

City of Cody City Council
AGENDA

Tuesday, December 18, 2012 – 7:00 p.m. (Pre-Meeting to begin at 6:30 p.m.)
Meeting Place: City of Cody Council Chambers – 1338 Rumsey Avenue, Cody, WY

Meeting Called to Order
Pledge of Allegiance
Moment of Silence
Roll Call
Agenda Review and Approval
Mayor’s Recognitions and Announcements

1. Consent Calendar

All items under the consent calendar will be acted upon in one motion unless a Councilmember or member of the public requests that an individual item be taken up under Conduct of Business.

- a. Approval of Minutes: Special Meeting Minutes on 11/28/12, 11/29/12, and 12/10/12 and Regular Meeting Minutes on 12/04/2012.
- b. Approval of vouchers and payroll in the amount of \$905,147.87.
- c. Authorize the Mayor to sign the Asset Transfer Agreement with Rocky Mountain Power for the purchase of distribution lines and equipment in the River’s Bend Trailer Park.
- d. Award Bid 2012-20 to sell Surplus Transformers to Solomon Corporation for the amount of \$20,488.00.
- e. Consider authorizing the Mayor to enter into and sign an agreement for legal services with Copenhaver, Kath, Kitchen and Kolpitcke, LLC through June 30, 2013.
- f. Consider approval of the preliminary plat of Willow Creek a proposed two-lot minor subdivision located between Cougar Avenue and West Avenue.

Public Comments: The City Council welcomes input from the public. In order for everyone to be heard, please limit your comments to five (5) minutes per person. The Guidelines for the Conduct of City Council Meetings do not allow action to be taken on public comments.

2. Public Hearing

3. Conduct of Business

- a. Consider entering into a Project Development and Administration Agreement between the City of Cody, Forward Cody and Cody Labs, authorize the Mayor to acknowledge the Lease Agreement between Forward Cody and Cody Labs, and authorize the Mayor to sign each agreement contingent upon review and approval by the City Attorney.

Staff Reference: Jenni Rosencranse, City Administrator
Spokesperson: James Klessens, Forward Cody

- b. Consider a request from Summit Housing Group Inc. for a letter of support and a sponsorship of utility connection fees for the Willow Creek housing project as part of their application to obtain Low Income Housing Tax Credits through the Wyoming Community Development Authority.
Staff Reference: Todd Stowell, City Planner
Spokesperson: Sam Long, Summit Housing Group Inc.
- c. Consider a request from G.A. Haan Development Inc. for a letter of support and a sponsorship of utility connection fees for their housing development project as part of their application to obtain Low Income Housing Tax Credits through the Wyoming Community Development Authority.
Staff Reference: Todd Stowell, City Planner
Spokesperson: Ben Ide, G.A. Haan Development Inc.
- d. Consider a request from the Wyoming Housing Network for a letter of support and a sponsorship of utility connection fees for their housing development as part of their application to obtain Low Income Housing Tax Credits through the Wyoming Community Development Authority.
Staff Reference: Todd Stowell, City Planner
Spokesperson: Greg Hancock, Wyoming Housing Network
- e. Consider approval of the financial statements and audit report for fiscal year 2011-2012.
Staff Reference: Leslie Brumage, Finance Officer
Spokesperson: Keri Wilson, Stein, Heiser, Wolfe & Wilson
- f. **ORDINANCE 2012-21 THIRD AND FINAL READING**
AN ORDINANCE AMENDING THE HEREIN BELOW IDENTIFIED SECTIONS OF TITLE 8, CHAPTER 1, ARTICLE III, OF THE CODY CITY CODE TO MODIFY ELECTRICAL RATES.
Staff Reference: Steve Payne, Public Works Director
- g. **ORDINANCE 2012-19 SECOND READING**
AN ORDINANCE AMENDING THE HEREIN BELOW IDENTIFIED SECTIONS OF TITLE 8, CHAPTER 1, ARTICLE II, OF THE CODY CITY CODE TO MODIFY TEMPORARY SERVICE.
Staff Reference: Leslie Brumage, Finance Officer
- h. **ORDINANCE 2012-20 SECOND READING**
AN ORDINANCE AMENDING THE HEREIN BELOW IDENTIFIED SECTIONS OF TITLE 8, CHAPTER 1, ARTICLE II, OF THE CODY CITY CODE TO MODIFY GENERAL CONDITIONS GOVERNING CITY SUPPLIED UTILITIES.
Staff Reference: Leslie Brumage, Finance Officer

