ROOM A | 130 6TH STREET WEST
COLUMBIA FALLS, MT 59912

PHONE (406) 892-4391
FAX (406) 892-4413

CITY COUNCIL REGULAR MEETING
AGENDA
MONDAY, DECEMBER 01, 2025
COUNCIL CHAMBERS CITY HALL

FINANCE COMMITTEE – 6:30 P.M

(Barnhart, Shepard and Lovering)

The Regular Council Meeting is held in the Council Chambers as well as by virtual meeting. Please contact City Clerk Barb Staaland no later than 5:00 P.M. on the night of the meeting to obtain ZOOM access by calling (406) 892-4388 or email staalandb@cityofcolumbiafalls.com

REGULAR MEETING – 7:00 P.M.

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

CONSENT AGENDA:

1. Approval of Claims - Dec. 1, 2025 - $155,421.90
2. Approval of Payroll Claims - Nov. 21, 2025 - $198,607.97
3. Approval of November 17, 2025 Council Minutes

VISITORS/PUBLIC COMMENT (Items not on agenda)

UNFINISHED BUSINESS:

4. Nexus CPA Group Fiscal Year (FY) 2024 Audit Report
   Nexus CPA Group has completed the independent audit of the City of Columbia Falls' financial statements for Fiscal Year 2024, ending June 30, 2024. The audit was conducted in accordance with Generally Accepted Auditing Standards (GAAS) and the requirements of the Montana Department of Administration.

   Approve - the Fiscal Year 2024 Audit Report as presented by Nexus CPA Group.

5. Downtown Sidewalk and Parking Project Phase II
Requesting authorization to sign a contract with Knife River for construction of the Downtown Sidewalk and Parking Phase II project in 2026.

NEW BUSINESS:

6. River's Edge Fishing Pier Grant Award Memorandum of Understanding
Requesting authorization to accept a $70,000 matching grant award from Montana Fish, Wildlife & Parks (FWP) William Kamps Fund for a public fishing pond accessibility upgrade at River's Edge Park.

   Move to authorize the City Manager to sign a MOU with Montana Fish, Wildlife & Parks to accept a grant award for $70,000 for the River's Edge Fishing Pond Accessibility Project.

7. Road Condition Structural Assessment and Street Project Updates

   Staff will provide an informational briefing on the current assessment of structural road conditions and provide an update on 2026 projects.

ORDINANCES / RESOLUTIONS:

8. SECOND READING - Ordinance #835 - Columbia Falls Police Department, desires to amend Chapter 9 Part 20 of the Columbia Falls Municipal Code by adding a Section 030 making it a criminal offense to expose a child or children to domestic violence.
9. SECOND READING - Ordinance #836 - Adding a Section 070 providing definitions pertaining to the use operation of bicycles, electrically assisted bicycles and other electrically assisted and motor assisted vehicles and wheeled devices on public sidewalks, public paths, and within public parks.
10. SECOND READING - Ordinance #837 - To amend Chapter 10 Part 72 Section 040 of the Columbia Falls Municipal Code requiring obedience with traffic control devices by bicycles, electrically assisted bicycles and other electrically assisted and motor assisted vehicles and other wheeled devices on public sidewalks, roadways, and paths.
11. SECOND READING - Ordinance #838 - To amend Chapter 10 Part 72 of the Columbia Falls Municipal Code by adding a Section 080 providing penalties that may be imposed by law enforcement for violations of the ordinances contained with Chapter 10 part 72.
12. SECOND READING - Ordinance #839 - To amend Chapter 10 Part 72 Section 050 of the Columbia Falls Municipal Code regulating the operation of bicycles, electrically assisted bicycles and other electrically assisted and motor assisted vehicles and wheeled devices on public sidewalks, public paths, and within public parks.
13. SECOND READING - Ordinance #840 - Regulating the use of bicycles and electrically assisted bicycles and other electrically and motor assisted vehicles on public roadways, public sidewalks and public paths.

REPORTS / BUSINESS FROM MAYOR & COUNCIL

CITY MANAGER REPORT

14. City Manager's Report

CITY ATTORNEY REPORT

MISCELLANEOUS

ADJOURN

Next Scheduled Meetings:
City Council – Regular Meeting, Monday, December 15, 2025– 7:00 PM
Planning Commission – TBD
Study Commission - TBD

* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document $/ Line $	Disc $	PO #	Fund	Org Acct	Object	Proj	Cash Account
48223		3112 406 CLEANING OF COLUMBIA FALLS	3,400.00							
		627 11/22/25 FAC- NOV JANITORIAL SERVICE	3,400.00			1000	411200	399		101000
		Total for Vendor:	3,400.00							
48228		3338 ALPINE GEOTECHNICAL, LLC	21,000.00							
60% Complete - 2nd Ave E Hillside										
		4157 11/20/25 LS-GEOTECH 2ND AVE E HILLSIDE	21,000.00			1000	410100	399		101000
		Total for Vendor:	21,000.00							
48174		1700 BRECK LAW OFFICE, PC	9,057.56							
DEC 2025 FEES										
		DEC 25 11/04/25 LGL-FEES DEC	2,219.53			1000	411100	350		101000
		DEC 25 11/04/25 CRT-FEES DEC	4,524.08			1000	410365	350		101000
		DEC 25 11/04/25 WTR-FEES DEC	729.33			5210	430500	350		101000
		DEC 25 11/04/25 SWR-FEES DEC	729.33			5310	430600	350		101000
		DEC 25 11/04/25 P&Z-FEES DEC	364.66			1000	411000	350		101000
		DEC 25 11/04/25 PD-FEES DEC	147.42			1000	420100	399		101000
		DEC 25 11/04/25 WTR-FEES DEC	32.76			5210	430500	357		101000
		DEC 25 11/04/25 SWR-FEES DEC	48.43			5310	430600	357		101000
		DEC 25 11/04/25 STR-FEES DEC	65.51			2500	430200	399		101000
		DEC 25 11/04/25 ADDITIONAL LABOR	196.51			1000	411100	350		101000
		Total for Vendor:	9,057.56							
48177		184 CENEX HARVEST STATES COOP	75.00							
		915 11/20/25 FD-FIRE TANK LEASE	75.00			1000	420400	344		101000
		Total for Vendor:	75.00							
48227	E	997 CENTURYLINK - ELECTRONIC PAY	611.55							
		111825 11/18/25 CRT-11/18/25-12/18/25	26.32			1000	410360	345		101000
		111825 11/18/25 PD-11/18/25-12/18/25	117.71			1000	420100	345		101000
		111825 11/18/25 FD-11/18/25-12/18/25	89.90			1000	420400	345		101000
		111825 11/18/25 POOL-11/18/25-12/18/25	49.14			1000	460445	345		101000
		111825 11/18/25 STR-11/18/25-12/18/25	88.46			2500	430200	345		101000
		111825 11/18/25 WTR-11/18/25-12/18/25	47.97			5210	430500	345		101000
		111825 11/18/25 SWR-11/18/25-12/18/25	128.10			5310	430600	345		101000
		111825 11/18/25 COMP SER-11/18/25-12/18/25	63.95			1000	410580	345		101000
		Total for Vendor:	611.55							

* ... Over spent expenditure

Claim/ Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document $/ Line $	Disc $	PO #	Fund	Org	Acct	Object	Proj	Cash Account
48220	14 CITY OF COLUMBIA FALLS	391.57								
	112425 11/24/25 FAC-10/17/25-11/18/25	110.23			1000		411200	342		101000
	112425 11/24/25 FD-10/17/25-11/18/25	34.12			1000		420400	342		101000
	112425 11/24/25 PRK-10/17/25-11/18/25	52.47			1000		460400	342		101000
	112425 11/24/25 STR-10/17/25-11/18/25	88.75			2500		430200	342		101000
	112425 11/24/25 WTR-10/17/25-11/18/25	18.37			5210		430500	342		101000
	112425 11/24/25 SWR-10/17/25-11/18/25	87.63			5310		430600	342		101000
	Total for Vendor:	391.57								
48175	1711 COMFORT SYSTEMS USA	8,342.05								
	94001473 11/14/25 FAC-FD-FURNACE RELACEMENT	5,337.00			1000		411200	366		101000
	92022690 10/17/25 FAC-FD-TROUBLE SHOOTING FURN	883.55			1000		411200	366		101000
	92022707 10/21/25 FAC-FD-ANNUAL MAINTENANCE	721.31			1000		411200	366		101000
	92022707 10/21/25 SWR-ANNUAL MAINTENANCE	466.73			5310		430600	366		101000
	92022707 10/21/25 SWR-LFT #3 ANNUAL MAINTENANC	63.65			5310		430600	366		101000
	92022707 10/21/25 STR-ANNUAL MAINTENANCE	84.86			2500		430200	366		101000
	92022707 10/21/25 FAC-PD SHED ANNUAL MAINTENAN	63.65			1000		411200	366		101000
	92022707 10/21/25 SWR- LFT #4 ANNUAL MAINTENAN	63.65			5310		430600	366		101000
	92022707 10/21/25 FAC-CTY HL ANNUAL MAINTENANC	657.65			1000		411200	366		101000
	Total for Vendor:	8,342.05								
48229	3026 DAILY INTER LAKE	293.40								
SIDEWALK AND PARKING PHASE 2 NO. 31617 PAYING FOR THE SECOND DAY										
	31617-2 11/09/25 P&Z-SIDEWALK & PARKING PHASE	293.40			1000		411000	331		101000
	Total for Vendor:	293.40								
48178	438 FERGUSON WATERWORKS	1,954.85								
	0942284 11/07/25 WTR-3/4 WATER METERS	1,920.60			5210		430500	230		101000
	0943248 11/18/25 WTR-HYDRANT ADAPTER	34.25			5210		430500	240		101000
	Total for Vendor:	1,954.85								
48179	3104 FIRST CALL COMPUTER SOLUTIONS,	764.76								
	109010 11/19/25 PD-DOWN PAYMENT LAPTOP SET UP	540.00			1000		420100	399		101000
	108723 10/31/25 FIN-SUBSCRIPT BILLING	224.76			1000		410580	355		101000
	Total for Vendor:	764.76								

For the Accounting Period: 11/25

* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document $/ Line $	Disc $	PO #	Fund	Org Acct	Object	Proj	Cash Account
48180		240 FLATHEAD CONCRETE PRODUCTS, INC.	53.00							
		28236 11/13/25 SWR-3'" GRADE RING	53.00			5310	430600	240		101000
		Total for Vendor:	53.00							
48192		1892 FLATHEAD COUNTY	75.00							
CEDAR POINT										
		6635 11/13/25 P&Z-OWNERSHIP LIST-DECARLO, JE	75.00			1000	411000	390		101000
		Total for Vendor:	75.00							
48203		2919 FRONTIER PRECISION, INC	342.00							
		338640 11/18/25 SWR-TEMP SENSOR	342.00		20606	5310	430600	240		101000
		Total for Vendor:	342.00							
48202		2819 GLACIER MEDICAL ASSOCIATES	1,352.00							
		060425 06/04/25 PD J.FIELDS PRE EMPOY	696.00			1000	420100	390		101000
		060425 06/04/25 PD A.DOYLE PRE EMPLOY	656.00			1000	420100	390		101000
		Total for Vendor:	1,352.00							
48222		400 GOVERNMENT FINANCE OFFICERS	250.00							
ANNUAL MEMBERSHIP 12/1/25-11/30/26 FOR JESSICA RICE										
		34511003 11/18/25 FIN-MEMBERSHIP DUES FY26	250.00			1000	410500	335		101000
		Total for Vendor:	250.00							
48215		3095 GREAT NORTHERN LOCK AND SAFE	360.00							
		4412 11/20/25 SWR-PADLOCKS (6)	360.00			5310	430600	366		101000
		Total for Vendor:	360.00							
48181		1119 HDR ENGINEERING, INC.	2,257.74							
09/28/25-11/01/25										
		1200774394 11/14/25 CEDAR CREEK 5YR DAM INSP	2,257.74			1000	431200	399		101000
		Total for Vendor:	2,257.74							
48184		2791 IDEXX DISTRIBUTION, INC.	264.28							
		3187689974 11/04/25 SWR-LAB SUPPLIES	264.28			5310	430600	222		101000
		Total for Vendor:	264.28							

* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document $/ Line $	Disc $	PO #	Fund	Org	Acct	Object	Proj	Cash Account
48185		3120 JACKSON GROUP PETERBILT, INC.	715.95								
		5052 10/16/25 SWR-ENGINE REPAIRS FRD F650	715.95			5310	430600		361		101000
		Total for Vendor:	715.95								
48183		162 LOGAN HEALTH - WHITEFISH	21.00								
		87535121 11/06/25 PD-EVIDENCE	21.00			1000	420100		399		101000
		Total for Vendor:	21.00								
48210		2595 MACON SUPPLY, INC	565.00								
		308140 11/19/25 SWR-ORANGE PAINT / BLADE	565.00			5310	430600		220		101000
		Total for Vendor:	565.00								
48201		3020 MIDWAY RENTAL - REiC	290.08								
		2140503 10/02/25 PRK-COMPRESSOR	255.06			1000	460400		240		101000
		2151711 10/29/25 FAC-SCAFFOLD GUARDRAIL	35.02			1000	411200		240		101000
		Total for Vendor:	290.08								
48188		3152 MONTANA ELITE LLC	1,001.00								
		2567 11/12/25 SWR-UV LIGHT INSTALL	1,001.00			5310	430600		360		101000
		Total for Vendor:	1,001.00								
48189		2004 MONTANA STATE UNIVERSITY	285.00								
MT MUTUAL AID MEETING FOR: K.WEEKS, J.JOST, M.JOHNSON											
		219-51 11/07/25 FD-MT MUTUAL AID REGISTRATION	285.00			1000	420400		380		101000
		Total for Vendor:	285.00								
48217		3119 MONTANA TRUCK WORKS, LLC	1,018.56								
		1087 11/20/25 FD-#441 REAR PUMP SEAL	1,018.56			1000	420400		361		101000
		Total for Vendor:	1,018.56								
48218	E	3303 MONTANASKY NETWORKS, INC -	79.95								
12/16/25-01/16/26											
		5832121625 11/21/25 WTR-INTERNET/WIFI	79.95			5210	430500		345		101000
		Total for Vendor:	79.95								

* ... Over spent expenditure

Claim/ Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document $/ Line $	Disc $	PO #	Fund Org Acct	Object	Proj	Cash Account
48187	722 MORRISON-MAIERLE, INC.	28,977.05						
	258908 11/11/25 SWR-WASTEWATER PER	28,977.05			5310 430600	354		101000
	Total for Vendor:	28,977.05						
48198	1247 MURDOCH'S RANCH & HOME	48.98						
	251906 11/07/25 STR-PUSH-LOCK PLIERS	21.99			2500 430200	220		101000
	252444 11/19/25 STR-ENGINE FUEL	26.99			2500 430200	231		101000
	Total for Vendor:	48.98						
48194	52 NAPA AUTO PARTS	433.64						
	131237 11/04/25 STR-KNOCKER LOOSE 18 OZ	11.99			2500 430200	220		101000
	130511 10/27/25 STR-AERO KROIL OIL	24.55			2500 430200	240		101000
	132232 11/17/25 FD-DEF	25.98			1000 420400	231		101000
	132547 11/20/25 PRK-OIL FILTER	4.09			1000 460400	232		101000
	132547 11/20/25 PRK-MOTOR OIL	19.77			1000 460400	231		101000
	132470 11/19/25 SWR-BATTERY	347.26			5310 430600	232		101000
	Total for Vendor:	433.64						
48225	3332 NEXUS CPA GROUP, PLLC	7,184.60						
	308 11/18/25 FIN-AUDIT FY25	4,638.46			1000 410500	353		101000
	308 11/18/25 WTR-AUDIT FY25	773.07			5210 430500	353		101000
	308 11/18/25 SWR-AUDIT FY25	773.07			5310 430600	353		101000
	307 11/18/25 FIN-PREP FEDERAL GRANT	750.00			1000 410500	353		101000
	307 11/18/25 WTR-PREP FEDERAL GRANT	125.00			5210 430500	353		101000
	307 11/18/25 SWR-PREP FEDERAL GRANT	125.00			5310 430600	353		101000
	Total for Vendor:	7,184.60						
48182	3337 NORTHERN IRONWORKS, LLC	3,700.00						
	244 11/16/25 STR-CASE LOADER ARM REPAIR	3,700.00			2500 430200	361		101000
	Total for Vendor:	3,700.00						
48209	3231 NORTHERN ROCKIES FIRE	345.00						
	345.00 11/14/25 FD-LEATHER BUNKER BOOT	345.00			1000 420400	226		101000
	Total for Vendor:	345.00						

* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document $/ Line $	Disc $	PO #	Fund	Org	Acct	Object	Proj	Cash Account
48190		2002 NORTHWEST PARTS & EQUIPMENT &	70.15								
		358394 11/12/25 STR-GREASE FITTINGS SET	35.65			2500		430200	220		101000
		358397 11/12/25 STR-GREASE FITTINGS SET	34.50			2500		430200	220		101000
		Total for Vendor:	70.15								
48193		2816 O'REILLY AUTO PARTS	167.72								
		142295 11/12/25 STR-BRUSH KIT	26.99			2500		430200	220		101000
		140856 10/30/25 STR-WIPER FLUID	38.94			2500		430200	220		101000
		140891 10/30/25 STR-FUEL HOSE	5.92			2500		430200	232		101000
		140891 10/30/25 SWR-ENGINE CLEAN	35.96			5310		430600	220		101000
		140855 10/30/25 STR-FUEL HOSE	4.99			2500		430200	232		101000
		142912 11/17/25 STR-WIPER BLADE	54.92			2500		430200	232		101000
		Total for Vendor:	167.72								
48213		3085 ORTHOPEDIC REHAB INC	200.00								
		111725 11/17/25 FD-EMP SCREEN J.THOMAS	200.00			1000		420400	390		101000
		Total for Vendor:	200.00								
48191		1888 PLETCH ELECTRIC INC	780.28								
		5909 11/05/25 WTR-WATER SHOP HEATERS (4)	780.28			5210		430500	366		101000
		Total for Vendor:	780.28								
48211		3192 POP A SQUAT PORTABLES	665.00								
RIVERS EDGE, TALBOT BIKE PATH, MARANTETTE, PINEWOOD, DEPOT, FENHOLT, COLUMBUS											
		21364 11/25/25 PRK-PORTA POTTIES (7)	665.00			1000		460400	399		101000
		Total for Vendor:	665.00								
48230		3329 PYE-BARKER FIRE & SAFETY	263.24								
		7043091 10/01/25 FAC-ALARM MONITORING	62.52			1000		411200	366		101000
		7362884 12/01/25 FAC-FD ALARM MONITORING	69.10			1000		411200	366		101000
		7363691 12/01/25 FAC-ALARM MONITORING	62.52			1000		411200	366		101000
		7042265 10/01/25 FAC-FD ALARM MONITORING	69.10			1000		411200	366		101000
		Total for Vendor:	263.24								

* ... Over spent expenditure

Claim/ Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document $/ Line $	Disc $	PO #	Fund Org Acct	Object	Proj	Cash Account
48212	3225 RUSTIC MOOSE LLC	20.00						
	1141 11/20/25 STR-EMBROIDERY ONE HATS	20.00			2500 430200	226		101000
	Total for Vendor:	20.00						
48199	2755 SHERWIN-WILLIAMS CO	61.94						
PARK BENCH PAINT								
	95619 11/12/25 PRK-TABLE BROWN PAINT	61.94			1000 460400	220		101000
	Total for Vendor:	61.94						
48200	2890 SPOKANE HOUSE OF HOSE, INC	189.76						
	1144600 10/02/25 SWR-HOSE	12.72			5310 430600	240		101000
	1089654 10/24/25 SWR-HOSE	29.12			5310 430600	240		101000
	1142344 09/19/25 SWR-HOSE	147.92			5310 430600	240		101000
	Total for Vendor:	189.76						
48197	3297 Staples, Inc	247.77						
	6047411286 11/06/25 FIN- SCISSORS	8.09			1000 410500	210		101000
	6047411286 11/06/25 WTR-SCISSORS	8.10			5210 430500	210		101000
	6047411286 11/06/25 SWR-SCISSORS	8.10			5310 430600	210		101000
	604726164 11/04/25 FAC-PAPER TOWELS / TP	134.81			1000 411200	224		101000
	6047267165 11/04/25 FIN-CALENDARS	39.38			1000 410500	210		101000
	6047267165 11/04/25 FAC-TRASH LINERS	49.29			1000 411200	224		101000
	Total for Vendor:	247.77						
48195	1797 STATE INFORMATION TECHNOLOGY	40.45						
	523108 10/01/25 PD-ITSD/EMAIL 10/1/25-10/31/25	40.45			1000 420100	355		101000
	Total for Vendor:	40.45						
48221	3222 SUMMIT FIRE & SECURITY LLC	125.00						
	3459146 08/18/25 PRK-CHEMICAL EXT SERVICE	49.00			1000 460400	360		101000
	3459148 08/18/25 WTR-CHEMICAL EXT SERVICE	76.00			5210 430500	360		101000
	Total for Vendor:	125.00						

* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document $/ Line $	Disc $	PO #	Fund	Org Acct	Object	Proj	Cash Account
48214		1653 SUPER 1 FOODS	49.85							
		2454278 11/02/25 SWR-TESTING WATER	32.08			5310	430600	222		101000
		2457263 11/06/25 EMS-CLOROX WIPES	17.77			1000	420730	220		101000
		Total for Vendor:	49.85							
48231	E	3340 T-MOBILE	1,527.64							
PARTIAL MONTH										
		34263 10/10/25 ADMIN-09/24/25-10/09/25	120.70			1000	410400	345		101000
		34263 10/10/25 FIN-09/24/25-10/09/25	120.70			1000	410500	345		101000
		34263 10/10/25 FD-09/24/25-10/09/25	154.95			1000	420400	345		101000
		34263 10/10/25 FAC-09/24/25-10/09/25	114.13			1000	411200	345		101000
		34263 10/10/25 STR-09/24/25-10/09/25	136.38			2500	430200	345		101000
		34263 10/10/25 PD-09/24/25-10/09/25	358.01			1000	420100	345		101000
		34263 10/10/25 PRK-09/24/25-10/09/25	115.56			1000	460400	345		101000
		34263 10/10/25 WTR-09/24/25-10/09/25	173.25			5210	430500	345		101000
		34263 10/10/25 SWR-09/24/25-10/09/25	150.99			5310	430600	345		101000
		34263 10/10/25 CRT-09/24/25-10/09/25	126.69			1000	410360	345		101000
		34263 10/10/25 PD-09/24/25-10/09/25 CREDIT	-43.72			1000	420100	345		101000
48232	E	3340 T-MOBILE	591.59							
		89496 11/10/25 ADMIN-10/10/25-11/09/25	14.89			1000	410400	345		101000
		89496 11/10/25 FIN-10/10/25-11/09/25	14.89			1000	410500	345		101000
		89496 11/10/25 FD-10/10/25-11/09/25	64.21			1000	420400	345		101000
		89496 11/10/25 FAC-10/10/25-11/09/25	6.00			1000	411200	345		101000
		89496 11/10/25 STR-10/10/25-11/09/25	35.32			2500	430200	345		101000
		89496 11/10/25 PD-10/10/25-11/09/25	285.06			1000	420100	345		101000
		89496 11/10/25 PRK-10/10/25-11/09/25	7.33			1000	460400	345		101000
		89496 11/10/25 WTR-10/10/25-11/09/25	85.61			5210	430500	345		101000
		89496 11/10/25 SWR-10/10/25-11/09/25	56.29			5310	430600	345		101000
		89496 11/10/25 CRT-10/10/25-11/09/25	21.99			1000	410360	345		101000
		Total for Vendor:	2,119.23							
48219		2699 THE MAIL ROOM, INC	644.50							
INVOICE # D127078										
		D127078 11/17/25 PD-MAIL SRVS 11/3/25-11/14/25	37.17			1000	420100	310		101000
		D127078 11/17/25 FIN-MAIL SRVS 11/3/25-11/14/2	158.03			1000	410500	310		101000

* ... Over spent expenditure

Claim/ Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document $/ Line $	Disc $	PO #	Fund	Org	Acct	Object	Proj	Cash Account
	D127078 11/17/25 WTR-MAIL SRV 11/3/25-11/14/25	160.74			5210	430500		310		101000
	D127078 11/17/25 SWR-MAIL SRV 11/3/25-11/14/25	160.74			5310	430600		310		101000
	D127078 11/17/25 CRT-MAIL SRVS 11/3/25-11/14/2	126.99			1000	410360		310		101000
	D127078 11/17/25 P&Z-MAIL SRVS 11/3/25-11/14/2	0.08			1000	411000		310		101000
	D127078 11/17/25 FD-MAIL SRVS 11/3/25-11/14/25	0.75			1000	420400		310		101000
	Total for Vendor:	644.50								
48226	1623 THE UPS STORE #4515	40.17								
	035791 11/21/25 PD-EVIDENCE SHIPPING	13.39			1000	420100		310		101000
	035628 11/14/25 PD-EVIDENCE SHIPPING	13.39			1000	420100		310		101000
	035840 11/24/25 PD-EVIDENCE SHIPPING	13.39			1000	420100		310		101000
	Total for Vendor:	40.17								
48204	2923 TORGERSON'S LLC	3,320.27								
	19194 11/11/25 STR-521 LOADER BOOM PRTS	3,025.71			2500	430200		232		101000
	19312 11/17/25 STR-CASE 521 LOADER PARTS	294.56			2500	430200		232		101000
	Total for Vendor:	3,320.27								
48206	3190 TRUCKPRO, LLC DBA TNT TRUCK	283.23								
	39146 11/04/25 SWR - HEATER CORE	283.23			5310	430600		232		101000
	Total for Vendor:	283.23								
48224	1295 US BANK	44,936.25								
2020 WATER, 2009 C SEWER, 2009 B SEWER										
	3072333 11/21/25 WTR-2020 WATER PRINCIPAL	15,000.00			5210	490220		610		101000
	3072333 11/21/25 WTR-2020 WATER INTEREST	6,712.50			5210	490220		620		101000
	3072180 11/21/25 SWR-2009 C SEWER PRINCIPAL	12,000.00			5310	490215		610		101000
	3072180 11/21/25 SWR-2009 C SEWER INTEREST	1,935.00			5310	490215		620		101000
	3072179 11/21/25 SWR-2009 B SEWER PRINCIPAL	9,000.00			5310	490215		610		101000
	3072179 11/21/25 SWR-2009 B SEWER INTEREST	288.75			5310	490215		620		101000
	Total for Vendor:	44,936.25								
48205	3063 UTILITIES UNDERGROUND LOCATION	66.50								
FEE FOR TICKETS FOR AUGUST 2025 (38)										
	5085074 08/31/25 WTR-AUG 2025 UDIGS	22.16			5210	430500		318		101000
	5085074 08/31/25 SWR-AUG 2025 UDIGS	22.17			5310	430600		318		101000
	5085074 08/31/25 STR-AUG 2025 UDIGS	22.17			2500	430200		318		101000
	Total for Vendor:	66.50								

* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document $/ Line $	Disc $	PO #	Fund Org Acct	Object	Proj	Cash Account
48196		84 WESTERN BUILDING CENTER	339.51						
		1660896 11/03/25 STR-IRON COUPLING	2.49			2500 430200	220		101000
		1676314 11/12/25 FD-VELCRO / HEX WASHERS	15.09			1000 420400	220		101000
		1677017 11/13/25 PRK-BOLTS / WASHERS	16.90			1000 460400	220		101000
		1679554 11/14/25 WTR-COUPLING	6.49			5210 430500	240		101000
		1685431 11/19/25 FD-SPRAY PAINT / FLAP DIS	65.94			1000 420400	220		101000
		1681197 11/17/25 PRK-2X10 (10)	64.00			1000 460400	240		101000
		1681737 11/17/25 SWR-GOLD SCREWS (10) 1LB	11.43			5310 430600	220		101000
		1685066 11/19/25 SWR-BIT ZIP / HEATER / 4X8 (2	77.65			5310 430600	240		101000
		1688175 11/20/25 SWR-1X4 / JOINT COMPOUND	29.54			5310 430600	240		101000
		1688674 11/21/25 SWR-JOINT COMPOUND MIX	22.99			5310 430600	240		101000
		1682933 11/18/25 SWR-SCREWS / HEATER	26.99			5310 430600	240		101000
		Total for Vendor:	339.51						
48186		3201 WILD HEART PSYCHOLOGY	800.00						
		111825 11/18/25 PD-EVALUATION H.REYNOLDS	800.00			1000 420100	390		101000
		Total for Vendor:	800.00						
48208		3319 ZENNER USA, INC.	4,480.51						
		0104195 08/18/25 WTR-METER & PARTS	974.71			5210 430500	230		101000
		0105237 09/24/25 WTR-WATER METER (10)	1,755.89			5210 430500	230		101000
		0107059 11/20/25 WTR-WATER METER (10)	1,749.91			5210 430500	230		101000
		Total for Vendor:	4,480.51						

\# of Claims 56 Total: 155,421.90 # of Vendors 52

Total Electronic Claims 2,810.73

Total Non-Electronic Claims 152611.17

Fund/Account	Amount
1000 GENERAL FUND	
101000 CASH/CASH EQUIVALENTS	56,860.52
2500 SPECIAL STREET MAINTENANCE DISTRICT FUND	
101000 CASH/CASH EQUIVALENTS	7,851.64
5210 WATER ENTERPRISE FUND	
101000 CASH/CASH EQUIVALENTS	31,266.94
5310 SEWER ENTERPRISE FUND	
101000 CASH/CASH EQUIVALENTS	59,442.80
Total:	155,421.90

Council Meeting Date: December 1, 2025

Claims Submitted to Council:$ $155,421.90

Claims Denied/Withheld by Council Finance Committee:$______________ Claim #'s:________________

Prepared By: Jessica Rice, Finance Director

Jessica Rice

Approved by Eric Hanks, City Manager

Eric Hanks

City Council to Approve by motion on consent agenda

The claims noted below are non-routine or material in nature:

1. Comfort Systems USA: $8,342.05 - Annual maintenance for City Hall, Fire Department, Sewer, Streets and PD. Fire Department furnace replacement. (Funds 1000, 2500, 5310)
2. Morrison-Maierle, Inc: $28,977.05 - Sewer/Wastewater PER. (Fund 5310)
3. Nexus CPA Group, PLLC: $7,184.60 - Audit fees for FY25. (Funds 1000, 5210 and 5310)
4. US Bank: $44,936.25 - Debt payments; 2020 Water, 2009 Sewer. (Funds 5210 and 5310)

The remaining claims are routine in nature. If you have any questions, please do not hesitate to reach out.

