or elected position solely because of adoption of this Charter. Existing elected officials shall continue in office until the end of the term for which they were elected.

Section 7.03 Review of Existing Ordinances

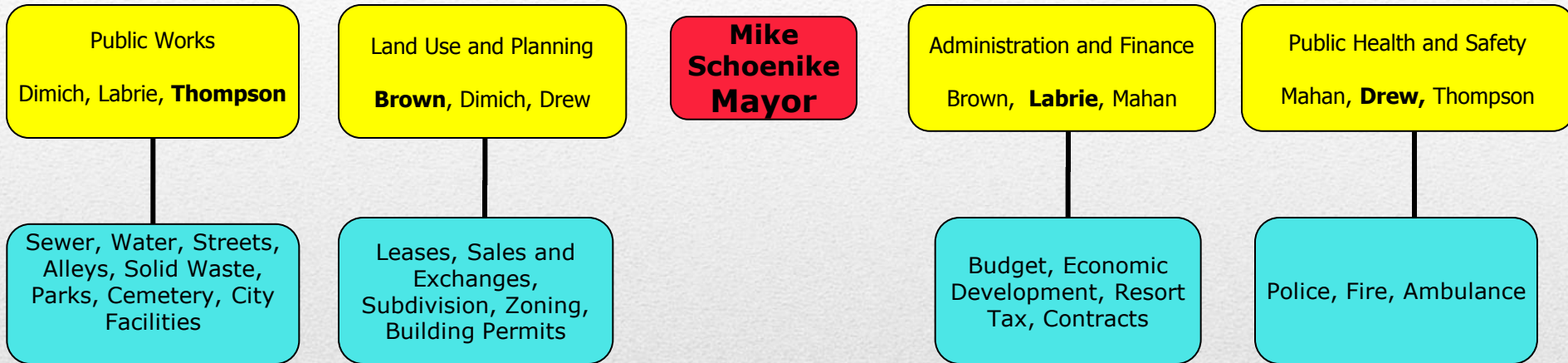
All city ordinances, resolutions and rules of the City of Red Lodge shall remain in effect until reviewed, revised or repealed by the city council. The city council shall review and, where necessary, revise or repeal all city ordinances to provide for compliance and consistency with this Charter and state law no later than July 1, 2004.

City of Red Lodge Organizational Chart



City of Red Lodge Council Committees

Bold Indicates Committee Chairperson



City of Red Lodge Elected Officials and Staff Directory

NAME

POSITION

LEGISLATIVE OFFICE

| | | <u>Term Expires</u> |
|-------------------|-----------------------|---------------------|
| Michael Schoenike | Mayor | 12/31/2017 |
| Anna Drew | Ward 1 Council Member | 12/31/2018 |
| Martha Brown | Ward 1 Council Member | 12/31/2017 |
| Maryvette Labrie | Ward 2 Council Member | 12/31/2017 |
| Corey Thompson | Ward 2 Council Member | 12/31/2018 |
| Glory Mahan | Ward 3 Council Member | 12/31/2017 |
| Andrew Dimich | Ward 3 Council Member | 12/31/2018 |

JUDICIAL

| | |
|---------------|------------------|
| Kevin Nichols | City Court Judge |
| Callie Allen | Court Clerk |

ADMINISTRATIVE SERVICES DEPARTMENT

| | |
|-----------------|---------------|
| Loni Hanson | City Clerk |
| Tina Raymond | Deputy Clerk |
| Rebecca Narmore | City Attorney |

COMMUNITY DEVELOPMENT DEPARTMENT

| | |
|------------------|--------------------------------|
| Peter Italiano | Community Development Director |
| James Caniglia | City Planner |
| Tim Swansborough | Building Inspector |

POLICE DEPARTMENT

| | |
|---------------|---------------|
| Scott Cope | Interim Chief |
| Matt Grieshop | Sargent |
| Al Stuber | Officer |
| Greg Srock | Officer |
| Malerie Cates | Officer |
| Ben LeBrun | Officer |
| Pete Critelli | Officer |

PUBLIC WORKS

| | |
|---------------|-----------------------------|
| Jim Bushnell | Public Works Director |
| Jeff Warner | Wastewater Supervisor |
| Bruce Steffen | Water Supervisor |
| Eric Bottorff | Water & Wastewater Operator |
| Rob Wilson | Streets |
| Brian Hanna | Equipment Operator |
| Luker Sherman | Equipment Operator |
| DeNaye Kern | Utility Clerk |

Budget

A budget is the plan of expenditures and revenues approved and authorized by the annual budget resolution of the governing body to meet the essential public safety, public health and public well-being needs of the city/town or county during a specific fiscal year.

Purpose of an Annual Budget

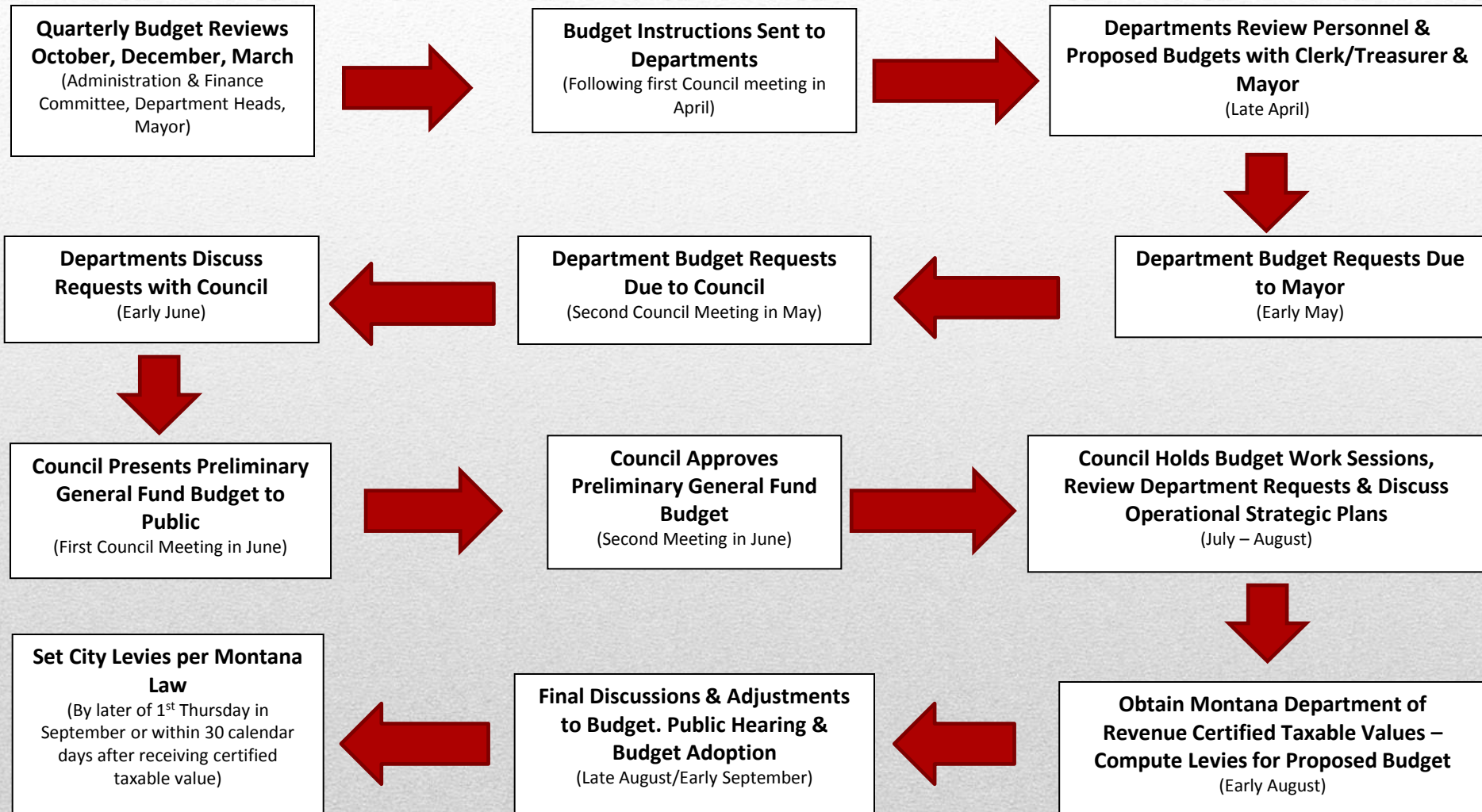
- Fund the Programs and Projects that the Policy Making Body Determines should be Funded.
 - Indicates the priorities of the Government
- Forms the Basis of Taxes and Charges.
- Establishes Legal Spending Limits.
- Guides Staff Operations.
- Can Assist in Preventing Financial Crisis.

City & Town Budgets

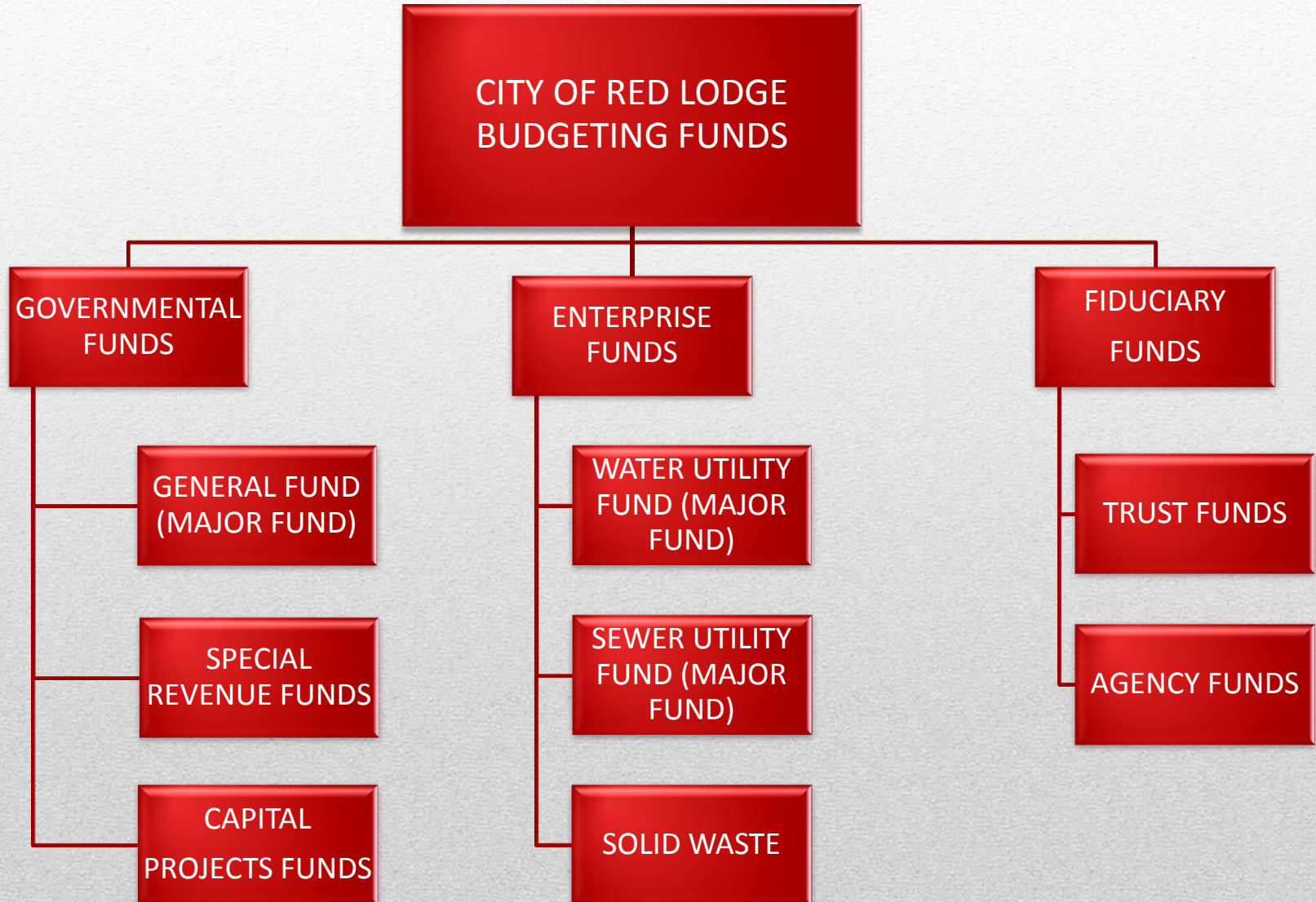
- Statutory Requirements
 - Local Government Budget Act
 - MCA 7-6 Part 40
 - Fiscal Year begins July 1 each year.
 - MUST have an annually adopted budget (MCA 7-6-4030)
 - Won't receive "taxable value" or "tax base" numbers from the State of Montana until 1st Monday in August.
 - RESULT: It will be 2 months into your Fiscal Year before the City Council makes Final Adoption of the Budget.
-

Budget Process Flow Chart

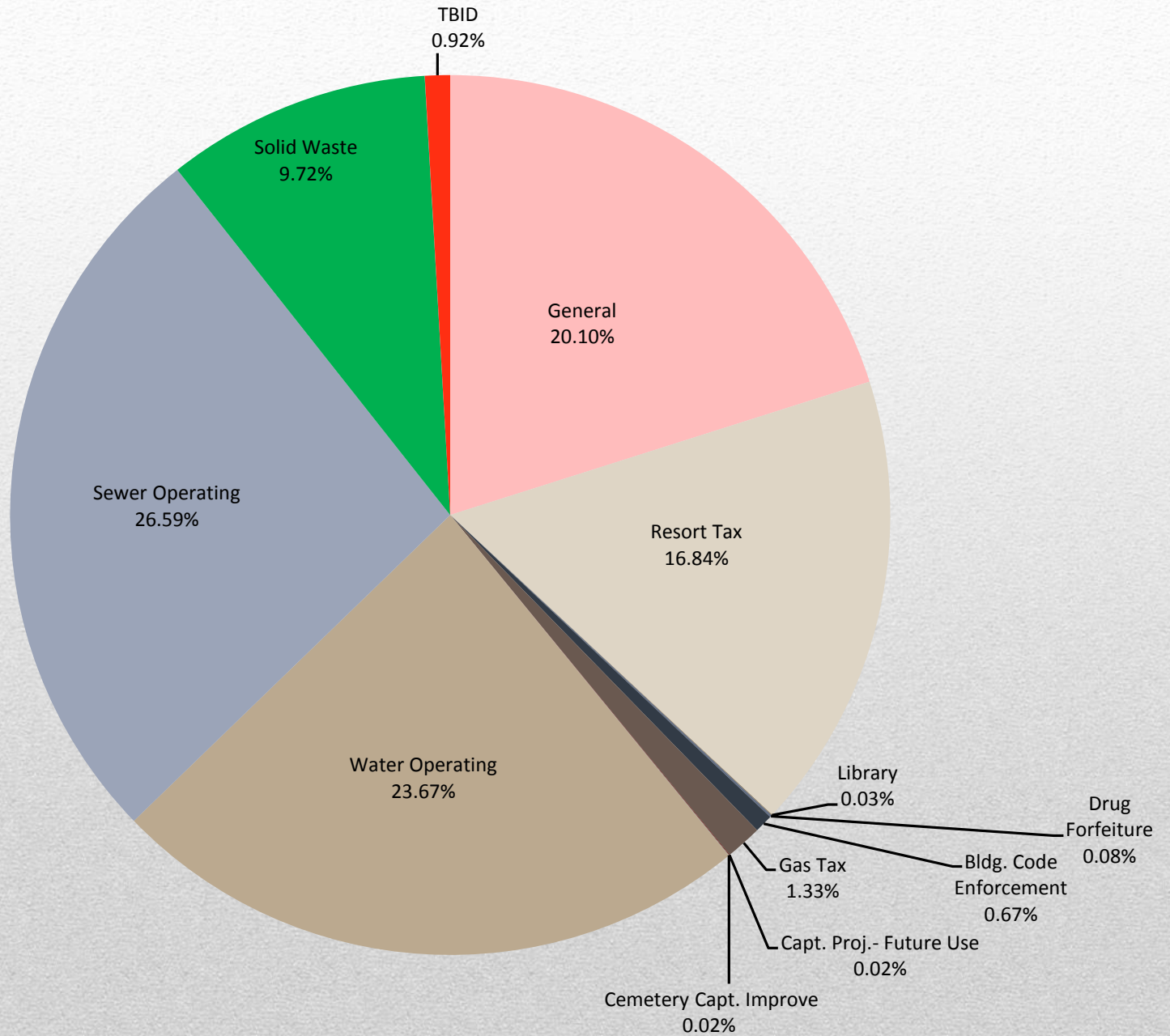
The following flow chart provides an overview of the budget process for the City of Red Lodge and general time frames involved from initial department development through budget adoption and final budget distributions.