**i. ORDINANCE 2012-22 – FIRST READING
AN ORDINANCE TO ENTER INTO A CABLE FRANCHISE
AGREEMENT WITH BRESNAN COMMUNICATIONS, LLC.**

Staff Reference: Scott Kolpitcke, City Attorney

**j. RESOLUTION 2012-33
A RESOLUTION APPROVING AN EXTENSION TO THE
BANKING SERVICES AGREEMENT BETWEEN THE
CITY OF CODY AND WELLS FARGO BANK.**

Staff Reference: Leslie Brumage, Finance Officer

4. Tabled Items
5. Matters from Staff Members
6. Matters from Council Members
7. Adjournment

Upcoming Meetings

Special City Council Meeting: Thursday, December 27, 2012 @ 4:15 p.m. – Council Chambers
Regular City Council Meeting: Tuesday, January 3, 2013 @ 7:00 p.m. – Council Chambers

City of Cody
Council Proceedings
Wednesday, November 28, 2012

A special meeting of the Cody City Council was held in City Council Chambers at City Hall in Cody, Wyoming on Wednesday, November 28, 2012 at 4:15 p.m.

Present: Mayor Nancy Tia Brown, Council Members Steve Miller, Bryan Edwards, Charles Cloud, Jerry Fritz, Donny Anderson and Stan Wolz, City Administrator, Jenni Rosencranse.

Absent: None

Mayor Brown called the meeting to order at 4:15 p.m.

Discussion was held on the Steering Committee's recommendations as it relates to the Streetscape Plan. Consultant, Paul Mills and Rick Manchester, Parks, Public Facilities and Recreation Director explained the values and benefits of the recommendations. No action was taken.

There being no further discussion, the meeting adjourned at 6:30 p.m.

Jenni Rosencranse
City Administrator

Nancy Tia Brown
Mayor

City of Cody
Council Proceedings
Thursday, November 29, 2012

A special meeting of the Cody City Council was held in City Council Chambers at City Hall in Cody, Wyoming on Thursday, November 29, 2012 at 4:15 p.m.

Present: Mayor Nancy Tia Brown, Council Members Steve Miller, Bryan Edwards, Charles Cloud, Jerry Fritz, and Stan Wolz, City Administrator, Jenni Rosencranse, City Attorney, Scott Kolpitke, and Administrative Services Officer, Cindy Baker.

Absent: Council Member Donny Anderson

Mayor Brown called the meeting to order at 4:19 p.m.

Jenni Rosencranse, City Administrator discussed if anyone was going to be attending the 2013 WAM Winter Workshop that could be a voting delegate. Mayor Brown indicated she would be attending and would serve as the voting delegate.

Jenni Rosencranse, City Administrator provided the Governing Body with an update on Topsy Taxi Program and discussed options for continuation of the program. Staff was directed to inform all license holders of the usage and success of the program and ask for additional contribution, with a notation to the six big users of their individual higher usage of the program. It was also suggested to comment on Speak Your Peace and invite the public to participate in the program by donating as well.

Todd Stowell, City Planner provided the Governing Body background information on the affordable housing opportunities and the earlier agenda item from Summit Housing. Another group, Wyoming Housing Network has come forward with similar requests. Discussion was held on the City setting precedence on providing help for affordable and low-income housing. Council Member Cloud asked if a representative from WHN would contact each Council Member prior to the Council Meeting and put this item on the December 18th agenda.

The Governing Body reviewed the proposed budget calendar. There was only one conflict with the January 17th meeting which will be changed to the 16th. Staff will update the Calendar and email out.