Thank you,
Jessica Rice
(406) 892-4327

Total for Payroll Checks

11/21/25
Payroll
$198,607.97
Barb Staaland

	Employee	Employer	Amount
ADDL HOURS (Additional)	0.00		4.64
COMA HOURS (Comp Time Accumulated)	31.50		
COMP HOURS (Comp Time Used)	11.75		355.15
HOL HOURS (Holiday Pay)	299.35		9,894.02
HOLW HOURS (Holiday Worked @ 2.5x)	18.00		793.00
J003 HOURS (PD HOL WK)	36.00		1,825.38
J008 HOURS (PD HOL WK OT)	22.00		1,184.82
J011 HOURS (OT COURT)	9.00		392.55
OVER HOURS (Overtime)	14.00		660.63
PERS HOURS (Personal Time Used)	5.00		200.65
REG HOURS (Regular Time)	2,408.50		83,862.69
SHFN HOURS (Shift B)	333.00		666.00
SHFQ HOURS (OVT B)	4.00		12.00
SHFU HOURS (Hol wk B)	24.00		120.00
SICK HOURS (Sick Time)	168.75		4,984.93
VACA HOURS (Vacation Time Used)	170.00		5,544.96
GROSS PAY	110,501.42	0.00	
NET PAY	78,210.51	0.00	
NET PAY (CHECKS)	337.80		
NET PAY (DIRECT DEPOSIT)	77,872.71		
AFLAC-POSTTAX	86.97	0.00	
AFLAC-PRETAX	249.32	0.00	
CITY OF COLUMBI	20.00	0.00	
FIT	8,448.35	0.00	
FLEX ALLEGIANCE	1,012.50	25.00	
FOP	450.00	0.00	
HEALTHINS/PRE	4,079.30	31,516.90	
MEDICARE	1,558.37	1,558.37	
MT ST FIRE ASSO	115.01	0.00	
MUTUAL OF OMAHA	286.90	0.00	
NATIONWIDE/CITY	0.00	2,315.12	
NATIONWIDE/EMP	200.00	0.00	
P.E.R.S.	4,328.91	4,969.99	
PERS RETIREE	0.00	18.14	
PERS/FURS	1,230.54	1,651.46	
PERS/POLICE	2,947.95	4,719.99	
SIT	3,239.00	0.00	
SOCIAL SECURITY	3,766.79	3,766.79	
TEAMSTERS DUES	271.00	0.00	
UNEMPL. INSUR.	0.00	598.92	
WORKERS' COMP	0.00	3,461.04	
CHARLES SCHWAB	1,925.44	0.00	
FIRST INTERSTAT	1,233.90	0.00	
FREEDOM BANK	3,907.91	0.00	
GLACIER BANK KA	6,447.52	0.00	
GLACIER BANK MS	3,194.96	0.00	
GLACIER BANK/CF	24,593.59	0.00	
GLACIER BANK/WF	2,250.43	0.00	

MORGAN STANLEY	4,406.79	0.00
NAVY FEDERAL CR	2,198.44	0.00
PARKSIDE CR U	12,673.73	0.00
STOCKMAN BANK	1,191.05	0.00
USAA FEDERAL	1,499.85	0.00
WELLS FARGO	2,531.73	0.00
WELLS FARGO, TX	1,798.99	0.00
WFISH CR UNION	8,018.38	0.00
FIT/SIT BASE	96,452.90	0.00
MEDICARE BASE	107,475.42	0.00
PERS BASE	99,251.40	0.00
SOC SEC BASE	60,754.62	0.00
UN BASE	108,901.42	0.00
WC BASE	109,146.95	0.00
Total		54,601.72

Total Payroll Expense (Gross Pay + Employer Contributions): 165,103.14

Check Summary

Payroll Checks Prev. Out.	$4,102.32
Payroll Checks Issued	$77,043.11
Payroll Checks Redeemed	$3,547.92
Payroll Checks Outstanding	$77,597.51
Electronic Checks	$121,114.86

Deductions Accrued		Carried Forward From Previous Month	Deduction Checks Issued	Difference	Liab Account
Social Security	7,533.58		7,533.58		212260
Medicare	3,116.74		3,116.74		212260
P.E.R.S.	9,298.90		9,298.90		212270
Unempl. Insur.	598.92	2,436.59		3,035.51	212210
Workers' Comp	3,461.04	14,121.02		17,582.06	212220
FIT	8,448.35		8,448.35		212260
SIT	3,239.00		3,239.00		212260
AFLAC-PRETAX	249.32	249.32	498.64		212230
NATIONWIDE/EMP	200.00		200.00		212280
Teamsters dues	271.00	271.00	542.00		212310
PERS/Police	7,667.94		7,667.94		212240
NATIONWIDE/CITY	2,315.12		2,315.12		212280
AFLAC-POSTTAX	86.97	86.97	173.94		212230
PERS/FURS	2,882.00		2,882.00		212275
MT ST FIRE ASSO	115.01		115.01		212315
HEALTHINS/PRE	35,596.20	35,082.90	72,266.80	-1,587.70	212400
CITY OF COLUMBI	20.00		20.00		212450
FLEX ALLEGIANCE	1,037.50		1,037.50		212285
FOP	450.00	450.00		900.00	212335
PERS RETIREE	18.14		18.14		212270
MUTUAL OF OMAHA	286.90	286.90	573.80		212400
Total Ded.	86,892.63	52,984.70	119,947.46	19,929.87	

**** Carried Forward column only correct if report run for current period.

CITY OF COLUMBIA FALLS
CITY COUNCIL REGULAR MEETING MINUTES
HELD NOVEMBER 17, 2025

Mayor Barnhart called the meeting to order at 7:00 P.M.

ROLL CALL: Councilor King, Councilor Lovering, Councilor Piper, Councilor Price, Councilor Robinson, Councilor Shepard and Mayor Barnhart.

Also present: City Manager Hanks, City Clerk Staaland, City Attorney Breck, Finance Director Rice and Police Chief Stephens.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA: Councilor Robinson motioned to approve the agenda, seconded by Councilor Lovering and the motion carried.

CONSENT AGENDA: Councilor Piper made motion to approve consent agenda amending the claims to $200,704.41, seconded by Councilor Price and the motion carried.
Approval of Claims - Nov. 20, 2025 - $200,704.41
Approval of Payroll Claims - Nov. 7, 2025 - $126,133.96
Approval of Regular Council Minutes - Nov. 3, 2025

VISITORS/PUBLIC COMMENT (Items not on agenda)
Roger Hopkins, 949 Vans Avenue, reminded the Council that the Study Commission Public Hearing will be held on Wednesday, November 19th, 2025, at 6:30 p.m. in the Council Chambers to review the tentative final report.
Mr. Hopkins announced the Rotary Club's Brunch with Santa on Saturday, December 6th, 9:30 a.m., at Timber Creek Village.

Darin Fisher 303 3rd Ave. E. praised Sergeant Stufflebeem and city staff for excellent service.

NOTICE OF PUBLIC HEARINGS/PUBLIC HEARINGS:
Mayor Barnhart read the - Notice of Public Hearing - Amending the FY 25-26 Budget
The City is proposing amending 5310 Sewer Enterprise Fund appropriations for the purchase of a replacement dump truck. After the adoption of the budget, the City's Sewer Fund dump truck became unusable and must be replaced.
Finance Director Rice stated the purchase will not exceed $125,000 and will be funded from available cash in the Sewer Fund.

NEW BUSINESS:
Utility Billing Adjustments Due to City Error and Update City
City Manager Hanks reported two recent utility billing errors and requested Council authorization to issue full refunds: Residential account: Apartment meters were installed incorrectly, resulting in a ten-year overcharge of approximately $900**.** Commercial account: Billing system error caused a $4,000 overcharge for water usage. Staff recommended full refunds despite exceeding the traditional six-month limit, citing ethical governance and a commitment to customer fairness. A future city code amendment will clarify refund policies, differentiate types of errors, and establish a standard look-back period with administrative exceptions.

Councilor Price inquired about the long delay in identifying the residential issue. Hanks and Rice explained the delay involved coordination between residents, landlords, and city staff. Improved internal controls and a new tracking module in utility software will help prevent future errors.

Councilor Robinson motioned to authorize the Finance Director to issue credits for both accounts, seconded by Councilor Lovering and the motion passed unanimously.

ORDINANCES / RESOLUTIONS:

Resolution 1956 - Banking Authority and Credit Card Authorization Glacier Bank
With recent staffing changes, the City of Columbia Falls must update its account authorizations at Glacier Bank, the City's primary financial institution, to ensure current employees have proper authority to conduct financial transactions on behalf of the City.

Finance Director Rice explained the resolution to update Glacier Bank account authorizations to be position-based rather than individual-based, reflecting recent staffing changes. It also authorizes five department specific credit cards (limit $50,000 total) to improve operational flexibility and allow departments to manage budgets directly. Department heads are responsible for their assigned cards.
Mayor Barnhart inquired, was this suggested by the auditor? Rice replied no it was not.

Councilor Piper made motion to adopt Resolution #1956, seconded by Councilor Robinson with council voting as follows. Ayes: Piper, Price, Robinson, Shepard, King, Lovering and Barnhart.

Resolution #1955 - Special Revenue Fund 2955
Highway Traffic Safety and adopting the related budget appropriations for Fiscal Year 2025–26 pursuant to the approved grant agreement.

Finance Director Rice presented a new Special Revenue Fund 2955 to track grant revenue and expenditures for the DUI Officer program. The city was awarded $165,263, with FY 2025–26 revenue of $123,000**,** covering salary, overtime, equipment, training, and other DUI-related expenses.

Councilor Lovering motioned to approve Resolution #1955, seconded by Councilor Piper with council voting as follows. Ayes: Price, Robinson, Shepard, King, Lovering, Piper and Barnhart.

FIRST READING - Ordinance #835 - Exposing Minor Children to Domestic Violence
Columbia Falls Police Department, desires to amend Chapter 9 Part 20 of the Columbia Falls Municipal Code by adding a Section 030 making it a criminal offense to expose a child or children to domestic violence.

Chief Stephens explained that the ordinance aims to end the cycle of domestic abuse. He noted that children exposed to domestic violence, even if not directly abused, are at significantly higher risk of experiencing or perpetrating violence later in life. Exposure is classified as an Adverse Childhood Experience (ACE), with studies showing boys exposed to domestic violence are ten times more likely to become abusers and girls exposed are six times more likely to be sexually abused. The ordinance is intended to hold adults accountable for committing acts of domestic violence in the presence of children.

Mayor Barnhart asked whether other departments have similar policies. Chief Stephens replied that no other departments have such measures. Current state law only considers child exposure to domestic violence in sentencing, with no separate crime established for the exposure itself.

City Attorney Breck stated that the City has general powers under Article XI of the Montana Constitution, including authority to act for the health, safety, and well-being of the community. Breck emphasized that the ordinance is supported by state law and scientific research and is intended to prevent harm to children using powers already granted by law, not to overstep City authority.

Councilor Shepard made motion to adopt the First Reading of Ordinance #835, seconded by Councilor Lovering and the motion carried unanimously.

FIRST READING - Ordinance #836 - Definitions pertaining to the use and operation of bicycles and electrically assisted bicycles and other electrically and motor assisted vehicles and other wheeled devices on public sidewalks, public roadways and public paths and within public parks.

Chief Stephens explained amendments clarify the rights and responsibilities of riders of bicycles, electric bicycles, scooters, motorcycles, mopeds, and other motorized or wheeled devices on public sidewalks, roadways, paths, and parks. All operators under 18 are required to comply with helmet laws (NCA 618-020-N2).

Councilor Piper made motion to adopt the First Reading of Ordinance #836, seconded by Councilor Robinson and the motion carried unanimously.

FIRST READING - Ordinance #837 - Requiring obedience with traffic control devices by bicycles and electrically assisted bicycles and other electrically and motor assisted vehicles on public sidewalks, roadways and paths.

Chief Stephens stated the ordinance allows the City to establish speed limits for bicycles and motorized devices on sidewalks and pathways, addressing safety concerns for pedestrians and cyclists. Amendments clarify that all devices, including e-bikes, scooters, skateboards, and motor-assisted vehicles are included.

Councilor Lovering made motion to adopt the amended First Reading of Ordinance #837, seconded by Councilor Shepard and the motion carried unanimously.

FIRST READING - Ordinance #838 - Providing penalties that may be imposed by law enforcement for violations of the ordinances contained within chapter 1- part 72.

Chief Stephens explained that non-pedal-powered vehicles, such as fully motorized e-bikes without pedal assist, are prohibited on sidewalks, including paths. Violations carry graduated penalties: $50, $100, and $175, with parental responsibility applied for minors. Councilor Lovering asked if this includes Rivers Edge Paths. Chief Stephens replied yes.

Councilor Price made motion to adopt the amended fine amount on First Reading of Ordinance #838, seconded by Councilor King and the motion carried unanimously.

FIRST READING - Ordinance #839 - Regulating the use of bicycles and electrically assisted bicycles and other electrically and motor assisted vehicles on public sidewalks and paths.

Chief Stephens clarified that pedal-powered bicycles and pedal-assisted e-bikes are allowed, while certain devices, such as electric personal mobility devices (e.g., wheelchairs or scooters for disabled persons), are exempt.

Councilor Piper made motion to adopt the First Reading of Ordinance #839, seconded by Councilor Lovering and the motion carried unanimously.

FIRST READING - Ordinance #840 - Regulating the use of bicycles and electrically assisted bicycles and other electrically and motor assisted vehicles on public roadways, public sidewalks, and public paths.

Chief Stephens reviewed definitions for bicycles, mopeds, motorized scooters, electric-assisted bicycles, sidewalks, and wheeled devices, consistent with Montana Code Annotated.

Councilor King made motion to adopt the First Reading of Ordinance #840, seconded by Councilor Piper and the motion carried unanimously.

REPORTS / BUSINESS FROM MAYOR & COUNCIL

Councilor Shepard thanked staff for their work on bicycle-related ordinances and noted a recent incident involving two juveniles riding electric dirt-bike bicycles at excessive speeds who collided with a vehicle. He emphasized the safety risks these devices pose, including hazards associated with the batteries.

Councilor Price asked about recurring water on the roadway at 4th and Talbot. City Manager Hanks reported that staff is aware of the drainage issue involving the dry well. Street prioritization is underway; however, new information has been received, and staff will delay the prioritization discussion for one additional meeting.

Councilor Price also asked about sharing the online Land Use Planning survey, noting her attempt to post the link on Facebook had been removed. Hanks stated he did not know why the post was taken down and would follow up. He confirmed the survey is posted on the city's social media platforms. There are no restrictions on participation, and broad community input is encouraged.

Councilor King asked whether the Local Government Study Commission meeting would be available via Zoom. Hanks confirmed that it will be.

Councilor Piper reminded the Council that the Study Commission meeting will be held on Wednesday, November 19, at 6:30 p.m. in the Council Chambers. The meeting will include a public hearing and presentation of the tentative final report. Piper encouraged public participation and thanked Hungry Horse News for sharing the survey link.

Mayor Barnhart clarified that the Study Commission's final report serves as a recommendation to the City Council. Hanks explained that once the Study Commission forwards its recommendation, the Council's role is to accept it and place the measure on the ballot. The Council cannot prevent the matter from proceeding to election if recommended by the Study Commission.

CITY MANAGER REPORT

The City Manager provided the following updates:

- November 19th at 6:30 p.m. Study Commission Meeting:
- November 20th Columbia Falls Ahead 2045 Utility Infrastructure Meeting: The public meeting will begin at 5:00 p.m. Engineers preparing the Preliminary Engineering Reports for water and wastewater will present an overview and answer questions. The City Manager noted challenges in the water system related to the storage tank and main transmission line. He reported more significant concerns with wastewater treatment capacity due to an increase in development applications that would require additional service. A future discussion with the Council regarding wastewater capacity needs is anticipated. The meeting will be recorded and posted on the city website.
- December 11th Planning Commission Meeting: The Planning Commission will review utility infrastructure challenges. Staff will work with the Commission to prepare a recommendation for Council consideration at the December 15th Council meeting regarding infrastructure and upcoming development proposals.
- Gateway to Glacier Project: The city is awaiting federal obligation of funds. An update is expected later in the week or early next week. The project remains on schedule for a 30-day bid period, an open house in late January, and construction beginning in March 2026.
- Public Works Staffing: The City Manager announced the city is accepting applications for a Water Operator position.
- Geotechnical Work and Street Closures: Geotechnical boring will occur over the next three days on 6th Street East. Additional city testing will take place on 2nd Avenue East below the hillside.
- The City Manager recognized significant work completed by the Police Chief and City Attorney in preparing several ordinances over recent months, noting that the complexity of the material reflects the thorough effort made to ensure accuracy and alignment with community needs.
- Land Use Plan / Growth Policy Development: A joint session was held on November 13. Further meetings with the land use planning consultant are scheduled this week. The City Manager encouraged continued participation in the community survey, noting its importance in guiding future planning discussions. Staff anticipates possible breakout sessions with neighborhood associations, recreation groups, businesses, builders, realtors, and other stakeholders.
- Downtown Sidewalk and Parking Improvements – Phase II: Bid opening is scheduled for Wednesday, November 19. Construction remains planned for early 2026.
- River's Edge Park Projects: The City Manager reported tentative approval of the FWP matching grant for the fishing pier. Upon final confirmation of the award, the project will move to bid for spring 2026 construction.

  The Flathead River Alliance was awarded $10,000 from American Rivers for signage and an interpretive trail along the boardwalk. Plans will be brought to the Parks and Recreation Committee before public release.

  People and Carnivores received full funding for a joint grant, which includes funding for 10 bear-resistant trash cans and concrete bases and $5,000 for bear-awareness signage at River's Edge Park and potentially other parks.

  The disc golf course has begun installation of tee boxes and panel locations, with community use already underway.
- Pool Boiler Project: Bids are currently open for the pool boiler replacement. The City Manager noted significant interest from contractors and anticipates a competitive bid process, with installation planned for spring 2026.

MISCELLANEOUS

Correspondence

Police Department - October Report
Fire Department - October Report

ADJOURN
Councilor Lovering motioned to adjourn at 8:06 P.M. seconded by Councilor King.

____
Mayor

____
City Clerk

COLUMBIA FALLS
MONTANA

City Council
Agenda Item Summary

Title: Nexus CPA Group Fiscal Year (FY) 2024 Audit Report

Date: November 22, 2025

Staff Contact: Jessica Rice

AGENDA ITEM SUMMARY:
Nexus CPA Group has completed the independent audit of the City of Columbia Falls' financial statements for Fiscal Year 2024, ending June 30, 2024. The audit was conducted in accordance with Generally Accepted Auditing Standards (GAAS) and the requirements of the Montana Department of Administration.

As part of the audit process, Nexus issued their required communications to Council and provided the final FY24 Audit Report, including the Schedule of Findings and the City's responses. Acceptance of this report is necessary to finalize the FY24 audit and maintain compliance with state reporting requirements.

<u>AUDIT FINDING AND CORRECTIVE ACTION PLAN</u>

- **FINDING 2024-001: Audit Report Deadline (Repeated 2023-001)**
  The auditors identified that the Fiscal Year 2024 audit report was not submitted by the required deadline. This finding is a continuation of the prior-year finding related to late audit submission.

  City Response:
  Following turnover in the City Manager (June 2024) and Finance Director (November 2024) positions, city staff have been actively working to ensure compliance regarding the delayed audit submission. The Finance Director, who joined the City in November 2024, postponed issuing RFPs for audit services until the new City Manager was appointed in April 2025. In July 2025, the City Manager and Finance Director engaged Nexus CPA Group to complete the FY24 Audit in the fall of 2025. To ensure future compliance, the City will work with Nexus to complete the FY25 Audit by March 2026.

STATUS OF PRIOR-YEAR FINDING

- **FINDING 2023-001: Late Audit Submission**

  City Response:

  The City engaged Nexus CPA Group in July 2025 to complete the FY24 Audit by fall 2025, addressing the prior-year concern and establishing a corrective timeline.

BACKGROUND:

Each year, the City undergoes an independent financial audit to verify the accuracy of its financial statements, evaluate internal controls, and ensure compliance with state reporting requirements. The FY24 audit cycle experienced delays due to staffing transitions in the City Manager and Finance Director positions; however, City staff and Nexus CPA Group worked collaboratively throughout 2025 to bring the audit to completion.

With the Audit Exit Meeting held on October 23, 2025, Nexus CPA Group has finalized the FY24 Audit Report and issued the associated required communications and findings. Acceptance of this report by Council completes the FY24 audit process, addresses prior-year findings, and positions the City to return to timely audit completion for FY25.

STAFF RECOMMENDATION:

Staff recommend the City Council accept and approve the Fiscal Year 2024 Audit Report as presented by Nexus CPA Group.

SUGGESTED MOTION:

I move that the City Council accept and approve the Fiscal Year 2024 Audit Report as presented by Nexus CPA Group.

ATTACHMENTS:

- Nexus CPA Group FY24 Audit Report

CITY OF COLUMBIA FALLS

FLATHEAD COUNTY, MONTANA

Fiscal Year Ended June 30, 2024

AUDIT REPORT

NEXUS
CPA GROUP

CITY OF COLUMBIA FALLS

FLATHEAD COUNTY, MONTANA

Fiscal Year Ended June 30, 2024

TABLE OF CONTENTS

CITY OF COLUMBIA FALLS

FLATHEAD COUNTY, MONTANA

TABLE OF CONTENTS – Continued

CITY OF COLUMBIA FALLS

FLATHEAD COUNTY, MONTANA

ORGANIZATION

Fiscal Year Ended June 30, 2024

CITY COUNCIL

Donald W. Barnhart	Mayor
Kelly King	Council Member
Jenny Lovering	Council Member
John Piper	Council Member
Kathy Price	Council Member
Paula Robinson	Council Member
Mike Shepard	Council Member

CITY OFFICIALS

Eric Hanks	City Manager
Jessica Rice	Finance Director
Barb Staaland	City Clerk
Kristi Curtis	City Court Judge
Justin Breck	City Attorney
Stephanie Breck	City Attorney

130 6th STREET WEST
ROOM A
COLUMBIA FALLS, MT 59912

PHONE (406) 892-4391
FAX (406) 892-4413

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report provides readers with a narrative overview and analysis of the financial activities of the City of Columbia Falls for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities on June 30 by $35,924,428 (net position). Of this amount, $3,157,181 or approximately 9% may be used to meet the City's ongoing obligations to citizens and creditors. The remainder includes $21,976,809 (61%) in capital assets, net of related debt and $10,790,438 (30%) restricted for debt payments and future use.

- Total net position increased by $3,457,293. Of this amount, net position in governmental activities increased by $2,276,959 and net position in business-type activities increased by $1,180,334.

- The City invested in a total of $3,446,852 in Capital Assets during the 2024 fiscal year including $2,319,170 in Capital in Progress. Of this amount, $2,524,969 was invested in General Assets and $921,882 in Enterprise Fund Assets. Highlights of these investments are detailed below.

- The City began the 12th Ave West EDA Project, incurring $12,631 in water main extension, street improvements and sidewalk improvements during the 2024 FY. The project is on-going and will be completed during 2025 FY upon BNSF approval to install the sidewalk and paving improvements across the Railroad right of way. As of June 30, 2024, the City has recognized $1.17 million in construction in progress.

- Additional on-going projects include the Business District Parking & Sidewalk project that will be constructed during the summer of 2024. To date, the project has $760,778 in construction in progress, with $662,738 added in the 2024 Fiscal Year.

- The City purchased two police department vehicles, a Dodge Charger and a Dodge Durango that were completed and placed in service for an additional $43,853 incurred in the 2024 fiscal year. The vehicles total costs were $$65,097 and $75,622, respectively. Additionally, the City ordered another replacement vehicle and incurred $71,378 in costs during the 2024 fiscal year. The vehicle was received and put into service in August, 2024.

- The City began the construction of a much-needed pole barn at the Street Shop, incurring $81,363 in construction in progress for the 2024 Fiscal Year. The project will be completed in 2025 FY.

- The City installed fencing at two parks for a total cost of $19,802 and purchased a pickup for the parks department supervisor for $20,000 plus trade-in of 2006 Trailblazer for $4,950.

- In June, 2024, the City Council and Columbia Falls Rural Fire District Board approved the purchase of a 2024 HME Pumper/Rescue apparatus for $785,000. The Rural District share was $487,530. The City's share, $297,740, was paid with reserved Resort Tax funds and a 10-year loan from the Cedar Creek Trust in the amount of $141,786. The vehicle will be delivered in the 2025 Fiscal year.

- The City completed the Beth/Martha Road Street Overlay and Reconstruction Project during the 2024 Fiscal year for a cumulative cost of $779,989.

- The City installed a new well pump motor into the LP Well for a cost of $16,161, extending the life of the pump.

- The City recognized the contributed capital from the Urban Woods Subdivision Developer. The approximate 190 ft. of water main was valued at $18,050 and the approximate 176 ft. of sewer main was valued at $28,670.

- The Sewer Fund acquired General Plant equipment, a sewer main packet, in the amount of $7,570.

- The Wastewater Treatment Plant ARPA project was divided into 2 phases: Phase 1 Hilltop Sewer Replacement and Lift Station rehab and Phase 2 WWTP Upgrades. The City has invested $447,968 into engineering and $403,464 into construction through June 30, 2024. The total project is estimated at $5.5 million and is being paid for with a $2 million Competitive Grant, $877k ARPA Minimum Allocation, $1.4 million in Local Fiscal Recovery Funds and $1.3 million in sewer capital expansion funds.

- The Water Fund Operating income (loss) was $13,734 compared to ($100,097) for the prior year. Water debt was reduced by $58,000. The Water Fund's net position increased by $85,541 for the 2024 fiscal year.

- Operating income (loss) for the Sewer Fund was ($158,339) compared to operating income (loss) of ($59,246) for the prior year. Sewer debt was reduced by $40,000. The Sewer Fund's net position increased by $960,790 for the 2024 fiscal year.

- The City paid off the remaining balance of the 2012 Quint Fire Truck loan from the Cedar Creek Trust in the amount of $14,686, principal and interest, paying off the debt several years early. Council authorized a new loan in the amount of $141,786 for a new 2024 HME Pumper/Rescue as described above.

- The City disposed of five vehicles pursuant to state law. All of the vehicles were fully depreciated and resulted in a minor gain on the sale of the assets except the 2012 Street Sweeper had a loss of $35k. It was in need of significant repairs and no longer useable by the City.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The financial statements contain four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) budgetary comparisons.

1. Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to a private sector business.

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

The *statement of activities* presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows.* Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*). Governmental activities include general government, public safety, public works, public health, culture and recreation, housing and community development, and debt service. The City has two business type activities – operation of a water utility and wastewater utility. The City charges a fee to customers to recover the cost of operating the utilities.

The government-wide financial statements include not only the City's (known as the *primary government)*, but also a legally separate component unit, the Fire Department Relief Association, for which the City is financially accountable. Financial information for the Fire Department Relief Association is reported separately from the financial information presented for the primary government.

2. 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 of Columbia Falls, 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 of Columbia Falls can be divided into three categories: (a.) *governmental funds, (b.) proprietary funds* and *(c.) fiduciary funds*.

a. ***Governmental Funds.*** Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on the *near-term inflows and outflows of spendable resources, as well as on balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation between *governmental funds* and *governmental activities* view of financial position. These statements can be found in the financial statements on the following pages in this report.

The City of Columbia Falls maintains 24 individual governmental funds. Information is presented separately for the General Fund, Resort Tax, Tax Increment Financing District Fund, Riverwood Debt Service Fund (SID #38) and Capital Projects – General Equipment Fund as they are major funds. Data from the other 19 funds are combined into a single aggregated presentation. The combining data is provided in the "Other Supplementary Information" section of the report.

The City of Columbia Falls adopts an annual appropriated budget for its governmental and proprietary funds. Schedules providing budgetary comparison for the General Fund and Major Funds are included as required supplementary information to demonstrate compliance with both the original and final budgets and the budgetary comparisons for the nonmajor funds are included in the "Other Supplementary Information" section of the report.

b. ***Proprietary Funds.*** The City of Columbia Falls operates two utilities, water and sewer, which are proprietary enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The proprietary fund statements provide detailed information for the Water and Sewer Funds, which are classified as major enterprise funds. Data from the other two funds, Water Capital Expansion and Sewer Capital Expansion, are combined into a single aggregated presentation.

The basic proprietary fund financial statements can be found in the financial statements on the following pages in this report.

c. ***Fiduciary Funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support the City of Columbia Falls' own operations.

The City of Columbia Falls has one custodial fund pursuant to GASB 84, the flex fund, is included as custodial fund in the basic fiduciary fund financial statement. The basic fiduciary fund financial statement found in the financial statements on the following pages in this report.

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

4. Other Information. "Required Supplementary Information," includes Pension funding schedules, and the General and major Special Revenue Fund, Debt Service Fund and Capital Projects Fund budgetary comparison schedules. "Other Supplementary Information" includes schedules, combining non-major funds and other information required by the MT Department of Administration Local Government Services.

CITY-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In this case, the City's assets exceeded liabilities by $35,924,428 on June 30. The following table provides a summary comparison of the City's governmental and business-type net assets for fiscal years 2024 and 2023.

Condensed Net Position

	Governmental Activities		Business-type Activities		Total	
	2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023
Assets:						
Current and other assets	$ 10,923,101	$ 9,967,929	$ 5,647,797	$ 5,143,465	$ 16,570,898	$ 15,111,394
Capital assets	10,816,182	9,134,961	12,375,741	12,039,919	23,191,923	21,174,880
Total Assets	21,739,283	19,102,890	18,023,538	17,183,384	39,762,821	36,286,274
Deferred outflows of resources	436,391	373,692	95,492	102,522	531,883	476,214
Liabilities						
Current and other liabilities	532,621	320,081	233,903	468,654	766,524	788,735
Long-term liabilities	2,132,968	1,882,703	1,405,979	1,490,454	3,538,947	3,373,157
Total Liabilities	2,665,589	2,202,784	1,639,882	1,959,108	4,305,471	4,161,892
Deferred inflows of resources	42,995	83,667	21,810	49,794	64,805	133,461
Net Position						
Invested in capital assets net of related debt	10,587,854	8,867,191	11,530,741	11,096,919	22,118,595	19,964,110
Restricted	6,862,241	6,814,716	3,786,411	3,745,834	10,648,652	10,560,550
Unrestricted	2,016,995	1,508,224	1,140,186	434,251	3,157,181	1,942,475
Total Net Position	**$ 19,467,090**	**$ 17,190,131**	**$ 16,457,338**	**$ 15,277,004**	**$ 35,924,428**	**$ 32,467,135**

A significant portion of the City's net position (61%), $22,118,595, reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. These assets include land, buildings, machinery, and equipment, as well as infrastructure. Infrastructure assets include streets, sidewalks, water and sewer mains constructed by the city or constructed and donated by subdivision developers. Capital assets are used to provide services to citizens; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt would need to be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional $10,648,652 of the City's net assets (30%) represents resources that are subject to external restrictions on how they may be used. Included in this category are reserves for debt service funds and other restrictions due to grant, donor or statutory provisions. Reserves have been established in the Water and Sewer funds for one year's annual payment in the amount of $57,171 and $72,111, respectively. Additional Water and Sewer reserves are for Replacement and Depreciation and Surplus Capital as required by bond indenture requirements. These reserves total $848,847 in Water and $697,834 in Sewer. The City also set aside funds for future capital projects in Sewer in the amount of $481,734. The Water and Sewer Capital Expansion Fund Net Assets are restricted to fund expansion of the applicable systems in the amount of $1,629,074. The remaining balance, unrestricted net position, $3,157,181 (9%) may be used to meet the City's ongoing obligations to citizens and creditors.

At June 30, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental activities.

Changes in Net Position. Governmental and Business-type activities increased the City's net position by $3,457,293 in 2024. The table below indicates the changes in net positions for governmental and business-type activities in 2024 and compares to 2023.

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023
Revenues						
Program revenues						
Charges for services	$ 972,294	$ 739,334	$ 1,977,674	$ 2,043,379	$ 2,949,968	$ 2,782,713
Operating grants and contributions	773,192	352,118	15,878	-	789,070	352,118
Capital grants and contributions	957,959	671,753	828,251		1,786,210	671,753
General revenues					-	-
Property taxes	2,366,075	2,344,035			2,366,075	2,344,035
Resort taxes	1,453,657	1,435,826			1,453,657	1,435,826
Intergovernmental revenue	239,168	901,121			239,168	901,121
Other revenues	1,356,344	844,761	238,394	406,640	1,594,738	1,251,401
Gain (Loss) on sale of assets	(32,433)		1,950		(30,483)	
Transfers In (Out)	(210,955)	(596,914)	210,955	596,914	-	-
Total revenues	$ 7,875,301	$ 6,692,034	$ 3,273,102	$ 3,046,933	$ 11,148,403	$ 9,738,967
Expenses						
General government	901,504	928,230			901,504	928,230
Public safety	2,539,000	2,270,241			2,539,000	2,270,241
Public works	1,391,555	1,123,173			1,391,555	1,123,173
Public health	4,250	4,250			4,250	4,250
Culture and recreation	444,729	425,963			444,729	425,963
Housing/Community Development	141,457	14,852			141,457	14,852
Interest on long term debt	10,960	11,523			10,960	11,523
Miscellaneous	164,887	110,382			164,887	110,382
Water			771,566	915,930	771,566	915,930
Sewer			1,321,202	1,220,916	1,321,202	1,220,916
Total expenses	$ 5,598,342	$ 4,888,614	$ 2,092,768	$ 2,136,846	$ 7,691,110	$ 7,025,460
Change in Net Position	2,276,959	1,803,420	1,180,334	910,087	3,457,293	2,713,507
Net Position-Beginning	17,190,131	15,386,711	15,277,004	14,366,917	32,467,135	29,753,628
Net Position-Ending	**$ 19,467,090**	**$ 17,190,131**	**$ 16,457,338**	**$ 15,277,004**	**$ 35,924,428**	**$ 32,467,135**

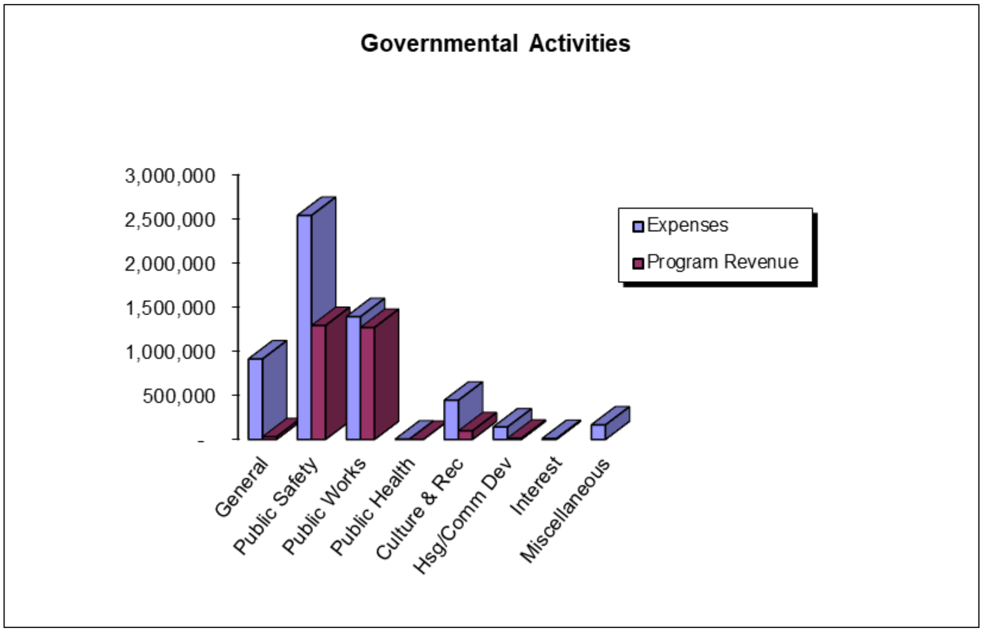
Governmental Activities. Governmental activities in fiscal year 2024 increased the City's net position by $2,276,859 with revenues totaling $7.7 million and expenditures totaling $5.6 million.