Budget Fund Structure



WHERE THE MONEY COMES FROM – FY 2018



City of Red Lodge

NON LEVIED FUNDS

2017-2018

8/14/2017

| Fund # | Fund Name | Appropriation | Cash Reserve | Total Requirements | Cash Available | Non-Tax Revenue | Total Resources | |
|--------|----------------------------|----------------|---------------|--------------------|----------------|-----------------|-----------------|--------|
| 2100 | Resort Tax | \$858,176.00 | \$ 19,272.00 | \$877,448.00 | \$126,548.00 | \$750,900.00 | \$877,448.00 | \$0.00 |
| 2220 | Library | \$138,563.00 | | \$138,563.00 | \$137,363.00 | \$1,200.00 | \$138,563.00 | \$0.00 |
| 2390 | Drug Forfeiture | \$37,868.00 | | \$37,868.00 | \$34,368.00 | \$3,500.00 | \$37,868.00 | \$0.00 |
| 2394 | Bldg. Code Enforcement | \$79,536.00 | | \$79,536.00 | \$49,536.00 | \$30,000.00 | \$79,536.00 | \$0.00 |
| 2396 | CDBG | \$1,074.00 | | \$1,074.00 | \$1,062.00 | \$12.00 | \$1,074.00 | \$0.00 |
| 2396 | Home Local Source * | \$93,430.00 | | \$93,430.00 | \$93,430.00 | \$0.00 | \$93,430.00 | \$0.00 |
| 2820 | Gas Tax | \$82,463.00 | | \$82,463.00 | \$22,924.00 | \$59,539.00 | \$82,463.00 | \$0.00 |
| 2956 | Trans. Enh. Grants | \$4,839.00 | | \$4,839.00 | \$4,839.00 | \$0.00 | \$4,839.00 | \$0.00 |
| 4030 | Capt. Proj.- Gas Tax Equip | \$9,875.00 | | \$9,875.00 | \$9,875.00 | \$0.00 | \$9,875.00 | \$0.00 |
| 4030 | Capt. Proj.- Spire Funds | \$45,738.00 | | \$45,738.00 | \$45,738.00 | \$0.00 | \$45,738.00 | \$0.00 |
| 4030 | Capt. Proj.- Future Use | \$305,034.00 | | \$305,034.00 | \$304,084.00 | \$950.00 | \$305,034.00 | \$0.00 |
| 4030 | Capt. Proj.- Parks | \$13,534.00 | | \$13,534.00 | \$13,534.00 | \$0.00 | \$13,534.00 | \$0.00 |
| 4031 | Cemetery Capt. Improve | \$2,800.00 | | \$2,800.00 | \$1,800.00 | \$ 1,000.00 | \$2,800.00 | \$0.00 |
| 5210 | Water Operating | \$1,353,161.00 | \$ 107,126.00 | \$1,460,287.00 | \$404,537.00 | \$1,055,750.00 | \$1,460,287.00 | \$0.00 |
| 5310 | Sewer Operating | \$1,552,320.00 | \$ 30,000.00 | \$1,582,320.00 | \$396,320.00 | \$1,186,000.00 | \$1,582,320.00 | \$0.00 |
| 5410 | Solid Waste | \$473,251.00 | \$ 3,606.00 | \$476,857.00 | \$43,357.00 | \$433,500.00 | \$476,857.00 | \$0.00 |
| 7010 | Cemetery Trust | \$5,244.00 | | \$5,244.00 | \$4,994.00 | \$250.00 | \$5,244.00 | \$0.00 |
| 7390 | TBID | \$43,167.00 | | \$43,167.00 | \$2,167.00 | \$41,000.00 | \$43,167.00 | \$0.00 |
| | | | | | | | | |
| | Total | \$5,100,073.00 | | \$5,260,077.00 | \$1,696,476.00 | \$3,563,601.00 | \$5,260,077.00 | |

City of Red Lodge

2017-
2018

Taxable Valuation
\$6,975,486

NON-
VOTED
LEVIES

1 Mill
Levies
\$6,975.49

8/25/201
7

| fund # | Fund Name | Appropriation | Cash Reserve | Total Requirement | Cash Available | Non-Tax Revenue | Total Non-Tax Resources | Tax Revenues | Total Resources | Mill Levy | |
|--------|-------------------|----------------|--------------|-------------------|----------------|-----------------|-------------------------|--------------|-----------------|-----------|--------|
| 1000 | General | \$1,745,017.00 | \$134,726.00 | \$1,879,743.00 | \$210,532.00 | \$896,466.00 | \$1,106,998.00 | \$772,745.00 | \$1,879,743.00 | 110.78 | \$0.00 |
| 2190 | Comp. Ins. | \$60,637.00 | \$4,000.00 | \$64,637.00 | \$5,020.00 | \$52,991.00 | \$58,011.00 | \$6,626.00 | \$64,637.00 | 0.95 | \$0.00 |
| 2372 | PERS | \$80,600.00 | \$4,000.00 | \$84,600.00 | \$5,321.00 | \$74,746.00 | \$80,067.00 | \$4,533.00 | \$84,600.00 | 0.65 | \$0.00 |
| 2375 | Police Retire | \$63,600.00 | \$4,000.00 | \$67,600.00 | \$11,124.00 | \$39,527.00 | \$50,651.00 | \$16,949.00 | \$67,600.00 | 2.43 | \$0.00 |
| 2371 | Group Health Ins. | \$98,808.00 | | \$98,808.00 | \$5,046.00 | \$500.00 | \$5,546.00 | \$93,262.00 | \$98,808.00 | 13.37 | \$0.00 |
| Totals | | \$2,048,662.00 | \$146,726.00 | \$2,195,388.00 | \$237,043.00 | \$1,064,230.00 | \$1,301,273.00 | \$894,115.00 | \$2,195,388.00 | | \$0.00 |

Governmental Fund

- **General Fund**

- A fund used to account for the ordinary operations of a local government which are financed by property taxes and other non-tax, general revenues and not accounted for in another governmental fund.

- **Special Revenue Funds**

- A governmental fund type used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt services or capital projects.

- **Capital Projects Funds**

- Funds used to account for revenues received from bond or other long term general obligation debt issues, special assessment debt issues, grants, or shared revenues from other governments, transfers from other funds or other sources, and used to acquire and/or construct major, long lived capital facilities other than those financed by Enterprise Fund Revenue.
-

General Fund

Revenues

- Property Taxes
- Entitlement Share
- Court Fines
- Business Licenses
- Animal Licenses
- Charges for
Park/Recreation/Library/Police
Services

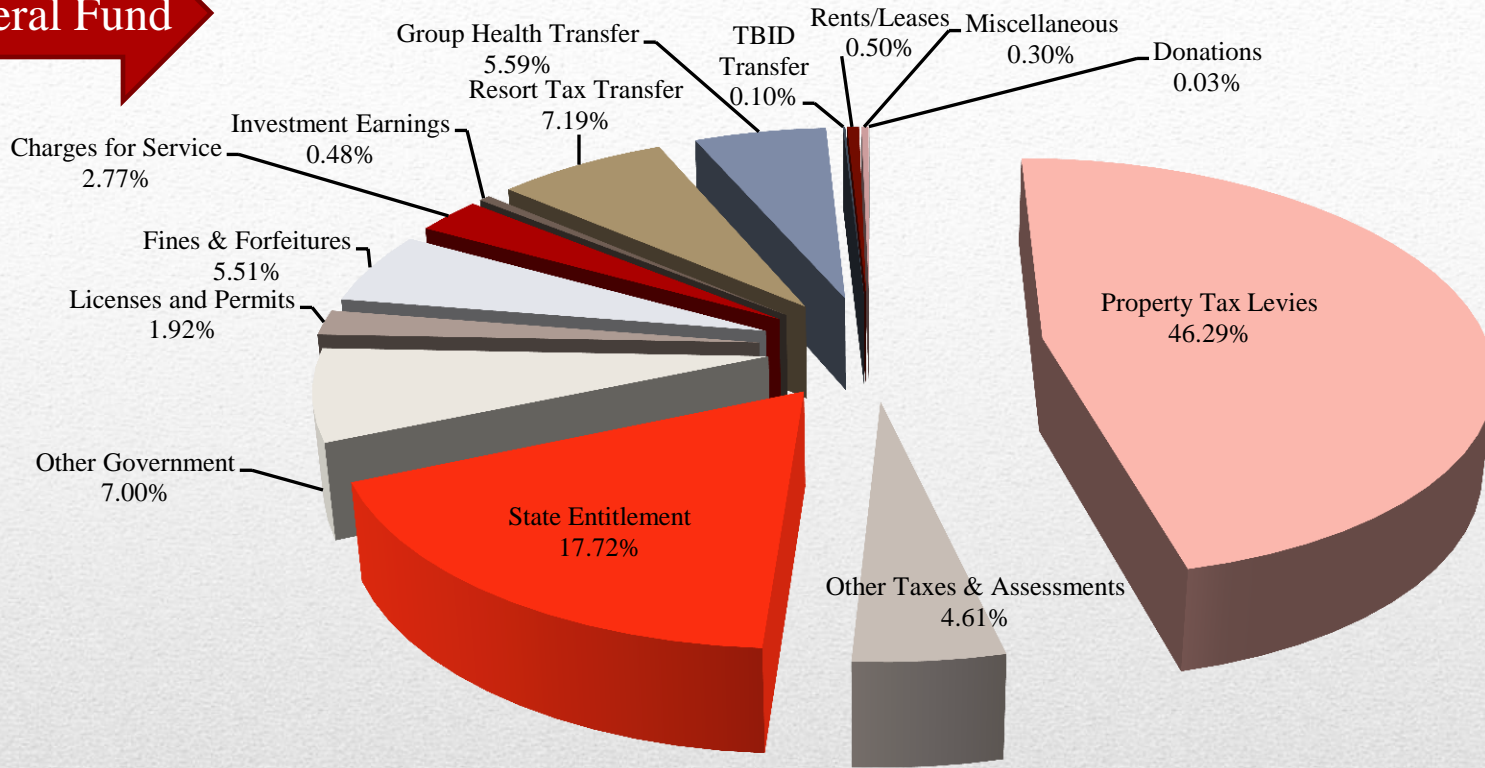
Reserve

- Policy Decision. No Statutory Requirement

Services Provided

- Public Safety
 - Law Enforcement
 - Fire Protection
- Public Works
 - Streets
- Parks and Recreation
- Libraries
- General Government

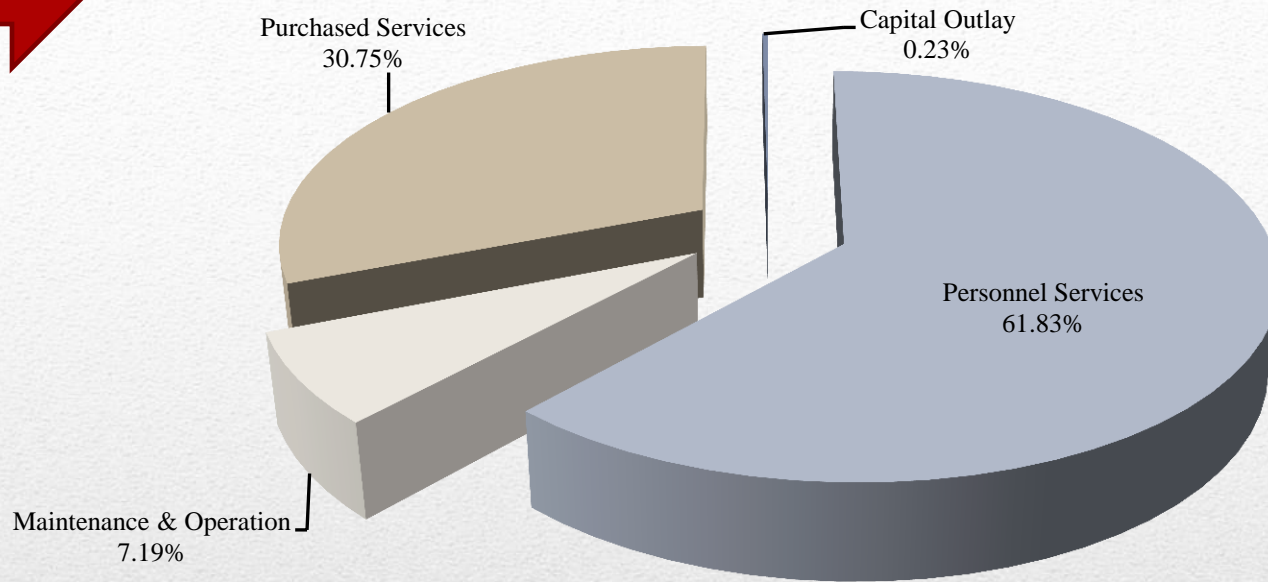
WHERE THE MONEY COMES FROM - FY 2018



| | FY 2016 Actual | FY 2017 Actual | FY 2018 Budget | Budget Increase (Decr) |
|---|------------------------|------------------------|------------------------|---------------------------|
| Property Tax Levies | \$ 726,423.67 | \$ 738,040.61 | \$ 772,745.00 | \$ 34,704.39 |
| Other Taxes & Assessments | \$ 80,016.80 | \$ 83,353.68 | \$ 77,000.00 | \$ (6,353.68) |
| State Entitlement | \$ 289,392.00 | \$ 292,294.06 | \$ 295,721.00 | \$ 3,426.94 |
| Other Government | \$ 136,096.28 | \$ 135,287.18 | \$ 116,773.00 | \$ (18,514.18) |
| Licenses and Permits | \$ 27,940.00 | \$ 31,485.00 | \$ 32,000.00 | \$ 515.00 |
| Fines & Forfeitures | \$ 87,936.26 | \$ 93,475.24 | \$ 92,000.00 | \$ (1,475.24) |
| Charges for Service | \$ 32,414.95 | \$ 45,961.98 | \$ 46,200.00 | \$ 238.02 |
| Investment Earnings | \$ 6,634.08 | \$ 8,148.94 | \$ 8,000.00 | \$ (148.94) |
| Resort Tax Transfer | \$ 117,869.43 | \$ 122,054.78 | \$ 120,000.00 | \$ (2,054.78) |
| Group Health Transfer | \$ 74,614.00 | \$ 84,501.00 | \$ 93,262.00 | \$ 8,761.00 |
| TBID Transfer | \$ 1,193.10 | \$ 1,206.48 | \$ 1,710.00 | \$ 503.52 |
| Rents/Leases | \$ 8,486.74 | \$ 8,486.74 | \$ 8,300.00 | \$ (186.74) |
| Miscellaneous | \$ 27,414.26 | \$ 1,667.25 | \$ 5,000.00 | \$ 3,332.75 |
| Donations | \$ 1,000.00 | \$ 303.25 | \$ 500.00 | \$ 196.75 |
| Sale of Assets | | \$ 5,100.00 | | \$ (5,100.00) |
| Total City Revenues for General Fund | \$ 1,617,431.57 | \$ 1,651,366.19 | \$ 1,669,211.00 | \$ 17,844.81 |