Leslie Brumage, Finance Officer provided the Governing Body background information on the current collection agency the City currently uses and two other agencies that have contacted the City in reference to obtaining the City's collection accounts. Staff was directed to stay with the current agency.

Review Council Agenda for December 4, 2012. Staff was directed to add to the Consent Agenda item "g" Adoption of the Downtown Area Improvement and send out a revised agenda.

There being no further discussion, the meeting adjourned at 6:27 p.m.

Cindy Baker
Administrative Services Officer

Nancy Tia Brown
Mayor

City of Cody
Council Proceedings
Monday, December 10, 2012

A special meeting of the Cody City Council was held at Cassie's Supper Club in Cody, Wyoming on Monday, December 10, 2012 at 6:00 p.m.

Present: Mayor Nancy Tia Brown, Council Members Steve Miller, Charles Cloud, and Stan Wolz, City Administrator, Jenni Rosencranse and City Attorney, Scott Kolpitcke. Legislator from Park County and members of the Powell City Council were also present.

Absent: Council Member Donny Anderson, Bryan Edwards and Jerry Fritz

Mayor Brown called the meeting to order at 6:00 p.m.

The Governing Body discussed the legislative issues with Senator Coe, Representative Sam Krone and Representative Elects Northrup and Blevins. The items of discussion included municipal funding, concealed open carry legislation, liquor law statute recodification and publication laws. No action was taken.

There being no further discussion, the meeting adjourned at 9:00 p.m.

Jennifer Rosencranse
City Administrator

Nancy Tia Brown
Mayor

City of Cody
Council Proceedings
Tuesday, December 4, 2012

A regular meeting of the Cody City Council was held in the Council Chambers at City Hall in Cody, Wyoming on Tuesday, December 4, 2012 at 7:00 p.m.

Present: Mayor Nancy Tia Brown, Council Members Steve Miller, Stan Wolz, Bryan Edwards, Jerry Fritz, and Charles Cloud, and, City Administrator, Jenni Rosencranse, City Attorney, Scott Kolpitcke, and Administrative Services Officer, Cindy Baker

Absent: Council Member Donny Anderson.

Mayor Brown called the meeting to order at 7:03 p.m.

Council Member Miller made a motion seconded by Council Member Fritz to approve the agenda as presented. Vote was unanimous.

Mayor Brown, along with the Governing Body recognized Aquatic staff Suzanne Palmer and Sterling Hansen, several Recreation Staff, Recreation Patrons, and the Swim Team members as it relates to an incident at the Recreation Center on November 27, 2012.

Council Member Miller made a motion seconded by Council Member Cloud to approve the Consent Calendar as presented including approval of Special Meeting Minutes on 11/15/12 and Regular Meeting Minutes on 11/20/2012, approval of vouchers and payroll in the amount of \$1,020,176.12, approval of the City of Cody Mobile Phone Policy and authorize its inclusion in the City of Cody Personnel and Policy Manual, approval of the 2012 Homeland Security Grant in the amount of \$8,309.17 and authorize the Mayor to sign the agreement, approve casting a ballot for Greg James – Mayor, City of Newcastle and Bob Wood – Mayor, Town of Dayton for the 3-year term for the Municipal Elected Positions and Don Richards – Shoshone Municipal Pipeline JPB for the Special District Position for the 3-year term for the three open positions on the Local Government Liability Pool Board of Directors, authorize the Mayor to sign a Professional Tree Trimming Services Contract between the City of Cody and Big Horn Horticultural Services for tree trimming services within alleys, right-of-ways and along electrical lines, and approve the adoption of the downtown improvement plan prepared by Russell+Mills Studio to include the areas of Sheridan, Beck and Rumsey Avenues from 8th-17th Streets, and adopt the plan as a guiding principle when considering improvements and seeking outside funding for enhancements to these areas, all of which would be presented to Council prior to approval. Vote was unanimous.

During Public comments, Council Member Wolz informed the public of the express bill pay feature and though you do not have to pay your bill online it is an option to go paperless.