The key elements of the variance between the years are:

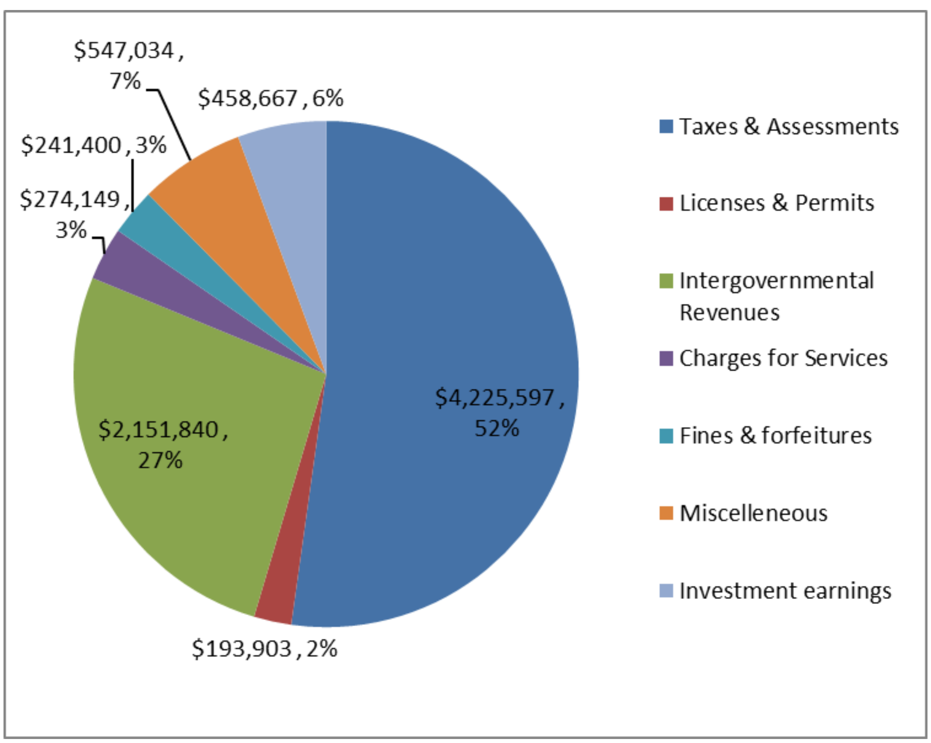
- The City's revenues continue to be impacted by the addition and expenditure of grant funds, donations and contributions, and urban renewal tax collections related to capital asset activity.

- The increase in public safety expenditures is due to the addition of an additional police officer for the 2024 Fiscal Year. The Resort Tax has provided the funding needed to hire additional police officers and firefighters.

This chart shows the extent to which the City relies on the general revenues, such as Property Tax Revenues and Unrestricted State Revenues, to fund the governmental activities as reflected on the Statement of Activities.

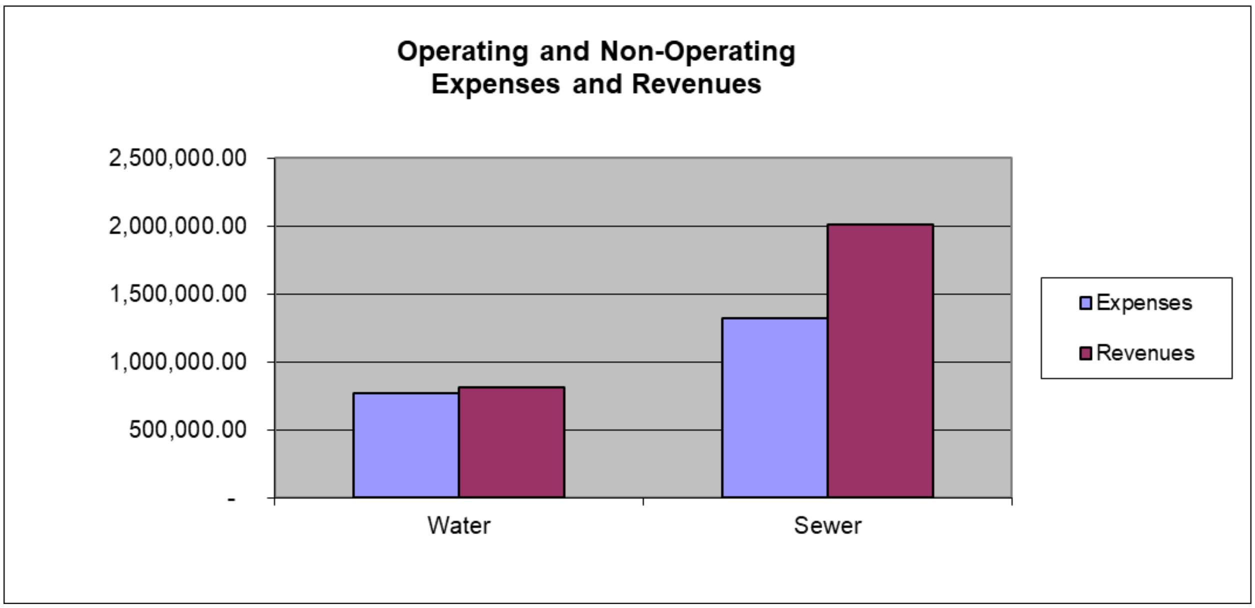


This chart shows the Revenues by Source for the Governmental Funds as reported on the Statement of Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds.



Taxes & Assessments revenues ($4,225,597) experienced a minor $55,321 (1.3%) increase over the prior year of $4,170,276. Taxes & Assessments make up 54% of the total governmental fund revenues. Fines and Forfeitures increased 58% or $88,728. Intergovernmental Revenues also increased $288,874. Intergovernmental revenues make up 27% of the total governmental revenues. As evidenced in these financial statements, the City's revenue fluctuations are significantly impacted by one-time grants and capital projects. Interest earnings increased $170,360 due to the favorable investment earning rates available to the City.

Business-type Activities. The City's business-type activities, Water and Sewer, increased the City's net position in 2024 by $1,180,334, compared to an increase of $910,087 in 2023. Metered Water Sales were stable, with a 1.5% decrease ($11,576) and Sewer Metered Sales also remained stable with a 1% increase, $10,787. The Sewer Fund's continuation of the capital projects resulted in an increase in net position, $960,790, and Water Fund operations resulted in a new position increase of $85,541. The Plant Investment Fee revenue decreased $43,496 (42%) due to the significant slowing of development in the City. The Water and Sewer Capital Expansion Funds net position increased by $134,002. The chart below reflects the major Water and Sewer Fund operating and non-operating activity and does not include the Capital Expansion Funds.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Columbia Falls uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds Overview

The focus of City governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. As of the end of 2024, the combined ending fund balances of City governmental funds was $10,031,851 an increase of $702,351 (9%) over the prior year. Of this amount, $141,786 (2%) is not in spendable form because it represents a interfund receivable in the Cedar Creek Trust Fund. $6,862,241, 67%, is restricted to indicate that constraints placed on the use of resources is externally imposed or imposed by law because assets are limited by specific grant agreements, assets are limited by state law or specific voter approved debt covenants. $932,190, 9%, represents a cash reserve in the General fund to provide liquidity until tax revenue is received in December. Additionally, $1,501,123, 15%, represents funds committed to future capital projects. The unassigned fund balance is $736,297, 7%.

The General Fund is the chief operating fund of the City. At June 30, the unassigned fund balance was $736,297 and the committed fund balance was $932,190 for a total fund balance of $1,668,487. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures/other financing uses. Unassigned fund balance represents approximately 20% of the total General Fund expenditures and other financing uses, $3,765,141 while total fund balance represents approximately 44% of that same amount.

The City of Columbia Falls has four major governmental funds: the General Fund, Resort Tax Fund, Tax Increment Financing Fund, Riverwood Debt Service Fund (SID #38) and Capital Projects – General Equipment Fund:

1. General Fund. This is the primary operating fund of the City of Columbia Falls government. It accounts for many of the City's general and administrative services, such as legislative, financial, legal, police, fire and parks.

2. Resort Tax Fund. This special revenue fund accounts for the collections of the City's 3% Resort Tax approved by the City voters in June 2020. The City began collecting the tax in October 2021. The Resort Tax Fund revenues collected in the 2024 FY are appropriated in the 2025 FY according to the Municipal Code as adopted by the City Council pursuant to the approval by the voters. 25% of the collections are used to reduce property taxes, 55% of the collections fund public safety expenditures, 14% fund other infrastructure (parks, water, sewer, etc.), 5% is held by the businesses collecting the tax for their administrative costs and the final 1% is used to fund software and audit costs for the Resort Tax program.

3. Tax Increment Financing Fund. This special revenue fund accounts for the funds generated from the incremental value generated by new and improved property values within the designated Urban Renewal District. This district was created as an economic development tool to provide funding for much-needed improvements within the defined boundary.

4. Riverwood Debt Service Fund (SID #38). This debt service fund accounts for all financial transactions related to the debt on the Riverwood Special Improvement District (SID). Improvements included connecting water and sewer to the City system and improving the street to City standards.

5. Capital Projects – General Equipment Fund. This capital project fund accounts for all financial transactions related to the purchase of governmental capital equipment such as police vehicle rotation, fire truck purchases, street maintenance equipment, and major office equipment. Financing sources include transfers from the General Fund, grants, contributions and loan proceeds.

Proprietary Funds Overview

The City's proprietary fund statements provide the same type of information found in the government-wide statements, but in more detail.

The City has two major enterprise-type proprietary funds, the Water Fund and Sewer Fund.

The Water Fund unrestricted net position was $248,227 as of June 30, 2024. Investment in capital, net of related debt is $5,229,617 or 82% of total net position. These assets are acquired through the purchase of equipment, city construction and the donation of constructed infrastructure by subdivision developers. The Water Fund received $757,691 from customers. Total operations resulted in a cash increase of $208,902. Restricted net position accounts are maintained for future system expansion, replacement of capital assets, and one year's debt payment.

The Sewer Fund unrestricted net position was $891,959 as of June 30, 2024. Investment in capital, net of related debt is $6,301,124 or 75% of total net position. These assets are typically acquired through the purchase of equipment, city construction and the donation of constructed infrastructure by subdivision developers. The Sewer Fund received $1,134,255 from its customers. Total operations resulted in a cash increase for the year of $1,417. Restricted net position accounts are maintained for future system expansion, replacement of capital assets, and one year's debt payment.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budget is prepared according to Montana Code 7-6-4020. The most significant budgeted fund is the General Fund. In September of 2023, the City Council appropriated $4,068,843 for General Fund expenditures. The budget anticipated using $233,230 of fund balance.

2023-2024 General Fund Budget

	Final Amended Budget	Actual
Fund Balance Carryover for appropriation	$ 233,230	
Revenue and other financing sources	$ 4,045,613	$ 4,266,681
Expenditures and other financing uses	$ (4,278,843)	$ (3,765,141)
Available for fiscal year 2024-2025		$ 501,540

Actual revenues and other financing sources were $233,119 higher than expected, primarily due to interest earnings ($114,314) and Fines and Forfeitures ($81,142). Expenditures were $513,702 less than anticipated primarily due to timing of projects or services. The operating cash increased by $580,217.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City of Columbia Falls' investment in capital assets for its governmental and business type activities as of June 30, 2024, totals $21,976,809 (net of accumulated depreciation). The City's capital investment includes all land, buildings, machinery and equipment, and infrastructure. The City's asset capitalization is $5,000 for machinery and equipment and other capital improvements. The depreciation of capital assets is reflected in the various governmental and business-type expense activities. The City of Columbia Falls depreciates its infrastructure, and the expense of depreciation is reflected in public works activities and in business activities for infrastructure associated with water and sewer lines. Major capital asset events during the current fiscal year are detailed above.

Long-term debt. The City retired a total of $31,398 and $98,000 of governmental and business-type debt, respectively in the 2024 FY. Detailed information on the City of Columbia Falls' long-term debt can be found in the Notes to the Financial Statements.

SIGNIFICANT FUTURE IMPACTS

The U.S. Department of Transportation awarded the City a FY 2022 RAISE Grant in the amount of $10,021,688 in September 2022. The City completed the final contract agreement with FHWA at the end of the fiscal year. The City will begin preliminary engineering during the 2025 fiscal year. The City will provide $500,000 in matching funds for the project; Columbia Falls Gateway to Glacier Safety and Mobility Improvement Project.

The City will complete several major capital projects in the 2025 FY including the Downtown Sidewalk and Parking Improvements Project as described above. Additionally, the City will begin construction on Phase 2 of the Wastewater Treatment Plant ARPA Project also as described above.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of The City of Columbia Falls' finances for all those with an interest in the City's financial operations. The GASB (Governmental Accounting Standards Board) promulgates rules regulating reporting standards with the competing goals of fully informing the reader and making the information easily understood by the readers of the financial statements. The Management's Discussion and Analysis report has required elements to meet the GASB standards and is intended to summarize the report for the reader. We sincerely hope that the reader finds this summary useful. City staff prepare the Annual Financial Report according to the required standards. If the reader has any questions concerning any of the information provided in this report or would like additional financial information, requests should be addressed to Jessica Rice, Finance Director, 130 6th Street West, Columbia Falls, MT 59912.

Nexus CPA Group
406.756.6879
office@nexuscpa.net

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

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Columbia Falls
Flathead County
City, Montana

Opinions
We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Columbia Falls, Flathead County, Montana as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Columbia Falls, Flathead County, Montana basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Columbia Falls, Flathead County, Montana, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Columbia Falls, Flathead County, Montana, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle
As described in Note S to the financial statements, in 2024, the City adopted new accounting guidance, GASB No. 100 Accounting Changes and Error Corrections is effective for years beginning after June 15, 2023, and all reporting periods thereafter. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Columbia Falls, Flathead County, Montana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently know information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Columbia Falls, Flathead County, Montana's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Columbia Falls, Flathead County, Montana's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Budgetary Comparison Information, Schedules of Proportionate Share of the Net Pension Liability, Schedule of Total Pension Liability, and the Schedule of Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 content. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Columbia Falls, Flathead County, Montana's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic 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 basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report October 24, 2025, on our consideration of the City of Columbia Falls, Flathead County, Montana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws regulations contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City of Columbia Falls, Flathead County, Montana's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Columbia Falls, Flathead County, Montana's internal control over financial reporting and compliance.

Nexus CPA Group

October 24, 2025

City of Columbia Falls, Flathead County, Montana
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total	Component Unit Fire Department Relief Association
ASSETS				
Current assets:				
Cash and investments	$ 4,368,676	$ 1,686,774	$ 6,055,450	$ 668,175
Taxes and assessments receivable	406,277	-	406,277	-
Accounts/Other Receivables	93,654	173,700	267,354	-
Internal balances	(25,440)	25,440	-	-
Due from other governments	782,513	-	782,513	-
Total current assets	$ 5,625,680	$ 1,885,914	$ 7,511,594	$ 668,175
Noncurrent assets				
Restricted cash	$ 5,297,421	$ 3,761,883	$ 9,059,304	$ -
Capital assets - land	1,802,337	17,402	1,819,739	-
Capital assets - construction in progress	2,968,378	1,588,052	4,556,430	-
Capital assets - net of depreciation	6,045,467	10,770,287	16,815,754	-
Total noncurrent assets	$ 16,113,603	$ 16,137,624	$ 32,251,227	$ -
Total assets	$ 21,739,283	$ 18,023,538	$ 39,762,821	$ 668,175
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pensions	$ 436,391	$ 95,492	$ 531,883	$ -
Total deferred outflows of resources	$ 436,391	$ 95,492	$ 531,883	$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 22,175,674	$ 18,119,030	$ 40,294,704	$ 668,175
LIABILITIES				
Current liabilities				
Accounts payable and Accrued Expenses	$ 407,992	$ 108,811	$ 516,803	$ -
Compensated Absences due within one year	107,629	23,092	130,721	-
Current portion of Long-Term Debt	17,000	102,000	119,000	-
Total current liabilities	$ 532,621	$ 233,903	$ 766,524	$ -
Noncurrent liabilities				
Compensated Absences	$ 146,285	$ 51,500	$ 197,785	$ -
Long-Term Debt	202,888	743,000	945,888	-
Net pension liability	1,783,795	611,479	2,395,274	722,624
Total noncurrent liabilities	$ 2,132,968	$ 1,405,979	$ 3,538,947	$ 722,624
Total liabilities	$ 2,665,589	$ 1,639,882	$ 4,305,471	$ 722,624
DEFERRED INFLOWS OF RESOURCES				
Pension Deferrals	$ 42,995	$ 21,810	$ 64,805	$ 129,237
Total deferred inflows of resources	$ 42,995	$ 21,810	$ 64,805	$ 129,237
NET POSITION				
Net investment in capital assets	$ 10,587,854	$ 11,530,741	$ 22,118,595	$ -
Restricted for:				
General government	2,826,216	-	2,826,216	-
Public safety	132,510	-	132,510	-
Public works	3,762,293	2,110,808	5,873,101	-
Housing and Community Development	137,069	-	137,069	-
Bond indenture requirements	-	1,546,321	1,546,321	-
Debt Service	4,153	129,282	133,435	-
Unrestricted	2,016,995	1,140,186	3,157,181	(183,686)
Total net position	$ 19,467,090	$ 16,457,338	$ 35,924,428	$ (183,686)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 22,175,674	$ 18,119,030	$ 40,294,704	$ 668,175

See accompanying Notes to the Financial Statements

City of Columbia Falls, Flathead County, Montana
Statement of Activities
For the Fiscal Year Ended June 30, 2024

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position — Primary Government			
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**	**Component Unit Fire Department Relief Association**
Primary government:								
Governmental activities:								
General government	$ 901,504	$ 18,296	$ 12,762	$ -	$ (870,446)	$ -	$ (870,446)	$ -
Public safety	2,539,000	488,841	315,121	487,530	(1,247,508)	-	(1,247,508)	-
Public works	1,391,555	365,824	460,982	464,114	(100,635)	-	(100,635)	-
Public health	4,250	-	-	-	(4,250)	-	(4,250)	-
Culture and recreation	444,729	91,706	6,199	-	(346,824)	-	(346,824)	-
Housing and community development	141,457	7,627	-	6,315	(127,515)	-	(127,515)	-
Interest expense	10,960	-	-	-	(10,960)	-	(10,960)	-
Miscellaneous expense	164,887	-	-	-	(164,887)	-	(164,887)	-
Total governmental activities	$ 5,598,342	$ 972,294	$ 795,064	$ 957,959	$ (2,873,025)	$ -	$ (2,873,025)	$ -
Business-type activities:								
Water	$ 771,566	$ 765,642	$ 5,821	$ 18,050	$ -	$ 17,947	$ 17,947	$ -
Water Capital Expansion	-	21,201	-	-	-	21,201	21,201	-
Sewer	1,321,202	1,151,805	10,057	810,201	-	650,861	650,861	-
Sewer Capital Expansion	-	39,026	-	-	-	39,026	39,026	-
Total business-type activities	$ 2,092,768	$ 1,977,674	$ 15,878	$ 828,251	$ -	$ 729,035	$ 729,035	$ -
Total primary government	$ 7,691,110	$ 2,949,968	$ 810,942	$ 1,786,210	$ (2,873,025)	$ 729,035	$ (2,143,990)	$ -
Component units:								
Fire Department Releif Association	$ 78,204	$ -	$ -	$ -				$ (78,204)
Total component units	$ 78,204	$ -	$ -	$ -				$ (78,204)
General Revenues:								
Property taxes					$ 2,366,075	$ -	$ 2,366,075	43,891
Resort tax					1,453,657	-	1,453,657	-
License and permits					199,604	-	199,604	-
Unrestricted federal/state shared revenues					39,564	-	39,564	31,222
Unrestricted grants and contributions					890,851	-	890,851	-
Unrestricted investment earnings					458,667	229,455	688,122	16,049
Miscellaneous					6,826	8,939	15,765	-
Gain (loss) on sale of capital assets					(32,433)	1,950	(30,483)	-
Unrealized Loss on Investments					-	-	-	12,205
Transfers in (out)					(210,955)	210,955	-	-
Total general revenues, special items and transfers					$ 5,171,856	$ 451,299	$ 5,623,155	$ 103,367
Change in net position					$ 2,298,831	$ 1,180,334	$ 3,479,165	25,163
Net position - beginning					$ 17,190,131	$ 15,277,004	$ 32,467,135	$ (208,849)
Correction-EDA Grant Accrued Revenue					(21,872)	-	(21,872)	
Net position - beginning - restated					$ 17,168,259	$ 15,277,004	$ 32,445,263	$ (208,849)
Net position - end					$ 19,467,090	$ 16,457,338	$ 35,924,428	$ (183,686)

See accompanying Notes to the Financial Statements

City of Columbia Falls, Flathead County, Montana
Balance Sheet
Governmental Funds
June 30, 2024

	General	Resort Tax	Tax Increment Financing District	Riverwood Debt Service	Capital Projects - General Equipment	Other Governmental Funds	Total Governmental Funds
ASSETS							
Current assets:							
Cash and investments	$ 789,834	$ -	$ 1,976,205	$ -	$ 68,522	$ 1,534,115	$ 4,368,676
Taxes and assessments receivable, net	27,938	-	62,331	220,886	-	95,122	406,277
Accounts Receivable, net	13,934	-	-	-	-	-	13,934
Contracts receivable	79,721	-	-	-	-	-	79,721
Due from other governments	52,725	-	84,993	2,416	-	642,379	782,513
Total current assets	$ 964,152	$ -	$ 2,123,529	$ 223,302	$ 68,522	$ 2,271,616	$ 5,651,121
Noncurrent assets:							
Restricted cash and cash equivalents	$ 932,190	$ 1,606,766	$ 657,384	$ 16,554	$ 297,833	$ 1,786,694	$ 5,297,421
Advances to other funds	-	-	-	-	-	141,786	141,786
Total noncurrent assets	$ 932,190	$ 1,606,766	$ 657,384	$ 16,554	$ 297,833	$ 1,928,480	$ 5,439,207
TOTAL ASSETS	$ 1,896,342	$ 1,606,766	$ 2,780,913	$ 239,856	$ 366,355	$ 4,200,096	$ 11,090,328
LIABILITIES							
Current liabilities:							
Accounts payable and Accrued Expenses	$ 114,496	$ -	$ 265,366	$ -	$ -	$ 28,131	$ 407,993
Due to other funds	-	-	-	17,000	-	-	17,000
Total current liabilities	$ 114,496	$ -	$ 265,366	$ 17,000	$ -	$ 28,131	$ 424,993
Noncurrent liabilities:							
Advances payable	$ -	$ -	$ -	$ -	$ 141,786	$ -	$ 141,786
Total noncurrent liabilities	$ -	$ -	$ -	$ -	$ 141,786	$ -	$ 141,786
Total liabilities	$ 114,496	$ -	$ 265,366	$ 17,000	$ 141,786	$ 28,131	$ 566,779
DEFERRED INFLOWS OF RESOURCES							
Deferred property tax/special assmt rev	$ 27,938	$ -	$ 62,331	$ 220,886	$ -	$ 95,122	$ 406,277
Deferred Contracts	79,721	-	-	-	-	-	79,721
Deferred Licenses/Fees	5,700	-	-	-	-	-	5,700
Total deferred inflows of resources	$ 113,359	$ -	$ 62,331	$ 220,886	$ -	$ 95,122	$ 491,698
FUND BALANCES							
Non-Spendable loan receivable	$ -	$ -	$ -	$ -	$ -	$ 141,786	$ 141,786
Restricted for:							
General government	-	1,606,766	-	-	-	1,219,450	2,826,216
Public Safety	-	-	-	-	-	132,510	132,510
Public Works	-	-	2,453,216	-	-	1,309,077	3,762,293
Housing & community development	-	-	-	-	-	137,069	137,069
Debt service	-	-	-	1,970	-	2,183	4,153
Committed for:							
General government	932,190	-	-	-	-	-	932,190
Capital projects	-	-	-	-	224,569	1,134,768	1,359,337
Unassigned	736,297	-	-	-	-	-	736,297
Total fund balance	$ 1,668,487	$ 1,606,766	$ 2,453,216	$ 1,970	$ 224,569	$ 4,076,843	$ 10,031,851
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 1,896,342	$ 1,606,766	$ 2,780,913	$ 239,856	$ 366,355	$ 4,200,096	$ 11,090,328

See accompanying Notes to the Financial Statements

City of Columbia Falls, Flathead County, Montana
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
June 30, 2024

Fund balance as reported in the governmental fund statement		$	10,031,851
Add assets not reported in the governmental funds statements: Capital assets (net of depreciation)			10,816,182
Bond and notes payable	(254,045)		
Advance from other Funds	(8,440)		
Compensated absences	(361,543)		
Net Pension Liability	(1,783,795)		(2,407,823)
Deferred inflows for City Court contracts receivable recognized as revenue in the government-wide statements			79,721
Deferred inflows for property taxes and special assessments recognized as revenue in the government-wide statements			406,277
Deferred inflows City licenses and fees recognized as revenue in the government-wide statements			5,700
Deferred outflows and inflows related to pension liabilities which are not receivable or payable in the current period, therefore not reported in the fund financial statements			
Deferred Outflows			436,391
Deferred Inflows			(42,995)
The interfund loans between governmental funds is eliminated with the conversion to government-wide statements			141,786
Total net position - governmental activities		$	19,467,090

See accompanying Notes to the Financial Statements

City of Columbia Falls, Flathead County, Montana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024

	General	Resort Tax	Tax Increment Financing District	Riverwood Debt Service	Capital Projects - General Equipment	Prior Year Major to Nonmajor	Other Governmental Funds	Total Governmental Funds
REVENUES								
Taxes/Assessments	$ 787,916	$ 1,412,783	$ 1,105,151	$ 26,915	$ -	$ -	$ 892,832	$ 4,225,597
Licenses and permits	70,816	-	-	-	-	-	123,087	193,903
Intergovernmental	1,208,628	-	26,419	-	-	-	916,793	2,151,840
Charges for services	273,599	-	-	-	-	-	550	274,149
Fines and forfeitures	237,242	-	-	-	-	-	4,158	241,400
Miscellaneous	17	-	-	-	487,530	-	59,487	547,034
Investment earnings	184,314	-	109,098	617	15,423	-	149,215	458,667
Total revenues	$ 2,762,532	$ 1,412,783	$ 1,240,668	$ 27,532	$ 502,953	$ -	$ 2,146,122	$ 8,092,590
EXPENDITURES								
General government	$ 848,383	$ -	$ -	$ -	$ -	$ -	$ 4,158	$ 852,541
Public safety	2,175,578	-	-	-	-	-	135,817	2,311,395
Public works	8,680	-	-	-	-	-	782,501	791,181
Public health	4,250	-	-	-	-	-	-	4,250
Culture and recreation	361,436	-	-	-	-	-	-	361,436
Housing and community development	-	-	-	-	-	-	136,474	136,474
Debt service - principal	14,398	-	-	17,001	-	-	8,044	39,443
Debt service - Interest	288	-	-	9,889	-	-	782	10,959
Capital outlay	8,968	-	682,738	-	914,231	-	919,032	2,524,969
Miscellaneous	133,161	-	-	-	-	-	31,726	164,887
Total expenditures	$ 3,555,142	$ -	$ 682,738	$ 26,890	$ 914,231	$ -	$ 2,018,534	$ 7,197,535
Excess (deficiency) of revenues over expenditures	$ (792,610)	$ 1,412,783	$ 557,930	$ 642	$ (411,278)	$ -	$ 127,588	$ 895,055
OTHER FINANCING SOURCES (USES)								
Transfers in	$ 1,504,149	$ -	$ -	$ -	$ 294,864	$ -	$ 277,701	$ 2,076,714
Transfers (Out)	(210,000)	(1,385,413)	-	-	-	-	(692,256)	(2,287,669)
Proceeds from the sale of capital assets			-	-	18,250	-	-	18,250
Total other financing sources (uses)	$ 1,294,149	$ (1,385,413)	$ -	$ -	$ 313,114	$ -	$ (414,555)	$ (192,705)
Net Change in Fund Balance	$ 501,539	$ 27,370	$ 557,930	$ 642	$ (98,164)	$ -	$ (286,967)	$ 702,350
Fund balances - beginning	$ 1,166,948	$ 1,579,396	$ 1,895,286	$ 1,328	$ -	$ 2,334,117	$ 2,374,298	$ 9,351,373
Adjustment-changes between Major/Nonmajor	-	-	-	-	322,733	(2,334,117)	2,011,384	-
Correction - EDA accrued revenue/receivable							(21,872)	(21,872)
Fund balances - beginning, restated	$ 1,166,948	$ 1,579,396	$ 1,895,286	$ 1,328	$ 322,733	$ -	$ 4,363,810	$ 9,329,501
Fund balance - ending	$ 1,668,487	$ 1,606,766	$ 2,453,216	$ 1,970	$ 224,569	$ -	$ 4,076,843	$ 10,031,851

See accompanying Notes to the Financial Statements

City of Columbia Falls, 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, 2024

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

Changed in fund balances as reported in the governmental funds statement	$	702,350
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		2,524,969
- Depreciation expense		(798,017)
- Trade In Value of Asset, all gain		4,950
In the Statement of Activities, the loss or gain on the sale or disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from the sale of these assets:		
- Gain on the sale of capital assets		(32,433)
- Proceeds from the sale of capital assets		(18,250)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
- Long-term receivables (deferred inflows)		(1,047)
- Pension Contributions from State of Montana		22,196
Repayment of debt principal is an expenditures in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Position:		
- Long-term debt principal payments		39,442
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental fund financial statements:		
- Change in accrued compensated absences		(20,390)
- Change in pension accurals		(124,939)
Change in net position - Statement of Activities	$	2,298,831

See accompanying Notes to the Financial Statements

City of Columbia Falls, Flathead County, Montana
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Non-major Enterprise	Totals
ASSETS				
Current assets:				
Cash and investments	$ 488,480	$ 1,198,294	$ -	$ 1,686,774
Accounts Receivable	43,962	105,210	24,528	173,700
Due from other funds	-	17,000	-	17,000
Total current assets	$ 532,442	$ 1,320,504	$ 24,528	$ 1,877,474
Noncurrent assets:				
Restricted cash and cash equivalents	$ 905,658	$ 1,251,679	$ 1,604,546	$ 3,761,883
Loan Receivable	5,389	3,051	-	8,440
Capital assets - land	17,402	-	-	17,402
Capital assets - construction in progress	-	1,588,053	-	1,588,053
Capital assets - net of depreciation	5,809,215	4,961,071	-	10,770,286
Total noncurrent assets	$ 6,737,664	$ 7,803,854	$ 1,604,546	$ 16,146,064
Total assets	$ 7,270,106	$ 9,124,358	$ 1,629,074	$ 18,023,538
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals	$ 35,011	$ 60,481	$ -	$ 95,492
Total deferred outflows of resources	$ 35,011	$ 60,481	$ -	$ 95,492
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 7,305,117	$ 9,184,839	$ 1,629,074	$ 18,119,030
LIABILITIES				
Current liabilities:				
Accounts and Wages payable	$ 76,084	$ 32,727	$ -	$ 108,811
Current portion of long-term liabilities	60,000	42,000	-	102,000
Current portion of compensated absenses payable	7,186	15,906	-	23,092
Total current liabilities	$ 143,270	$ 90,633	$ -	$ 233,903
Noncurrent liabilities:				
Noncurrent portion of long-term liabilities	$ 537,000	$ 206,000	$ -	$ 743,000
Noncurrent portion of compensated absences	9,160	42,340	-	51,500
Noncurrent portion of net pension liability	224,189	387,291	-	611,480
Total noncurrent liabilities	$ 770,349	$ 635,631	$ -	$ 1,405,980
Total liabilities	$ 913,619	$ 726,264	$ -	$ 1,639,883
DEFERRED INFLOWS OF RESOURCES				
Pension Deferrals	$ 7,996	$ 13,814	$ -	$ 21,810
Total deferred inflows of resources	$ 7,996	$ 13,814	$ -	$ 21,810
NET POSITION				
Net investment in capital assets	$ 5,229,617	$ 6,301,124	$ -	$ 11,530,741
Restricted for Bond Indenture requirements	848,487	697,833	-	1,546,320
Restricted for Public Works-Syst Expansion/Improv	-	481,734	1,629,074	2,110,808
Restricted for Debt Service	57,171	72,111	-	129,282
Unrestricted	248,227	891,959	-	1,140,186
Total net position	$ 6,383,502	$ 8,444,761	$ 1,629,074	$ 16,457,337
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSTION	$ 7,305,117	$ 9,184,839	$ 1,629,074	$ 18,119,030

See accompanying Notes to the Financial Statements

City of Columbia Falls, Flathead County, Montana
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds			
	Water	**Sewer**	**Non-major Enterprise**	**Totals**
OPERATING REVENUES				
Charges for services	$ 765,642	$ 1,151,805	$ 60,228	$ 1,977,675
Miscellaneous revenues	3,290	4,866	-	8,156
Special assessments	489	293	-	782
Total operating revenues	$ 769,421	$ 1,156,964	$ 60,228	$ 1,986,613
OPERATING EXPENSES				
Personal services	$ 253,910	$ 576,824	$ -	$ 830,734
Supplies	62,546	76,043	-	138,589
Purchased services	197,723	262,840	-	460,563
Fixed charges	14,464	39,706	-	54,170
Bad debt expense	525	349	-	874
Depreciation	226,519	359,541	-	586,060
Total operating expenses	$ 755,687	$ 1,315,303	$ -	$ 2,070,990
Operating income (loss)	$ 13,734	$ (158,339)	$ 60,228	$ (84,377)
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental revenue	$ 5,821	$ 791,588	$ -	$ 797,409
Gain/Loss on Sale of Capital Assets	200	1,750	-	1,950
Interest Revenue	63,615	92,065	73,774	229,454
Debt service interest expense	(15,879)	(5,899)	-	(21,778)
Total non-operating revenues (expenses)	$ 53,757	$ 879,504	$ 73,774	$ 1,007,035
Income (loss) before contributions and transfers	$ 67,491	$ 721,165	$ 134,002	$ 922,658
Capital contributions	18,050	28,670	-	46,720
Transfers in	-	210,955	-	210,955
Change in net position	$ 85,541	$ 960,790	$ 134,002	$ 1,180,333
Net Position - Beginning of the year	$ 6,297,961	$ 7,483,971	$ 1,495,072	$ 15,277,004
Net Position - End of the year	$ 6,383,502	$ 8,444,761	$ 1,629,074	$ 16,457,337

See accompanying Notes to the Financial Statements

Item No.4.