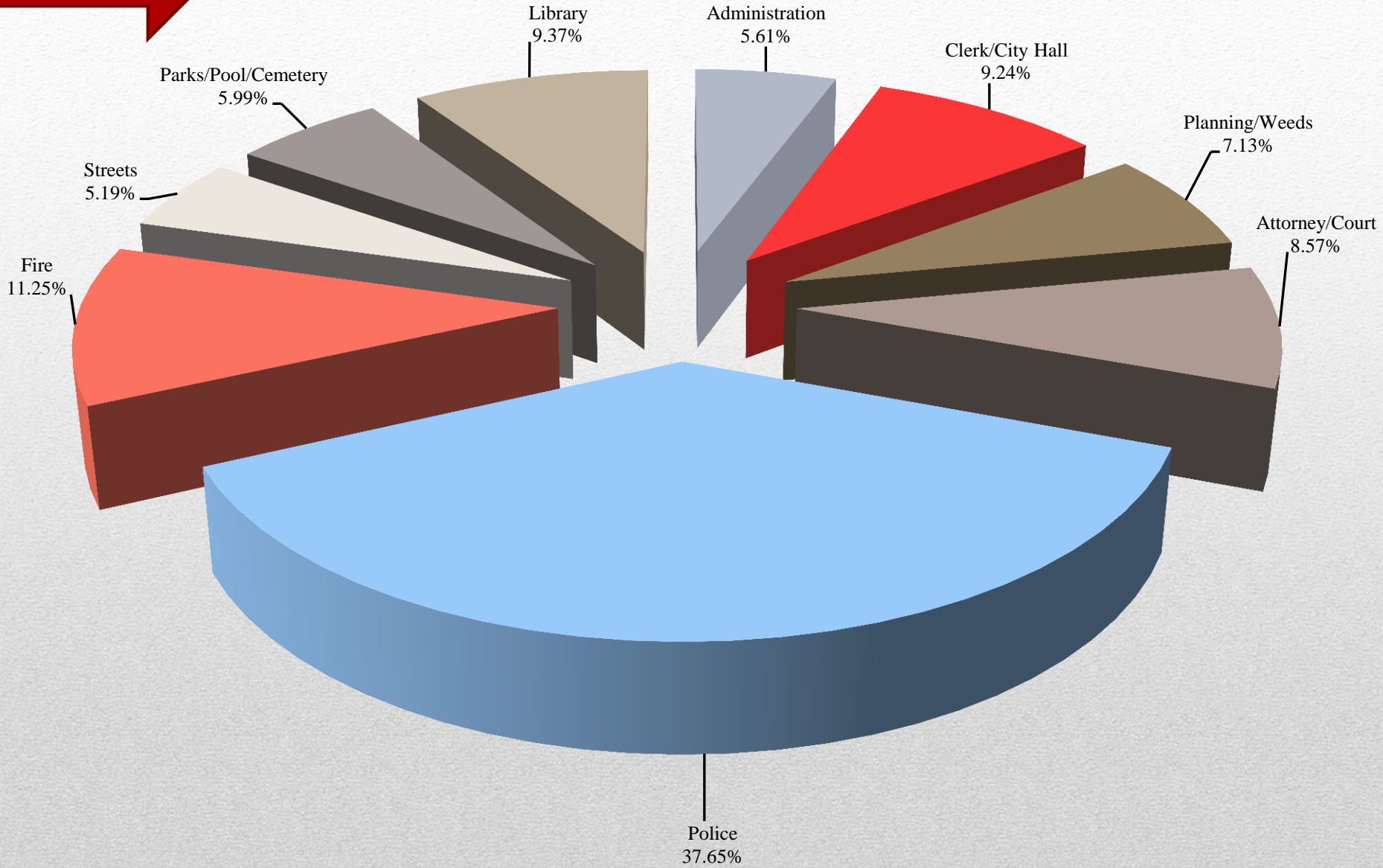
WHERE THE MONEY GOES - FY 2018



| | FY 2016 Actual | FY 2017 Actual | FY 2018 Budget | Budget Increase (Decr) |
|--------------------------------|------------------------|------------------------|------------------------|---------------------------|
| Personnel Services | \$ 1,142,417.70 | \$ 1,029,645.80 | \$ 1,078,914.00 | \$ 49,268.20 |
| Maintenance & Operation | \$ 91,829.66 | \$ 91,187.85 | \$ 125,443.00 | \$ 34,255.15 |
| Purchased Services | \$ 488,535.64 | \$ 579,679.63 | \$ 536,660.00 | \$ (43,019.63) |
| Capital Outlay | \$ 10,000.00 | \$ 6,736.97 | \$ 4,000.00 | \$ (2,736.97) |
| Debt Service | | | | |
| Total City Expenditures | \$ 1,732,783.00 | \$ 1,707,250.25 | \$ 1,745,017.00 | \$ 37,766.75 |

WHERE THE MONEY GOES BY FUND - FY 2018

General Fund





General Fund

| | FY 2016 Actual | FY 2017 Actual | FY 2018 Budget | Budget Increase (Decr) |
|--------------------------------|----------------------|----------------------|----------------------|---------------------------|
| Administration | | | | |
| Personnel Services | \$ 7,935.53 | \$ 6,969.89 | \$ 8,000.00 | \$ 1,030.11 |
| Maintenance & Operation | \$ 975.13 | \$ 659.85 | \$ 1,000.00 | \$ 340.15 |
| Purchased Services | \$ 81,031.30 | \$ 194,000.51 | \$ 88,896.00 | \$ (105,104.51) |
| Capital Outlay | | | | |
| Total City Expenditures | \$ 89,941.96 | \$ 201,630.25 | \$ 97,896.00 | \$ (103,734.25) |
| Clerk/City Hall | | | | |
| Personnel Services | \$ 86,848.55 | \$ 91,275.08 | \$ 113,700.00 | \$ 22,424.92 |
| Maintenance & Operation | \$ 5,583.65 | \$ 4,621.74 | \$ 4,710.00 | \$ 88.26 |
| Purchased Services | \$ 38,470.84 | \$ 35,605.34 | \$ 40,890.00 | \$ 5,284.66 |
| Capital Outlay | | | \$ 2,000.00 | \$ 2,000.00 |
| Total City Expenditures | \$ 130,903.04 | \$ 131,502.16 | \$ 161,300.00 | \$ 29,797.84 |
| Planning/Weeds | | | | |
| Personnel Services | \$ 110,489.85 | \$ 62,146.16 | \$ 92,167.00 | \$ 30,020.84 |
| Maintenance & Operation | \$ 3,791.60 | \$ 2,888.17 | \$ 2,833.00 | \$ (55.17) |
| Purchased Services | \$ 12,407.53 | \$ 25,669.25 | \$ 29,500.00 | \$ 3,830.75 |
| Capital Outlay | | | | |
| Total City Expenditures | \$ 126,688.98 | \$ 90,703.58 | \$ 124,500.00 | \$ 33,796.42 |
| Attorney/Court | | | | |
| Personnel Services | \$ 103,079.35 | \$ 104,259.46 | \$ 102,350.00 | \$ (1,909.46) |
| Maintenance & Operation | \$ 3,073.23 | \$ 5,162.31 | \$ 20,000.00 | \$ 14,837.69 |
| Purchased Services | \$ 14,819.90 | \$ 13,498.34 | \$ 25,157.00 | \$ 11,658.66 |
| Capital Outlay | | | \$ 2,000.00 | \$ 2,000.00 |
| Total City Expenditures | \$ 120,972.48 | \$ 122,920.11 | \$ 149,507.00 | \$ 26,586.89 |

| | FY 2016 Actual | FY 2017 Actual | FY 2018 Budget | Budget Increase (Decr) |
|--------------------------------|----------------------|----------------------|----------------------|---------------------------|
| Police | | | | |
| Personnel Services | \$ 568,683.51 | \$ 572,179.70 | \$ 549,597.00 | \$ (22,582.70) |
| Maintenance & Operation | \$ 42,666.13 | \$ 28,521.18 | \$ 33,600.00 | \$ 5,078.82 |
| Purchased Services | \$ 67,589.19 | \$ 58,409.74 | \$ 73,803.00 | \$ 15,393.26 |
| Capital Outlay | | | | |
| Total City Expenditures | \$ 678,938.83 | \$ 659,110.62 | \$ 657,000.00 | \$ (2,110.62) |

| | | | | |
|--------------------------------|----------------------|----------------------|----------------------|---------------------|
| Fire | | | | |
| Purchased Services | \$ 181,951.00 | \$ 185,749.92 | \$ 196,314.00 | \$ 10,564.08 |
| Total City Expenditures | \$ 181,951.00 | \$ 185,749.92 | \$ 196,314.00 | \$ 10,564.08 |

| | | | | |
|--------------------------------|----------------------|---------------------|---------------------|---------------------|
| Streets | | | | |
| Personnel Services | \$ 88,142.94 | \$ 40,254.93 | \$ 45,000.00 | \$ 4,745.07 |
| Maintenance & Operation | \$ 14,053.19 | \$ 20,896.34 | \$ 31,400.00 | \$ 10,503.66 |
| Purchased Services | \$ 23,607.82 | \$ 10,576.21 | \$ 14,100.00 | \$ 3,523.79 |
| Capital Outlay | | | | |
| Total City Expenditures | \$ 125,803.95 | \$ 71,727.48 | \$ 90,500.00 | \$ 18,772.52 |

| | | | | |
|--------------------------------|----------------------|---------------------|----------------------|---------------------|
| Parks/Pool/Cemetery | | | | |
| Personnel Services | \$ 69,779.17 | \$ 43,927.33 | \$ 55,100.00 | \$ 11,172.67 |
| Maintenance & Operation | \$ 7,678.28 | \$ 13,347.09 | \$ 12,400.00 | \$ (947.09) |
| Purchased Services | \$ 43,971.14 | \$ 29,039.79 | \$ 37,000.00 | \$ 7,960.21 |
| Capital Outlay | | \$ 2,181.97 | | \$ (2,181.97) |
| Total City Expenditures | \$ 121,428.59 | \$ 88,496.18 | \$ 104,500.00 | \$ 16,003.82 |

| | | | | |
|--------------------------------|----------------------|----------------------|----------------------|--------------------|
| Library | | | | |
| Personnel Services | \$ 107,458.77 | \$ 108,633.25 | \$ 113,000.00 | \$ 4,366.75 |
| Maintenance & Operation | \$ 14,008.45 | \$ 15,097.17 | \$ 19,500.00 | \$ 4,402.83 |
| Purchased Services | \$ 24,686.92 | \$ 27,124.53 | \$ 31,000.00 | \$ 3,875.47 |
| Capital Outlay | \$ 10,000.00 | \$ 4,555.00 | | \$ (4,555.00) |
| Total City Expenditures | \$ 156,154.14 | \$ 155,409.95 | \$ 163,500.00 | \$ 8,090.05 |

Special Revenue Funds

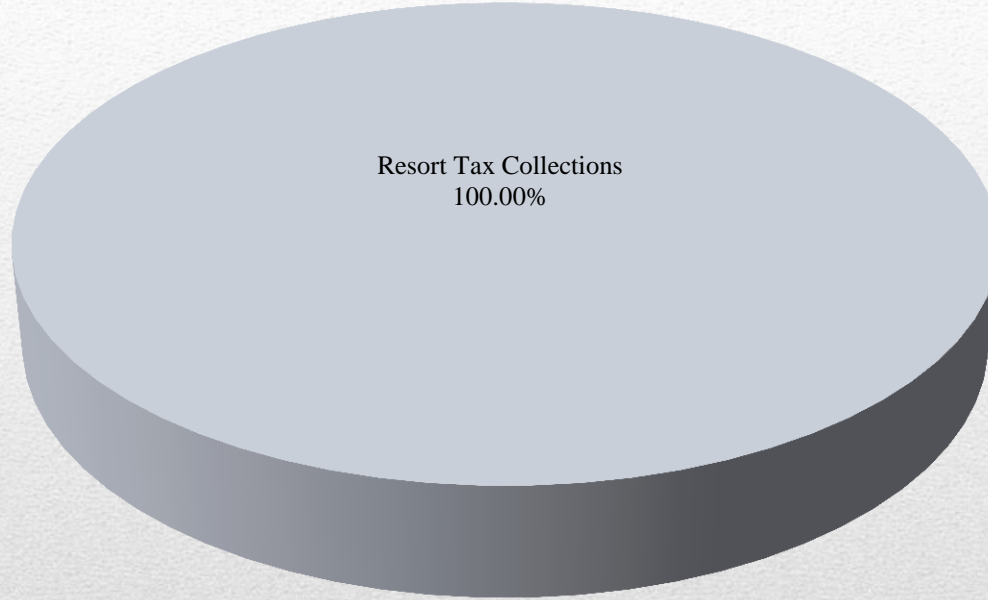
Revenues

- Resort Tax
- Library Special Fund
- Drug Forfeiture
- Building Code Enforcement
- Community Development Block Grant (CDBG)
- Gas Apportionment Tax

Services Provided

- Community Development
- Library
- Drug Enforcement
- Street Infrastructure
- Funds Capital Improvements