Citizen, Paul Lanchbury questioned where the City of Cody buys power and why we do not purchase power from the local Bureau of Reclamation power source. Steve Payne, Public Works Director addressed this question.

Citizen, Mark Maslak questioned if the Council had heard of “Agenda 21”. He provided some background information on this agenda and requested to provide the Governing Body with a dvd on this issue.

Citizen, Lowell Ray Anderson, informed the Governing Body that there is a meeting about the “Agenda 21” on Wednesday, December 5th at 3534 Big Horn Avenue and invited anyone to attend.

At 7:27 p.m. Mayor Brown began a public hearing to determine if it is in the public interest to transfer ownership of a retail liquor license from Red Eagle Oil Inc. to Good 2 Go Stores LLC dba Good 2 Go Stores located at 221 Yellowstone
After calling for public comments three more times and there being none, Mayor Brown closed the public hearing at 7:29 p.m.

Council Member Wolz made a motion seconded by Council Member Edwards to approve the transfer of ownership of a retail liquor license from Red Eagle Oil Inc. to Good 2 Go Stores LLC dba Good 2 Go Stores located at 221 Yellowstone Avenue contingent upon sale of business. Vote was unanimous.

Council Member Miller made a motion seconded by Council Member Fritz to approve a request to sign the hillside portion of Heart Mountain Street from Alger Avenue to where the LDS Stake Center sits as “Taggart Hill”. Vote was unanimous.

**ORDINANCE 2012-17 – THIRD AND FINAL READING – AS AMENDED
AN ORDINANCE AMENDING TITLE 5, CHAPTER 2, SECTION 5 OF THE CODY
CITY CODE – DISORDERLY CONDUCT.**

Council Member Fritz made a motion seconded by Council Member Cloud to approve Ordinance 2012-17 on third and final reading as amended. Vote was unanimous.

**ORDINANCE 2012-18 – THIRD AND FINAL READING AS AMENDED
AN ORDINANCE AMENDING TITLE 5, CHAPTER 2, SECTION 6 OF THE CODY
CITY CODE – DISORDERLY PLACES.**

Council Member Cloud made a motion seconded by Council Member Fritz to approve Ordinance 2012-18 on third and final reading as amended. Vote was unanimous.

**ORDINANCE 2012-21 SECOND READING
AN ORDINANCE AMENDING THE HEREIN BELOW IDENTIFIED SECTIONS
OF TITLE 8, CHAPTER 1, ARTICLE III, OF THE CODY CITY CODE TO
MODIFY ELECTRICAL RATES.**

Council Member Fritz made a motion seconded by Council Member Wolz to approve Ordinance 2012-21 on second reading. Vote was unanimous.

**ORDINANCE 2012-19 FIRST READING
AN ORDINANCE AMENDING THE HEREIN BELOW IDENTIFIED SECTIONS
OF TITLE 8, CHAPTER 1, ARTICLE II, OF THE CODY CITY CODE TO MODIFY
TEMPORARY SERVICE.**

Council Member Wolz made a motion seconded by Council Member Cloud to approve Ordinance 2012-19 on first reading. Vote was unanimous.

**ORDINANCE 2012-20 FIRST READING
AN ORDINANCE AMENDING THE HEREIN BELOW IDENTIFIED SECTIONS
OF TITLE 8, CHAPTER 1, ARTICLE II, OF THE CODY CITY CODE TO MODIFY
GENERAL CONDITIONS GOVERNING CITY SUPPLIED UTILITIES.**

Council Member Fritz made a motion seconded by Council Member Cloud to approve Ordinance 2012-20 on first reading. Vote was unanimous.

**RESOLUTION 2012-31
A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR OR HIS OR HER
DESIGNEE TO DISCONTINUE THE BILLING OF UTILITY BASE CHARGES
UNDER SPECIFIED CIRCUMSTANCES.**

Council Member Fritz made a motion seconded by Council Member Miller to approve Resolution 2012-31. Vote was unanimous.

The Mayor called for a motion to remove the tabled item. There being none the tabled item dies.