City of Columbia Falls, Flathead County, Montana
Combined Statement of Cash Flows
All Proprietary Fund Types
Fiscal Year Ended June 30, 2024

	Business - Type Activities			
	Water	Sewer	Nonmajor Enterprise Funds	Totals
Cash flows from operating activities:				
Cash received from customers	$ 757,691	$ 1,134,255	$ 36,167	$ 1,928,113
Cash paid to suppliers	(226,286)	(585,608)	-	(811,894)
Cash paid to employees	(323,313)	(547,230)	-	(870,543)
Net cash provided (used) by operating activities	$ 208,092	$ 1,417	$ 36,167	$ 245,676
Cash flows from capital and related financing activities:				
Debt Proceeds	$ 143,000	$ 781,531	$ -	$ 924,531
Capital Contributions (state grants)	(16,161)	(859,001)	-	(875,162)
Purchases/construction of capital assets	(58,000)	(40,000)	-	(98,000)
Principal paid on capital debt	(15,878)	(5,899)	-	(21,777)
Proceeds from sales of capital assets	200	1,750	-	1,950
Net cash provided (used) by capital and related financing activities	$ 53,161	$ (121,619)	$ -	$ (68,458)
Cash flows from non-capital financing activities:				
Advances from (to) other funds	$ 5,025	$ 3,019	$ -	$ 8,044
Transfers from (to) other funds	-	210,955	-	210,955
Net cash provided (used) from non-capital financing activities	$ 5,025	$ 213,974	$ -	$ 218,999
Cash flows from investing activities:				
Interest earnings	$ 63,615	$ 92,065	$ 73,774	$ 229,454
Net cash provided (used) by investing activities	$ 63,615	$ 92,065	$ 73,774	$ 229,454
Net increase (decrease) in cash and cash equivalents	$ 329,893	$ 185,837	$ 109,941	$ 625,671
Cash and cash equivalents at beginning	1,064,245	2,264,136	1,494,605	4,822,986
Cash and cash equivalents at end	$ 1,394,138	$ 2,449,973	$ 1,604,546	$ 5,448,657
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ 13,734	$ (158,339)	$ 60,228	$ (84,377)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	226,519	359,541	-	586,060
Changes in assets and liabilities:				
(Increase) Decrease in accounts receivable	16,718	(22,360)	(24,061)	(29,703)
Increase (decrease) in customer deposits	(27,922)	-	-	(27,922)
State On Behalf Revenues-pension expense paid by state	5,821	10,055	-	15,876
Increase (decrease) in accounts payable	48,446	(207,017)	-	(158,571)
Increase (decrease) in wages payable	(1,405)	4,975	-	3,570
Increase (decrease) in compensated absences payable	(19,228)	(9,546)	-	(28,774)
Increase (decrease) in net pension liability	(50,936)	41,408	-	(9,528)
(Increase) Decrease in deferred outflows-pension	10,409	(3,380)	-	7,029
Increase (decrease) in deferred inflows-pension	(14,064)	(13,920)	-	(27,984)
Net cash provided (used) by operating activities	$ 208,092	$ 1,417	$ 36,167	$ 245,676

See accompanying notes to the financial statements

City of Columbia Falls, Flathead County, Montana
Statement of Net Position
Fiduciary Funds
June 30, 2024

		Custodial Funds
ASSETS		
Cash and short-term investments	$	5,819
TOTAL ASSETS	$	5,819
LIABILITIES		
Warrants payable	$	5,819
TOTAL LIABILITIES	$	5,819

See accompanying Notes to the Financial Statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Introduction

The financial statements of the City of Columbia Falls, Montana (the City) have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America (US GAAP). The accounting and reporting framework and the significant accounting principles and practices of the City are discussed in the sections of this Note. The remaining Notes are organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended June 30, 2024.

2. Reporting Entity

The City is a political subdivision of the State of Montana, incorporated in 1909. On March 5, 1992, by lawful authority, the City established a Commission/Manager form of government. The City is governed by a city commission, composed of six commissioners and a mayor, elected at large by voters of the City.

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.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by GASB. These financial statements present the City and its component unit. The discretely presented component unit is reported in separate columns in the basic financial statements to emphasize that it is legally separate from the City.

The Fire Relief Association Disability and Pension Fund is a discretely presented component unit of the City. The City is financially accountable, by law, to ensure that the Fire Relief Association and Pension Fund is properly funded based upon actuarial valuation of the liability to pay the retirement and disability benefits of the City's volunteer firefighters. The City is also responsible for the collection of taxes and intergovernmental revenues for the Fire Relief Association Disability and Pension Fund. The Fire Relief Association Disability and Pension Fund have a June 30 year end. This component unit is presented discretely in the Statement of Net Position and Statement of Activities.

3. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements report financial information for the primary government (the City) and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities.

These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed primarily through taxes, assessments, intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for services provided.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, assessments, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Certain eliminations have been made as prescribed by GASB 34 in regard to inter-fund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary, and fiduciary* – are presented. 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. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported 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 and deferred outflows of resources, the total liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

b. Total assets and deferred outflows of resources, the total liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise funds are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or
c. If an individual fund has met the minimum criteria for mandatory major fund reporting in some years but not in others, the City may elect to always report it as a major fund to enhance consistency from year to year.

The City reports the following major governmental funds for the fiscal year:

<u>General Fund.</u> This is the City's primary operating fund, which accounts for all financial resources of the City except those required to be accounted for in other funds. It accounts for many of the City’s general and administrative services, such as legislative, financial, legal, police, fire, and parks.

<u>Resort Tax Fund (2100).</u> This special revenue fund accounts for the funds generated from the resort tax approved by the voters in June 2020. The City began collecting the 3% resort tax in October 2021. The Resort Tax Fund revenues collected in the current fiscal year are appropriated for expenditure in the next fiscal year pursuant to Municipal Code as adopted by the City Council and approved by the voters. 25% of the collections are used to reduce property taxes, 55% used to fund public safety expenditures, 14% to fund other infrastructure projects for parks, water, sewer, streets, etc. 5% is retained by the businesses for the administration and the remaining 1% is used to fund software and audit costs of the Resort Tax program.

<u>Tax Increment District Fund (2310).</u> This special revenue fund accounts for the funds generated from the incremental value generated by new and improved property values within the designated Urban Renewal District. This district was created as an economic development tool to provide funding for much-needed improvements within the defined boundary.

<u>Riverwood Debt Service Fund (3538).</u> This debt service fund accounts for all financial transactions related to the debt on the Riverwood Special Improvement District (SID). Improvements included connecting water and sewer to the City system and improving the street to City standards.

<u>Capital Projects-General Equipment Fund (4020).</u> This capital project fund accounts for all financial transactions related to the purchase of governmental capital equipment such as police vehicle rotation, fire truck purchases, street maintenance equipment, and major office equipment. Financing sources include transfers from the General Fund, grants, contributions and loan proceeds.

Last fiscal year, the Cedar Creek Trust Fund (2700) and American Rescue Plan Act (ARPA) Recovery Fund (2991) were reported as major funds. This year the funds do not qualify as major funds and the City has elected not to continue reporting them as major. In compliance with GASB Statement No. 100, effective for the financial statements for the fiscal year ending June 30, 2024, the change from major to nonmajor fund is presented on the Statement of Revenues, Expenditures and Changes in Fund Balance. Additionally, the Capital Projects-General Equipment Fund (4020) was not reported as a major fund for fiscal year 2023 but qualifies as a major fund for fiscal year 2024.

The City reports the following major enterprise funds:

Water Fund. This fund accounts for the operating revenues and expenses of the public water utility system. This fund is maintained on the full accrual basis of accounting.

Sewer Fund. This fund accounts for the operating revenues and expenses of the public sewer system. This fund is maintained on the full accrual basis of accounting.

Additionally, the City reports the following fund type:

Custodial. The City has one custodial fund pursuant to GASB 84, effective for the financial statements for the period ending June 30, 2024: Flex Funds. Custodial funds have no measurement focus.

4. Measurement Focus, Basis of Presentation and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.* The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Government-wide and *Proprietary Statements.* The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Non-exchange transactions are transactions in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, licenses, and interest on investments are considered to be susceptible to accrual. Property taxes not meeting the revenue recognition criteria at year-end have been reported as unavailable revenue.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Under the terms of grant agreements and State law, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

In accordance with provisions of Montana statutes, the City finances both capital improvements and certain services deemed to benefit specific properties by levying special assessments against the benefited properties. Special assessments are levied against property in a manner similar to ad valorem property taxes.

Proprietary funds distinguish between operating revenues and expenses and non-operating items. Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

5. Cash and Investments

Cash and investments may include cash and cash items; demand, time, savings, and fiscal agent deposits; investments in the State Short-Term Investment Pool (STIP); repurchase agreements, U.S. government treasury bills, notes, bonds, and other treasury obligations such as state and local government series; general obligations of certain agencies of the United States such as Federal Home Loan Bank; and U.S. government security money market funds if the fund meets certain conditions. Cash resources of the individual funds are combined to form a pool of cash and investments that is managed by the City Treasurer and City Manager in accordance with the City's Investment Policy. Investments of the pooled cash consist primarily of demand deposits, government backed securities and investments with STIP. Interest income earned as a result of pooling is distributed monthly to the appropriate funds based on the month-end balance of cash in each fund.

The City issues checks in payment of its obligations drawn on either the Claims Fund or Payroll Fund, both agency funds. No outstanding checks are reported in the governmental or proprietary funds. Investments are reported at fair value in accordance with the provisions of GASB Statement No. 72 as further described below.

Cash and Cash Equivalents
For purposes of the Statement of Cash Flows, the City considers all funds, including restricted assets, held in the City's cash management pool to be cash equivalents.

6. Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Outstanding receivables and payables are classified as "due to/from other funds" (current portion) or "advances to/from other funds" (non-current portion) on the fund balance sheets. All amounts are eliminated in the Statement of Net Position other then any outstanding balances between governmental-type and business-type that are classified as "internal balances."

Long-term advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not expendable, available financial resources.

All trade, taxes and assessment receivables are shown net of an allowance for uncollectibles. Receivables are reviewed prior to year-end and written off if older than 360 days and not secured by real property. Water and wastewater receivables constitute a lien on the property per City Ordinance. The lien must be paid before property is transferred to a new property owner. The only uncollectible accounts incurred in these funds are immaterial and are reviewed and approved for write-off before fiscal year end. As such, the balance of the allowance as of June 30 was $-0-.

Real Property taxes are levied and collected by Flathead County and are payable in two installments due November 30 and May 31. The county assesses penalty and interest after these dates and pursues collection through the statutory tax deed process when necessary. Uncollectible taxes result from protested taxes. Decisions by the tax appeal board on protested taxes are generally made prior to fiscal year-end for that year's taxes. All remaining receivables constitute a lien on the property and are eventually collected. As of June 30, there were no taxes receivable considered a material uncollectible.

7. Inventories and Prepaid Items

Inventories of supplies and other expendable items are expensed at the time of purchase in the governmental fund types. The City does not maintain any material inventories within the enterprise funds and therefore expenses any items at the time of purchase. Prepaid expenses, if any, represent payments to vendors that benefit future reporting periods and are reported on the consumption basis.

8. Restricted Assets

Certain proceeds of the City's enterprise fund revenue bonds and loans, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Restricted assets also reflect amounts set aside by the City Council as cash reserves to fund future needs. The Cedar Creek Trust document restricts the principal portion to purchase other land or buildings with at least five (5) members approving such a purchase.

The City's policy for using restricted or unrestricted cash reflects the bond covenant restrictions, grant requirements or City Policy. Other long-term reserves are invested as allowed and are not used for any type of expenditure except as allowed by the bond covenants, Trust Document or City Policy.

9. Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Additionally, on the governmental funds balance sheet, these include the net uncollected property tax and special assessment receivables, licenses/permits, and court fine receivables.

10. Deferred Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

11. Capital Assets, Depreciation, and Amortization

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets used in governmental fund types are recorded as expenditures in the governmental funds and capitalized in the Statement of Net Position. Capital assets of propriety funds are capitalized in the fund in which they are used.

All purchased capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. City policy has set the capitalization threshold for reporting capital assets at $5,000 with a useful life of at least five years. Streets, alleys, and sidewalks are capitalized by specified criteria and not by a dollar threshold. The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend the assets' useful life, are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation of all governmental fund capital assets, except land and construction in progress, is charged as an expense to the proper function in the Statement of Activity, but not in the governmental fund statements in accordance with generally accepted accounting principles. Depreciation of all capital assets, except land, easements, and construction in progress, used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on the proprietary funds' Statement of Net Position. However, it is shown net of asset's installed cost on the Statement of Net Position for all fund types presented.

Depreciation on assets is provided over their estimated useful lives on the straight-line method. The useful lives of these assets have been estimated as follows:

Buildings	50-75 years
Building Improvements	50-75 years
Equipment other than Vehicles	20-30 years
Public Domain Infrastructure	20 years
System Infrastructure	40 years
Vehicles	6-10 years
Heavy Equipment	10-20 years
Office/computer Equipment	5 years

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 which required governments to make retroactive reporting of infrastructure at its historical cost for all assets or just those acquired after June 30, 2008. The City of Columbia Falls recorded the estimated historical value of infrastructure as of June 30, 2007. GASB Statement 51 required governments to record the value of easements it owns for fiscal year 2010. Based on Montana statute, the City concluded that the estimated historical value of easements which the City would own, are not material and accordingly, did not record the value of easements. In most instances, the easements are recorded on the property without transfer of ownership.

12. Compensated Absences

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 carryover a maximum of two times their annual accumulation of vacation. Any excess over the maximum must be used by 90 days into the new calendar year. State law and City policy allows excess vacation hours to be carried until the end of the calendar year under certain circumstances. There is no restriction of 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 for compensated absences is reported in the government-wide and proprietary Statements of Net Position.

Compensated absences liability and expense are reported in the governmental funds only if they have matured. This would occur if an employee had terminated their employment with the City and there was unused reimbursable leave that was unpaid at June 30.

13. Long-term Obligations

In the Statement of Net Position and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

14. Pensions

The City participates in three cost-sharing defined benefit pension plans administered by the Public Employees Retirement Board (PERB). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Public Employees Retirement System (PERS), Municipal Police Officers Retirement System (MPORS), Firefighters Unified Retirement System (FURS) and additions to/deductions from PERB's fiduciary net position have been determined on the same basis as they are reported by PERB. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The City also participates in a defined contribution plan offered by PERB. There is no liability associated with this type of pension plan unless the City fails to pay the required contributions. The City has paid all required contributions.

15. Postemployment Benefits

The City accounts for postemployment benefit obligations in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

As required by state law (MCA 2-18-704), the City allows its employees who retire and their spouses and dependents the option to continue to participate in the City's group health insurance plan until they are eligible for Medicare coverage.

As calculated using the alternative method for smaller governments and applying the participation rate, the actuarial accrued liability (AAL) for benefits was immaterial to the financial statements. The City will continue to fund benefit costs on a pay-as-you-go basis.

16. Net Position/Fund Balance

Net position in government-wide and propriety fund financial statements show the amount of the capital assets less any outstanding debt issued to fund them as "Net Investment in Capital Assets." Restricted net position are those that have constraints placed on them either by external parties or imposed by law or enabling legislation. Unrestricted net position represents amounts which are not restricted for any project or other purpose.

GASB Statement 54 requires governmental fund balances to be allocated to categories as follows:

- Nonspendable – funds that are not in spendable form (i.e. inventory).
- Restricted – externally enforceable legal restrictions exist, such as state law or bond covenants.
- Committed – constraint formally imposed by the City Council by the end of the reporting period.
- Assigned – constrained imposed by the City Administration by the reporting date.
- Unassigned – remaining balance.

The Governmental Accounting Standards Board adopted Statement 54, Fund Balance Reporting and Governmental Type Fund Type Definitions effective for fiscal years beginning after June 15, 2010. As required by GASB 54, the City adopted Resolution 1614 setting the fund balance policy including the order of spending and designating authority.

17. Grant Revenue

The City recognizes grant income on governmental-mandated and voluntary non-exchange transactions when all eligibility requirements have been met. Cash or other assets provided in advance are reported as unearned grant revenue until all eligibility requirements have been met.

18. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services provided and used, are reported as transfers.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budgetary Data

The State of Montana's budget law stipulates that money, other than payments from agency funds, may not be drawn from the treasury of a municipality except pursuant to an appropriation. Therefore, a legally adopted budget is required for all funds, with the exception of agency funds. The City legally adopts a budget for the required funds.

2. Budget Process

The City Manager is responsible for the preparation of the preliminary annual budget. The City Council approves and/or modifies the budget. The City Council must meet prior to the budget adoption for the purpose of holding a public hearing on the final budget. This hearing can be continued until the budget is finally approved and adopted on or before the first Thursday after the first Tuesday in September or within 30 calendar days after receiving certified taxable values from the State Department of Revenue. The total value of property within the City as determined by the County Assessor is the assessed valuation.

The City Clerk forwards a copy of the final budget to the State Department of Administration no later than October 1st of each year. A copy of the final budget is available for review in the City Clerk's office located at 130 6th Street West, Columbia Falls, Montana and on the City's website at cityofcolumbiafalls.org. The tax levies and special assessments are forwarded to the County Treasurer for collection.

All appropriations lapse at the end of the year.

3. Negative Fund and Net Position Balances

The City had no funds with negative fund or net position balances.

NOTE C - CASH AND INVESTMENTS

A summary of cash and investments at June 30, 2024, was as follows:

	Primary Government	Discrete Component Unit	Total
Cash on Hand	$ 500	$ -	$ 500
Flex Advance	5,819	-	$ 5,819
Demand Deposits	616,447	62,156	$ 678,603
Government Backed Securities	1,145,000	370,625	$ 1,515,625
Bank Repurchase Agreement	1,221,263	-	$ 1,221,263
State Short-term Investment Pool	12,131,545	235,394	$ 12,366,939
Total	$ 15,120,574	$ 668,175	$ 15,788,749

Cash and Investment Policies

Deposits

Custodial Credit Risk for deposits is the risk that in the event of bank failure, the City's deposits may not be returned, or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy requires all deposits be insured by an agency of the United States Government and deposits in excess of insurance require pledged securities in compliance with section 7-6-207 of the Montana Code Annotated (MCA), which requires the City obtain securities for the uninsured portion of the deposits equal to 50% of such deposits if the institution in which the deposits are made has a net worth to total asset ratio of 6% or more or securities equal to 100% of uninsured deposits if the institution in which the deposits are made has a net worth to total asset ratio of less than 6%. State statute does not specify in whose custody or name the collateral is to be held. Third party safekeeping of collateral is mandatory, and pledged securities are valued at market rather than face value. The amount of collateral held for the City's pooled deposits as of June 30, 2024, was $4,090,000 which exceeds the amount required by statute. At June 30, 2024, 100% of the City's deposits were insured or collateralized.

Investments

Credit Risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. Investing is performed in accordance with investment policies adopted by the City Council complying with State Statutes and any applicable Attorney General, County Attorney and the City's retained counsel's opinions. The City's policy to minimize credit risk is to:

- Limit investing to the safest types of securities;
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business;
- Diversify the investment portfolio so that potential losses on individual securities will be minimized.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy to minimize interest rate risk is to:

- Structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity;
- Investing operating funds primarily in short-term securities, money market mutual funds, or similar investment pools.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investments in a single issuer. The City's investment policy requires that investments be diversified in instruments, institutions, and maturity dates.

External Investment Pool

The City invests in the Short-Term Investment Pool (STIP) managed by the State of Montana Board of Investments. The Board was created by the Legislature to invest and manage Montana's Unified Investment Program. Local Governments may voluntarily participate in STIP. The City elected to participate in STIP effective July 1, 1994.

The pool invests in short-term, highly liquid investments, and as such, the City has reported these investments as cash equivalents. Amounts invested by the City in STIP may be redeemed at any date at the carrying value on that date. Audited financial statements for the State of Montana's Board of Investments are available at 2401 Colonial Drive, 3rd Floor, PO Box 200126, Helena, MT 59620-0126 or by visiting the Board's website at www.investmentmt.com.

Investments in the pool are reported at fair value. The fair value of pooled investments is determined annually and is based on year-end market prices. The unit value of the pool is fixed at $1 for both participant redemptions and purchases. Investments in STIP are carried at amortized cost or "book" value. STIP is managed to closely align fair value with amortized cost. STIP income is automatically reinvested in additional units. STIP is not rated by a national rating agency.

The City's investment in STIP amounts to 0.1372% of total STIP assets. The investments managed by the City were 80% invested in STIP. For the year ended June 30, 2024, STIP's average rate of return was 5.386%, compared with 3.712% for the 2023 FY. The June 2024 rate of return was 5.396%.

The investments managed by the City include 4% in an interest-bearing account secured as noted above with Glacier Bank. For the year ended June 30, 2024, the average investment return on this account was 0.14%. The City also invests in an interest-bearing repurchase agreement account with Glacier Bank with an average annual yield of 5%. The remaining 8% of the investment portfolio, $1,145,000, is invested through Multi-Bank Securities, Inc. in government backed Certificates of Deposit and US Government Bonds with interest rates ranging from 1.16% - 2.0%.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2024:

- U.S. Government Bonds of $1,145,000 are valued using a matrix pricing model (Level 2 inputs). The current market value as of June 30, 2024, was $1,060,298 for an unrealized market loss of $84,702 which is immaterial to the governmental and enterprise fund financial statements and therefore is not recorded. The City holds the bonds until maturity and will therefore not realize a loss on the investments.

CITY OF COLUMBIA FALLS
FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE D - CAPITAL ASSETS

Changes in general capital assets were as follows:

	Balance June 30, 2023	Debits	Credits	Balance June 30, 2024
Cost:				
Capital assets not depreciated:				
Land	$ 1,802,336	$ -	$ -	$ 1,802,336
Construction in progress	1,403,920	1,735,225	(170,766)	2,968,379
Capital assets depreciated:				
Buildings	2,801,763			2,801,763
Improvements	1,899,516	19,802	-	1,919,318
Machinery and equipment	3,475,687	165,669	(335,480)	3,305,876
Infrastructure	10,652,605	779,989	-	11,432,594
Total	22,035,827	2,700,685	(506,246)	24,230,266
Less: Accumulated Depreciation:	(12,900,865)	284,797	(798,017)	(13,414,085)
Net Capital Assets	$ 9,134,962	$ 2,985,482	$ (1,304,263)	$ 10,816,181

Governmental activities depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	$ 41,805
Public Safety	118,589
Public Works	565,283
Culture and Recreation	67,357
Housing & Community Development	4,983
Total governmental activities depreciation	$ 798,017

Changes in proprietary fund capital assets were as follows:

	Balance June 30, 2023	Debits	Credits	Balance June 30, 2024
Cost:				
Capital assets not depreciated:				
Land	$ 17,402	$ -	$ -	$ 17,402
Construction Work in Progress	736,620	851,432		1,588,052
Capital assets depreciated:				
Source of Supply	3,429,698	16,161	-	3,445,859
Pumping Plant	893,789	-	-	893,789
Treatment Plant	8,348,637		-	8,348,637
Transmission and Distribution	13,809,558	46,720	-	13,856,278
General Plant	2,960,057	7,570	(115,606)	2,852,021
Total	30,195,761	921,883	(115,606)	31,002,038
Less: Accumulated Depreciation	(18,155,842)	115,606	(586,060)	(18,626,296)
Net Capital Assets	$ 12,039,919	$ 1,037,489	$ (701,666)	$ 12,375,742

NOTE E - LONG-TERM DEBT

Long-term Debt Supporting Government Activities

General obligation debt, in the form of a loan from Cedar Creek Trust, was issued by the City to provide funds for the improvement of City streets, as approved by the voters in June 2007 and repaid with property taxes recorded in the Debt Service Funds. The loan is required to be paid within twenty years from the date of issue and is backed by the full faith and credit of the City. The City had drawn down a total of $703,287 from the Trust, and repaid the loan in its entirety as of June 30, 2023, leaving no outstanding balance as of June 30, 2024.

Loans drawn from the Cedar Creek Trust are treated as an external debt borrowing pursuant to generally accepted accounting principles. Pursuant to the Trust Document, loans of the principal must be secured and the loan agreement and security approved by the City Attorney and an independent financial consultant. The City Council has used these loans from the Cedar Creek Trust to save interest, closing and bond costs. The City Council approves setting the annual interest rate on the loans from the trust based on the current rates earned by the City's investment pool unless otherwise specified in the resolution authorizing the loan.

In January 2019, the City Council authorized an internal 10-year loan of $34,000 from the Cedar Creek Trust to purchase the City's share of a 2002 Quint Fire Truck. The city paid the remaining balance of $14,399 on this loan leaving a balance of $0 as of June 30, 2024.

CITY OF COLUMBIA FALLS
FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

General obligation debt outstanding as of June 30, 2024, were as follows:

Purpose:	Issue Date	Interest Rate	Debt Term	Maturity Date	Annual Payment	Bonds/Debt Issued	Balance June 30, 2024
Special Improvement District # 38	11/2/2017	4.16%	20 yrs	7/1/2037	Varies	$ 340,000	$ 219,888
2002 Quint Fire Truck-Internal	1/7/2019	Var	10 yrs	1/7/2029	Varies	$ 34,000	$ -

Changes in long-term debt were as follows:

	Balance June 30, 2023	Change	Balance June 30, 2024	Amount due in 2025
Internal Loan from Trust	$ 14,399	$ (14,399)	-	$ -
Special Assessment Debt	236,888	(17,000)	219,888	17,001
Compensated Absences	233,524	20,390	253,914	107,629
Total	$ 484,811	$ (11,009)	$ 473,802	$ 124,630

Annual requirement to amortize special assessment debt:

(SID 38 only - SID 34 and SID 36 reflected in Internal Balances)

For Fiscal Year	Principal	Interest
2025	17,001	8,970
2026	17,001	8,263
2027	17,000	7,556
2028	17,000	6,849
2029	17,000	6,142
Thereafter	134,886	23,672
Total	$ 219,888	$ 61,452

Legal Debt Margin:

At June 30 the general obligation debt issued by the City did not exceed its legal debt margin as demonstrated by the following computation:

Total Assessed value of taxable property (market value)	$ 978,325,794
General limitation percentage	2.50%
General limit of indebtedness	$ 24,458,145
Outstanding general obligation bonds at June 30	-
Outstanding loans subject to limitation	-
Total Debt subject to limit	-
Remaining Legal Debt Margin	$ 24,458,145

Long-term Debt Supporting Business-type Activities

Revenue Bonds

The City 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:

Purpose	Origination Date	Interest Rate	Bond Term	Maturity Date	Bonds Amount	Annual Payment	Balance 30-Jun-24
Water System Revenue Refunding Bond	2005	2.25%	12 yrs	7/1/2025	$ 350,000	Varies	$ 31,000
Water System Improvements Revenue Bond	2020	2.50%	20 yrs	7/1/2040	675,000	Varies	566,000
Sewer System Revenue Bond	2009B	0.75%	20 yrs	7/1/2029	359,300	Varies	153,000
Sewer System Revenue Refunding Bond	2009C	3.00%	18 yrs	7/1/2030	385,000	Varies	95,000
Total					$ 1,769,300		$ 845,000

In November 2012, the City issued Water System Revenue Refunding and Sewer System Revenue Refunding Bonds through the State of Montana, Department of Natural Resources, Drinking Water Revolving Fund Loan Program, and the Wastewater Revolving Fund Loan Program to take advantage of current interest rates. The City's Series 2005 Water system bonds with an outstanding amount of $350,000 were refunded and the interest rate reduced from 4.0% to 2.25%, resulting in a savings of $43,907. The City's Series 2001 Sewer system bonds with an outstanding balance of $1,248,000 were refunded and the interest rate reduced from 4.0% to 2.25%. Additionally, the Series 2009C Sewer system bonds with an outstanding amount of $385,000 were refunded and the interest rate reduced from 3.75% to 3.0%. The Sewer system bond refunding resulted in a savings of $156,285.

CITY OF COLUMBIA FALLS
FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

On September 8, 2020, the City issued Water System Revenue Bonds through the State of Montana, Department of Natural Resources, Drinking Water State Revolving Loan Fund, Series 2020 in the amount of $675,000 with a total interest rate of 2.5%. The principal is payable semi-annually, with the first payment being made on January 1, 2021, and concluding on July 1, 2040. The outstanding balance was $566,000 at June 30, 2024.