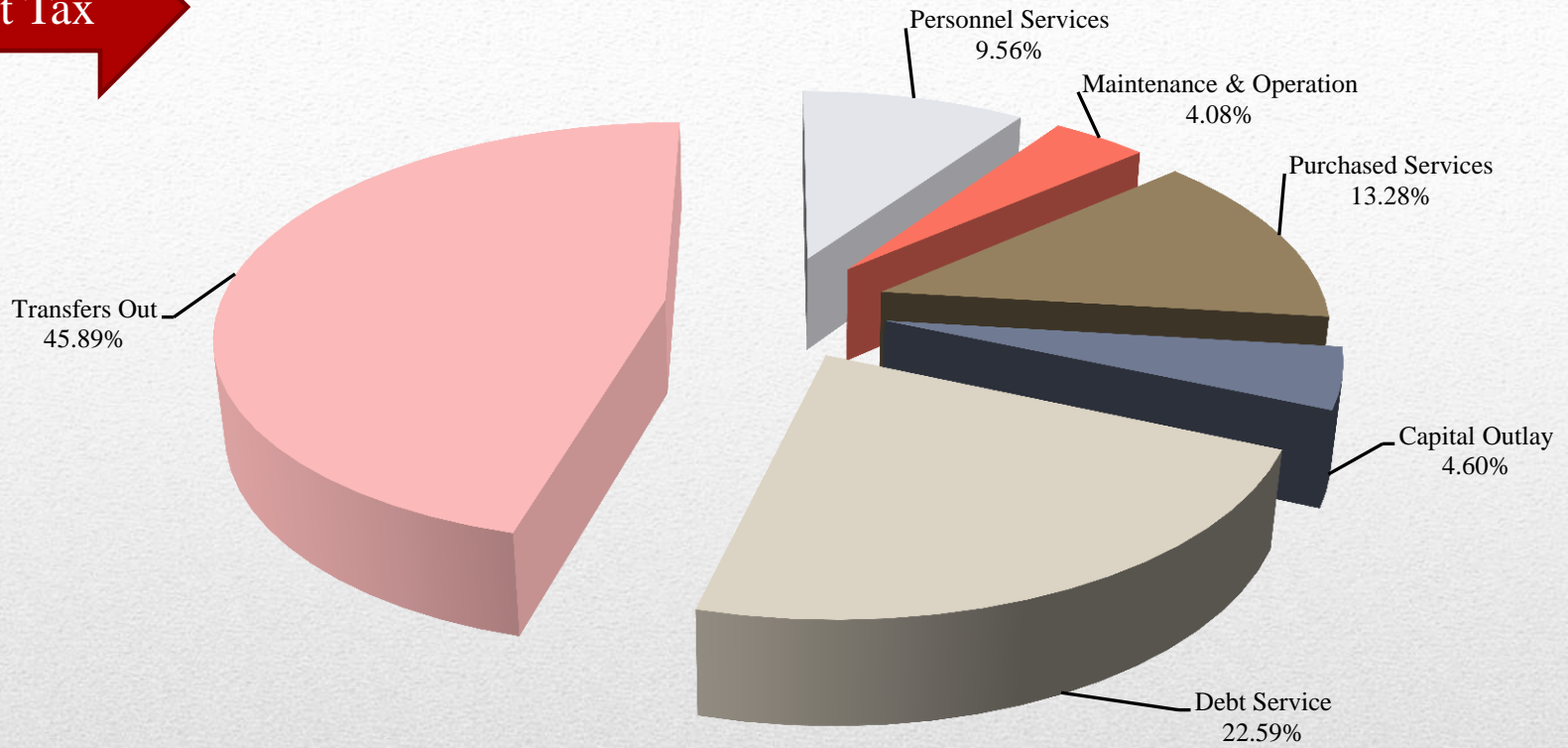
WHERE THE MONEY COMES FROM - FY 2018



| | FY 2016 Actual | FY 2017 Actual | FY 2018 Budget | Budget Increase (Decr) |
|----------------------------------|----------------------|----------------------|----------------------|---------------------------|
| Resort Tax Collections | \$ 745,762.00 | \$ 766,710.48 | \$ 750,000.00 | \$ (16,710.48) |
| Total Resort Tax Revenues | \$ 745,762.00 | \$ 766,710.48 | \$ 750,000.00 | \$ (16,710.48) |



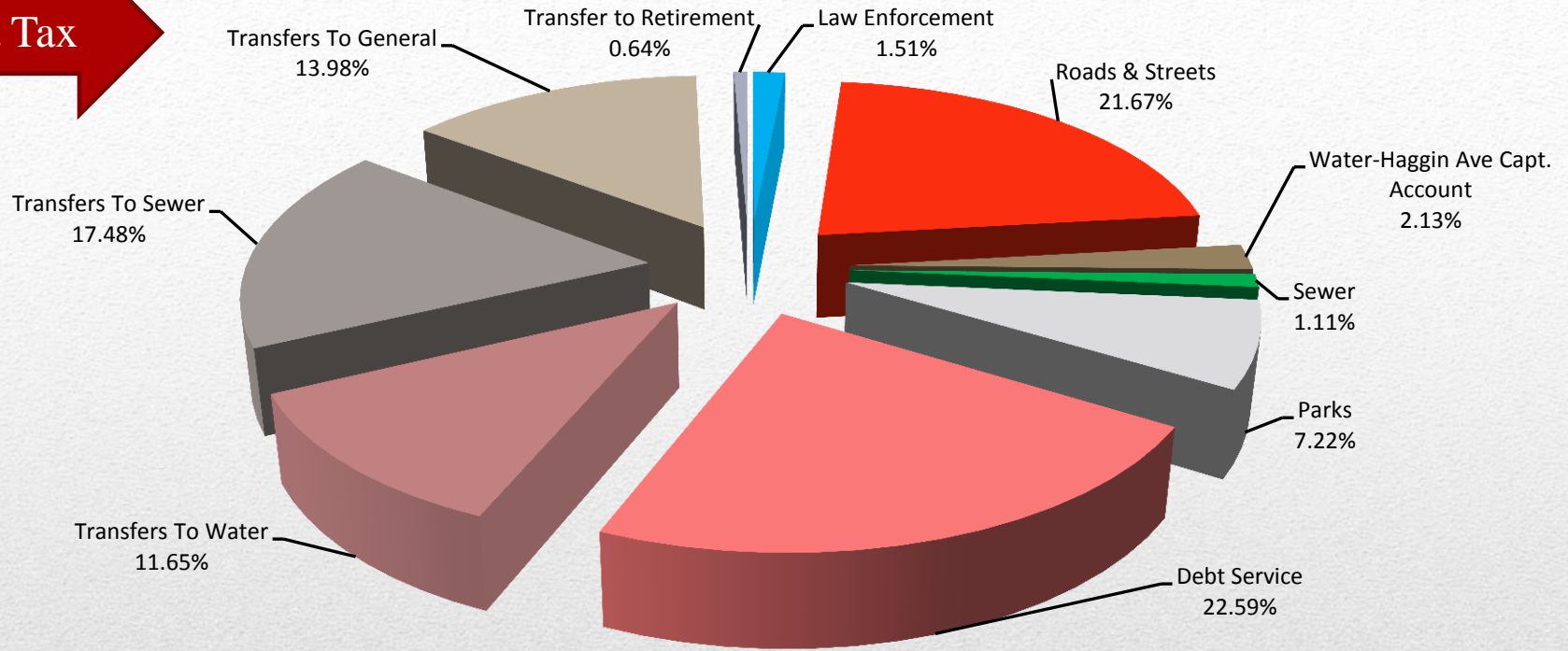
WHERE THE MONEY GOES - FY 2018



| | FY 2016 Actual | FY 2017 Actual | FY 2018 Budget | Budget Increase (Decr) |
|--------------------------------|----------------------|----------------------|----------------------|---------------------------|
| Personnel Services | \$ 60,705.00 | \$ 71,685.98 | \$ 82,000.00 | \$ 10,314.02 |
| Maintenance & Operation | \$ 67,632.00 | \$ 12,133.92 | \$ 35,000.00 | \$ 22,866.08 |
| Purchased Services | \$ 140,844.00 | \$ 74,449.06 | \$ 114,000.00 | \$ 39,550.94 |
| Capital Outlay | \$ 93,843.00 | \$ 73,480.94 | \$ 39,500.00 | \$ (33,980.94) |
| Debt Service | \$ 176,990.00 | \$ 176,990.24 | \$ 193,867.00 | \$ 16,876.76 |
| Transfers Out | \$ 420,811.00 | \$ 376,575.08 | \$ 393,809.00 | \$ 17,233.92 |
| | | | | \$ - |
| Total City Expenditures | \$ 960,825.00 | \$ 785,315.22 | \$ 858,176.00 | \$ 72,860.78 |

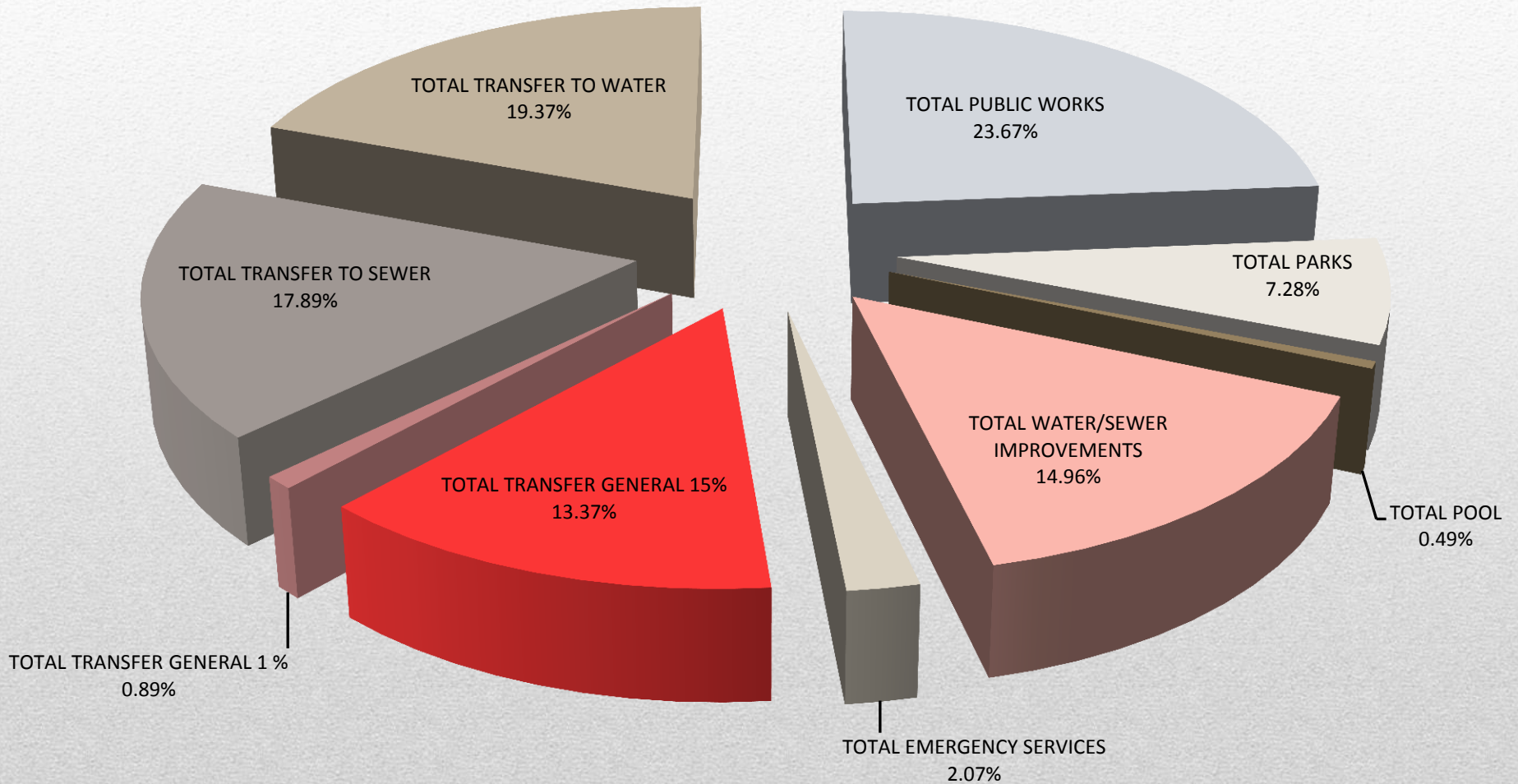
WHERE THE MONEY GOES BY DEPARTMENT - FY 2018

Resort Tax



| | FY 2016 Actual | FY 2017 Actual | FY 2018 Budget | Budget Increase (Decr) |
|--------------------------------|----------------------|----------------------|----------------------|---------------------------|
| Law Enforcement | \$ 31,590.00 | \$ 49,498.80 | \$ 13,000.00 | \$ (36,498.80) |
| Roads & Streets | \$ 113,363.00 | \$ 90,020.86 | \$ 186,000.00 | \$ 95,979.14 |
| Water-Haggin Ave Capt. Account | \$ 49,132.00 | | \$ 18,309.00 | \$ 18,309.00 |
| Sewer | \$ 78,333.00 | \$ 1,183.76 | \$ 9,500.00 | \$ 8,316.24 |
| Parks | \$ 139,738.00 | \$ 91,046.48 | \$ 62,000.00 | \$ (29,046.48) |
| Debt Service | \$ 176,990.00 | \$ 176,990.24 | \$ 193,867.00 | \$ 16,876.76 |
| Transfers To Water | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 | \$ - |
| Transfers To Sewer | \$ 150,000.00 | \$ 150,000.00 | \$ 150,000.00 | \$ - |
| Transfers To General | \$ 117,869.00 | \$ 122,054.78 | \$ 120,000.00 | \$ (2,054.78) |
| Transfer to Retirement | \$ 3,810.00 | \$ 4,520.30 | \$ 5,500.00 | \$ 979.70 |
| Total City Expenditures | \$ 960,825.00 | \$ 785,315.22 | \$ 858,176.00 | \$ 72,860.78 |

RESORT TAX EXPENDITURE APPORTIONMENTS 1991-2017

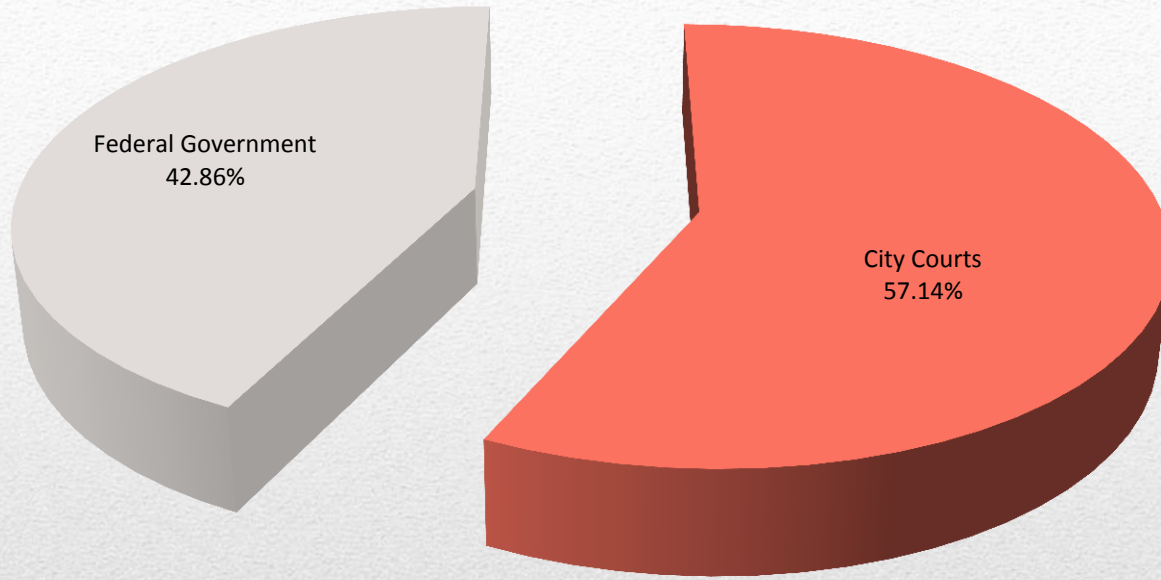


RESORT TAX EXPENDITURE APPORTIONMENTS 1997-2017

| | |
|--------------------------------|-----------------|
| TOTAL PUBLIC WORKS | \$ 2,963,978.59 |
| TOTAL PARKS | \$ 911,251.20 |
| TOTAL POOL | \$ 60,999.40 |
| TOTAL WATER/SEWER IMPROVEMENTS | \$ 1,873,068.09 |
| TOTAL EMERGENCY SERVICES | \$ 259,743.23 |
| TOTAL TRANSFER GENERAL 15% | \$ 1,674,130.95 |
| TOTAL TRANSFER GENERAL 1 % | \$ 111,604.26 |
| TOTAL TRANSFER TO SEWER | \$ 2,240,000.00 |
| TOTAL TRANSFER TO WATER | \$ 2,425,229.41 |