Steve Payne, Public Works Director, provided information on the power outage that occurred in the basin area today.

Council Member Fritz, mentioned usage of the Topsy Taxi Program and encourage citizens to donate to this program for continued use.

Jenni Rosencranse, City Administrator informed the public of the Master Plan workshops to be held this Thursday and Friday at a variety of locations and times.

Mark Maslak, Citizen reminded citizen of a meeting Wednesday at 3534 Big Horn Avenue, referencing the Constitution.

There being no further business, Mayor Brown adjourned the meeting at 8:07 pm.

Cindy Baker
Administrative Services Officer

Nancy Tia Brown
Mayor

Vendor Name Vendor No	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Inventory Number
813-NCPERS WYOMING							
125412							
	120312	PREMIUM	12/03/2012	400.00	400.00	12/03/2012	
Total 125412:				400.00	400.00		
A & I DISTRIBUTORS							
127557							
	2257171	OIL	11/28/2012	598.95	598.95	12/19/2012	15W40
	2257171	OIL	11/28/2012	448.80	448.80	12/19/2012	10W30
	2257171	ATF, AS68RC	11/28/2012	441.60	441.60	12/19/2012	ATF, MOPAR
	2257171	DRUM DEPOSIT	11/28/2012	35.00	35.00	12/19/2012	
Total 127557:				1,524.35	1,524.35		
A-1 ELECTRIC							
200							
	03037	NEW COPY PUMP HOUSE	11/30/2012	236.55	236.55	12/19/2012	
Total 200:				236.55	236.55		
ACE HARDWARE							
2390							
	245347	SUPPLIES	11/07/2012	9.99	9.99	12/19/2012	
	246156	SHOP SUPPLIES	11/19/2012	4.77	4.77	12/19/2012	
	246180	BATTERIES	11/19/2012	13.99	13.99	12/19/2012	
	246242	SUPPLIES FOR CHRISTMAS LI	11/20/2012	1.49	1.49	12/19/2012	
	246253	LIGHT BULBS - SHOP	11/20/2012	107.87	107.87	12/19/2012	
	246321	PROPANE BOTTLE	11/21/2012	23.50	23.50	12/19/2012	
	246321	PROPANE BOTTLE	11/21/2012	23.49	23.49	12/19/2012	
	246355	PAINT	11/23/2012	16.85	16.85	12/19/2012	
	246510	CASTER PLATES - SIGN ROOM	11/26/2012	34.96	34.96	12/19/2012	
	246567	AIR LINE - SIGN ROOM	11/27/2012	15.87	15.87	12/19/2012	
	246604	SHOP SUPPLIES / SAFETY GLO	11/27/2012	21.48	21.48	12/19/2012	
	246618	SUPPLIES	11/27/2012	10.99	10.99	12/19/2012	
	246689	REPAIR CHRISTMAS DECORAT	11/28/2012	8.86	8.86	12/19/2012	
	246739	SUPPLIES	11/29/2012	13.28	13.28	12/19/2012	
	246821	CLOCK	11/30/2012	8.99	8.99	12/19/2012	
	246845	MATERIALS & SUPPLIES	11/30/2012	11.98	11.98	12/19/2012	
	246865	PROTECTIVE EQUIPMENT	11/30/2012	3.99	3.99	12/19/2012	
	246885	MATERIALS & SUPPLIES	11/30/2012	43.46	43.46	12/19/2012	
	246967	TILE SPACERS - SHOP BREAK	12/03/2012	4.99	4.99	12/19/2012	
	247023	CUT TREE GRATES	12/04/2012	3.49	3.49	12/19/2012	
	247025	CUT TREE GRATES	12/04/2012	2.49	2.49	12/19/2012	
	247025	CUT TREE GRATES	12/04/2012	3.49	3.49	12/19/2012	
	7074	RENT TILE SAW - SHOP BREAK	12/03/2012	198.00	198.00	12/19/2012	
Total 2390:				581.29	581.29		
ADVANCED INFO SYSTEMS							
129162							
	10050	CYCLE 2 OUTSOURCE BILLS	11/26/2012	203.75	203.75	12/19/2012	
	10071	CYCLE 3 OUTSOURCE BILLS	11/30/2012	444.91	444.91	12/19/2012	
Total 129162:				648.66	648.66		