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, 2024, as indicated below:

Debt Service Coverage:	Water	Sewer
Operating Revenues	$ 790,622	$ 1,195,991
Operating Expenses	527,316	954,725
Net Revenue	263,306	241,266
Max Debt Service	$ 75,717	$ 48,468
Percent Coverage	347.75%	497.78%

Annual requirement to amortize revenue bond and loan debt:

For Fiscal Year	Principal	Interest
2025	102,000	19,593
2026	72,000	17,471
2027	74,000	15,866
2028	78,000	14,193
2029	78,000	12,462
Thereafter	441,000	62,630
Total	$ 845,000	$ 142,215

NOTE F - EMPLOYEE BENEFIT PLANS

Pension Plans - General Information:
All full-time, qualifying part-time and elective City employees are covered by one of the following retirement plans: Montana Public Employees Retirement System (PERS), Municipal Police Officers' Retirement System (MPORS), and Firefighter Unified Retirement System (FURS). The plans are established by State law and administered by the State of Montana Public Employees' Retirement Board (PERB). The authority to establish or amend contribution requirements for all plans and provide cost of living adjustments for defined benefit plans is assigned to the State legislature. PERB issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for these plans. It is available from the Montana Public Employees' Retirement Administration (MPERA) at 100 North Park Avenue, Suite 200, P.O. Box 200131, Helena, MT, 59620-0131 or at their website, http://mpera.mt.gov. 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. PERS also has a defined contribution option.

The Montana Public Employees Retirement Administration (MPERA) prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the net pension liability, deferred inflows of resources and deferred outflows of resources related to pension, pension expense, information about the fiduciary net position and additions to, and deductions from, fiduciary net position have been determined on the same accrual basis as they are reported by MPERA. For this purpose, member contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefits payments and refunds are recognized in the accounting period when due and payable in accordance with the benefit terms. Expenses are recognized the period incurred. Investments are reported at fair value. MPERA adheres to all applicable Governmental Accounting Standards Board (GASB) statements.

Contributions to pension plans are as required by state statute. Information about each plan follows:

Public Employee Retirement Systems (PERS):

Plan Description:
The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3 Montana Code Annotated (MCA).

All new members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-Defined Contribution Retirement Plan (DCRP) by filing an irrevocable election. Members may not be members of both the defined contribution and defined benefit retirement plans.

Benefits Provided:
The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAC). Members rights are vested after five years of service.

Service retirement:
- Hired prior to July 1, 2011:
  - Age 60, 5 years of membership service
  - Age 65, regardless of membership service
  - Any age, 30 years of membership service
- Hired on or after July 1, 2011:
  - Age 65, 5 years of membership service
  - Age 70, regardless of membership service

Early retirement:
- Hired prior to July 1, 2011:
  - Age 50, 5 years of membership service; or
  - Any age, 25 years of membership service
- Hired on or after July 1, 2011:
  - Age 55, 5 years of membership service

Second Retirement: (requires returning to PERS-covered employer or PERS Service)
- Retired before January 1, 2016, and accumulate less than 2 years additional service credit or retired on or after January 1, 2016 and accumulate less than 5 years additional service credit;
  - A refund of member's contributions plus return interest (currently 2.02% effective July 1, 2018).
  - No service credit for second employment.
  - Start the same benefit amount the month following termination; and
  - Guaranteed Annual Benefit Adjustment (GABA) starts again in January immediately following the second retirement.
  - Retired before January 1, 2016, and accumulate at least two years of additional service credit:
    - A recalculated retirement benefit based on provisions in effect after the initial retirements; and
    - GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
  - Retired on or after January 1, 2016, and accumulate 5 or more years of service credit:
    - The same retirement as prior to the return to service.
    - A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
    - GABA starts on both benefits in January after receiving the original and the new benefit for 12 months.

Member's highest average compensation (HAC)

- Hired prior to July 1, 2011 – highest average compensation during any consecutive 36 months.
- Hired on or after July 1, 2011 – highest average compensation during any consecutive 60 months.

Compensation Cap

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

Monthly benefit formula

- Members hired prior to July 1, 2011;
  - Less than 25 years of membership service: 1.785% of HAC per year of service credit.
  - 25 years of membership service or more: 2% of HAC per year of service credit.
- Members hired on or after July 1, 2011:
  - Less than 10 years of membership service: 1.5% HAC per year of service credit.
  - 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit.
  - 30 years or more of membership service: 2% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

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

- 3% for members hired **prior** to July 1, 2007
- 1.5% for members hired on or after July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013:
  (a) 1.5% for each year PERS is funded at or above 90%;
  (b) 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
  (c) 0% whenever the amortization period for PERS is 40 years or more.

Municipal Police Officers' Retirement System (MPORS):

Plan Description:

The Municipal Police Officers' Retirement System (MPORS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing benefit plan that was established in 1974 and is governed by Title 19, chapters 2 & 9 Montana Code Annotated (MCA). This plan covers all municipal police officers employed by first-and second-class cities and other cities that adopt the plan, such as the City of Columbia Falls. Benefits are established by state law and can only be amended by the Legislature.

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

<u>Benefits provided:</u>
MPORS provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service and compensation. Member rights are vested after five years of service.

Service retirement and monthly benefit formula

- 20 years of membership service, regardless of age.
- Age 50, 5 years of membership service (Early Retirement).
- 2.5% of FAC x years of service credit.

Second Retirement:

- Recalculated using specific criteria for members who return to covered MPORS employment prior to July 1, 2017:
    - Less than 20 years of membership service, upon re-employment, repay benefits and subsequent retirement is based on total MPORS service.
    - More than 20 years of membership service, upon re-employment, receives initial benefit and a new retirement benefit based on additional service credit and FAC after re-employment.
- Applies to retirement system members re-employed in a MPORS position on or after July 1, 2017:
    - If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
        - is not awarded service credit for the period of reemployment;
        - is refunded the accumulated contributions associated with the period of reemployment;
        - starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and

    - does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA in January immediately following second retirement.
  - If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
    - is awarded service credit for the period of reemployment;
    - starting the first month following termination of service, receives:
      * the same retirement benefit previously paid to the member, and
      * a second retirement benefit for the period of reemployment calculated based on the laws in effect as of the members rehire date, and
    - does not accrue retirement benefit adjustments during the term of reemployment but receives a GABA:
      * on the initial retirement benefit in January immediately following second retirement, and
      * on the second retirement benefit starting in January after receiving the benefit for at least 12 months.
- A member who returns to covered service is not eligible for a disability benefit.

Member's final average compensation (FAC)

- Hired prior to July 1, 1977 – average monthly compensation of final year of service.
- Hired on or after July 1, 1977 – final average compensation (FAC) for last consecutive 36 months.

Compensation Cap

- Hired on or after July 1, 2013: 110% annual cap on compensation considered as part of a member's final average compensation (FAC).

Guaranteed Annual Benefit Adjustment (GABA)

- Hired on or after July 1, 1997, or those electing GABA, and has been retired for at least 12 months, a GABA will be made each year in January equal to 3%.

Minimum benefit adjustment (non-GABA)

- The minimum benefit provided may not be less than 50% of the compensation paid to a newly confirmed police officer of the employer that last employed the member as a police officer in the current fiscal year.

<u>Firefighters' Unified Retirement System (FURS):</u>

<u>Plan Description:</u>

The Firefighters' Unified Retirement System (FURS), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing defined benefit plan established in 1981, and governed by Title 19, chapters 2 & 13, MCA. This plan provides retirement benefits to firefighters employed by first- and second-class cities, other cities and rural fire district departments that adopt the plan, and to firefighters hired by the Montana Air National Guard on or after October 1, 2001. Benefits are established by state law and can only be amended by the Legislature.

<u>Benefits provided</u>
The FURS provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAC). Member rights are vested after five years of service.

Service retirement and monthly benefit formula

- Hired on or after July 1, 1981, or member has elected to be covered by GABA:
  - 20 years of membership service, regardless of age
  - 2.5,% of HAC x years of service credit
- Hired prior to July 1, 1981, and who had not elected to be covered by GABA, the greater of above, or:
  - If membership service is less than 20 years: 2% of the HMC for each year of service credit, or
  - If membership service is greater or equal to 20 years: 50% of HMC for each year of service credit in excess of 20
- Early Retirement: Age 50 with 5 years membership service – Normal retirement benefit calculated using HAC and service credit.

Second Retirement:
Applies to retirement system members re-employed in a FURS position on or after July 1, 2017:
- If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
  - is not awarded service credit for the period of reemployment;
  - is refunded the accumulated contributions associated with the period of reemployment;
  - starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
  - does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA in January immediately following the second retirement.
- If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
  - is awarded service credit for the period of reemployment;
  - starting the first month following termination of service, receives:
    - the same retirement benefit previously paid to the member, and
    - a second retirement benefit for the period of reemployment calculated based on the laws in effect as of the members; rehire date; and
  - does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
    - on the initial retirement benefit in January immediately following second retirement, and
    - on the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- A member who returns to covered service is not eligible for a disability benefit.

Member's compensation period used in benefit calculation

- Hired prior to July 1, 1981 and not electing GABA: highest monthly compensation (HMC);
- Hired after June 30, 1981 and those electing GABA: highest average compensation (HAC) during any consecutive 36 months (or shorter period of total service).
- Part-time firefighter: 15% of regular compensation of a newly confirmed full-time firefighter.

Compensation Cap

- Hired on or after July 1, 2013: 110% annual cap on compensation considered as a part of a member's HAC.

Guaranteed Annual Benefit Adjustment (GABA)

Hired on or after July 1, 1997, or those electing GABA, and has been retired for at least 12 months – the member's benefit increases by 3.0% each January.

Minimum benefit adjustment (non-GABA)

A member with 10 or more years of membership service who has not elected to be covered under GABA – the minimum benefit provided many not be less than 50% of the monthly compensation paid to a newly confirmed active firefighter of the employer that last employed the member as a firefighter in the current fiscal year.

Contribution Rates and Amounts

The State Legislature has the authority to establish and amend contribution rates to the plan. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.

Special Funding: MCA requires the State of Montana to contribute a percentage of total compensation directly to the Plan annually after the end of each fiscal year. Member, Employer and State contribution rates are show in the table below.

	Employee	Employer	State
PERS	7.90%	9.17%	0.10% [1]
MPORS	9.00%	14.41%	29.37%
FURS	10.70%	14.36%	32.61%

	City			State
	2024	2023	2022	2024
PERS	$ 123,627	$ 116,180	$ 100,834	$ 38,074 [1]
MPORS	107,507	103,033	88,711	284,615
FURS	38,337	22,750	11,082	62,932

[1] The State also contributes from the Coal Tax Severance fund.
One hundred percent of contributions were paid.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the City reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension liability, the related State support, and the total portion of net pension liability that was associated with the City were as follows:

	PERS	MPORS	FURS	Total
City's proportionate share of the net pension liability	$1,466,269	$ 817,963	$ 111,042	$ 2,395,274
State's proportionate share of the net pension liability associated with the City	405,842	1,650,829	252,027	2,308,698
Total	$1,872,111	$ 2,468,792	$ 363,069	$ 4,703,972

The basis for the net pension liability was determined by taking the results of the June 30, 2023, actuarial valuation and applying standard roll forward procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, including the State, actuarially determined.

	PERS	MPORS	FURS
Proportionate share of plan's net pension liability	0.0601%	0.3528%	0.0735%

For the year ended June 30, 2024, the City recognized pension expenses of $143,017 and revenue of $322,055 for support provided by the State. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources				
	PERS	MPORS	FURS	Total
Expected vs Actual Experience	$ 48,979	$ 10,696	$ 10,274	$ 69,949
Projected Investment Earnings vs Actual	3,720	11,483	2,918	18,121
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	65,825	35,145	25,075	126,045
Changes in Assumptions	-	24,551	23,746	48,297
City contributions subsequent to the measurement date	123,627	107,507	38,337	269,471
Total	$ 242,151	$ 189,382	$ 100,350	$ 531,883

Deferred Inflows of Resources				
	PERS	MPORS	FURS	Total
Expected vs Actual Experience	$ -	$ 1,729	$ 114	$ 1,843
Changes in Assumptions	52,298	10,664	-	$ 62,962
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-		-	-
Total	$ 52,298	$ 12,393	$ 114	$ 64,805

The $269,471 reported as deferred outflows of resources related to pensions from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Fiscal Year Ending June 30	PERS	MPORS	FURS	Total
2024	$ 1,786	$ 24,594	$ 12,734	$ 39,114
2025	(3,944)	(7,898)	9,769	(2,073)
2026	86,703	56,345	23,658	166,706
2027	(8,900)	(3,559)	9,706	(2,753)
Thereafter	-	-	6,032	6,032
Total	$ 75,645	$ 69,482	$ 61,899	$ 207,026

Actuarial Assumptions

The total pension liabilities (TPL) used to calculate the net pension liabilities was determined by taking the results of the June 30, 2023, actuarial valuation and applying standard roll forward procedures. The actuarial assumptions used in the June 30, 2023, valuation were based on the results of the last actuarial experience study for the five year period ending 2022.

Among these assumptions were the following:

Inflation	2.75%	percent
Salary Increases	3.5%	percent, average, including inflation
Investment rate of return	7.3%	percent, net of pension plan investment expense, including inflation

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash Equivalents	3.00%	-0.33%
Domestic Equity	30.00%	5.90%
International Equity	17.00%	7.14%
Private Investments	15.00%	9.13%
Real Assets	5.00%	4.03%
Real Estate	9.00%	5.41%
Core Fixed Income	15.00%	1.14%
Non-Core Fixed Income	6.00%	3.02%
Total	100.00%	
Portfolio Return Expectation		7.30%

Discount Rate
The discount rate used to measure the total pension liability was 7.30 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate - The following present the City's proportionate share of the net pension liability calculated using the discount rate of 7.06 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.06 percent) or 1 percentage point higher (8.06 percent) than the current rate:

City's proportionate share of the net pension liability	1% Decrease (6.3%)	Current Discount Rate (7.3%)	1% Increase (8.3%)
PERS	$ 2,118,021	$ 1,466,269	$ 919,508
MPORS	1,262,276	817,963	465,182
FURS	202,516	111,042	38,034
	$ 3,582,813	$ 2,395,274	$ 1,422,724

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued PERB financial report.

Local Retirement Plans

The City offers its employees an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan, available to all full-time and part-time City employees, permits them to defer a portion of their salary until future years. Additionally, for qualifying employees not participating in the City's Health Insurance Benefit program due to having other health insurance coverage, the City contributes up to $470 per month into the deferred compensation plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency pursuant to Internal Revenue Service requirements.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the employee (without being restricted to the provisions of benefits under the plan).

Investments are managed by the plan's trustee, Nationwide Retirement Solutions, based on the participants' selected investment options. During the 2024 fiscal year, 8 active employees elected deferred compensation benefits in lieu of health insurance benefits, one employee elected deferred compensation benefits in lieu of salary, and 2 active employees elected to defer a portion of their compensation under the provisions of the 457(b) plan. By year-end, only 3 active employees continued the deferred compensation benefits in lieu of health insurance benefits. The City contributed $51,387 on the employees' behalf during the 2024 FY to the 457(b) plan. The City does not manage or control the plan assets.

Fire Relief Association Pension Plan (Discretely Presented Component Unit)

The Columbia Falls Firefighters Relief Association Pension Plan is a single-employer defined benefit pension plan. Montana State law (MCA 19-18-503) requires the City to soundly fund the pension plan for non-paid volunteer firefighters, who are considered employees of the City. The City contributes to the plan annually meeting all the state funding requirements. The discretely presented component unit of the City, Fire Department Relief Association, has been established to administer pension payouts and hold the funded assets. The Relief Association is governed by a separate board of directors made up of active and retired members of the volunteer fire department.

The City implemented GASB 73 –*Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.* One objective of this Statement is to provide information about the effects of pension-related transactions and other events on the elements of the basic financial statements. An additional objective is to improve the information provided in government financial reports about financial support provided by certain non-employer entities for pensions that are provided to the employees of other entities and that are not within the scope of Statement 68. In order to meet these objectives and comply with paragraph 115 and 116 of this Statement, the City has determined it appropriate to show the pension liability within the Fire Relief Association financials. The assets of the Relief Association (non-employer entity) represent the City's contributions made toward pension obligations. The cash is expected to offset the liabilities of the pension plan. The assets and related liability are reported within the discretely presented component unit of the City.

Summary of Benefits:
The eligibility for normal retirement requires 20 years of service with no option for early retirement. The plan also provides a disability pension after 10 years of service (prorated) and eligible surviving spouse benefit for the death of an active member with at least 10 years of service. The normal retirement benefit is $160 per month with 20 years of service, increased by 10% for each additional year, up to the statutory maximum payment of $300.

Actuarial Assumptions:
The actuarial method used is the Projected Unit Credit. Under this method the benefit payable at the assumed retirement age is determined. The accrued benefit used for the accrued liability is the projected benefit multiplied by the ratio of service to date divided by service projected to the retirement date.

Interest rates used were segment rates as published by the IRS for funding under PPA '06 as modified by the American Rescue Plan Act (ARPA) of 2021 for plan year beginning July 1, 2021.

Mortality tables utilized were tables as published by the IRS for funding under PPA '06 for plan years beginning in 2021 (combined basis). Spousal age for active participants was assumed to be 3 years younger than the participant. All other assumptions in a group of this size were not considered statistically valid.

Covered Employees:
There are 23 inactive employees and 9 surviving spouses currently receiving benefit payments.

Post-Employment Benefits Other than Pensions

The City accounts for postemployment benefit obligations in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

As required by state law (MCA 2-18-704), the City allows its employees who retire and their spouses and dependents the option to continue to participate in the City's group health insurance plan. The City also allows terminated employees to continue their health care coverage for 18 months past the date of termination as required by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). To continue coverage, retirees are required to pay the full cost of the benefits. State law requires the City to offer insurance to retirees, but it does not require the City to offer it at the same rate as all participants. Furthermore, there are no legal or contractual agreements requiring the City to pay any portion of a retiree's insurance or to offer the insurance at a specified rate. Rates are charged according to the annual actuarial valuation provided by the City's insurer, Montana Municipal Interlocal Authority.

Plan Description: In 2024, the City of Columbia Falls provided employee medical insurance through a cost-sharing, multiple-employer plan administered by the Montana Municipal Interlocal Authority.

Funding Policy: The City of Columbia Falls provides no direct subsidy to the health insurance premiums for retirees. Retirees pay the entire cost of the actuarially determined health insurance premium. Effective January 1, 2024, retirees eligible for Medicare may not remain on the plan provided through the City after becoming Medicare eligible. Eligible retirees must be enrolled in the City's medical insurance prior to retiring and must elect to continue coverage within 30 days of retirement. As of June 30, 2024, the City had one retired employee elect to participate in the City's medical insurance plan entirely at their own cost at an actuarially determined rate. There were no former employees under COBRA insurance coverage but there was one retiree's spouse electing COBRA insurance coverage at their own expense. In 2024, the retiree and retiree's spouse paid $28,997 in actuarially determined medical premiums and elective dental/vision premiums.

Annual OPEB Cost Obligation: The City's other postemployment benefit (OPEB) cost (expense) is calculated based on the projected unit credit cost method. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total benefit to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service. Typically, when this method is introduced, there will be an initial liability for benefits credited for service prior to that date, and to the extent that the liability is not covered by assets of the plan, there is an unfunded liability to be funded over a stipulated period in accordance with an amortization schedule. It is important to note that the accrued liability and the annual required contribution (ARC) are highly sensitive to the participation rate assumption. For the City of Columbia Falls, based on historical data, the City used a 10% participation rate for current active employees, which matches the thirty-year trend for the City's retirees' participation, and 0% are assumed to continue the plan after age 65 based on trend as well as plan changes made by MMIA eliminating coverage for Medicare eligible employees. Additionally, the calculation is also sensitive to the age of the City's employees.

Employees covered by benefit terms as of June 30, 2024:

Inactive employees or beneficiaries currently receiving benefit payments -1-
Inactive employees entitled to but not yet receiving benefit payments -0-
Active employees during the year = 29

Methods and Assumptions: The Montana Municipal Interlocal Authority (MMIA) contracted with Actuaries Northwest to calculate the actual cost of retiree medical coverage and subsequently calculated the pre-age 65 (not Medicare eligible) and age 65 and older (Medicare eligible) per individual premium subsidy as of June 30, 2024. Actuaries Northwest used the following assumptions in calculating the subsidy rate:

Average age of retirement based on historical data - 53.9 years
Turnover rate – 0%
Discount rate – 4.11%
Average salary increase – 3.5%

Healthcare cost trend rate

From Year	To Year	Annual % Increase
2023	2024	7.00%
2024	2025	6.50%
2025	2026	6.00%
2026	2027	5.90%
2027	2028	5.70%
2028	2029	5.60%
2029	2030	5.50%
2030	2031	5.30%
2031	2048	5.20%

Funded Status and Funding Progress: As calculated using the alternative method for smaller governments and applying the participation rate, the actuarial accrued liability (AAL) for benefits was immaterial to the financial statements. The City will continue to fund benefit costs on a pay-as-you-go basis.

NOTE G - INTERFUND TRANSFERS

The following is an analysis of governmental operating transfers in and out during fiscal year 2024:

	General Fund (Major)	Street Maintenance (Non Major)	Capital Project Fund-Building Improv (Non-Major)	Capital Project Fund-General Equipment (Major)	Sewer (Major)	**Total Transfers Out**
Transfers out:						
General Fund	$ -	$ -	$ 71,000	$ 139,000	$ -	$ 210,000
Resort Tax	1,229,549	-	-	155,864	-	1,385,413
Permissive Medical Levy	274,600	63,210	-	-	-	337,809
Gas Tax	-	143,491	-	-	-	143,491
ARPA of 2021	-	-	-	-	210,955	210,955
	-	-	-	-		-
Total Transfers in:	$ 1,504,149	$ 206,701	$ 71,000	$ 294,864	$ 210,955	$ 2,287,668

NOTE H - INTERFUND LOANS

Special Improvement Districts 34 and 36 - During fiscal year 2006 the City's Water and Sewer Enterprise Funds loaned funds for construction costs for the upgrade and expansion of water and sewer lines and appurtenances for 4th Avenue and 5th Avenue within the City. The City Council approved the formation of Special Improvement Districts 34 and 36 and the homeowners are assessed annually on the tax bill to pay back the City for construction costs for a period of twenty (20) years. The payments are due in equal installments on November 30 and May 30.

Long-term interfund loans receivable have been recorded in the Water and Sewer Enterprise Funds and at June 30, 2024, the combined balance of the interfund loans was $8,440 which is the same amount owed to the City by homeowners within the special improvement districts. The City's special improvement funds 34 and 36 are debt service funds and these funds record the special assessments receivable and receipts and pay back the interfund loans to the Water and Sewer Enterprise Funds. The interfund loan payable is reported as long-term debt in the general long-term debt account group in the fund financial statements and is eliminated in the government-wide financial statements as interfund activity.

Annual maturity of the long-term special assessment receivable for the 2024 FY is $8,044, subject to interest at 4.75%. The final payments for SID 34 and 36 will be made in the 2024-25 Fiscal Year.

<u>Cedar Creek Trust Fund</u> – During fiscal year 2019, general obligation debt, in the form of a loan from Cedar Creek Trust to provide funds for the City's share in the purchase of a 2002 Quint Fire Truck.

In June 2024, the City Council authorized an internal 10-year loan of $141,786 from the Cedar Creek Trust to Capital Projects Fund to support the funding the City's remaining share of a new 2024 HME Pumper/Rescue vehicle that was purchased pursuant to the interlocal agreement with the Columbia Falls Rural District. No payments have been made on this loan. This activity is reported as an advance between funds, that is then eliminated with the conversion to the Government-Wide financials statements.

The vehicle had a total cost of $785,000 with the Rural Fire District paying $487,530 (62%) and the City contributing $297,470 (38%) The Council utilized available funds for public safety from the Resort Tax Fund 2100 and authorized the internal loan for the remaining city share. Loan payments will begin in the 2025 fiscal year with an interest rate of 4.79%. The interest rate will be updated annually based on the interest rate earned by the City's investment pool.

As of June 30, 2024, the Cedar Creek Trust had a total cash balance of $1,202,684, consisting of $184,320 unrestricted, from interest earnings and investment earnings, and $1,018,364 restricted funds, representing the principal balance of the Trust.

NOTE I - RESTRICTED CASH AND INVESTMENTS

In compliance with the City's policies, debt covenants and Cedar Creek Trust, the governmental and enterprise funds restricted cash and investments at June 30, 2024 are as follows:

Fund	Fund Type	Description	Amount
1000-General	Major	Reserved by Council/cash flow	$ 932,190
2100-Resort Tax	Major	Reserved by Council/cash flow	1,606,766
2310-Tax Increment District Fund	Major	Reserve for new projects	657,384
2311-TEDD Industrial Park	Non-Major	Reserved for new projects	25,340
2312-TEDD Columbia Rising	Non-Major	Reserved for new projects	133,710
2394-Building Code Enforcement	Non-Major	Reserved by Council/cash flow	113,969
2400-Special Lighting District	Non-Major	Reserved by Council/cash flow	7,975
2500-Special Street Maint District	Non-Major	Reserved by Council/cash flow	42,968
2700-Cedar Creek Trust	Major	Reserved by Trust Document	1,018,364
2820-Gas Tax	Non-Major	Reserved by Council for future project	28,702
3534-SID 34 5th Ave Water Main	Non-Major	Reserved by Debt covenant	609
3536-SID 36 Talbott & 4th Ave	Non-Major	Reserved by Debt covenant	1,465
3538-SID 38 Riverwood	Major	Reserved by Debt covenant	16,554
4000-Capital Projects-Bldg Improv	Non-Major	Reserved by Council for building improv	81,206
4010-Capital Projects-Park Impr	Non-Major	Reserved by Council for improv/cash in lieu	211,656
4020-Capital Projects-Gen EQPT	Major	Reserved by Council for future eqpt	297,833
4040-Capital Projects-Street Const	Non-Major	Reserved by Council for street construction	120,730
5210-Water	Major	Replacement/Depreciation	586,754
5210-Water	Major	Reserved for Future Debt Service	57,171
5210-Water	Major	Reserved for new projects	261,733
5211-Water Expansion	Non-Major	System Expansion	408,080
5310-Sewer	Major	Replacement/Depreciation	383,940
5310-Sewer	Major	Reserved for Future Debt Service	72,111
5310-Sewer	Major	Reserved for new projects	313,894
5310-Sewer	Major	Reserved for WWTP Project/Debt	481,734
5311-Sewer Expansion	Non-Major	System Expansion	1,196,465
			$ 9,059,303

CITY OF COLUMBIA FALLS
FLATHEAD COUNTY, MONTANA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE J - GOVERNMENT FUND BALANCE REPORTING

The City implemented Government Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions during 2011, and therefore required to classify fund balances into specifically defined classifications (see Note A). The City spends restricted amounts first. When an expenditure is incurred for purposes for which committed, assigned or unassigned funds are available, the City spends first committed, then assigned and finally unassigned funds.

Fund Balance	General	Resort Tax	Tax Increment Fund	SID 38-Riverwood	Capital Projects-General Equip	Other Governmental	Total Governmental Funds
Non-Spendable:							
Long-Term receivable	$ -	$ -	$ -		$ -	$ 141,786	$ 141,786
Restricted:							
Trust Agreement-Gen Govt	-					1,202,683	$ 1,202,683
State statute-General Government	-	1,606,766		-	-	16,767	1,623,533
State statute-Public Safety	-	-	-	-	-	132,510	132,510
State statute/grant agreement -Public Works	-	-	2,453,216	-	-	1,309,077	3,762,293
Grant agreement -Housing & Community Dev	-	-	-	-	-	137,069	137,069
Debt Service	-	-	-	1,970	-	2,183	4,153
Committed:							
Designated by City Mgr/Finance Dir-GG	932,190	-	-	-	-	-	932,190
Capital Projects	-	-	-	-	224,569	1,134,768	1,359,337
Assigned							
Designated by City Mgr/Finance Dir-GG	-	-	-		-	-	-
Un-Assigned	736,297	-	-	-	-	-	736,297
Total Fund Balance	**$1,668,487**	**$1,606,766**	**$2,453,216**	**$ 1,970**	**$ 224,569**	**$ 4,076,843**	**$ 10,031,851**

The Council is the City's highest level of decision-making authority, and they adopted a resolution authorizing the City Administration to define and utilize the fund types in accordance with GASB 54 pursuant to actions authorized by the commission, such as budget adoption and letting of contracts. Assigned fund balances include funds committed by the council to spend interest earnings of the Cedar Creek Trust Fund. By resolution, the City will apply restricted and unrestricted resources within the City's Governmental fund-types in the following order: restricted, committed, assigned and unassigned.

NOTE K – MAJOR FUND REPORTING

The City maintains two major special revenue funds, the Resort Tax Fund and the Tax Increment Financing District Fund. The purpose of the Resort Tax is to account for the collection of the 3% optional resort tax approved by voters in 2020 and used as directed in the authorizing election and adopted ordinance. The purpose of the Tax Increment Financing District is to provide funding for needed infrastructure improvements to the business corridor and downtown area. GASB 54 requires disclosure of revenues for each major special revenue fund. Revenues are as follows:

Resort Tax:	
Voted 3% Resort Tax	$1,412,783

Tax Increment Financing District:	
Property Tax/Assessments	$1,105,151
Intergovernmental	26,420
Interest earnings	109,098
	$1,240,669

The City maintains one major debt service fund, Riverwood Debt Service. This fund is used to account for the accumulation of resources used for the payment of principal and interest on special assessment debt. Revenues for the fund are as follows:

Riverwood Debt Service:	
Special assessment	$26,915
Interest earnings	617
	$27,532

The City maintains one major capital project fund, Capital Projects-General Equipment. This fund is used to account for the accumulation of resources used to purchase general government capital equipment including police, fire, street, and administration. Revenues and other financing sources for the fund are as follows:

Capital Projects – General Equipment:	
Contributions	$487,530
Interest earnings	15,423
Sale of capital assets	18,250
Transfers In	294,864
	$ 816,067

GASB Statement No. 100, effective for the fiscal year ending June 30, 2024, required the City to report the changes from major to nonmajor and changes from nonmajor to major. The City reported these changes in one column on the Statement of Revenues, Expenditures and Changes in Fund Balance. The detail of these changes are as follows:

Formerly Reported as Major:			
Fund 2700 Cedar Creek Trust	Beginning Fund Balance	$	1,282,467
Fund 2991 ARPA Recovery Funds	Beginning Fund Balance		908,562
Fund 2959 EDA	Beginning Fund Balance		143,088
Formerly Reported as Nonmajor:			
Fund 4020 Capital Projects – General Equipment	Beginning Fund Balance		($ 322,733)
Reported Adjustment-Major/Nonmajor Funds		$	2,011,384

NOTE L - RISK MANAGEMENT

The City faces a number of risks of loss including damage to and loss of property and contents, employee torts, professional liability, (i.e., errors and omission), environmental damage, worker's compensation, and medical insurance costs of employees. Commercial policies, transferring all risk of loss except for relatively small deductible amounts, are purchased for commercial property and boiler insurance. The City participates in a statewide public risk pool operated by the Montana Municipal Interlocal Authority (MMIA) for property and contents, business auto, contractors' equipment, bonding of public officials, workers' compensation and for tort liability coverage. In addition, the City contracts with the Montana Municipal Insurance Authority for the City employee medical, dental and vision benefit plans. MMIA provides an environmental damages fund of $10 million each year, with maximum coverage of $2 Million per incident. The City has no coverage for potential losses from environmental damages once the $10 million is expended.

Coverage limits and the deductibles in the commercial policies have stayed relatively constant for the last several years. The premiums for the policies are allocated between the governmental General Fund and the business-type Water and Sewer Funds based upon the insurance needs of the funds. Settled claims resulting from these risks did not exceed commercial insurance coverage for the past three years.

In 1986, the City joined with other Montana cities to form the Montana Municipal Interlocal Authority which established a workers' compensation plan and a tort liability plan. Both public entity risk pools currently operate as common risk management and insurance programs for the member governments. The liability limits for damages in tort actions are $750,000 per individual and $1.5 million per occurrence with a $1,500 deductible per incident. 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 contributions.