TOTAL: \$ 12,520,005.13

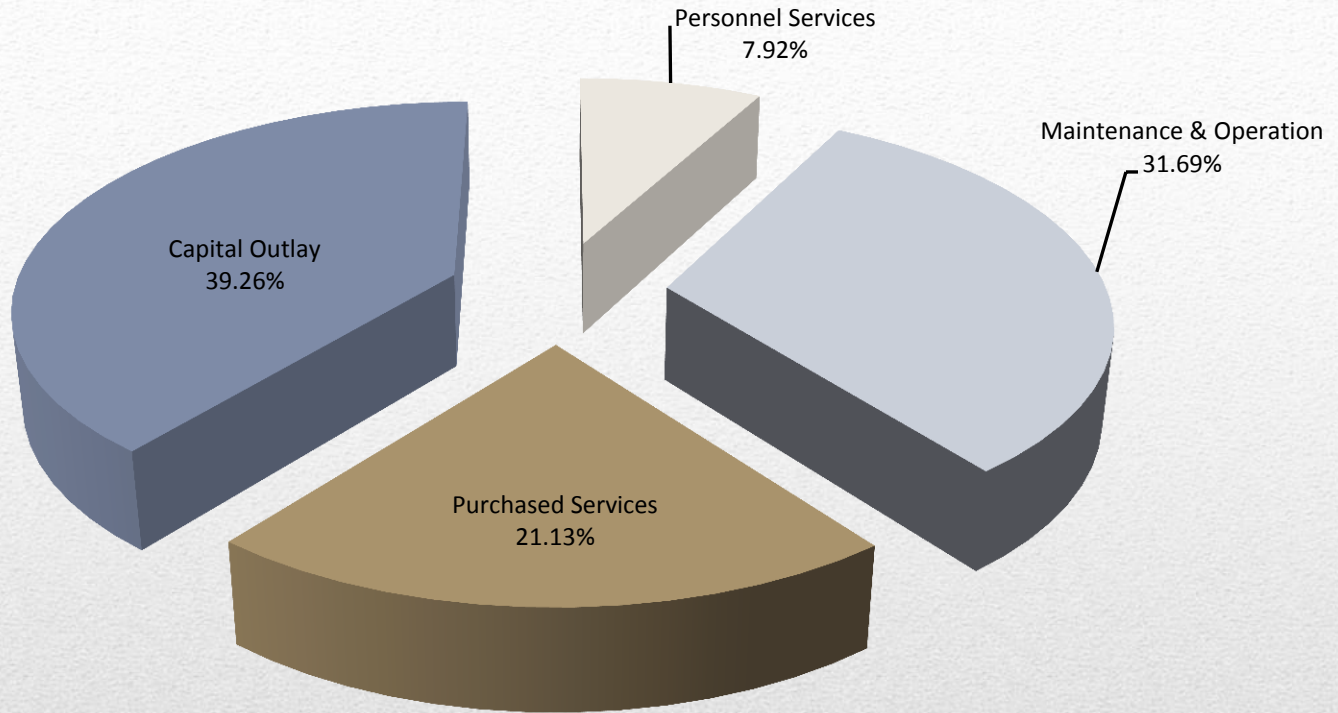
WHERE THE MONEY COMES FROM - FY 2018



| | FY 2016 Actual | FY 2017 Actual | FY 2018 Budget | Budget Increase (Decr) |
|---|---------------------|---------------------|--------------------|---------------------------|
| City Courts | \$ 24,112.09 | \$ 5,153.84 | \$ 2,000.00 | \$ (3,153.84) |
| Federal Government | | \$ 20,112.06 | \$ 1,500.00 | \$ (18,612.06) |
| District Court | | | | |
| Donations | \$ 25.00 | \$ 60.00 | | \$ (60.00) |
| Total City Revenues for Drug Forfeiture Fund | \$ 24,137.09 | \$ 25,325.90 | \$ 3,500.00 | \$ (21,825.90) |



WHERE THE MONEY GOES - FY 2018



| | FY 2016 Actual | FY 2017 Actual | FY 2018 Budget | Budget Increase (Decr) |
|--|--------------------|--------------------|---------------------|---------------------------|
| Personnel Services | \$ 1,982.70 | | \$ 3,000.00 | \$ 3,000.00 |
| Maintenance & Operation | \$ 2,259.39 | \$ 2,487.05 | \$ 12,000.00 | \$ 9,512.95 |
| Purchased Services | \$ 395.00 | \$ 1,345.53 | \$ 8,000.00 | \$ 6,654.47 |
| Capital Outlay | | | \$ 14,868.00 | |
| Total Expenditures for Drug Forfeiture Fund | \$ 4,637.09 | \$ 3,832.58 | \$ 37,868.00 | \$ 34,035.42 |

Drug Forfeiture Account #2390

(Previously Police Department – Capital Outlay Fund)

Grant Funds Received: Police Department Capital Outlay Fund

FY 1999-2000 Budget:

State of Montana, Crime Control Division, Grant #00-E03-80284 - \$9,000 (resolution #3109)

Use of Funds: Purchase of Police Department Equipment

FY 2000-2001 Budget:

State of Montana, Crime Control Division, Grant #00-E03-80613 - \$9,936 (resolution #3122)

Use of Funds: Purchase of Police Department Equipment

FY 2000-2001 Budget:

Montana Department of Transportation, Grant #01-01-03-63(154AL) - \$7,000 (resolution #3125)

Use of Funds: Purchase of Police Department Two In-Car Video Camera Systems

FY 2002-2003 Budget:

State of Montana, Crime Control Division, Grant #02-E03-81294 - \$9,999 (resolution #3144)

Use of Funds: Purchase of Police Department Patrol Vehicle

FY 2004-2005 Budget:

State of Montana, Crime Control Division, Grant #03-K07-81872 - \$4,203 (resolution #3169)

Use of Funds: Purchase of Police Department Computer & Four Tasers

February 10, 2015:

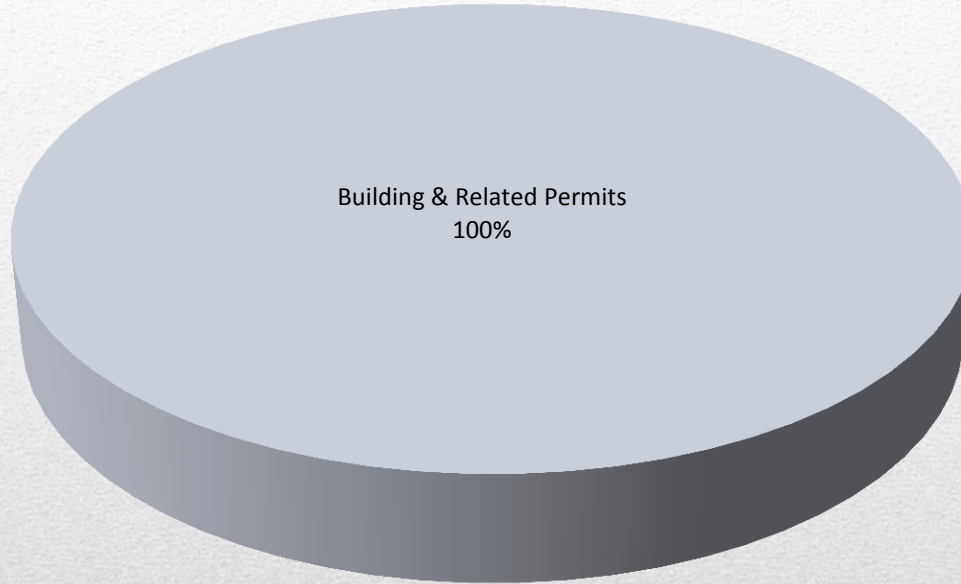
Resolution 3382 – Creation of a separate fund as a Drug Forfeiture Fund in accordance with MCA 2014 (44-12-206)

March 14, 2017:

Resolution 3429 – Replace Resolution 3382 to create a separate fund known as a Drug Forfeiture Fund in accordance with MCA 2015 (44-12-213)

WHERE THE MONEY COMES FROM

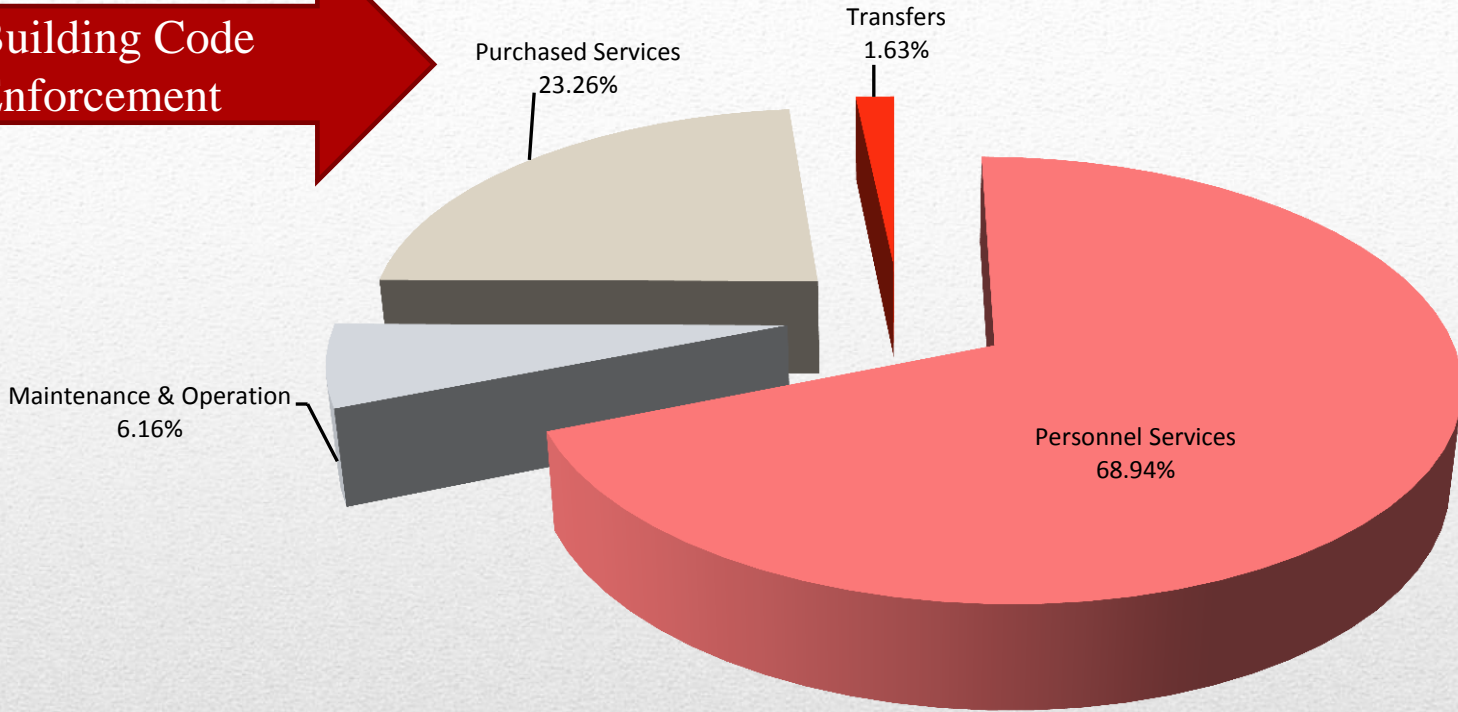
Building Code Enforcement

| | FY 2016 Actual | FY 2017 Actual | FY 2018 Budget | Budget Increase (Decr) |
|--|---------------------|---------------------|---------------------|---------------------------|
| Building & Related Permits | \$ 35,920.00 | \$ 28,554.70 | \$ 30,000.00 | \$ 1,445.30 |
| Total City Revenues for Building Fund | \$ 35,920.00 | \$ 28,554.70 | \$ 30,000.00 | \$ 1,445.30 |

WHERE THE MONEY GOES - FY 2018

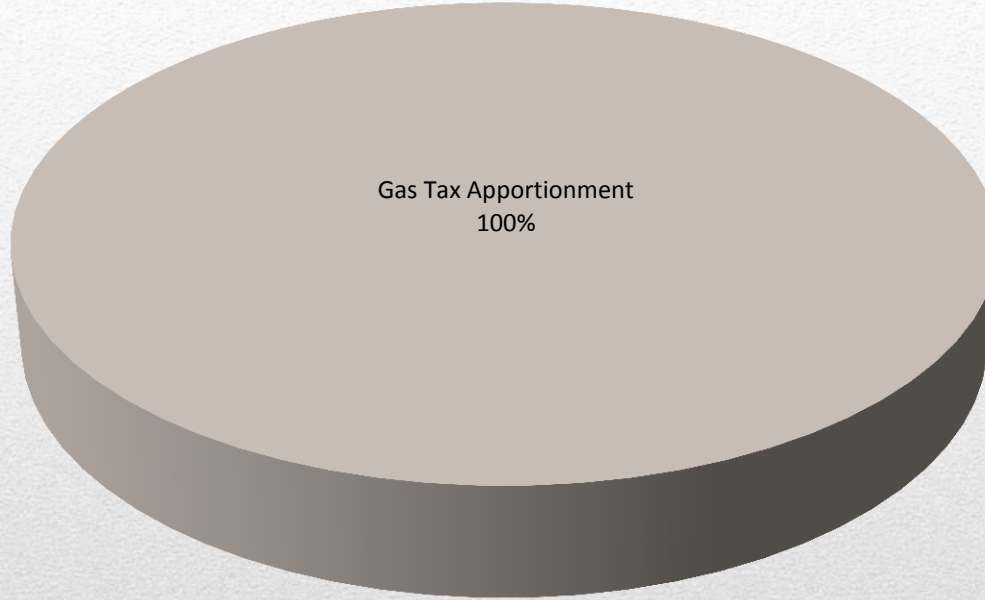
Building Code
Enforcement



| | FY 2016 Actual | FY 2017 Actual | FY 2018 Budget | Budget Increase (Decr) |
|---|---------------------|---------------------|---------------------|---------------------------|
| Personnel Services | \$ 24,626.65 | \$ 25,420.39 | \$ 54,836.00 | \$ 29,415.61 |
| Maintenance & Operation | \$ 2,913.14 | \$ 1,130.51 | \$ 4,900.00 | \$ 3,769.49 |
| Purchased Services | \$ 14,059.23 | \$ 11,630.70 | \$ 18,500.00 | \$ 6,869.30 |
| Capital Outlay | | | | \$ - |
| Transfers | | | \$ 1,300.00 | \$ 1,300.00 |
| Debt Service | \$ 384.00 | | | |
| Total Expenditures for Building Fund | \$ 41,983.02 | \$ 38,181.60 | \$ 79,536.00 | \$ 41,354.40 |

WHERE THE MONEY COMES FROM – FY 2018

Gas Tax



| | FY 2016 Actual | FY 2017 Actual | FY 2018 Budget | Budget Increase (Decr) |
|--|-------------------|-------------------|-------------------|---------------------------|
|--|-------------------|-------------------|-------------------|---------------------------|

Gas Tax Apportionment

\$ 54,936.84 \$ 59,382.47 \$ 59,539.00 \$ 156.53

Misc.