Vendor Name Vendor No	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Inventory Number
ALSCO							
126551							
	871489	RUGS - CITY HALL	10/09/2012	48.69	48.69	12/19/2012	
	875144	RUGS - CITY HALL	10/23/2012	48.69	48.69	12/19/2012	
	882013	TOWELS	11/19/2012	47.99	47.99	12/19/2012	
	882461	RUGS - CITY HALL	11/20/2012	50.63	50.63	12/19/2012	
	883910	TOWELS	11/26/2012	47.60	47.60	12/19/2012	
	885716	TOWELS	12/03/2012	47.60	47.60	12/19/2012	
Total 126551:				291.20	291.20		
AMERICAN FAMILY LIFE ASSUR							
550							
	070780	PREMIUM	12/03/2012	2,258.68	2,258.68	12/03/2012	
Total 550:				2,258.68	2,258.68		
AMERICAN RED CROSS							
129201							
	10180929	ARC FEES	11/21/2012	18.00	18.00	12/19/2012	
Total 129201:				18.00	18.00		
AMERICAN WELDING & GAS, INC.							
128592							
	01999337	CYLINDER RENTAL	11/19/2012	100.24	100.24	12/19/2012	
	01999338	SAFETY GLOVES	11/19/2012	249.00	249.00	12/19/2012	
	02011610	CYLINDER RENTAL	11/30/2012	31.50	31.50	12/19/2012	
	02011611	SUPPLIES	11/30/2012	52.50	52.50	12/19/2012	
	02011612	CYLINDER RENTAL	11/30/2012	47.25	47.25	12/19/2012	
Total 128592:				480.49	480.49		
ASSURED FLOW SALES INC							
125067							
	8490	ID / NIS TAGS	11/27/2012	194.00	194.00	12/19/2012	
Total 125067:				194.00	194.00		
ATCO INTERNATIONAL							
127716							
	10360928	STAINLESS STEEL WIPES	11/14/2012	130.50	130.50	12/19/2012	
Total 127716:				130.50	130.50		
BARN FEED AND PET							
972							
	236316	DOG FOOD - ABBY	11/12/2012	36.13	36.13	12/19/2012	
Total 972:				36.13	36.13		
BEAR CO, INC							
1010							
	169281	POLICE CAR TIRES (8)	10/29/2012	1,000.88	1,000.88	12/19/2012	
	169312	TIRE FOR I06	10/30/2012	59.00	59.00	12/19/2012	
	169455	TIRE FOR G12 COMPRESSOR	11/06/2012	110.50	110.50	12/19/2012	

Vendor Name Vendor No	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Inventory Number
Total 1010:				1,170.38	1,170.38		
BEASLEY, PARRY							
129552							
	120312	REIMBURSE FOR CDL PERMIT	12/03/2012	20.00	20.00	12/19/2012	
Total 129552:				20.00	20.00		
BEST RATE TOWING & REPAIR							
129556							
	70340	TOWING CASE 12-1604	10/13/2012	92.00	92.00	12/19/2012	
Total 129556:				92.00	92.00		
BIG HORN PAINT							
1180							
	0056612	PAINT BREAKROOM - SHOP	11/29/2012	79.18	79.18	12/19/2012	
Total 1180:				79.18	79.18		
BIG HORN REDI-MIX INC							
1190							
	363033	SYSTEM REPAIR	12/03/2012	57.50	57.50	12/19/2012	
Total 1190:				57.50	57.50		
BIG HORN WHOLESALE							
1210							
	5445	MATERIALS & SUPPLIES	11/19/2012	418.64	418.64	12/19/2012	
	5631	SENIOR BRUNCH - REC CENTE	12/05/2012	568.99	568.99	12/19/2012	
Total 1210:				987.63	987.63		
BLOEDORN LUMBER							
1590							
	875303	THIN SET MORTAR - BREAKRO	12/03/2012	86.95	86.95	12/19/2012	
Total 1590:				86.95	86.95		
BLUE CROSS BLUE SHIELD OF WY							
1360							
	120112	INSURANCE PREMIUM	12/01/2012	103,595.67	103,595.67	12/19/2012	
	120112	INSURANCE PREMIUM	12/01/2012	556.91	556.91	12/19/2012	
Total 1360:				104,152.58	104,152.58		
BOONE'S MACHINE SHOP							
1400							
	52296	WELDING	11/20/2012	75.00	75.00	12/19/2012	
Total 1400:				75.00	75.00		
BORDER STATES INDUSTRIES INC							
1420							
	904945162	SYSTEM REPAIRS	12/02/2012	106.78	106.78	12/19/2012	