The City offers employees health benefits for medical, vision, and dental through the MMIA's multiple-employer health insurance plan. MMIA provides four medical plans with varying rates, benefits and deductibles from which City employees can select. The purpose of these plans is to pay medical claims of the City employees, retirees, participating elected officials and other enrolled family members. Rates are actuarially determined and approved by MMIA's Board each spring for the next fiscal year. The City pays a monthly premium as approved by the City Council.

NOTE M - COMMITMENTS

City Park Commitment - The City is committed to constructing a City park on land leased from the City to Plum Creek Manufacturing using the lease funds as described below. Plum Creek Manufacturing (now Weyerhaeuser) used the land as a Class III landfill for wood chips and related products. The land is scheduled for reclamation upon closure of the landfill has been approved by the Montana Solid Waste Bureau of the Montana Department of Environmental Quality (DEQ). Weyerhaeuser notified the City that DEQ considered the landfill closed. Weyerhaeuser has not hauled Class III materials into the site for several years. Due to the extensive amount and depth of fill, the park will primarily be a green open space.

Pursuant to the terms of the lease agreement, Plum Creek Manufacturing paid $100,000 in prior fiscal years to be used for the park. During fiscal year 2003, Plum Creek Manufacturing approved the use of the funds for general recreation purposes and the City elected to use $69,100 of the funds to construct a bike path. The balance of $30,900 was transferred to the Park Improvement Fund for future development of the park. The City is obligated to provide funding for the development of a park.

NOTE N - INTERLOCAL AGREEMENTS

Building Code Enforcement Program
The City of Columbia Falls and the City of Whitefish signed an interlocal agreement to provide for plan review, site review, and site inspection relating to the enforcement of State and City of Columbia Falls technical, building, and plumbing codes within the extended jurisdictional limits of Columbia Falls. Plan review, site review, and site inspection is provided by Whitefish through its Building Department. In consideration of the services provided, the City of Columbia Falls has agreed to pay the City of Whitefish a sum equal to 65% of the permitting fees paid by the permit applicant, or a minimum of $2,000 per month, on the project inspected payable on a monthly basis according to Columbia Falls' standard procedure.

NOTE O- SERVICES PROVIDED FROM OTHER GOVERNMENTS

Flathead County provides various financial services to the City. The County serves as cashier and treasurer for the City for tax and assessment collections and other revenues received by 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 either the City or the County.

Flathead County and the City of Columbia Falls have also signed interlocal agreements whereby the County provides Animal Control and Transit Service to the City. Columbia Falls has agreed to pay $4,250 for Animal Control and $5,500 for Transit Services.

The City of Columbia Falls has entered into an agreement with Columbia Falls School District to provide recreational programs. The City has agreed to pay $6,000 for those services.

NOTE P – TAX ABATEMENTS

The City enters into property tax abatement agreements with local businesses for New and Expanding Industry and New Industrial Improvements to promote economic development within the City pursuant to state statute. The taxpayer must ask for some tax relief for expansion. If granted, the tax rate for the first 5 years is 50%. The rate then increases at the rate of 10% per year. At the 10th year, the tax rate is for the full 100%. For the fiscal year ended June 30, 2024, the tax abatements are immaterial to the financial statements.

NOTE Q -- SUBSEQUENT EVENTS

Wastewater Treatment Plant Upgrade – The City Council approved a wastewater treatment plant upgrade in the amount of $5,544,000 to be funded with a $2,000,000 competitive grant, $1,400,961 local ARPA funds, $877,186 of Minimum Allocation Funds and $1,221,853 of City contribution. Final grant awards were received in fall 2022 and the project will be completed by the end of 2026. The project was broken down into two phases: Phase 1 Hilltop Sewer Main and Lift Station Upgrade and Phase 2 Wastewater Treatment Plant Upgrade. The Phase 1 project is reflected within construction in progress as of June 30, 2024. The City Council awarded the Phase 2 construction project to Prospect Construction, Inc. in June, 2024 for $4,585,000.

RAISE Grant – The U.S. Department of Transportation awarded the City a FY 2022 RAISE Grant in the amount of $10,021,688 in September 2022. The City is currently working with the Federal Highway Administration (FHWA) to complete the final contract agreement. The City is anticipating receiving a final contract in early 2024 and will begin preliminary engineering during the 2025 fiscal year. The City will provide $500,000 in matching funds for the project, Columbia Falls Gateway to Glacier Safety and Mobility Improvement Project.

NOTE R – PROMISSORY NOTE RECEIVABLE

On January 12, 2005, the City issued a loan in the amount of $300,000 to Columbia Falls Teakettle Vista Associates, II, a Montana limited partnership. The promissory note requires annual payments of $7,627 provided however, that payments shall be paid only out of residual receipts of Columbia Falls Teakettle Associates, II, after all mandatory debt service, operating expenses and fees have been paid. If residual receipts are insufficient to pay the annual interest, the unpaid amount shall accrue. However, interest shall not be charged on any accrued amount. Interest is charged at a yearly rate of 1%. The City's management has not reported this note receivable in their accounting records due to the possibility of nonpayment due to the terms. The terms of the note include a ballon payment on or before January 1, 2056, of any and all principal and interest accrued at that date. The balance owed the City was $221,951 as of June 30, 2024.

NOTE S – RECENT ACCOUNTING PRONOUNCEMENTS

GASB has issued GASB Statement No. 100, Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62, which is effective for fiscal year 2024. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The City applied this statement for fiscal year 2024.

GASB has issued GASB Statement No. 101, Compensated Absences, which is effective for fiscal year 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The City has determined that this statement will have a significant impact on how the city determines the compensated absences payable and will require a software programming change in addition to additional analysis and calculation by the city finance staff although the city does not believe the change will have a material effect on its basic financial statements.

GASB has issued GASB Statement No. 102, Certain Risk Disclosures, which is effective for fiscal year 2025. The objective of this statement is to provide users of government financial statements with essential information abouts risks related to a government's vulnerabilities due certain concentrations or constraints that could have a greater than significant or material impact on the primary government, such as legislative impacts on raising revenue, high concentration of property tax revenues from one industry, or higher costs of limited source supplies and materials.

GASB has issued GASB Statement No. 103, Financial Reporting Model Improvements, which is effective for fiscal year 2026. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision-making and assessing a government's accountability.

GASB has also issued GASB Statement No. 104, Disclosure of Certain Capital Assets, which is effective for fiscal year 2026. The objective of this Statement is to provide users of government financial statements with essentials about certain types of capital assets including intangible capital assets and capital assets held for sale.

The City has not fully assessed the implementation of Statements No. 102, 103 and 104 on its financial reporting, but does not believe the adoption of these statements will have a material effect on its basic financial statements. The City welcomes updated Management, Discussion and Analysis reporting provisions. The City did not early implement these statements.

REQUIRED SUPPLEMENTARY INFORMATION

City of Columbia Falls, Flathead County, Montana
Statement of Revenue, Expenditures and Changes in Fund Balance
General Fund (1000) - Budget and Actual
For Fiscal Year Ended June 30, 2024

Description	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Over (under) Final Budget
Revenue				
Tax Revenues	$ 722,969	$ 722,969	$ 787,916	$ 64,947
Licenses and Permits	67,000	67,000	70,816	3,816
Intergovernmental	1,233,034	1,233,034	1,208,628	(24,406)
Charges for services	280,310	280,310	273,599	(6,711)
Fines and forfeitures	156,100	156,100	237,242	81,142
Miscellaneous	-	-	17	17
Investment Earnings	70,000	70,000	184,314	114,314
Total Revenue	$ 2,529,413	$ 2,529,413	$ 2,762,532	$ 233,119
Expenditures				
Current				
General Government				
Personal services	$ 492,845	$ 492,845	$ 522,103	$ (29,258)
Supplies/services/materials,etc	527,546	527,546	326,280	201,266
Total General Government	1,020,391	1,020,391	848,383	172,008
Public Safety				
Personal services	$ 2,109,544	$ 2,109,544	$ 1,934,085	$ 175,459
Supplies/services/materials,etc	296,850	296,850	241,493	55,357
Total Public Safety	$ 2,406,394	$ 2,406,394	$ 2,175,578	$ 230,816
Public Works				
Personal services	$ 3,745	$ 3,745	$ 3,166	$ 579
Supplies/services/materials,etc	32,000	32,000	5,513	26,487
Total Public Works	$ 35,745	$ 35,745	$ 8,679	$ 27,066
Public Health				
Supplies/services/materials,etc	$ 4,250	$ 4,250	$ 4,250	$ -
Total Public Health	$ 4,250	$ 4,250	$ 4,250	$ -
Culture and Recreation				
Personal services	$ 196,103	$ 196,103	$ 200,268	$ (4,165)
Supplies/services/materials,etc	200,410	200,410	161,168	39,242
Capital outlay	24,500	24,500	8,968	15,532
Total Culture and Recreation	$ 421,013	$ 421,013	$ 370,404	$ 50,609
Debt Service				
Principal	$ 14,398	$ 14,398	$ 14,398	$ -
Interest and fiscal charges	545	545	288	257
Total Debt service	14,943	14,943	14,686	257
Miscellaneous	166,107	166,107	133,161	32,946
Total Expenditures	$ 4,068,843	$ 4,068,843	$ 3,555,141	$ 513,702
Excess (deficiency) of revenue over expenditures	$ (1,539,430)	$ (1,539,430)	$ (792,609)	$ 746,821
Other financing sources (uses)				
Transfers in	$ 1,516,200	$ 1,516,200	$ 1,504,149	$ (12,051)
Transfers (out)	(210,000)	(210,000)	(210,000)	-
Total other financing sources (uses)	$ 1,306,200	$ 1,306,200	$ 1,294,149	$ (12,051)
Net change in fund balances	$ (233,230)	$ (233,230)	$ 501,540	$ 734,770
Fund balances				
Beginning of year - July 1, 2023			$ 1,166,947	
End of year - June 30, 2024			$ 1,668,487	

See accompanying notes to the financial statements

City of Columbia Falls, Flathead County, Montana
Statement of Revenue, Expenditures and Changes in Fund Balance
Resort Tax (2100) - Major Special Revenue Fund - Budget and Actual
For Fiscal Year Ended June 30, 2024

Description	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Over (under) Final Budget
Revenue				
Local Option Taxes	$ 1,500,000	$ 1,500,000	$ 1,412,783	(87,217)
Total Revenue	$ 1,500,000	$ 1,500,000	$ 1,412,783	$ (87,217)
Excess (deficiency) of revenue over expenditures	$ 1,500,000	$ 1,500,000	$ 1,412,783	$ (87,217)
Other financing sources (uses)				
Transfers (out)	$ (1,229,549)	$ (1,385,413)	$ (1,385,413)	$ -
Total other financing sources (uses)	$ (1,229,549)	$ (1,385,413)	$ (1,385,413)	$ -
Net change in fund balances	$ 270,451	$ 114,587	$ 27,370	$ (87,217)
Fund balances				
Beginning of year - July 1, 2023			1,579,396	
End of year - June 30, 2024			$ 1,606,766	

See accompanying notes to the financial statements

City of Columbia Falls, Flathead County, Montana
Statement of Revenue, Expenditures and Changes in Fund Balance
Tax Increment Financing District (2310) - Major Special Revenue Fund - Budget and Actual
For Fiscal Year Ended June 30, 2024

Description	Budgeted Amounts Original	Final	Actual	Over (under) Final Budget
Revenue				
Property taxes	$ -	$ 986,936	$ 1,105,151	$ 118,215
Intergovernmental	11,098	11,098	26,419	15,321
Investment Earnings	-	-	109,098	109,098
Total Revenue	11,098	998,034	1,240,668	242,634
Expenditures				
Current				
Housing and Community Development				
Supplies/services/materials,etc	$ 50,000	$ 50,000	$ -	$ 50,000
Total Housing and Community Development	$ 50,000	$ 50,000	$ -	$ 50,000
Capital expenditures	$ 1,199,000	$ 1,199,000	$ 682,738	$ 516,262
Total Expenditures	$ 1,249,000	$ 1,249,000	$ 682,738	$ 566,262
Excess (deficiency) of revenue over expenditures	$ (1,237,902)	$ (250,966)	$ 557,930	$ 808,896
Net change in fund balances	$ (1,237,902)	$ (250,966)	$ 557,930	$ 808,896
Fund balances				
Beginning of year - July 1, 2023			$ 1,895,286	
End of year - June 30, 2024			$ 2,453,216	

See accompanying notes to the financial statements

CITY OF COLUMBIA FALLS, FLATHEAD COUNTY, MONTANA
NOTES TO THE BUDGET AND ACTUAL SCHEDULES
JUNE 30, 2024

Budget Process – The State of Montana's budget law stipulates that money, other than payments from agency funds, may not be drawn from the treasury of a municipality except pursuant to an appropriation. Therefore, a legally adopted budget is required for all funds, with the exception of agency funds. The City legally adopts a budget for the required funds.

Budgets are prepared on the modified accrual basis of accounting. Budgeted fund expenditures are limited by State law to the total budgeted amount which may be amended as defined by State law. Amendments to the budget can be made for unanticipated revenue with the approval of the City Council by resolution.

The City Council must meet prior to the budget adoption for the purpose of holding a public hearing on the final budget. This hearing can be continued until the budget is finally approved and adopted, and tax levies set, on or before the first Thursday after the first Tuesday in September or within 30 calendar days after receiving certified taxable values from the State Department of Revenue. The total value of the property within the City as determined by the County Assessor is the assessed valuation.

The City budgets may also include encumbrances, which represent commitments to expend funds under current budget appropriations. All appropriations lapse at the end of the fiscal year except for accounts payable and encumbrances. There were no encumbrances in 2024.

City of Columbia Falls, Flathead County, Montana
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2024

PERS

As of measurement date:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability (percentage)	0.0601%	0.0570%	0.0547%	0.0606%	0.0569%	0.0522%	0.0592%	0.0612%	0.0650%	0.0639%
Employer's net pension liability	$ 1,466,269	$ 1,355,892	$ 991,951	$ 1,599,214	$ 1,188,831	$ 1,088,451	$ 1,152,441	$1,042,789	$ 908,287	$ 796,071
State's net pension liability	405,842	405,216	292,321	502,562	386,278	364,164	15,579	12,742	11,157	9,721
Total	$ 1,872,111	$ 1,761,108	$ 1,284,272	$ 2,101,776	$ 1,575,109	$ 1,452,615	$ 1,168,020	$1,055,531	$ 919,444	$ 805,792
Employer's covered payroll	$ 1,117,081	$ 1,002,077	$ 1,136,797	$ 1,017,061	$ 938,403	$ 857,643	$ 733,823	$ 733,308	$ 758,285	$ 727,369
Employer's proportionate share as a percentage of covered payroll	131.26%	135.31%	87.26%	157.24%	126.69%	126.91%	157.05%	142.20%	119.78%	109.45%
Plan fiduciary net position as a percentage of total pension liability	73.93%	73.66%	79.81%	68.90%	73.75%	73.47%	73.75%	74.71%	78.40%	79.87%

MPORS

As of measurement date:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability (percentage)	0.3528%	0.3300%	0.3252%	0.3375%	0.3356%	0.2970%	0.3260%	0.3041%	0.2957%	0.2898%
Employer's net pension liability	$ 817,963	$ 779,527	$ 591,240	$ 825,569	$ 667,923	$ 508,613	$ 580,032	$ 547,337	$ 489,194	$ 455,416
State's net pension liability	1,650,829	1,584,359	1,201,671	1,665,061	1,360,122	1,039,704	1,182,200	1,086,487	991,153	919,995
Total	$ 2,468,792	$ 2,363,886	$ 1,792,911	$ 2,490,630	$ 2,028,045	$ 1,548,317	$ 1,762,232	$1,633,824	$1,480,347	$1,375,411
Employer's covered payroll	$ 711,401	$ 615,621	$ 588,592	$ 578,198	$ 553,048	$ 468,773	$ 487,536	$ 429,223	$ 409,292	$ 388,866
Employer's proportionate share as a percentage of covered payroll	114.98%	126.62%	100.45%	142.78%	120.77%	108.50%	118.97%	127.52%	119.52%	117.11%
Plan fiduciary net position as a percentage of total pension liability	71.65%	69.67%	75.76%	64.84%	68.84%	70.95%	68.34%	65.62%	66.90%	67.01%

FURS

As of measurement date:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability (percentage)	0.0735%	0.0398%	0.0399%	0.0454%	0.0403%	0.0425%	0.0430%	0.0445%	0.0452%	0.0453%
Employer's net pension liability	$ 111,042	$ 63,267	$ 34,179	$ 71,054	$ 46,220	$ 48,893	$ 48,641	$ 50,782	$ 46,238	$ 44,179
State's net pension liability	252,027	143,138	77,576	160,144	111,782	111,798	110,459	115,056	102,984	99,666
Total	$ 363,069	$ 206,405	$ 111,755	$ 231,198	$ 158,002	$ 160,691	$ 159,100	$ 165,838	$ 149,222	$ 143,845
Employer's covered payroll	$ 158,428	$ 77,174	$ 73,500	$ 79,251	$ 69,868	$ 66,860	$ 64,330	$ 62,611	$ 60,753	$ 58,789
Employer's proportionate share as a percentage of covered payroll	70.09%	81.98%	46.50%	89.66%	66.15%	73.13%	75.61%	81.11%	76.11%	75.15%
Plan fiduciary net position as a percentage of total pension liability	81.00%	78.76%	87.82%	75.34%	80.08%	79.03%	77.77%	75.48%	76.90%	76.71%

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

City of Columbia Falls, Flathead County, Montana
Required Supplementary Information
Schedule of Contributions
For the Year Ended June 30, 2024

-72-

PERS

As of reporting date:	2023	2022	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	$ 123,627	$ 101,037	$ 89,121	$ 85,635	$ 89,108	$ 80,709	$ 72,642	$ 61,439	$ 61,294	$ 62,486
Plan Choice Rate Required Contributions	-	-	-	-	-	-	-	-	1,340	2,140
Contributions in relation to the contractually required contribution	123,627	101,037	89,121	85,635	89,108	80,709	72,642	61,439	62,634	64,626
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 1,348,167	$ 1,117,081	$ 1,002,007	$ 966,324	$ 1,017,061	$ 938,403	$ 857,643	$ 733,823	$ 733,308	$ 758,285
Contributions as a percentage of covered payroll	9.17%	9.04%	8.89%	8.86%	8.76%	8.60%	8.47%	8.37%	8.54%	8.52%

MPORS

As of reporting date:	2023	2022	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	$ 107,507	$ 103,546	$ 89,364	$ 84,702	$ 84,242	$ 80,012	$ 70,113	$ 70,254	$ 62,876	$ 59,331
Plan Choice Rate Required Contributions	-	-	-	-	-	-	-	-	-	-
Contributions in relation to the contractually required contribution	107,507	103,546	89,364	84,702	84,242	80,012	70,113	70,254	62,876	59,331
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 746,058	$ 711,401	$ 615,621	$ 588,592	$ 578,198	$ 553,048	$ 468,773	$ 487,536	$ 429,223	$ 409,292
Contributions as a percentage of covered payroll	14.41%	14.56%	14.52%	14.39%	14.57%	14.47%	14.96%	14.41%	14.65%	14.50%

FURS

As of reporting date:	2023	2022	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	$ 38,337	$ 22,787	$ 11,162	$ 10,515	$ 11,668	$ 9,629	$ 9,841	$ 9,238	$ 8,952	$ 8,894
Plan Choice Rate Required Contributions	-	-	-	-	-	-	-	-	-	-
Contributions in relation to the contractually required contribution	38,337	22,787	11,162	10,515	11,668	9,629	9,841	9,238	8,952	8,894
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 266,970	$ 158,428	$ 77,174	$ 73,500	$ 79,251	$ 69,868	$ 66,860	$ 64,330	$ 62,611	$ 60,753
Contributions as a percentage of covered payroll	14.36%	14.38%	14.46%	14.31%	14.72%	13.78%	14.72%	14.36%	14.30%	14.64%

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

City of Columbia Falls, Flathead County, Montana
Fire Relief Pension
Required Supplementary Information
For the Year Ended June 30, 2024

Schedule of Total Pension Liability

As of Reporting Date:	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability	$ 722,624	$ 756,729	$ 784,653	$ 803,604	$ 787,274	$ 769,840	$ 736,453	$ 786,457
Covered-Employee payroll	-	-	-	-	-	-	-	-
Total pension liability as a % of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Changes in Total Pension Liability

As of Reporting Date:	2024	2023	2022	2021	2020	2019	2018	2017
Beginning balance of Total Pension Liability (TPL)	$ 756,729	$ 784,653	$ 803,604	$ 787,274	$ 769,840	$ 736,453	$ 786,457	$ 830,221
Service cost	21,529	21,529	21,529	15,938	15,938	15,938	13,484	13,484
Interest on total pension liability	(16,049)	(11,356)	(2,551)	(2,610)	(8,567)	(11,053)	(6,585)	(3,899)
Difference between expected and actual experience in measurement of TPL	16,335	16,335	16,335	58,338	64,766	83,132	(848)	1,206
Benefit payments	(55,920)	(54,432)	(54,264)	(55,336)	(54,703)	(54,630)	(56,055)	(54,555)
Net change in Total Pension Liability	$ (34,105)	$ (27,924)	$ (18,951)	$ 16,330	$ 17,434	$ 33,387	$ (50,004)	$ (43,764)

Schedule of Contributions to Non-Governmental Pension Plans

As of Reporting Date:	2024	2023	2022	2021	2020	2019	2018	2017
Required contributions per prior year actuary	$ 67,627	$ 67,627	$ 67,627	$ 69,134	$ 69,134	$ 69,134	$ 89,839	$ 91,790

Notes to the required supplementary information:
The assets of the Fire Department Relief Association are not in a trust of equivalent arrangement, Those assets will not be used to offset the liabilities of the pension plan.

Changes of assumptions, benefit terms, covered employees/volunteers:
The following changes in assumptions, benefit terms or other inputs affecting the total pension liability have been made since the prior measurement date; No changes.

City of Columbia Falls, Flathead County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions
For the Year ended June 30, 2024

Public Employees' Retirement System of Montana (PERS)

Changes of Benefit Terms
The following changes to the plan provision were made as identified:

Permanent Injunction Limits Application of the GABA Reduction – Passed under House Bill 454

Guaranteed Annual Benefit Adjustment (GABA) - for PERS
After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member's benefit.
- 3% for members hired prior to July 1, 2007
- 1.5% for members hired on or after July 1, 2007 and before July 1, 2013
- Members hired on or after July 1, 2013:
    - 1.5% each tear PERS is funded at or above 90%;
    - 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
    - 0% whenever the amortization period for PERS is 40 years or more.

2015 Legislative Changes

General Revisions - House Bill 101, effective January 1, 2016

Second Retirement Benefit - for PERS
- Applies to PERS members who return to active service on or after January 1, 2016. Members who retire before January 1, 2016, return to PERS-covered employment, and accumulate less than 2 years of service credit before retiring again:
    - Refund of member's contributions from second employment, plus regular interest (currently 2.5%);
    - No service credit for second employment;
    - Start same benefit amount the month following termination; and
    - GABA starts again in the January immediately following second retirement.
- For members who retire before January 1, 2016, return to PERS-covered employment and accumulate two or more years of service credit before retiring again:
    - Member receives a recalculated retirement benefit based on laws in effect at second retirement; and,
    - GABA starts in the January after receiving recalculated benefit for 12 months.
- For members who retire on or after January 1, 2016, return to PERS-covered employment and accumulate less than 5 years of service credit before retiring again:
    - Refund of member's contributions from second employment, plus regular interest (currently 2.5%);
    - No service credit for second employment
    - Start same benefit amount the month following termination; and,
    - GABA starts again in the January immediately following second retirement.

City of Columbia Falls, Flathead County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year ended June 30, 2024

- For members who retire on or after January 1, 2016, return to PERS-covered employment, and accumulate five or more years of service credit before retiring again:
  - Member receives same retirement benefit as prior to return to service;
  - Member receives second retirement benefit for second period of service based on laws in effect at second retirement; and
  - GABA starts on both benefits in January after member receives original and new benefit for 12 months.

Revise DC Funding Laws - House Bill 107, effective July 1, 2015

Employer Contributions and the Defined Contribution Plan – for PERS and MUS-RP
The PCR was paid off effective March 2016, and the contributions of 2.37%, 0.47%, and the 1.0% increase previously directed to the PCR are now directed to the Defined Contribution or MUS-RP member's account.

2017 Legislative Changes

Working Retiree Limitations – for PERS
Effective July 1, 2017, if a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

Refunds
- Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
- Terminating members with accumulated contributions between $200 and $1,000 who wish to rollover their refund must do so within 90 days of termination of service.
- Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Lump-sum payouts
Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

Disabled PERS Defined Contribution (DC) Members
PERS members hired after July 1, 2011, have a normal retirement age of 65. PERS DC members hired after July 1, 2011 who became disabled were previously only eligible for a disability benefit until age 65. Effective July 1, 2017, these individuals will be eligible for a disability benefit until they reach 70, thus ensuring the same 5-year time period available to PERS DC disabled members hired prior to July 1, 2011, who have a normal retirement age of 60 and are eligible for a disability benefit until age 65.

City of Columbia Falls, Flathead County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions
For the Year ended June 30, 2024

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

Actuarially determined contributions are determined on the valuation date payable in the fiscal year beginning immediately following the valuation date. The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2024, which were based on the results of the June 30, 2023 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.30%, net of pension plan investment and administrative expenses
*Includes inflation at	2.75%
Merit salary increase	0% to 4.80%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Mortality	
• Active Participation	PUB-2010 General Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
• Disabled Retirees	PUB-2010 General Amount Weighted Disabled Retiree mortality table, projected to 2021, set forward one year for both males and females.
• Contingent Survivors	PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021.
• Health Retirees	PUB-2010 General Amount Weighted Healthy Retiree Mortality Table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021.

The actuarial assumptions and methods utilized in the June 30, 2022 valuation, were developed in the five-year experience study for the period ending 2021.

City of Columbia Falls, Flathead County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year ended June 30, 2024

<u>Montana Municipal Police Officers' Retirement System of Montana(MPORS)</u>

Changes of Benefit Terms
The following changes to the plan provision were made as identified:

2015 Legislative Changes

General Revisions - House Bill 101, effective January 1, 2016
- Allow statutory beneficiary (spouse or dependent child) of a deceased DROP participant to receive a DROP benefit and a survivorship benefit rather than accumulated contributions or a lump sum payment. 19-9- 1206(1), MCA.

2017 Legislative Changes

Working Retiree Limitations – for MPORS
Applies to retirement system members who return on or after July 1, 2017 to covered employment in the system from which they retired.
- Members who return for less than 480 hours in a calendar year:
  - may not become an active member in the system; and
  - are subject to a $1 reduction in their retirement benefit for each $3 earned in excess of $5,000 in the calendar year.
- Members who return for 480 or more hours in a calendar year:
  - must become an active member of the system;
  - will stop receiving a retirement benefit from the system; and
  - will be eligible for a second retirement benefit if they earn 5 or more years of service credit through their second employment.
- Employee, employer and state contributions, if any, apply as follows:
  - employer contributions and state contributions (if any) must be paid on all working retirees;
  - employee contributions must be paid on working retirees who return to covered employment for 480 or more hours in a calendar year.

Second Retirement Benefit – for MPORS
Applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired.
- If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
  - is not awarded service credit for the period of reemployment;
  - is refunded the accumulated contributions associated with the period of reemployment;
  - starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and

City of Columbia Falls, Flathead County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year ended June 30, 2024

  - does not accrue post-retirement benefit adjustments during the term of reemployment but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following second retirement.
- If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
  - is awarded service credit for the period of reemployment;
  - starting the first month following termination of service, receives:
    - the same retirement benefit previously paid to the member, and
    - a second retirement benefit for the period of reemployment calculated based on the laws in effect as of the member's rehire date; and
  - does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
    - on the initial retirement benefit in January immediately following second retirement, and
    - on the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- A member who returns to covered service is not eligible for a disability benefit.

Refunds

- Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
- Terminating members with accumulated contributions between $200 and $1,000 who wish to rollover their refund must do so within 90 days of termination of service.
- Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Lump-sum payouts

- Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

City of Columbia Falls, Flathead County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year ended June 30, 2024

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

Actuarially determined contributions are determined on the valuation date payable in the fiscal year beginning immediately following the valuation date. The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2024, which were based on the results of the June 30, 2023 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.30%, net of pension plan investments and administrative expenses
*Includes inflation at	2.75%
Merit salary increases	1% to 6.40%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of pay, open
Mortality	
• Active Participants	PUB-2010 Safety Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
• Healthy Retiree	PUB-2010 Safety Amount Weighted Healthy Retiree mortality table projected to 2021 set forward one year for males and adjusted 105% for males, and 100% for females. Projected generationally using MP-2021.
• Disabled Retiree	PUB-2010 Safety Amount Weighted Disabled Retiree mortality table projected to 2021, set forward one year for males.
• Contingent Survivor	PUB-2010 Safety Amount Weighted Contingent Survivor Mortality projected to 2021, set forward one year for males. Projected generationally using MP-2021.

The actuarial assumptions and methods utilized in the June 30, 2022 valuation, were developed in the five-year experience study for the period ending 2021.

City of Columbia Falls, Flathead County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year ended June 30, 2024

Montana Firefighters' Unified Retirement System of Montana (FURS)

Changes of Benefit Terms
The following changes to the plan provision were made as identified:

2015 Legislative Changes

There were no legislative changes with regards to FURS in 2015.

2017:
Working Retiree Limitations – for FURS
Applies to retirement system members who return on or after July 1, 2017 to covered employment in the system from which they retired.

- Members who return for less than 480 hours in a calendar year:
    - may not become an active member in the system; and
    - are subject to a $1 reduction in their retirement benefit for each $3 earned in excess of $5,000 in the calendar year.
- Members who return for 480 or more hours in a calendar year:
    - must become an active member of the system;
    - will stop receiving a retirement benefit from the system; and
    - will be eligible for a second retirement benefit if they earn 5 or more years of service credit through their second employment.
- Employee, employer and state contributions, if any, apply as follows:
    - employer contributions and state contributions (if any) must be paid on all working retirees;
    - employee contributions must be paid in working retirees who return to covered employment for 480 or more hours in a calendar year.

Second Retirement Benefit – for FURS
Applies to retirement system members who return on or after July 1, 2017 to active service covered by the system from which they retired.

- If the member works more than 480 hours in a calendar year and accumulates less than 5 years of service credit before terminating again, the member:
    - is not awarded service credit for the period of reemployment;
    - is refunded the accumulated contributions associated with the period of reemployment;
    - starting the first month following termination of service, receives the same retirement benefit previously paid to the member; and
    - does not accrue post-retirement benefit adjustments during the term of reemployment but receives a Guaranteed Annual Benefit Adjustment (GABA) in January immediately following second retirement.

City of Columbia Falls, Flathead County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year ended June 30, 2024

- If the member works more than 480 hours in a calendar year and accumulates at least 5 years of service credit before terminating again, the member:
    - is awarded service credit for the period of reemployment;
    - starting the first month following termination of service, receives:
        * the same retirement benefit previously paid to the member, and
        * a second retirement benefit for the period of reemployment calculated based on the laws in effect as of the member's rehire date; and
    - does not accrue post-retirement benefit adjustments during the term of reemployment but receives a GABA:
        * on the initial retirement benefit in January immediately following second retirement, and
        * on the second retirement benefit starting in January after receiving that benefit for at least 12 months.
- A member who returns to covered service is not eligible for a disability benefit.

Refunds

- Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
- Terminating members with accumulated contributions between $200 and $1,000 who wish to rollover their refund must do so within 90 days of termination of service.
- Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Lump-sum payouts

- Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions.

Actuarially determined contributions are determined on the valuation date payable in the fiscal year beginning immediately following the valuation date. The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2024, which were based on the results of the June 30, 2023 actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.30%, net of pension plan investments and administrative expenses
*Includes inflation at	2.75%
Merit salary increases	1% to 6.40%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, open

City of Columbia Falls, Flathead County, Montana
Notes to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions
For the Year ended June 30, 2024

Mortality

- Active Participation — PUB-2010 Safety Amount Weighted Employee Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
- Health Retiree — PUB-2010 Safety Amount Weighted Healthy Retiree Mortality Table projected to 2021, set forward one year for males and adjusted 105% for males and 100% for females. Projected generationally using MP-2021.
- Disabled Retiree — PUB 2010 Safety Amount Weighted Disabled Retiree Mortality projected to 2021, set forward one year for males.
- Contingent Survivor — PUB-2010 Safety Amount Weighted Contingent Survivor Mortality projected to 2021, set forward one year for males. Projected generationally using MP-2021.