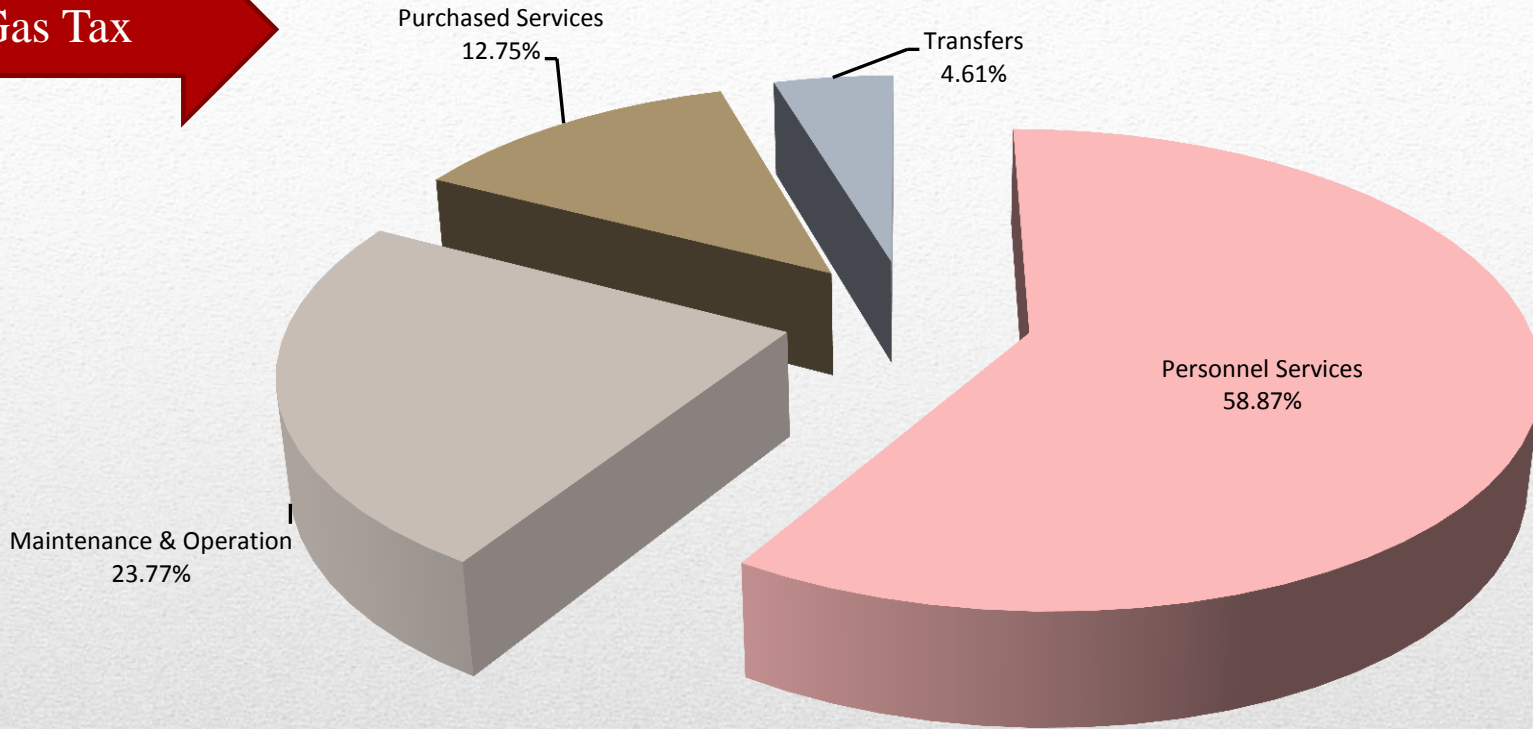
\$ 15,756.05

Total City Revenues for Gas Tax Fund

\$ 70,692.89 \$ 59,382.47 \$ 59,539.00 \$ 156.53

WHERE THE MONEY GOES - FY 2018

Gas Tax



| | FY 2016 Actual | FY 2017 Actual | FY 2018 Budget | Budget Increase (Decr) |
|--|---------------------|---------------------|---------------------|---------------------------|
| Personnel Services | \$ 22,056.12 | \$ 49,968.96 | \$ 48,550.00 | \$ (1,418.96) |
| Maintenance & Operation | \$ 15,681.71 | \$ 18,203.59 | \$ 19,600.00 | \$ 1,396.41 |
| Purchased Services | \$ 1,620.92 | \$ 16,588.44 | \$ 10,513.00 | \$ (6,075.44) |
| Capital Outlay | | | | \$ - |
| Transfers | \$ 13,661.80 | \$ 8,260.36 | \$ 3,800.00 | \$ (4,460.36) |
| Total Expenditures for Gas Tax Fund | \$ 53,020.55 | \$ 93,021.35 | \$ 82,463.00 | \$ (10,558.35) |

Capital Projects Funds

Revenues

- Grants
- Transfers from other funds
- Sale of City Assets I.e.
Land/buildings

Services Provided

- Capital Improvements
- Equipment

Enterprise Fund

An Enterprise Fund is a governmental fund type used to account for the revenues and expenses (including depreciation) of proprietary services provided by a local government on a “fee for service” basis, similar to private business enterprises, rather than on a tax supported basis. Water, wastewater (sewer) and solid waste (garbage) and ambulance services are typical examples of municipal enterprise activities.

Enterprise Fund

Revenues

- Utilities
 - Water
 - Sewer
 - Solid Waste

Expenses

- Usually very CAPITAL heavy

Reserve

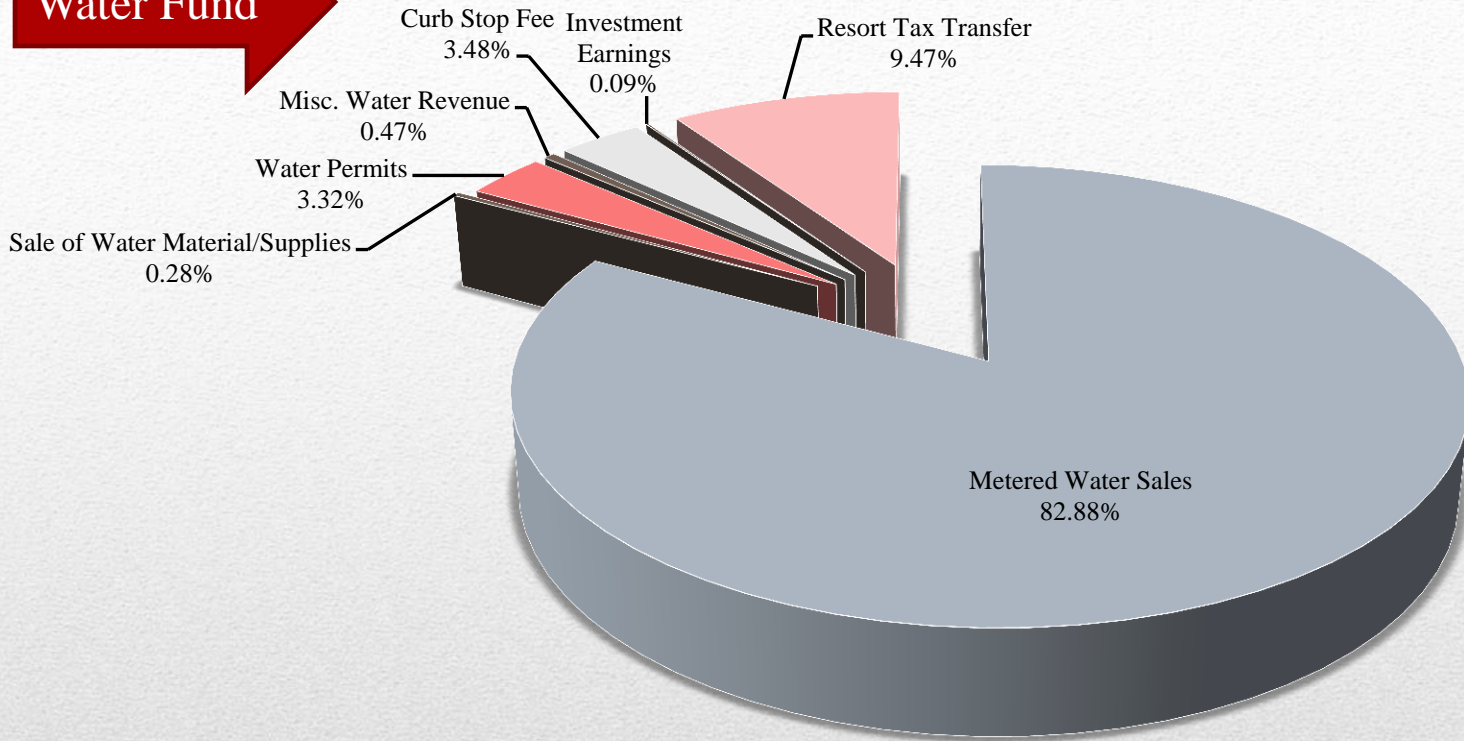
- Operating and Capital.

Services Provided

- Clean water and Sanitary sewer services for property owners
- Collection and disposal of solid waste and recyclables
- Storm water collection



WHERE THE MONEY COMES FROM- FY 2018

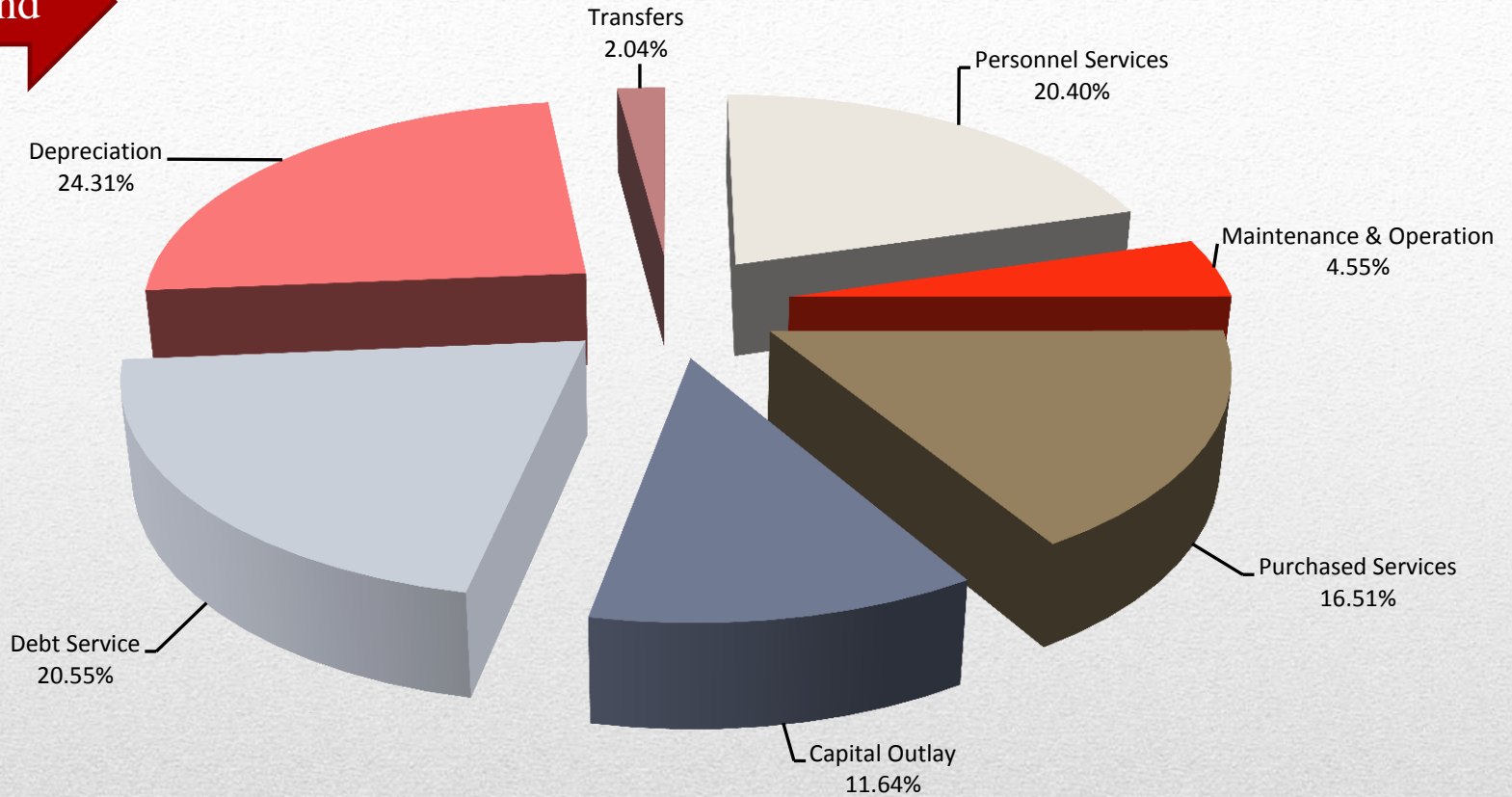


| | FY 2016 Actual | FY 2017 Actual | FY 2018 Budget | Budget Increase (Decr) |
|---|----------------------|------------------------|------------------------|---------------------------|
| Metered Water Sales | \$ 787,625.47 | \$ 866,554.16 | \$ 875,000.00 | \$ 8,445.84 |
| Sale of Water Material/Supplies | \$ 8,037.02 | \$ 6,865.00 | \$ 3,000.00 | \$ (3,865.00) |
| Water Permits | \$ 28,405.00 | \$ 39,350.00 | \$ 35,000.00 | \$ (4,350.00) |
| Misc. Water Revenue | \$ 8,241.28 | \$ 6,040.00 | \$ 5,000.00 | \$ (1,040.00) |
| Curb Stop Fee | \$ 37,186.39 | \$ 36,851.93 | \$ 36,750.00 | \$ (101.93) |
| Investment Earnings | \$ 90.06 | \$ 1,355.35 | \$ 1,000.00 | \$ (355.35) |
| Resort Tax Transfer | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 | \$ - |
| Total City Revenues for Water Fund | \$ 969,585.22 | \$ 1,057,016.44 | \$ 1,055,750.00 | \$ (1,266.44) |

Note: Metered sales are based on the fiscal year starting July 1st through June 30th.