Vendor Name Vendor No	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Inventory Number
Total 1420:				106.78	106.78		
BRESNAN COMMUNICATIONS							
123538							
	112012-CH	INTERNET - CITY HALL	11/20/2012	99.95	99.95	12/19/2012	
	120212-SHOP	INTERNET - SHOP	12/02/2012	150.15	150.15	12/19/2012	
Total 123538:				250.10	250.10		
CABELA'S							
126368							
	021662606	AMMUNITION	11/15/2012	196.87	196.87	12/19/2012	
Total 126368:				196.87	196.87		
CARQUEST AUTO PARTS							
10200							
	2874-207784	REPAIR PARTS	11/01/2012	2.78	2.78	12/19/2012	
	2874-208025	REPAIR PARTS	11/05/2012	8.15	8.15	12/19/2012	
	2874-208026	REPAIR PARTS	11/05/2012	9.45	9.45	12/19/2012	
	2874-208200	REPAIR PARTS	11/07/2012	5.40	5.40	12/19/2012	
	2874-208387	REPAIR PARTS	11/09/2012	106.76	106.76	12/19/2012	
	2874-208404	EQUIPMENT MAINT - EL	11/09/2012	16.56	16.56	12/19/2012	
	2874-208406	REPAIR PARTS	11/09/2012	13.19	13.19	12/19/2012	
	2874-208423	REPAIR PARTS	11/09/2012	5.09	5.09	12/19/2012	
	2874-208634	CREDIT - REPAIR PARTS	11/13/2012	17.00-	17.00-	12/19/2012	
	2874-208639	REPAIR PARTS	11/13/2012	2.78	2.78	12/19/2012	
	2874-208750	REPAIR PARTS	11/14/2012	20.75	20.75	12/19/2012	
	2874-208753	REPAIR PARTS	11/14/2012	25.50	25.50	12/19/2012	
	2874-208796	REPAIR PARTS	11/15/2012	2.42	2.42	12/19/2012	
	2874-208888	OVERLOAD SIGNS - ST	11/16/2012	18.71	18.71	12/19/2012	
	2874-208898	REPAIR PARTS	11/16/2012	3.10	3.10	12/19/2012	
	2874-208945	EQUIPMENT MAINT - EL	11/16/2012	87.53	87.53	12/19/2012	
	2874-209027	REPAIR PARTS	11/19/2012	89.76	89.76	12/19/2012	
	2874-209031	REPAIR PARTS	11/19/2012	25.50	25.50	12/19/2012	
	2874-209055	REPAIR PARTS	11/19/2012	3.67	3.67	12/19/2012	
	2874-209116	REPAIR PARTS	11/20/2012	12.92	12.92	12/19/2012	
	2874-209116	SAFETY GLOVES	11/20/2012	13.23	13.23	12/19/2012	
	2874-209198	TIRE DOLLY	11/21/2012	200.05	200.05	12/19/2012	
	2874-209213	SUPPLIES - WATER DEPT	11/21/2012	8.54	8.54	12/19/2012	
	2874-209237	REPAIR PARTS	11/21/2012	2.78	2.78	12/19/2012	
	2874-209411	REPAIR PARTS	11/26/2012	104.63	104.63	12/19/2012	
	2874-209422	CREDIT REPAIR PARTS	11/26/2012	17.00-	17.00-	12/19/2012	
	2874-209548	REPAIR PARTS	11/28/2012	4.98	4.98	12/19/2012	
	2874-209551	CREDIT REPAIR PARTS	11/28/2012	17.00-	17.00-	12/19/2012	
	2874-209629	REPAIR PARTS	11/29/2012	2.62	2.62	12/19/2012	
	2874-209633	REPAIR PARTS	11/29/2012	41.40	41.40	12/19/2012	
	2874-209635	CREDIT REPAIR PARTS	11/29/2012	5.30-	5.30-	12/19/2012	
	2874-209639	REPAIR PARTS	11/29/2012	9.26	9.26	12/19/2012	
	2874-209689	REPAIR PARTS	11/30/2012	31.14	31.14	12/19/2012	
Total 10200:				822.35	822.35		
CENTURY LINK							
10091							
	111912	PHONE CHARGES	11/19/2012	750.05	750.05	12/19/2012	