The actuarial assumptions and methods utilized in the June 30, 2022 valuation, were developed in the five-year experience study for the period ending 2021.

SINGLE AUDIT SECTION

COLUMBIA FALLS, CITY OF
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Award Information	*AL/other #*	*Pass-Through Entity Name*	*Pass-Through Entity #*		*Federal Expenditures ($)*
Highway Safety Cluster-Cluster					
Department of Transportation					
State and Community Highway Safety					
State and Community Highway Safety	20.600	State of Montana Department of Transportation		$	5,390
Total State and Community Highway Safety					5,390
Total Department of Transportation					5,390
Total Highway Safety Cluster-Cluster				$	5,390
Other Programs (Treated individually for major program determination)					
United States Department of Agriculture					
Cooperative Forestry Assistance					
Cooperative Forestry Assistance	10.664	State of Montana Department of Natural Resources	UCF-23-107	$	3,000
Total Cooperative Forestry Assistance					3,000
Total United States Department of Agriculture				$	3,000
United States Department of Justice					
Bulletproof Vest Partnership Program					
Bulletproof Vest Partnership Program	16.607			$	1,213
Total Bulletproof Vest Partnership Program					1,213
Total United States Department of Justice				$	1,213
Department of the Treasury					
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS					
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	Direct		$	210,955
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	State of Montana Department of Natural Resources	AC-22-0013		26,070
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	State of Montana Department of Natural Resources	AC-22-0012		755,461
Total CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS				$	992,486
Total Department of the Treasury				$	992,486
Total Other Programs (Treated individually for major program determination)					996,699
Total Expenditures of Federal Awards				$	1,002,089

The accompanying notes are an integral part of this schedule

CITY OF COLUMBIA FALLS

FLATHEAD COUNTY, MONTANA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 2024

Basis of Presentation and Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of City of Columbia Falls, Flathead County, Montana. The information in this schedule is presented in accordance with the requirements Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of the City of Columbia Falls, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Columbia Falls. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of the basic financial statements.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City of Columbia Falls has elected not to use the 10 percent de Minimis indirect cost rate as provided in Sec. 200.414 Indirect Costs under Uniform Guidance.

Nexus CPA Group
406.756.6879
office@nexuscpa.net

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

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

Mayor and City Council
City of Columbia Falls
Flathead County
City, Montana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing* Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Columbia Falls, Flathead County, Montana, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Columbia Fall's basic financial statements and have issued our report thereon dated October 24, 2025.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Columbia Fall'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 instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item(s) 2024-001.

City of Columbia Fall's Response to Findings

City of Columbia Fall's response to the findings identified in our audit is described in the Auditee's Corrective Action Plan. City of Columbia Fall's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Nexus CPA Group

October 24, 2025

Nexus CPA Group
406.756.6879
office@nexuscpa.net

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Mayor and City Council
City of Columbia Falls
Flathead County
City, Montana

Report on Compliance for each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Columbia Fall's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Columbia Fall's Major federal programs for the year ended June 30, 2024. City of Columbia Fall's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Columbia Falls complied, in all material respects, with the types of 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, 2024.

Basis for Opinion on Each Major Federal Program

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Columbia Falls and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Columbia Fall's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Columbia Fall's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Columbia Fall's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Columbia Fall's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Columbia Fall's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Columbia Fall's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Columbia Fall's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on City of Columbia Fall's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. City of Columbia Fall's response was not subjected to other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on 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 a combination of deficiencies, in internal control over compliance, such that here is a reasonable possibility that material noncompliance with a types of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirement of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Nexus CPA Group

October 24, 2025

CITY OF COLUMBIA FALLS

FLATHEAD COUNTY, MONTANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Fiscal Year Ended June 30, 2024

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	*Unmodified*
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(s) identified	None Reported
Type of auditor's report issued on compliance for major programs:	*Unmodified*
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	Yes

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

2022-001 Audit Report Deadline (Repeated 2023-001)

CFDA Title: Coronavirus State and Local Fiscal Recovery Funds
CFDA Number: 21.027
Federal Agency: Department of the Treasury
Pass-through Entity: State of Montana Department of Natural Resources

Condition:
Montana local governments with a June 30th fiscal year end must submit their audit report to the MT Department of Administration and the Federal Clearing house by March 31st, following the fiscal year end. The City audit was not completed until April 2025.

Context:
Per review of the audit compliance requirements for both the State of Montana and the Federal government.

Criteria:
The audit for the fiscal year ended June 30, 2024, was due to the State and the Federal government by March 31, 2025 as required by MT Administrative Rules 2.4.411 and the Federal Uniform Guidance/A-133 rules.

Effect:
The City is late in completing the audit for fiscal year 2024.

Cause:
The City was required to engage a new auditor for fiscal year 2024; however, the contract with the new auditor was not finalized until the end of July 2025. As a result, there was insufficient time to adequately plan and complete the audit by the required deadline.

Recommendation:
We recommend the City complete their annual audits in compliance with MT Administrative Rules 2.4.411 and federal rules described in the Uniform Guidance/A-133.

Section III – Federal Award Findings and Questioned Costs

See *Section II – Financial Statement Findings*, Item 2024-001 Audit Report Deadline (Repeated 2023-001)

Nexus CPA Group
406.756.6879
office@nexuscpa.net

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

REPORT ON PRIOR AUDIT REPORT RECOMMENDATIONS

Mayor and City Council
City of Columbia Falls
Flathead County
City, Montana

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

Recommendation	Action Taken
2023-001 Late Audit Submission	Repeated

Nexus CPA Group

October 24, 2025

130 6TH STREET WEST
ROOM A
COLUMBIA FALLS, MT 59912

PHONE (406) 892-4391

FAX (406) 892-4413

Contact Person:
Jessica Rice
Finance Director
(406) 892-4327
financedirector@citvofcolumbiafalls.com

Expected Completion Date of Corrective Action Plan:
10/24/25

CORRECTIVE ACTION PLAN

FINDING 2024-001: Audit Report Deadline (Repeated 2023-001)

Response:
Following turnover in the City Manager (June 2024) and Finance Director (November 2024) positions, city staff have been actively working to ensure compliance regarding the delayed audit submission. The Finance Director, who joined the city in November 2024, postponed issuing RFPs to audit firms until the new City Manager assumed the role in April 2025. By July 2025, the City Manager and Finance Director engaged Nexus to complete the 2024 audit in the fall of 2025. To ensure compliance, the city will work with Nexus to have the 2025 Audit completed by March of 2026.

STATUS OF PRIOR YEAR FINDINGS

FINDING 2023-001: Late Audit Submission

Response:
The city engaged with Nexus in July of 2025 to complete the 2024 Audit by the fall of 2025.

NO. 31679

Item No.4.

CITY OF C LLS AUDIT PU STATEME

An audit of the City of Columbia Falls has been conducted by Nexus CPA Group, PLLC. The audit covered the fiscal year ended June 30, 2024. Section 2-7-521, MCA, requires the publication of the following summary of significant findings.

Summary of Significant Findings

The audit report for the City of Columbia Falls for the fiscal year ended June 30, 2024, was unmodified.

The audit report also contained several other auditors' reports. Following is a list of the reports and a summary of the findings included in each. This is only a summary and is not intended to be used as an audit report.

1. Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. This report contained findings in the following matters:
a. 2024-001 Audit Report Deadline (Repeated 2023-001)

2. Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133. This report contained findings in the following matter:
a. 2024-001 Audit Report Deadline (Repeated 2023-001)

3. Report on Other Compliance, Financial and Internal Accounting Control Matters.
This report contained no findings.

4. Report on Audit Report Recommendations. This report summarized the findings from the prior audit report, and noted the action taken on them.
a. 2023-001 Audit Report Deadline (Repeated)

Public Inspection of Audit Report

The audit report is on file in its entirety and open to public inspection at the City's business office located at 130 6th Street West, Room A, Columbia Falls, MT 59912. The City's management will send a copy of the audit report to any interested person upon request.

Barb Staaland
Barb Staaland
City Clerk

November 23,
MNAXLP

Item No.5.

COLUMBIA FALLS
MONTANA

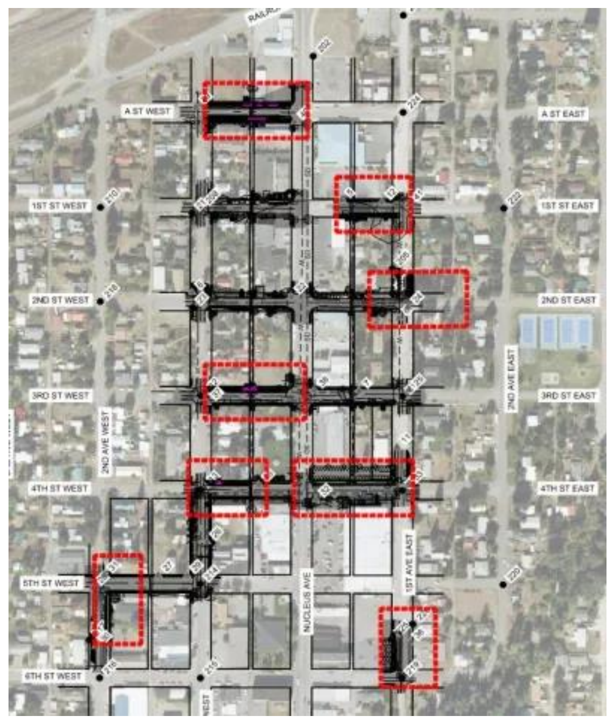
City Council
Agenda Item Summary

Title: Downtown Sidewalk and Parking Phase II
Date: December 1, 2025
Staff Contact: Shawn Bates, PWD

AGENDA ITEM SUMMARY: Requesting authorization to sign a contract with Knife River for construction of the Downtown Sidewalk and Parking Phase II project in 2026.

BACKGROUND:

- City received three project bids prior to the sealed bid opening on Nov 19, 2025. All bid submissions met minimum requirements.
- Engineer's Estimate: 967,180.00
- Contractor's Bids:
  - JD Thinning: $904,161.75
  - Knife River: $699,699.00
  - LHC, Inc.: $871,175.00
- Knife River was the contractor for the project's Phase I construction.
- The project scope includes sidewalk and parking improvements along:
  - A St W
  - 1st St E
  - 2nd St E
  - 3rd St W
  - 4th St W
  - 4th St E
  - 1st Ave E
  - 2nd Ave W.
- The project includes topsoil removal; demolition of existing asphalt, sidewalk, and curb and gutter; stormwater dry wells with castings; concrete curb, gutter, and sidewalk; asphalt paving; topsoil placement; street signs; seeding; traffic control; and other miscellaneous work.



FINANCIAL CONSIDERATIONS:

- City will fully fund the project with FY2026 Appropriations in the Urban Renewal District Tax Increment District Fund 2310

STAFF RECOMMENDATION: Approve the proposed contract with Knife River.

SUGGESTED MOTION: Move to authorize the City Manager to execute a contract with Knife River in the amount of $699,699 for Columbia Falls sidewalk and parking improvements.

COLUMBIA FALLS
MONTANA

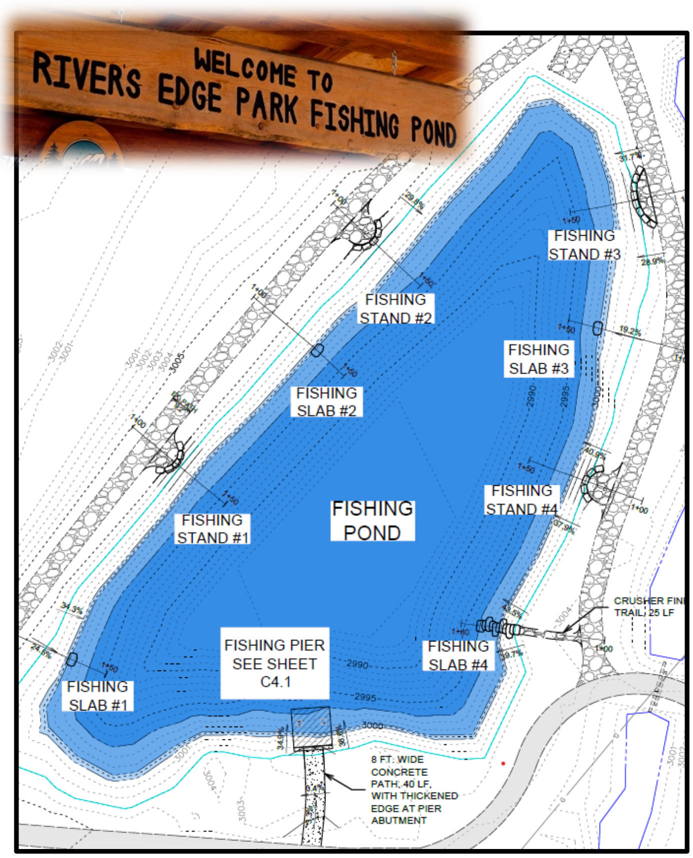
City Council
Agenda Item Summary

Title: River's Edge Fishing Pier Grant Award Memorandum of Understanding
Date: December 1, 2025
Staff Contact: Eric Hanks, City Manager

AGENDA ITEM SUMMARY: Requesting authorization to accept a $70,000 matching grant award from Montana Fish, Wildlife & Parks (FWP) William Kamps Fund for a public fishing pond accessibility upgrade at River's Edge Park.

BACKGROUND:

- In Fiscal Year 2026, the City of Columbia Falls is continuing investment in River's Edge Park 2019 Master Plan projects to enhance community parks and recreation, including the $140,800 Fishing Pond Accessibility project.
- FWP partnered with the City and other donors in funding the original construction of the pond. FWP's William Kamps Fund supports public recreation as it relates to the Hooked on Fishing Program and aquatic education.
- FWP annually stocks the pond with Westslope Cutthroat Trout from the Washoe Park Trout Hatchery. Additional details can be found at: myfwp.mt.gov/fishMT/plants/plantreport
- Fishing Pond Accessibility Project
  Estimated Costs: <u>$140,800</u>
    - Fishing Pier (16'x 16'): $81,408
    - Fishing Stands (4): $35,133
    - Fishing Slabs (4): $24,259



WAY AHEAD:

- The City will prepare a construction bid advertisement for release in Dec 2025 for construction in the Spring of 2026.

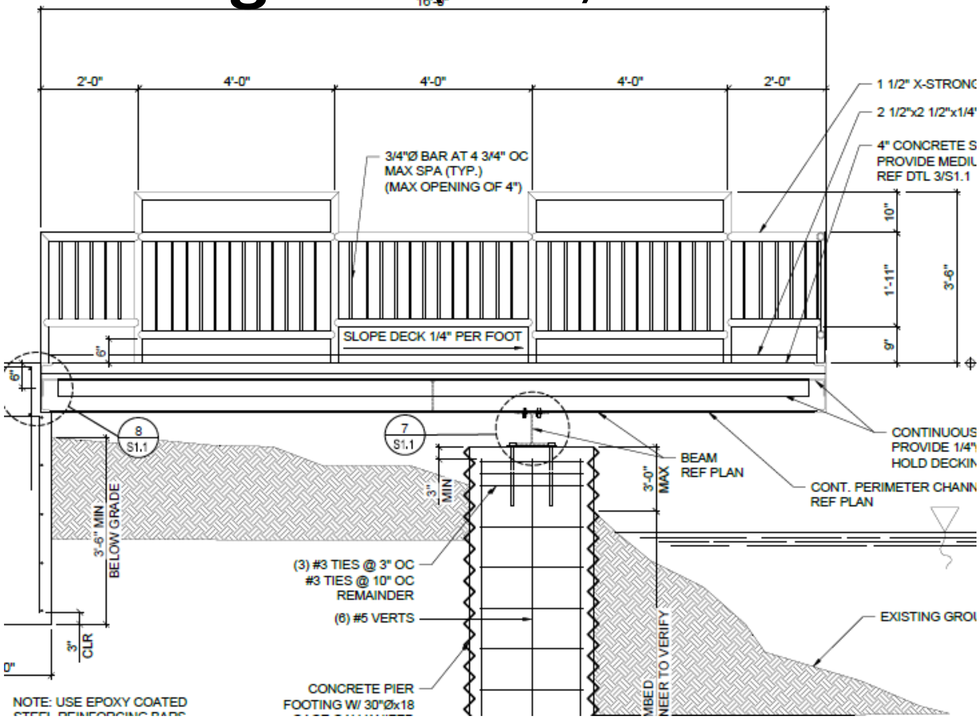
FINANCIAL CONSIDERATIONS:

- City will fund the project with FY2026 Appropriations in the Resort Tax Fund 2100

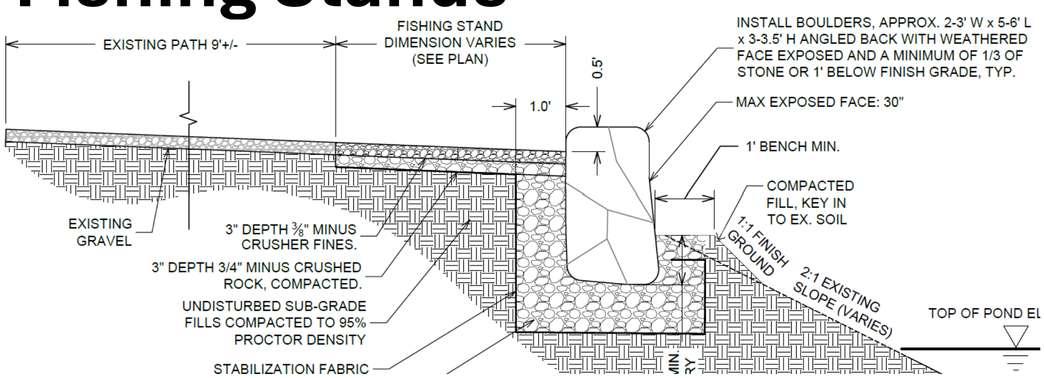
STAFF RECOMMENDATION: Approve the MOU with FWP.

SUGGESTED MOTION: Move to authorize the City Manager to sign a MOU with Montana Fish, Wildlife & Parks to accept a grant award for $70,000 for the River's Edge Fishing Pond Accessibility Project.

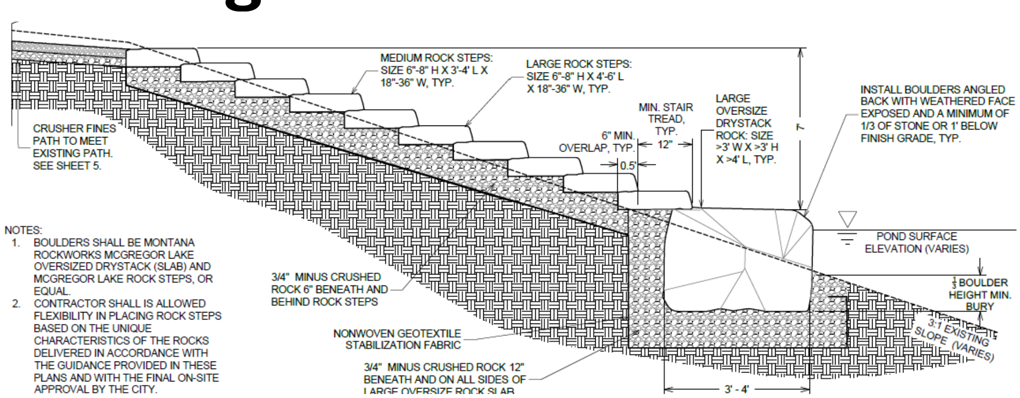
Fishing Pier (16'x16')



Fishing Stands



Fishing Slabs



MEMORANDUM OF UNDERSTANDING BETWEEN MONTANA FISH, WILDLIFE & PARKS AND THE CITY OF COLUMBIA FALLS FOR PUBLIC FISHING POND ACCESSIBILITY UPGRADES AT RIVER'S EDGE PARK

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is entered into by and between Montana Fish, Wildlife & Parks, hereinafter called the "DEPARTMENT," and the City of Columbia Falls, hereinafter called the "CITY."

The Department and City mutually agree as follows:

SECTION 1. PURPOSE: The purpose of this MOU is to develop a public fishing pond at River's Edge Park on City of Columbia Falls property, located in Section 9, Township 30, Range 20 of Flathead County. The DEPARTMENT is agreeing to provide up to $70,000 from the William Kamps Fund to support the enhancement of the public recreation site as it relates to the Hooked on Fishing Program and aquatic education.

SECTION 2. SCOPE OF WORK: Work to be performed under this MOU, including all specific aspects of the project or activity, description of final product, and budget for the project or activity shall be described herein:

> **PROJECT DESCRIPTION:** Work performed will include the construction of accessibility features at the River's Edge Park fishing pond. These features and enhancements will be decided upon by the CITY in consultation with the DEPARTMENT and other project partners. This is hereinafter called the "Project."
>
> **PROJECT IMPLEMENTATION:** The DEPARTMENT agrees to provide up to $70,000 from the William Kamps Fund toward the Project. Funds may be provided for a period of up to three years from Effective Date, unless a modification or extension of this MOU is executed in accordance with the provisions of Section 15.
>
> **PROJECT OPERATION AND MAINTENANCE:** The CITY further agrees to protect and maintain the investment in restoration for the duration of this MOU. The Project shall be maintained and kept in good condition and repair by the CITY and the CITY shall not be reimbursed for the cost thereof by the DEPARTMENT.

SECTION 3. RESPONSIBILITIES: Except as noted in Project Implementation above, the CITY has primary responsibility for performance of all activities carried out under the terms of this MOU.

SECTION 4. LEGAL REQUIREMENTS: The CITY shall comply with all federal, state, and local laws and statutes. The CITY shall obtain all necessary permits for streambed or stream bank construction projects prior to initiation of the Project.

SECTION 5. PROJECT MONITORING AND ACCESS FOR INSPECTION AND MONITORING: The DEPARTMENT or its agents may monitor and inspect all phases and aspects of the Project to determine compliance with the Scope of Work, other technical and administrative requirements in the MOU, including the adequacy of financial records, as well as the effectiveness of the Project in benefiting Hooked on Fishing and youth fishing. In the event that the DEPARTMENT determines potential areas of MOU noncompliance, the DEPARTMENT will notify the CITY and provide opportunity for corrective actions.

SECTION 6. REPORTING, RECORD KEEPING AND AUDITS: Photographs shall be taken after Project completion to document Project success. The CITY shall submit a final report or summary including Project status, results, and financial status to the DEPARTMENT upon Project completion.

The CITY shall maintain comprehensive Project financial records including copies of all receipts, disbursements, and other transactions relating to the Project for a minimum of five years after the Project completion.

The CITY agrees that the DEPARTMENT or the Office of the Legislative Auditor may, at any reasonable time, audit all records, reports, and other documents which the CITY maintains under or in the course of this MOU to ensure compliance with this MOU.

Pursuant to the section entitled Termination, the DEPARTMENT may terminate this MOU upon any refusal of the CITY to allow access to records necessary for the Legislative Auditor and Legislative Fiscal Analyst to carry out the Legislative audit and analysis function set forth in Title 5, Chapters 12 and 13, MCA, or for the DEPARTMENT to conduct its own audit. In the event this MOU is terminated for such failure, the CITY, at the option of the DEPARTMENT, shall return to the DEPARTMENT all funds previously awarded to the CITY.

SECTION 7. SOURCE OF FUNDS AND FUNDS DISBURSEMENT: The DEPARTMENT shall disburse funds for work performed on the Project in accordance with the terms and conditions set forth in the Scope of Work. Disbursements will be made upon receipt of an invoice with attached supporting vendor invoices and expenditure receipts equal to the total invoice. Disbursement will be made no more than monthly during the Project.

SECTION 8. LIAISON: The Liaison representatives for the respective parties, to whom all communication concerning this MOU shall be directed, are:

<u>DEPARTMENT</u>
Montana Fish, Wildlife & Parks
490 N. Meridian Rd
Kalispell, MT 59901
Attn: Dillon Tabish or Kenny Breidinger
Ph: 406-752-5501
email: Dillon.Tabish@mt.gov

<u>CITY</u>
City of Columbia Falls
Public Works Department
130 6th St West
Columbia Falls, MT 59912
Attn: Eric Hanks
Ph: 406-892-480
email: citymanager@cityofcolumbiafalls.com

A change of the liaison representative for either party will require notification of the change to the other party within 30 days of the effective date of the change.

SECTION 9. AGENCY ASSISTANCE: The DEPARTMENT agrees to provide the CITY reasonable assistance to accomplish the services described in Section 2, Scope of Work.

SECTION 10. DISCRIMINATION: Any hiring of employees under this MOU by the CITY shall be on the basis of merit and qualification, and there shall be no discrimination in such hiring on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental handicap, national origin, or ancestry. As used herein, "qualifications" means qualifications that are generally related to competent performance of the particular occupational task.

SECTION 11. ASSIGNMENTS: The parties mutually agree that there will be no assignment, transfer, or subMOUing of this MOU, nor any interest in this MOU, unless stipulated elsewhere in this MOU. The CITY may hire MOUors to complete the Project.

SECTION 12. MODIFICATIONS: No letter, telegram, or other communication passing between the parties to the MOU concerning any matter during this MOU period shall be deemed a part of this MOU unless it is stated in such letter, telegram, or communication that it is to constitute part of this MOU, and such letter, telegram, or communication is attached as an Appendix to this MOU and is signed by the authorized representative of each of the parties to this MOU.

SECTION 13. INDEMNITY AND LIABILITY: The CITY shall indemnify and hold harmless the DEPARTMENT, the state of Montana, its agents, and employees from and against any and all claims, demands, or actions for damages to property or injury or death to persons or other damages to persons or entities arising out of or resulting from the performance of this MOU, or the results of this MOU.

The CITY acknowledges that completion of the project without the stamp of a Professional Engineer involves certain risks, including the risks of bodily injury, death, and property damage. The CITY assumes full responsibility for any injuries, damages, or death arising out of or related to the project and shall indemnify and hold harmless the DEPARTMENT, the state of Montana, its agents, and employees from any loss, liability, damage, or cost they may incur arising out of or related to project failure, whether caused by the negligence of the CITY or otherwise.

SECTION 14. SEVERABILITY: It is understood and agreed by the parties hereto that if any term or provision of this MOU is by the courts held to be illegal or in conflict with any Montana law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this MOU did not contain the particular term or provision held to be invalid.

SECTION 15. TERMINATION: (1) Except as otherwise provided in this section, either party may terminate this MOU for failure of the other party to perform any of the terms or conditions contained in this MOU after giving written notice by certified mail or personal delivery to the other party. The written notice must demand performance of the stated failure within a specified time period of not less than thirty (30) days. If the demanded performance is not completed within the specified time period, the termination is effective at the end of that specified time period.

This MOU shall automatically terminate at the date which is twenty years from the date of Project completion, unless a modification or extension of this MOU is executed in accordance with the provisions of Section 15.

(2) Except as provided in the sections entitled "Reporting, Record Keeping and Audits" and "Failure to Comply", in the event of termination, the CITY shall be paid for the work performed and expenses incurred pursuant to this MOU through the date of termination, and all results of the Project to the date of termination including, but not limited to, the original copies of all forms, notes, maps, specimens, photographs, and data prepared by the CITY prior to termination shall become the property of the DEPARTMENT and shall be delivered to the DEPARTMENT.

SECTION 16. FAILURE TO COMPLY: If the CITY fails to comply with the terms and conditions of this MOU, or reasonable directives or orders issued by the DEPARTMENT, the DEPARTMENT may terminate this MOU pursuant to the section entitled "Termination", Subsection 1, and the CITY, at the option of the DEPARTMENT, shall return to the DEPARTMENT all grant funds previously awarded to the CITY. In addition, the DEPARTMENT may bring such legal action as may be necessary to enforce this MOU. In extraordinary cases, such as illness or acts of God, the DEPARTMENT may waive compliance with specific terms of this MOU in the interests of completing the Project funded hereunder. Any such waiver shall be in writing and shall not be construed as waiving any other term of this MOU.

SECTION 17. MONTANA LAW AND VENUE: The parties agree that any action at law, suit in equity, or judicial proceeding for the enforcement of this MOU or any provision thereof shall be instituted only in the courts of the state of Montana, and it is mutually agreed that this MOU shall be governed by the laws of the state of Montana, both as to interpretation and performance. In the event of litigation concerning the terms of this MOU, venue shall be in the First Judicial District in and for the County of Lewis and Clark, Montana.

SECTION 18. EFFECTIVE DATE: This MOU is effective when signed by all the parties to the MOU. The effective date is the last date of signing.

SECTION 19. AUTHORIZATION: This MOU consists of four (4) pages. The original is to be retained by the DEPARTMENT, and a copy will be provided to the CITY. A copy of the original has the same force and effect for all purposes as the original.

By: Greg Lemon ______________ 11/20/25

Greg Lemon
Communication and Education Division Administrator
Montana Fish, Wildlife & Parks
Date:

By: ______________________ ______________________

City of Columbia Falls
Date:

Approved for Legal Content:

______________________ 11/21/2025

FWP Attorney
Date:

COLUMBIA FALLS
MONTANA

City Council
Agenda Item Summary

Title: Structural Road Conditions and Upcoming Projects
Date: December 1, 2025
Staff Contact: Shawn Bates, PWD

AGENDA ITEM SUMMARY: Council semi-annual briefing on the current assessment of structural road conditions and an overview of 2026 Street Projects.

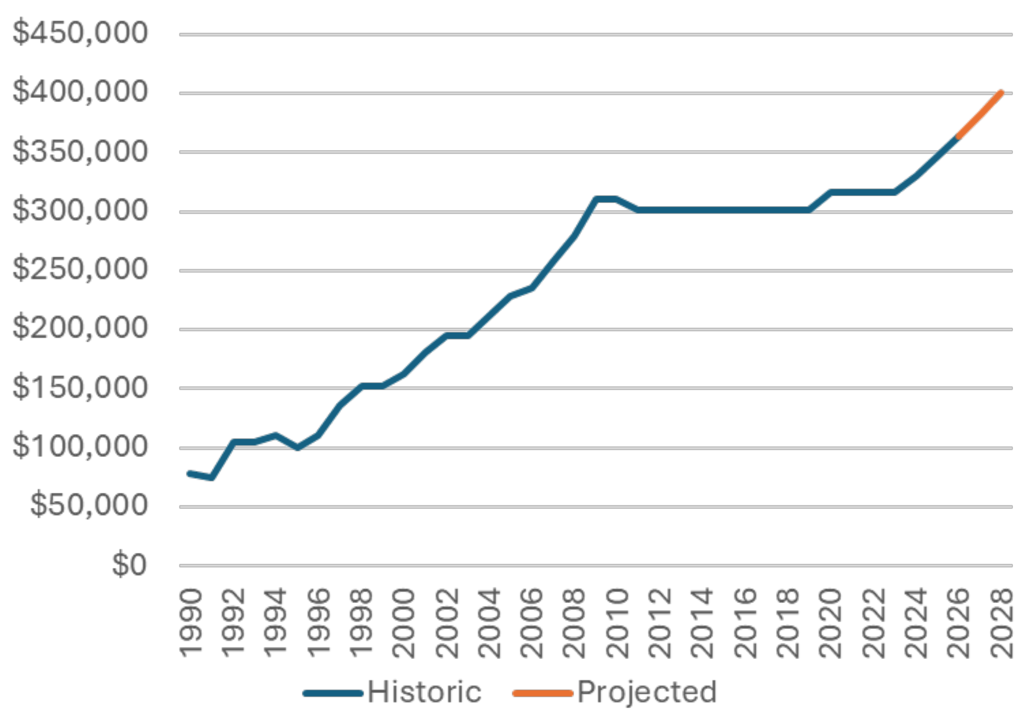
BACKGROUND and ANALYSIS:

- City uses a pavement management software program, iWorQ, to manage condition assessments and project planning.
- Assessment of Structural Road Conditions (see map)
  - 1.75 miles of Critical Road (red on map)
  - 1.25 miles of Deficient Road (yellow on map)
  - 1 unpaved road (4th Ave E)
  - 2 areas of Critical Drainage deficiency (Talbot & 4th Ave; Meadowlake Blvd)
- Full street rebuilds (structural base, drainage, asphalt) average <u>$1.5-2.5 million per mile</u>
  - Shorter segments will have increased average costs due to additional engineering and mobilization costs.
  - Estimate doesn't include costs to replace water mains, which are often upgraded during major road construction. Funding is appropriated in the Water Enterprise Fund.