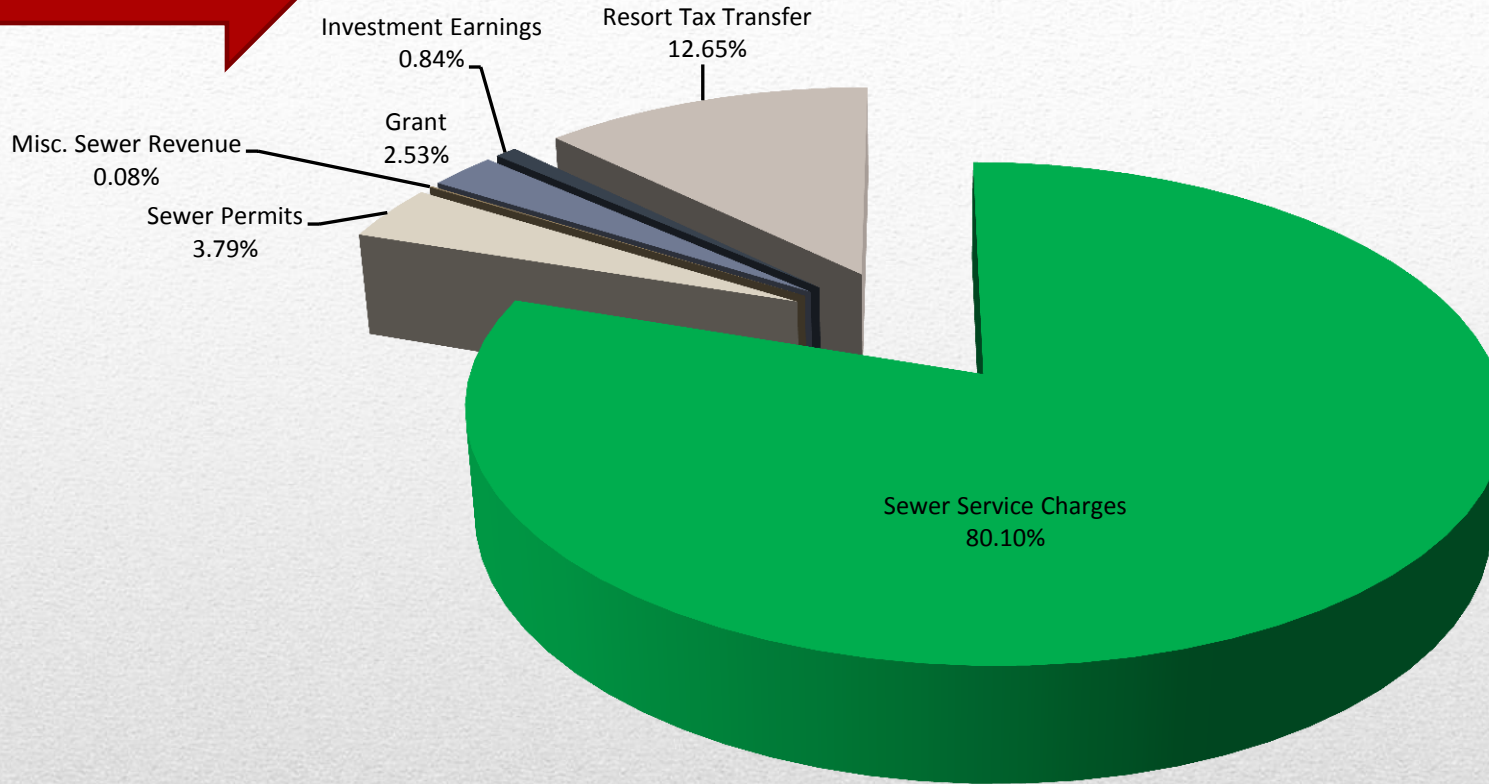
WHERE THE MONEY GOES - FY 2018



| | FY 2016 Actual | FY 2017 Actual | FY 2018 Budget | Budget Increase (Decr) |
|--|----------------------|------------------------|------------------------|---------------------------|
| Personnel Services | \$ 220,782.57 | \$ 262,160.34 | \$ 276,050.00 | \$ 13,889.66 |
| Maintenance & Operation | \$ 53,642.08 | \$ 38,229.87 | \$ 61,500.00 | \$ 23,270.13 |
| Purchased Services | \$ 99,074.92 | \$ 166,954.41 | \$ 223,436.00 | \$ 56,481.59 |
| Capital Outlay | \$ 4,792.00 | \$ 117,912.94 | \$ 157,500.00 | \$ 39,587.06 |
| Debt Service | \$ 237,996.47 | \$ 230,599.72 | \$ 278,000.00 | \$ 47,400.28 |
| Depreciation | \$ 300,811.16 | \$ 319,418.56 | \$ 329,000.00 | \$ 9,581.44 |
| Transfers | \$ 20,584.46 | \$ 23,329.80 | \$ 27,625.00 | \$ 4,295.20 |
| Total Expenditures for Water Fund | \$ 937,683.66 | \$ 1,158,605.64 | \$ 1,353,111.00 | \$ 194,505.36 |

Sewer Fund

WHERE THE MONEY COMES FROM - FY 2018

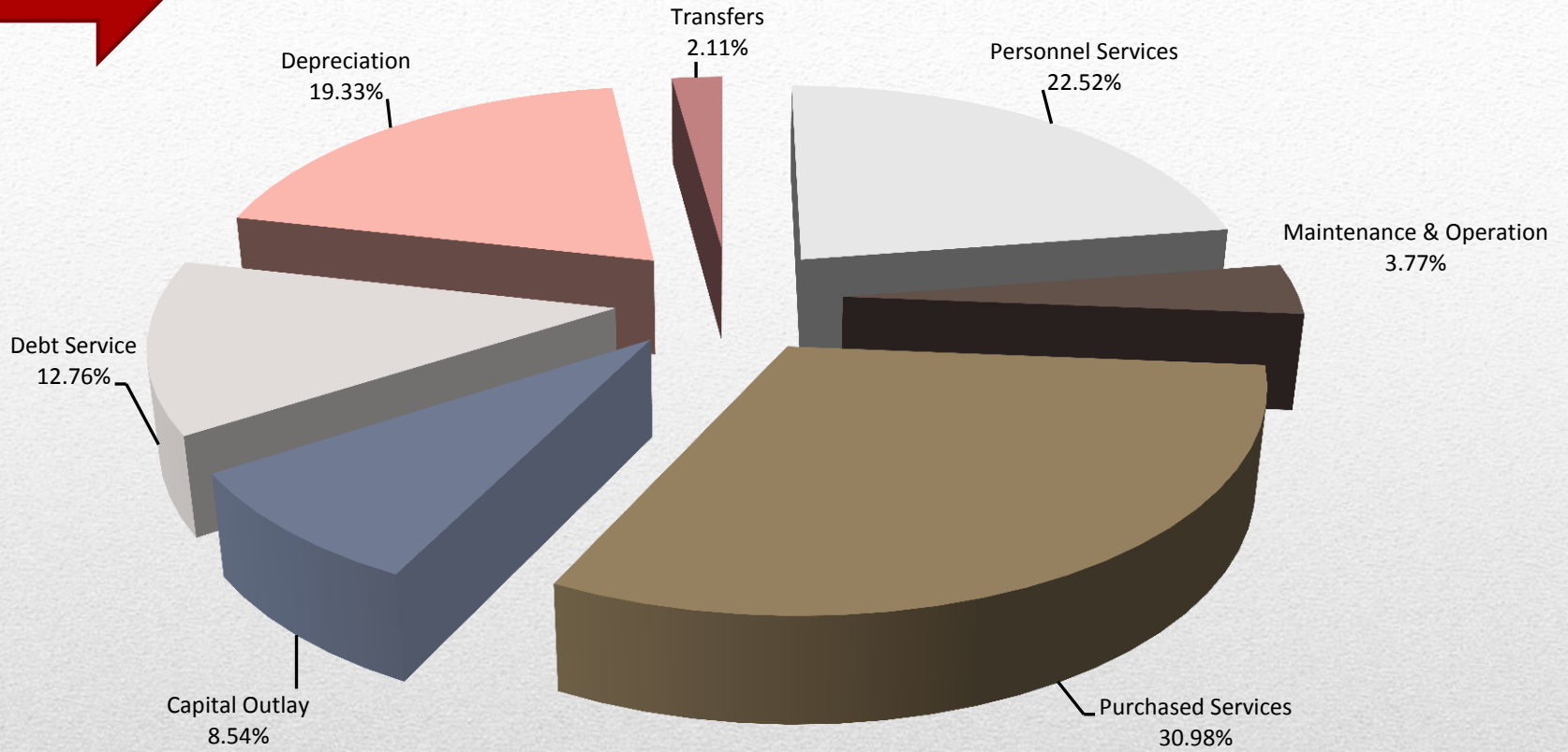


| | FY 2016 Actual | FY 2017 Actual | FY 2018 Budget | Budget Increase (Decr) |
|--------------------------------------|------------------------|------------------------|------------------------|---------------------------|
| Sewer Service Charges | \$ 863,163.02 | \$ 933,121.70 | \$ 950,000.00 | \$ 16,878.30 |
| Sewer Permits | \$ 44,030.00 | \$ 47,040.00 | \$ 45,000.00 | \$ (2,040.00) |
| Misc. Sewer Revenue | | \$ 27,000.00 | \$ 1,000.00 | \$ (26,000.00) |
| Grant | | \$ 15,000.00 | \$ 30,000.00 | \$ 15,000.00 |
| Investment Earnings | \$ 10,077.34 | \$ 9,727.38 | \$ 10,000.00 | \$ 272.62 |
| Resort Tax Transfer | \$ 150,000.00 | \$ 150,000.00 | \$ 150,000.00 | \$ - |
| Total Revenues for Sewer Fund | \$ 1,067,270.36 | \$ 1,181,889.08 | \$ 1,186,000.00 | \$ 4,110.92 |

Note: Sewer Service Charges are based on the fiscal year starting July 1st through June 30th.



WHERE THE MONEY GOES- FY 2018



| | FY 2016 Actual | FY 2017 Actual | FY 2018 Budget | Budget Increase (Decr) |
|---------------------------------|----------------------|------------------------|------------------------|---------------------------|
| Personnel Services | \$ 261,218.10 | \$ 343,972.71 | \$ 349,517.00 | \$ 5,544.29 |
| Maintenance & Operation | \$ 39,964.67 | \$ 35,525.47 | \$ 58,500.00 | \$ 22,974.53 |
| Purchased Services | \$ 240,775.26 | \$ 177,875.48 | \$ 480,928.00 | \$ 303,052.52 |
| Capital Outlay | \$ 4,642.80 | \$ 136,405.57 | \$ 132,500.00 | \$ (3,905.57) |
| Debt Service | \$ 130,539.29 | \$ 126,652.43 | \$ 198,000.00 | \$ 71,347.57 |
| Depreciation | \$ 283,882.96 | \$ 300,000.00 | \$ 300,000.00 | \$ - |
| Transfers | \$ 25,376.57 | \$ 28,396.36 | \$ 32,825.00 | \$ 4,428.64 |
| Total Sewer Expenditures | \$ 986,399.65 | \$ 1,148,828.02 | \$ 1,552,270.00 | \$ 403,441.98 |

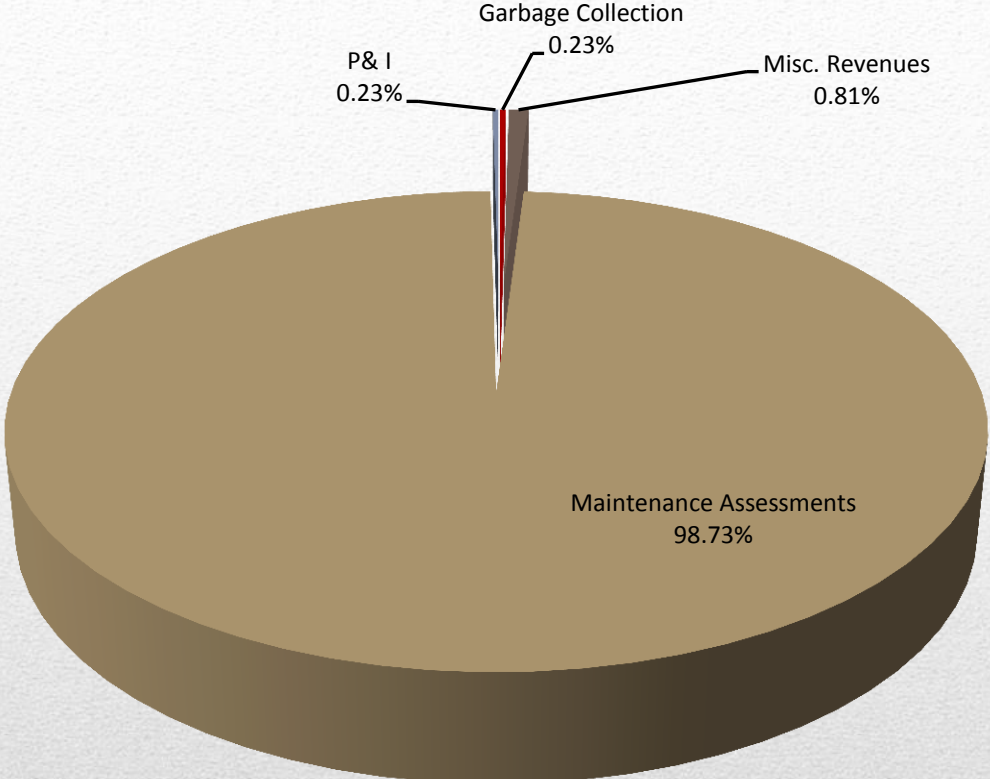
| Water | | | |
|--|----------------|----------------|----------------------|
| | 2014/2015 | 2015/2016 | 2016/2017 |
| | (pre-increase) | (pre-increase) | (with rate increase) |
| August | \$95,108.21 | \$94,034.82 | \$110,506.90 |
| September | \$109,058.72 | \$98,451.62 | \$119,425.47 |
| October | \$71,202.03 | \$96,457.68 | \$94,629.99 |
| November | \$57,922.44 | \$64,785.16 | \$66,103.62 |
| December | \$62,223.29 | \$54,891.20 | \$58,637.38 |
| January | \$53,657.18 | \$54,259.23 | \$62,566.72 |
| February | \$54,620.33 | \$57,195.58 | \$57,142.61 |
| March | \$54,237.52 | \$63,035.86 | \$58,372.52 |
| April | \$54,750.29 | \$56,067.17 | \$58,848.94 |
| May | \$52,456.34 | \$50,741.80 | \$59,593.69 |
| June | \$55,371.93 | \$60,286.05 | \$77,751.98 |
| July | \$64,508.90 | \$64,662.01 | \$110,331.01 |
| Total | \$785,117.18 | \$814,868.18 | \$933,910.83 |
| Change from 2014/2015 (YTD) | | \$29,751.00 | \$148,793.65 |
| % change from 2014/2015 (YTD) | | 3.80% | 18.95% |
| cumulative change | | | \$178,544.65 |
| Projected annual collections: | | | |
| EDU FY 2015-2016 capital adjustment = \$20,496 x \$0 = \$0 | | | |
| EDU FY 2016-2017 capital adjustment = \$20,496 x \$2.81 = \$57,593.76 | | | |
| EDU FY 2017-2018 capital adjustment = \$20,496 x \$5.63 = \$115,392.48 | | | |

| Sewer | | | |
|---|----------------|----------------------|--------------|
| | 2014/2015 | 2015/2016 | 2016/2017 |
| | (pre-increase) | (with rate increase) | |
| August | \$45,990.80 | \$76,855.63 | \$86,680.32 |
| September | \$42,442.47 | \$77,622.92 | \$88,092.82 |
| October | \$44,008.55 | \$78,840.11 | \$82,312.81 |
| November | \$41,201.09 | \$66,007.96 | \$70,297.25 |
| December | \$47,470.08 | \$65,893.92 | \$74,438.68 |
| January | \$44,408.61 | \$63,313.47 | \$74,213.20 |
| February | \$45,034.34 | \$66,690.85 | \$71,730.93 |
| March | \$45,082.91 | \$63,904.90 | \$72,488.43 |
| April | \$43,985.93 | \$65,277.21 | \$73,101.02 |
| May | \$44,565.65 | \$61,446.64 | \$73,419.16 |
| June | \$43,809.16 | \$69,621.64 | \$80,236.30 |
| July | \$41,802.04 | \$60,713.29 | \$94,663.58 |
| Total | \$529,801.63 | \$816,188.54 | \$941,674.50 |
| Change from 2014/2015 (YTD) | | \$286,386.91 | \$411,872.87 |
| % change from 2014/2015 (YTD) | | 54.10% | 77.74% |
| cumulative change | | | \$698,259.78 |
| Projected annual collections: | | | |
| EDU FY 2015-2016 capital adjustment = \$21,132 x \$10.82 = \$228,648.24 | | | |
| EDU FY 2016-2017 capital adjustment = \$21,132 x \$13.55 = \$286,338.60 | | | |
| EDU FY 2017-2018 capital adjustment = \$21,132 x \$16.28 = \$344,028.96 | | | |

NOTES:
Collections for rate adjustment made on July 1, 2015 reported first in the August billing.
Total collections also include service/user charge fees in addition to the EDU capital adjustment.
A \$2 curb stop fee generates an additional \$2,800 - \$3,000 per month that is not reflected in the collections.
Source: Total Water Collections and Total Sewer Collections from monthly Clerk's report.
Source: EDU capital adjustments from the Water and Sewer Rate Study prepared by Great West Engineering.