- **<u>2026 Road and Sidewalk Projects</u>:**
  - **Gateway to Glacier Safety & Mobility Project**
    - <u>$10.5M Project</u> – $10M in federal funding and $500K in City match
    - Includes 1.3 miles of roadway, 1.7 miles of sidewalks, and adding 1 mile of multi-use pathways.
    - Replaces critical water mains, improves parking, and improves stormwater drainage
  - **Downtown Sidewalk and Parking Improvement Project (Phase II)**
    - <u>$700K Project</u> – funded by Urban Renewal District Tax Increment Finance Fund
    - Improves sidewalks, parking, and stormwater drainage
  - **Railroad St Path** (MT DOT-led project)
    - <u>$1.6M Project</u> – funded by MT DOT and City share of 13.42% ($213,873)
    - Includes constructing multi-use path from 4th Ave W & 3rd St W along Railroad St to 8th Ave EN
  - **Chip Seal Projects**
    - <u>$235,500 Budgeted</u> – funded by Gas Tax Fund
    - Chip seal is a preventive maintenance treatment that seals and protects an existing road surface, extends pavement life, and improves traction, but it does <u>not</u> fix deeper structural problems in the road.
    - See map for chip seal project locations (blue on map)

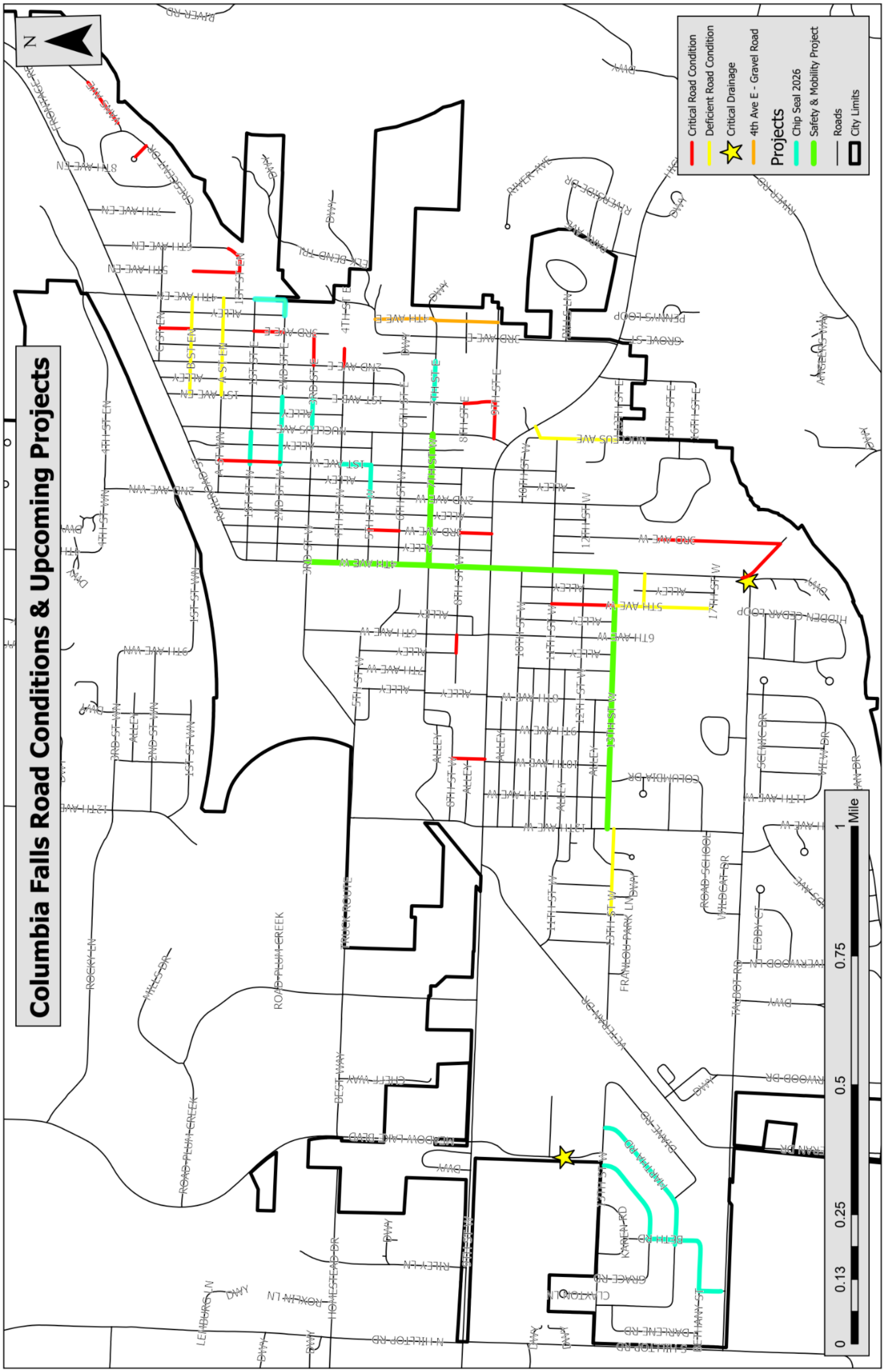
FINANCIAL CONSIDERATIONS:

- Special Street Maintenance District provides funding for street maintenance. The fund has historically been insufficient to adequately maintain the City's streets.
- Street Maintenance District Fund's expenditure budget is **$603,000** and is supplemented by the Gas Tax and General Fund.
- **Streets' FY26 Budget Appropriation: <u>$603,000</u>**
- **Special Street District Maintenance Assessment Revenue** are collected according to square footage for properties along City streets.
  - FY10-19: set at $301,000/yr
  - FY20-23: increased to $316,000/yr
  - FY24: 4.4% increase with a projected 5% increase for the next four years
    - FY25: $346,500 | **<u>FY26: $363,825</u>**
FY27: $382,016 | FY28: $401,117
- **Gas Tax Fund Revenue** is provided from state fuel tax revenues. **<u>FY26 $230,477</u>**



STAFF RECOMMENDATION: Request Council guidance and insights on the 2026 Streets Project plan.

SUGGESTED MOTION: None.


Columbia Falls Road Conditions & Upcoming Projects
N
Critical Road Condition
Deficient Road Condition
Critical Drainage
4th Ave E - Gravel Road
Projects
Chip Seal 2026
Safety & Mobility Project
Roads
City Limits
0
0.13
0.25
0.5
0.75
1
Mile

Please Return to:
City of Columbia Falls
130 6th St. W.
Columbia Falls, MT 59912

SECOND READING

ORDINANCE NO. 835

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUMBIA FALLS, MONTANA, ADDING A SECTION TO CHAPTER 9 PART 20 OF THE MUNICIPAL CODE OF COLUMBIA FALLS PROVIDING PENALTIES THAT MAY BE IMPOSED BY LAW ENFORCEMENT FOR VIOLATIONS OF THE ORDINANCES CONTAINED WITHIN CHAPTER 9 PART 20.

WHEREAS, the City Council, pursuant to the recommendation of the Columbia Falls Police Department, desires to amend Chapter 9 Part 20 of the Columbia Falls Municipal Code by adding a Section 030 making it a criminal offense to expose a child or children to domestic violence;

WHEREAS, the City Council has determined that said amendment to the Columbia Falls Municipal Code is in the best interest of the City;

WHEREAS, the aforementioned amendment to the Columbia Falls City Code is within the powers granted to local authorities to promote public peace, morals and welfare of its residents, as provided in Article XI, Section 4 of the Montana State Constitution;

WHEREAS, the City Council has determined that the aforementioned amendment furthers the City's objective of protecting and promoting the safety, health, morals, and welfare of its residents; and,

WHEREAS, said amendment was considered by the City Council of the City of Columbia Falls, Montana, at its regular meeting on Monday, December 1, 2025, and at said meeting on said date, the City Council considered any and all comments filed or voiced with respect to said changes;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLUMBIA FALLS, MONTANA, THE COLUMBIA FALLS MUNICIPAL CODE IS AMENDED AS FOLLOWS:

Section One. Addition of City Code 9.20-030: Columbia Falls City Code Section 9.20.030 is hereby added to Chapter 9 Part 20:

9.20.030 – Exposing a Minor Child(ren) to Domestic Violence

A. A person commits the crime of exposing minor child(ren) to domestic violence when he or she:

1. Commits a crime against a family or household member, or a partner, as defined in MCA 45-5-206 & 231 as currently enacted or hereafter amended or recodified; and
2. The crime is committed in the immediate presence of, or is witnessed or heard by, the person's or the victim's minor child, minor stepchild, or any minor child present.
3. For purposes of this section, "minor" shall mean under eighteen years of age on the date of the violation.

B. A violation of this section is a misdemeanor. Any person convicted of this crime shall be punished by imprisonment of not less than two days and up to 15 days in jail and a $500.00 dollar fine.

Section Two. The Council finds that the proposal complies with the City's objective of protecting the public health, safety, and welfare.

Section Three. Inconsistent Provisions: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section Four. Severability: The provisions of this Ordinance are severable. If any provision of this Ordinance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision.

Section Five. Effective Date: This Ordinance shall become effective thirty (30) days after its final passage and approval by the City Council of the City of Columbia Falls, Montana.

PASSED AND ADOPTED BY THE CITY COUNCIL OF COLUMBIA FALLS, MONTANA THIS 1st DAY OF DECEMBER 2025, THE COUNCIL VOTING AS FOLLOWS:

____
City Clerk

APPROVED BY THE MAYOR OF COLUMBIA FALLS, MONTANA THIS 1st DAY OF DECEMBER 2025

____
Mayor

ATTEST:

____
City Clerk

Please Return to:
City of Columbia Falls
130 6th St. W.
Columbia Falls, MT 59912

SECOND READING

ORDINANCE NO. 836

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUMBIA FALLS, MONTANA, ADDING A SECTION TO CHAPTER 10 PART 72 OF THE MUNICIPAL CODE OF COLUMBIA FALLS PROVIDING DEFINITIONS PERTAINING TO THE USE AND OPERATION OF BICYCLES AND ELECTRICALLY ASSISTED BICYCLES AND OTHER ELECTRICALLY AND MOTOR ASSISTED VEHICLES AND OTHER WHEELED DEVICES ON PUBLIC SIDEWALKS, PUBLIC ROADWAYS, PUBLIC PATHS, AND WITHIN PUBLIC PARKS.

WHEREAS, the City Council, pursuant to the recommendation of the City's Public Safety Committee, desires to amend Chapter 10 Part 72 of the Columbia Falls Municipal Code by adding a Section 070 providing definitions pertaining to the use operation of bicycles, electrically assisted bicycles and other electrically assisted and motor assisted vehicles and wheeled devices on public sidewalks, public paths, and within public parks;

WHEREAS, the City Council has determined that said amendment to the Columbia Falls Municipal Code is in the best interests of the City;

WHEREAS, the aforementioned amendment to the Columbia Falls City Code is within the powers granted to local authorities to regulate traffic, as set forth in Montana Code Annotated §61-12-101;

WHEREAS, the City Council has determined that the aforementioned amendment furthers the City's objective of protecting the safety, health, and welfare of its residents; and,

WHEREAS, said amendment was considered by the City Council of the City of Columbia Falls, Montana, at its regular meeting on Monday, December 1, 2025, and at said meeting on said date, the City Council considered any and all comments filed or voiced with respect to said changes.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLUMBIA FALLS, MONTANA, THE COLUMBIA FALLS MUNICIPAL CODE IS AMENDED AS FOLLOWS:

Section One. Addition of City Code 10.72.070: Columbia Falls City Code Section 10.72.070 is hereby added to Chapter 10 Part 72:

10.72.070 – Definitions
The following definitions apply to Chapter 10 Part 72:

A. "Bicycle" means a vehicle as defined in Montana Code Annotated §61-8-102(2)(b).
B. "Motorized Scooter" means a vehicle as defined in Montana Code Annotated §61-1-101(48) and §61-8-102(2)(o)(i).
C. "Electrically Assisted Bicycle" means a vehicle as defined in Montana Code Annotated §61-8-102(2)(g).
D. "Moped" means a vehicle as defined in Montana Code Annotated §61-8-102(2)(n).
E. "Sidewalk" has the meaning provided in Montana Code Annotated §61-8-102(2)(y).
F. "Wheeled Device" means a vehicle propelled by either human power or by an independent power source on which any person may ride that has one or more wheels.

Section Two. The Council finds that the proposal complies with the City's objective of protecting the public health, safety, and welfare.

Section Three. Inconsistent Provisions: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section Four. Severability: The provisions of this Ordinance are severable. If any provision of this Ordinance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision.

Section Five. Effective Date: This Ordinance shall become effective thirty (30) days after its final passage and approval by the City Council of the City of Columbia Falls, Montana.

PASSED AND APPROVED BY THE CITY COUNCIL OF COLUMBIA FALLS, MONTANA THIS 1ST DAY OF DECEMBER 2025, THE COUNCIL VOTING AS FOLLOWS:

____
City Clerk

APPROVED BY THE MAYOR OF COLUMBIA FALLS, MONTANA THIS 1ST DAY OF DECEMBER 2025______________________________
Mayor

ATTEST:

____
City Clerk

Please Return to:
City of Columbia Falls
130 6th St. W.
Columbia Falls, MT 59912

SECOND READING

ORDINANCE NO. 837

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUMBIA FALLS, MONTANA, AMENDING A SECTION OF CHAPTER 10 PART 72 OF THE MUNICIPAL CODE OF COLUMBIA FALLS REQUIRING OBEDIENCE WITH TRAFFIC CONTROL DEVICES BY BICYCLES AND ELECTRICALLY ASSISTED BICYCLES AND OTHER ELECTRICALLY AND MOTOR ASSISTED VEHICLES ON PUBLIC SIDEWALKS, ROADWAYS, AND PATHS.

WHEREAS, the City Council, pursuant to the recommendation of the City's Public Safety Committee, desires to amend Chapter 10 Part 72 Section 040 of the Columbia Falls Municipal Code requiring obedience with traffic control devices by bicycles, electrically assisted bicycles and other electrically assisted and motor assisted vehicles and other wheeled devices on public sidewalks, roadways, and paths;

WHEREAS, the City Council has determined that said amendment to the Columbia Falls Municipal Code is in the best interests of the City;

WHEREAS, the aforementioned amendment to the Columbia Falls City Code is within the powers granted to local authorities to regulate traffic, as set forth in Montana Code Annotated §61-12-101;

WHEREAS, the City Council has determined that the aforementioned amendment furthers the City's objective of protecting the safety, health, and welfare of its residents; and,

WHEREAS, said amendment was considered by the City Council of the City of Columbia Falls, Montana, at its regular meeting on Monday, December 1, 2025, and at said meeting on said date, the City Council considered any and all comments filed or voiced with respect to said changes.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLUMBIA FALLS, MONTANA, THE COLUMBIA FALLS MUNICIPAL CODE IS AMENDED AS FOLLOWS:

<u>Section One.</u> <u>Amendment to City Code 10.72.040</u>: Columbia Falls City Code Section 10.72.040 is amended by adding the following subsection C:

10.72.040 – Obedience to Traffic Control Devices

C. Any person riding or operating a bicycle - as defined in Montana Code Annotated §51-8-102, skateboard – whether electrically assisted or not, scooter – whether electrically assisted or not, or other wheeled device on any public sidewalk, public path, or within a public park shall obey all posted speed limits applicable to such operation.

Section Two. The Council finds that the proposal complies with the City's objective of protecting the public health, safety, and welfare.

Section Three. Inconsistent Provisions: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section Four. Severability: The provisions of this Ordinance are severable. If any provision of this Ordinance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision.

Section Five. Effective Date: This Ordinance shall become effective thirty (30) days after its final passage and approval by the City Council of the City of Columbia Falls, Montana.

PASSED AND APPROVED BY THE CITY COUNCIL OF COLUMBIA FALLS, MONTANA THIS 1ST DAY OF DECEMBER 2025, THE COUNCIL VOTING AS FOLLOWS:

____
City Clerk

APPROVED BY THE MAYOR OF COLUMBIA FALLS, MONTANA THIS 1ST DAY OF DECEMBER 2025________________________________
Mayor

ATTEST:

____
City Clerk

Please Return to:
City of Columbia Falls
130 6th St. W.
Columbia Falls, MT 59912

SECOND READING

ORDINANCE NO. 838

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUMBIA FALLS, MONTANA, ADDING A SECTION TO CHAPTER 10 PART 72 OF THE MUNICIPAL CODE OF COLUMBIA FALLS PROVIDING PENALTIES THAT MAY BE IMPOSED BY LAW ENFORCEMENT FOR VIOLATIONS OF THE ORDINANCES CONTAINED WITHIN CHAPTER 10 PART 72.

WHEREAS, the City Council, pursuant to the recommendation of the City's Public Safety Committee, desires to amend Chapter 10 Part 72 of the Columbia Falls Municipal Code by adding a Section 080 providing penalties that may be imposed by law enforcement for violations of the ordinances contained with Chapter 10 part 72;

WHEREAS, the City Council has determined that said amendment to the Columbia Falls Municipal Code is in the best interests of the City;

WHEREAS, the aforementioned amendment to the Columbia Falls City Code is within the powers granted to local authorities to regulate traffic, as set forth in Montana Code Annotated §61-12-101;

WHEREAS, the City Council has determined that the aforementioned amendment furthers the City's objective of protecting the safety, health, and welfare of its residents; and,

WHEREAS, said amendment was considered by the City Council of the City of Columbia Falls, Montana, at its regular meeting on Monday, December 1, 2025, and at said meeting on said date, the City Council considered any and all comments filed or voiced with respect to said changes;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLUMBIA FALLS, MONTANA, THE COLUMBIA FALLS MUNICIPAL CODE IS AMENDED AS FOLLOWS:

Section One. Addition of City Code 10.72.080: Columbia Falls City Code Section 10.72.080 is hereby added to Chapter 10 Part 72:

<u>10.72.080 – Violations</u>

In addition to the General Penalty applicable to violations of City Ordinances, the following penalties may be imposed upon any person found to be in violation of the Sections contained within this Chapter 10 Part 72 of the Columbia Falls Municipal Code:

A. A first violation by any person shall warrant a fine of $50.00, a mandatory and applicable course of education, and, if the person is younger than 18 years of age, parental notification.
B. A second violation by any person shall warrant a fine of $100.00, a mandatory and applicable course of education, and, if the person is younger than 18 years of age, parental notification.
C. A third violation by any person shall warrant a fine of $175.00, impoundment of vehicle upon which the violation occurred for a period not less than 60 days or more than 90 days, and community service, and, if the person is younger than 18 years of age, parental notification.

<u>Section Two.</u> The Council finds that the proposal complies with the City's objective of protecting the public health, safety, and welfare.

<u>Section Three.</u> <u>Inconsistent Provisions</u>: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

<u>Section Four.</u> <u>Severability</u>: The provisions of this Ordinance are severable. If any provision of this Ordinance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision.

<u>Section Five.</u> <u>Effective Date</u>: This Ordinance shall become effective thirty (30) days after its final passage and approval by the City Council of the City of Columbia Falls, Montana.

PASSED AND APPROVED BY THE CITY COUNCIL OF COLUMBIA FALLS, MONTANA THIS 1ST DAY OF DECEMBER 2025, THE COUNCIL VOTING AS FOLLOWS:

____
City Clerk

APPROVED BY THE MAYOR OF COLUMBIA FALLS, MONTANA THIS 1ST DAY OF DECEMBER 2025.

____
Mayor

ATTEST:

____
City Clerk

Please Return to:
City of Columbia Falls
130 6th St. W.
Columbia Falls, MT 59912

SECOND READING

ORDINANCE NO. 839

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUMBIA FALLS, MONTANA, AMENDING A SECTION OF CHAPTER 10 PART 72 OF THE MUNICIPAL CODE OF COLUMBIA FALLS REGULATING THE USE OF BICYCLES AND ELECTRICALLY ASSISTED BICYCLES AND OTHER ELECTRICALLY AND MOTOR ASSISTED VEHICLES ON PUBLIC SIDEWALKS AND PATHS.

WHEREAS, the City Council, pursuant to the recommendation of the City's Public Safety Committee, desires to amend Chapter 10 Part 72 Section 050 of the Columbia Falls Municipal Code regulating the operation of bicycles, electrically assisted bicycles and other electrically assisted and motor assisted vehicles and wheeled devices on public sidewalks, public paths, and within public parks;

WHEREAS, the City Council has determined that said amendment to the Columbia Falls Municipal Code is in the best interests of the City;

WHEREAS, the aforementioned amendment to the Columbia Falls City Code is within the powers granted to local authorities to regulate traffic, as set forth in Montana Code Annotated §61-12-101;

WHEREAS, the City Council has determined that the aforementioned amendment furthers the City's objective of protecting the safety, health, and welfare of its residents; and,

WHEREAS, said amendment was considered by the City Council of the City of Columbia Falls, Montana, at its regular meeting on Monday, December 1, 2025, and at said meeting on said date, the City Council considered any and all comments filed or voiced with respect to said changes.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLUMBIA FALLS, MONTANA, THE COLUMBIA FALLS MUNICIPAL CODE IS AMENDED AS FOLLOWS:

Section One. Amendment to City Code 10.72.050: Columbia Falls City Code Section 10.72.030 is amended by amending the title and adding the following subsections D and E:

10.72.050 – Use of Roadway, Public Sidewalk, Public Path and Public Parks

D. A bicycle, as defined in Montana Code Annotated §61-8-102, a moped, motorized scooter, skateboard, or any other wheeled device, whether electrically or motor assisted or not, may be operated or ridden on and along a public sidewalk, public path, or within a public park only under human propulsion and may not be operated on or along such sidewalks, paths, or within such parks if the bicycle, scooter, skateboard or other wheeled device is under a power from an independent power source.

E. "Electric Personal Assistive Mobility Devices" as defined in Montana Code Annotated §61-1-101(23) are specifically exempted from the requirements of this Section.

Section Two. The Council finds that the proposal complies with the City's objective of protecting the public health, safety, and welfare.

Section Three. Inconsistent Provisions: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section Four. Severability: The provisions of this Ordinance are severable. If any provision of this Ordinance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision.

Section Five. Effective Date: This Ordinance shall become effective thirty (30) days after its final passage and approval by the City Council of the City of Columbia Falls, Montana.

PASSED AND APPROVED BY THE CITY COUNCIL OF COLUMBIA FALLS, MONTANA THIS 1ST DAY OF DECEMBER 2025, THE COUNCIL VOTING AS FOLLOWS:

____
City Clerk

APPROVED BY THE MAYOR OF COLUMBIA FALLS, MONTANA THIS 1ST DAY OF DECEMBER 2025

____
Mayor

ATTEST:

____
City Clerk

Please Return to:
City of Columbia Falls
130 6th St. W.
Columbia Falls, MT 59912

SECOND READING

ORDINANCE NO. 840

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUMBIA FALLS, MONTANA, AMENDING A SECTION OF CHAPTER 10 PART 72 OF THE MUNICIPAL CODE OF COLUMBIA FALLS REGULATING THE USE OF BICYCLES AND ELECTRICALLY ASSISTED BICYCLES AND OTHER ELECTRICALLY AND MOTOR ASSISTED VEHICLES ON PUBLIC ROADWAYS, PUBLIC SIDEWALKS, AND PUBLIC PATHS.

WHEREAS, the City Council, pursuant to the recommendation of the City's Public Safety Committee, desires to amend Chapter 10 Part 72 Section 030 of the Columbia Falls Municipal Code applying Montana State traffic laws to bicycles and electrically powered vehicles;

WHEREAS, the City Council has determined that said amendment to the Columbia Falls Municipal Code is in the best interests of the City;

WHEREAS, the aforementioned amendment to the Columbia Falls City Code is within the powers granted to local authorities to regulate traffic, as set forth in Montana Code Annotated §61-12-101;

WHEREAS, the City Council has determined that the aforementioned amendment furthers the City's objective of protecting the safety, health, and welfare of its residents; and,

WHEREAS, said amendment was considered by the City Council of the City of Columbia Falls, Montana, at its regular meeting on Monday, December 1, 2025, and at said meeting on said date, the City Council considered any and all comments filed or voiced with respect to said changes.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLUMBIA FALLS, MONTANA, THE COLUMBIA FALLS MUNICIPAL CODE IS AMENDED AS FOLLOWS:

<u>Section One.</u> <u>Amendment to City Code 10.72.030</u>: Columbia Falls City Code Section 10.72.030 is amended to read as follows:

10.72.030 - Application of Montana State Traffic Laws to Riders

A. Every person riding a bicycle, as defined by MCA §61-8-102(2)(b), or any electrically or motor assisted bicycle, scooter, motorcycle, or moped upon a public roadway shall be granted all of the rights and shall be subject to all of the duties applicable to the driver of a motor vehicle by the laws of the State of Montana declaring rules of the road applicable to the operation of a motor vehicle, except as to special regulations in this chapter and except as to those provisions of laws and ordinances which by their nature can have no application.

B. Every person under the age of 18 shall wear protective headgear on their head that meets the standards established by the Montana Department of Justice while riding or operating a bicycle, as defined by MCA §61-8-102(2)(b), or any electrically assisted scooter, electrically assisted cycle, motorcycle, or moped on a public roadway, sidewalk, or public path.

Section Two. The Council finds that the proposal complies with the City's objective of protecting the public health, safety, and welfare.

Section Three. Inconsistent Provisions: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section Four. Severability: The provisions of this Ordinance are severable. If any provision of this Ordinance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision.

Section Five. Effective Date: This Ordinance shall become effective thirty (30) days after its final passage and approval by the City Council of the City of Columbia Falls, Montana.

PASSED AND APPROVED BY THE CITY COUNCIL OF COLUMBIA FALLS, MONTANA THIS 1ST DAY OF DECEMBER 2025, THE COUNCIL VOTING AS FOLLOWS:

____
City Clerk

APPROVED BY THE MAYOR OF COLUMBIA FALLS, MONTANA THIS 1ST DAY OF DECEMBER 2025

____
Mayor

ATTEST:

____
City Clerk

COLUMBIA FALLS

City Manager's Report

City Calendar

19 Nov: Study Commission
- ***Public Hearing* Final Report**

20 Nov/5 PM: Columbia Falls Ahead 2045
- Utility Infrastructure Public Meeting

1 Dec: City Council Regular Mtg
- E-Bike and Domestic Violence Ordinances
- Street Project Prioritization & Hwy 2 Snow Clearance
- Fishing Pier Grant

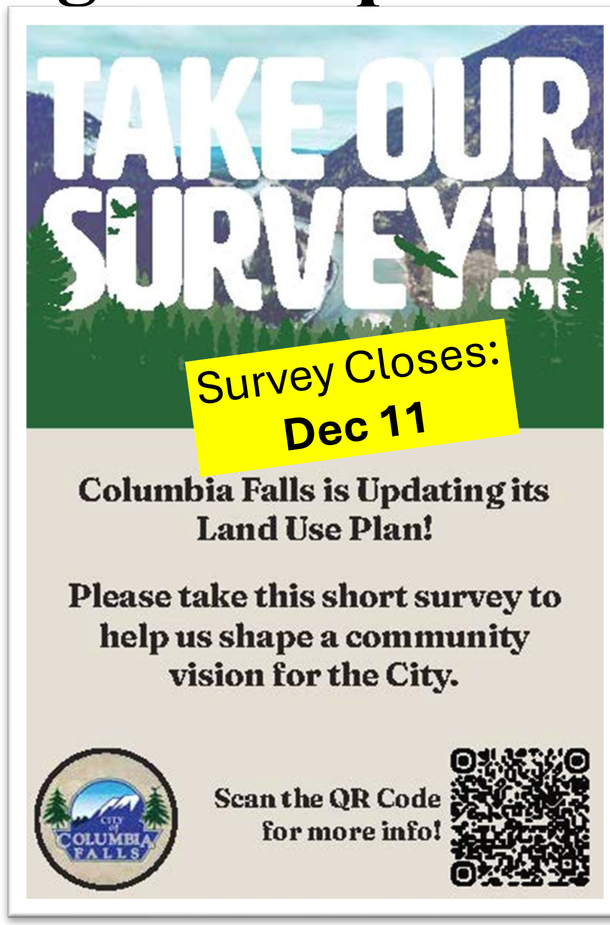
8 Dec/5 PM: Parks & Recreation Committee
- River's Edge Master Plan Projects

11 Dec: Planning Commission
- Utility Infrastructure Capacity Allocation

15 Dec: City Council Regular Mtg
- Utility Infrastructure Capacity Allocation
- New Firefighters and Police Officers

?? Dec: Study Commission (TBD)

5 Jan: City Council Regular Mtg
- Councilor Swearing In



Staff Highlights

City Manager
- Land Use Plan
- Utility Infrastructure PERs
- Developers – Pre-applications
- Gateway to Glacier Safety & Mobility Project
- River's Edge Park Projects

Public Works & Planning
- Now Hiring – Water Operator
- Geotechnical Boring
- Downtown Sidewalk and Parking Project
- Street Improvement Prioritization
- Water and Sewer PERs

Finance & Admin
- Annual Financial Report

Police
- Hiring 2x new officers
- Technology Upgrade

Fire
- 2x new Volunteers – 29 of 30

City Manager Report

- **Land Use Plan Development –** Montana Land Use Planning Act (SB382)
  - City's Planning and Zoning website includes a MLUPA section
  - **Water PER –** Ongoing; City reviewing analysis of Current Infrastructure
  - **Sewer PER –** Ongoing; City reviewing analysis of Current Infrastructure
  - **Land Use Planning –** Analysis of Existing Conditions
  - **Subdivision and Zoning Codes**

Item No.14.

MLUPA Plan of Action & Milestones

Public Engagement Opportunities

✓ Nov 13	Joint Council & Planning Commission - Land Use Plan Kickoff
✓ ***Nov 20***	***Open House - Utility Infrastructure Public Meeting 1***
Dec-Feb	***Land Use Plan Outreach Round 1*** ***- Surveys, Interviews, Focus Groups***
Dec 11	Planning Commission – Utility Infrastructure
Dec 15	City Council – Utility Infrastructure
Jan 8	Planning Commission
Jan 26	Joint Council & Planning Commission Workshop - LUP Existing Conditions & Survey Results
Feb __	***Open House - Utility Infrastructure Public Meeting 2***
Feb 12	Planning Commission *(LUP workshop)* - Discuss LUP Existing Conditions & Survey Results
Mar 12	Planning Commission *(LUP workshop)* - Future Land Use Map & Recommendations Workshop
Apr __	***Virtual Public Meeting – Outreach Round 2***
Apr 9	Planning Commission
Apr 13	Joint Council and Planning Commission Workshop - Future Land Use Map & Recommendations Workshop - Final thoughts
Apr 23	**MLUPA Public Hearing** Planning Commission
May 4	**MLUPA Public Hearing Council – First Reading**
May 18	**MLUPA Public Hearing Council – Approves Plan**

- **Capital Improvement Projects:** City Staff is available to discuss current project details with the Public
  - **Wastewater Treatment Plant**
    - Exceeding expectations for nutrient removal following Bioreactor Expansion
- **Gateway to Glacier Safety & Mobility Project** (*www.columbiafallsgatewaytoglacier.com*)
  - City and Engineers submitted 100% design
  - Advertise for bids in Dec; **Open House in late-Jan**; Construction in Mar 2026
- **Downtown Sidewalk and Parking Improvement – Phase 2**
  - Contractor selected; Construction in 2026
- **Railroad St Pathway Project** (MDT-led project)
  - Construction in Spring 2026
- **River's Edge Projects**
  - Fishing Pond:
    - FWP Bill Camps
    - FWP Program Manager, Design Engineer, and City project coordination meeting
    - FWP pursuing matching grant funding for the fishing pond pier and slabs
  - Signage:
    - Flathead Rivers' Alliance – received grant funding from American Rivers
    - People and Carnivores – received grant funding
    - Metal Entrance Sign – ongoing coordination
    - Timber Sign Frames – ongoing coordination

11/26/2025

Visit the City of Columbia Falls Website and Contact Us for Questions

https://www.cityofcolumbiafalls.org/

https://www.cityofcolumbiafalls.org/contact-us