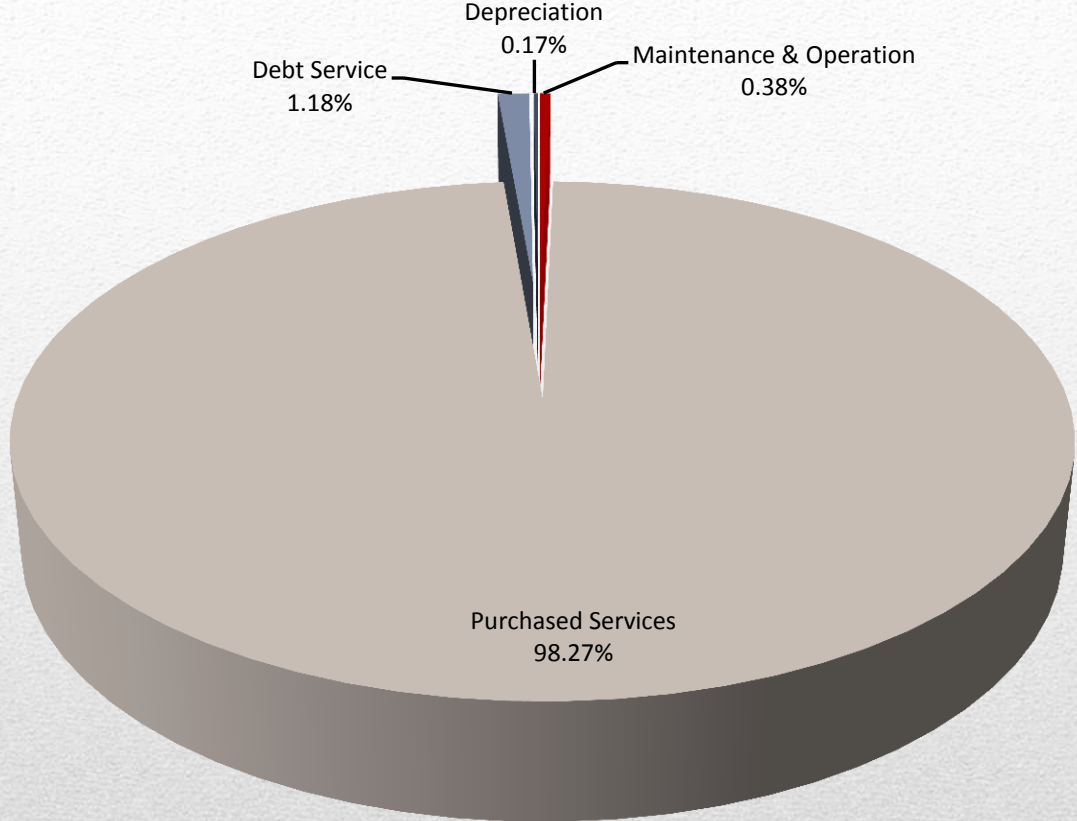
WHERE THE MONEY COMES FROM - FY 2018



| | FY 2016 Actual | FY 2017 Actual | FY 2018 Budget | Budget Increase (Decr) |
|---|----------------------|----------------------|----------------------|---------------------------|
| Garbage Collection | \$ 1,266.80 | \$ 635.18 | \$ 1,000.00 | \$ 364.82 |
| Misc. Revenues | \$ 2,451.30 | \$ 3,767.76 | \$ 3,500.00 | \$ (267.76) |
| Maintenance Assessments | \$ 386,238.30 | \$ 422,944.68 | \$ 428,000.00 | \$ 5,055.32 |
| P&I | \$ 1,159.99 | \$ 896.02 | \$ 1,000.00 | \$ 103.98 |
| Interfund Loan From Capital Projects | \$ 50,000.00 | | | \$ - |
| Total City Revenues for Solid Waste Fund | \$ 441,116.39 | \$ 428,243.64 | \$ 433,500.00 | \$ 5,256.36 |



WHERE THE MONEY GOES - FY 2018



| | FY 2016 Actual | FY 2017 Actual | FY 2018 Budget | Budget Increase (Decr) |
|--|----------------------|----------------------|----------------------|---------------------------|
| Maintenance & Operation | \$ 3,595.97 | \$ 406.99 | \$ 1,800.00 | \$ 1,393.01 |
| Purchased Services | \$ 407,084.07 | \$ 410,788.34 | \$ 465,043.00 | \$ 54,254.66 |
| Capital Outlay | | | | \$ - |
| Debt Service | | \$ 566.33 | \$ 5,608.00 | \$ 5,041.67 |
| Depreciation | \$ 740.74 | \$ 740.74 | \$ 800.00 | \$ 59.26 |
| Total Expenditures for Solid Waste Fund | \$ 411,420.78 | \$ 412,502.40 | \$ 473,251.00 | \$ 60,748.60 |

Fiduciary Funds

- Trust Funds are established to account for assets received and held for the government acting as a custodian. They are normally subject to complex administrative and financial provisions outlined in the trust agreement and may be in existence for a long period of time. Examples of Trust Funds are: public retirement funds, special deposit funds, and funds for gifts or bequests.
- Agency Funds are primarily clearing devices for cash collected for other governments or agencies and are distributed within a short period of time.

Trust Fund

Revenues

- Private Purpose Trust

Services Provided

- Cemetery Trust

Agency Fund

Revenues

- Tourism Business Improvement District (TBID)

Services Provided

- Promoting and marketing the City of Red Lodge and the businesses within

Taxable Value

What is a Mill?

- A mill is the traditional unit for expressing property tax rates. It is:
 - 1/10 of a percent (10 mills = 1%)
 - one-thousandth (1/1000) of a dollar
 - \$1 tax per \$1,000 of taxable valuation

2017 Certified Taxable Value from Montana Department of Revenue



2017 Certified Taxable Valuation Information

(15-10-202, MCA)

Carbon County

City of Red Lodge

Certified values are now available online at property.mt.gov/cov

| | | |
|--|----|-------------|
| 1. 2017 Total Market Value ¹ | \$ | 447,628,762 |
| 2. 2017 Total Taxable Value ² | \$ | 6,975,486 |
| 3. 2017 Taxable Value of Newly Taxable Property..... | \$ | 72,666 |
| 4. 2017 Taxable Value less Incremental Taxable Value ³ | \$ | 6,975,486 |
| 5. 2017 Taxable Value of Net and Gross Proceeds ⁴ (Class 1 and Class 2)..... | \$ | - |

6. TIF Districts

| Tax Increment District Name | Current Taxable Value ² | Base Taxable Value | Incremental Value |
|--------------------------------|---------------------------------------|-----------------------|----------------------|
| | | | |
| | | | |

Total Incremental Value \$ -

Preparer Jennifer Jessen

Date 8/4/2017

¹Market value does not include class 1 and class 2 value

²Taxable value is calculated after abatements have been applied

³This value is the taxable value less total incremental value of all tax increment financing districts

⁴The taxable value of class 1 and class 2 is included in the taxable value totals

For Information Purposes Only

2017 taxable value of centrally assessed property having a market value of \$1 million or more, which has transferred to a different ownership in compliance with 15-10-202(2), MCA.

| | | |
|---|----|---|
| I. Value Included in "newly taxable" property | \$ | - |
| II. Total value exclusive of "newly taxable" property | \$ | - |

Budget Resolution

RESOLUTION NO. 3444

A RESOLUTION OF THE CITY OF RED LODGE, MONTANA APPROVING AND ADOPTING THE FINAL BUDGET FOR FISCAL YEAR 2017-2018, AS PROPOSED BY THE RED LODGE CITY COUNCIL ON AUGUST 29, 2017.

WHEREAS, the Carbon County Assessor reported that the taxable valuation of the City of Red Lodge for Fiscal Year 2017-2018 is \$6,975,486, and

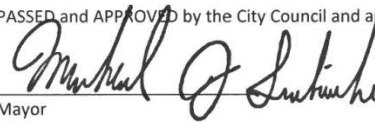
WHEREAS, the City Council adopted the Final Budget for Fiscal Year 2017-2018 and there were no protests to the adoption of the Budget at a public hearing held on August 29, 2017 at 6:00 p.m.

NOW THEREFORE, BE IT RESOLVED that the following Final Budget for Fiscal Year 2017-2018 is hereby adopted and the total mill levy set at 128.18.

| Fund Name | Total Requirement | Non-Tax Resources | Property Tax Revenue | Mills |
|----------------------|-------------------|-------------------|----------------------|---------------|
| 1000 General | 1,879,743 | 1,106,998 | 772,745 | 110.78 |
| 2190 Comp. Ins. | 64,637 | 58,011 | 6,626 | .95 |
| 2371 Health Ins. | 98,808 | 5,546 | 93,262 | 13.37 |
| 2372 PERS | 84,600 | 80,067 | 4,533 | .65 |
| 2375 Police Retire | 67,600 | 50,651 | 16,949 | 2.43 |
| 2100 Resort Tax | 877,448 | 877,448 | | |
| 2220 Library | 138,563 | 138,563 | | |
| 2390 Drug Forfeiture | 37,868 | 37,868 | | |
| 2394 Bldg. Code Enf. | 79,536 | 79,536 | | |
| 2396 CDBG/HOME | 94,504 | 94,504 | | |
| 2820 Gas Tax | 82,463 | 82,463 | | |
| 2956 ISTE A | 4,839 | 4,839 | | |
| 4030 Capt. Proj. | 374,181 | 374,181 | | |
| 4031 Ceme.Cpt.Imp. | 2,800 | 2,800 | | |
| 5210 Water Opert. | 1,460,287 | 1,460,287 | | |
| 5310 Sewer Opert. | 1,582,320 | 1,582,320 | | |
| 5410 Solid Waste | 476,857 | 476,857 | | |
| 7010 Ceme. Trust | 5,244 | 5,244 | | |
| 7390 TBID #001 | 43,167 | 43,167 | | |
| Total | 7,455,465 | 6,561,350 | 894,115 | 128.18 |

PASSED and APPROVED by the City Council and approved by the Mayor on this 29th day of August, 2017.

Mayor



ATTEST: Clerk



Appendix

- CIP Annual Assessment – 2017
- Parks Strategic Plan – 2016
- Water/ Sewer Rate Study - 2015
- Growth Policy - 2015
- Zoning Regulations
- Subdivision Regulations - 2011
- Parks Board Annual Report - 2016
- Energy Corps Annual Report to Council - 2016

Definitions

Appropriation- An authorization by the governing body enabling local government departments to make expenditures or to incur financial obligations for a specific public purpose. The expenditure authorization for each fund is limited to the fiscal year of the approved budget and may not be exceeded except by lawful amendment of the budget by the governing body.

Budget- The plan of expenditures and revenues approved and authorized by the annual budget resolution of the governing body to meet the essential public safety, public health and public well-being needs of the city/town or county during a specific fiscal year. A “line item budget” is formatted by object code to document the source of revenues as well as the departmental origin and purpose of expenditures. A “program/performance budget” includes the necessary accounting detail but is expanded to provide documentation of the funded program objectives and the associated performance measures that will be used to evaluate the outcomes and public benefits to be derived from the budgeted expenditures.

Capital Improvement Program (CIP)- A method provided by law (7-6-616, MCA) for funding the replacement, improvement or acquisition of local government property, facilities and equipment that costs in excess of \$5,000 and has a life expectancy of five years or more.

Capital Outlay - A basic classification of expenditure by object, applicable to outlays which result in the acquisition of right to, or addition to, fixed assets, including cost incidental hereto such as legal, appraisal and brokerage fees, land preparation and demolishing building, fixtures, and delivery costs.

Debt Service- A basic classification of expenditure by object representing outlays for the repayment of debt or for related charges.

Depreciation- The systematic allocation of the depreciable amount of an asset over its useful life.

Enterprise Fund- A governmental fund type used to account for the revenues and expenses (including depreciation) of proprietary services provided by a local government on a “fee for service” basis, similar to private business enterprises, rather than on a tax supported basis. Water, wastewater (sewer), solid waste (garbage) and ambulance services are typical examples of municipal enterprise activities.

Definitions

General Fund- A fund used to account for the ordinary operations of a local government, which is financed by property taxes and other non-tax, general revenues and not accounted for in another governmental fund.

Grants, Contributions, Indemnities & Other- A basic classification of expenditure by object for payments made to institutions or civic organization.

Property Tax Mill- One thousandth of the total property tax valuation of a taxing jurisdiction. The mill is used to apportion the costs of providing government services in proportion to the taxable value of property owned by the taxpayer. Thus, if the total taxable valuation of a city is \$2,000,000, a one mill levy would yield \$2,000 in property tax revenue ($\$2,000,000 \div 1,000$). By the same token, if a residence has a taxable value of \$5,000, a one mill levy on the property would yield \$5.00 in property tax revenue. If the mill levy required to balance the city/town budget is 100 mills, the municipal property tax on that same residence would be $100 \times \$5.00$, or \$500.00, which would be added to the county, school and state mill levies.

Purchased Services- A basic classification by object for services other than personal services which are required by the governmental unit in the administration of its assigned functions or which are legally or orally obligatory on the government unit.

Taxable Valuation- The portion (percentage) of the “appraised value” of any property that is subject to a property tax mill levy. Both the “appraised value” and the resulting “taxable value” are determined by periodic appraisals conducted by the Montana Department of Revenue applying a “tax rate” enacted by the legislature and furnished to all units of local government as annual, certified “taxable values” lying within the local government’s jurisdiction. The taxable value is the basis for the local government’s mill value which, as noted above, is the taxable value of the jurisdiction divided by 1,000.

Unreserved Fund Balance- For governmental funds, the fiscal year end cash, less outstanding liabilities (column 11 Estimated Ending Cash Balance). For Enterprise Funds, the fund balance is designated the Unreserved Retained Earnings. This is an important trend indicator of the financial soundness of a governmental fund or unit of government