Vendor Name Vendor No	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Inventory Number
Total 10091:				750.05	750.05		
CHADWICK VETERINARY HOSPITAL							
2130							
	111212	FERAL CAT - CASE 12-1751	11/12/2012	30.00	30.00	12/19/2012	
Total 2130:				30.00	30.00		
CHUCKS LAWN CARE							
125081							
	20426	SNOW REMOVAL	11/10/2012	50.00	50.00	12/19/2012	
	20427	SNOW REMOVAL	11/10/2012	50.00	50.00	12/19/2012	
Total 125081:				100.00	100.00		
CITY OF CODY							
2260							
	113012	UTILITIES	11/30/2012	100.00	100.00	12/19/2012	
	113012	UTILITIES	11/30/2012	210.00	210.00	12/19/2012	
	113012	UTILITIES	11/30/2012	732.22	732.22	12/19/2012	
	113012	UTILITIES	11/30/2012	60.84	60.84	12/19/2012	
	113012	UTILITIES	11/30/2012	389.04	389.04	12/19/2012	
	113012	UTILITIES	11/30/2012	201.89	201.89	12/19/2012	
	614-7	SITE PLAN REVIEW SANITATIO	12/04/2012	400.00	400.00	12/19/2012	
Total 2260:				2,093.99	2,093.99		
CITY OF CODY							
127400							
	120412	PETTY CASH PD - POSTAGE	12/04/2012	5.35	5.35	12/19/2012	
	120412	PETTY CASH PD -LUNCH / INTE	12/04/2012	20.80	20.80	12/19/2012	
	120412	PETTY CASH PD BAIT MONEY	12/04/2012	20.00	20.00	12/19/2012	
Total 127400:				46.15	46.15		
CLOVERLEAF TOOL CO							
125118							
	30146	ALUMINUM TUBE	11/14/2012	151.48	151.48	12/19/2012	
Total 125118:				151.48	151.48		
CODY CAB							
129079							
	120512	TIPSY TAXI VOUCHERS (11-12)	12/05/2012	7.00	7.00	12/19/2012	
	120512	TIPSY TAXI VOUCHERS (12-13)	12/05/2012	294.00	294.00	12/19/2012	
Total 129079:				301.00	301.00		
CODY ENTERPRISE							
2590							
	113012	ADVERTISING	11/30/2012	2,446.70	2,446.70	12/19/2012	
Total 2590:				2,446.70	2,446.70		
COPENHAVER KATH KITCHEN KOLPITCKE LLC							

Vendor Name Vendor No	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Inventory Number
3140							
	120312	LEGAL SERVICES	12/03/2012	6,396.25	6,396.25	12/19/2012	
Total 3140:				6,396.25	6,396.25		
CRUM ELECTRIC							
3300							
	1390851-00	SUPPLIES	11/29/2012	56.03	56.03	12/19/2012	
	1393235-00	SNOW FENCE TAPE	11/27/2012	165.35	165.35	12/19/2012	
	1394345-00	NEW SERVICES	11/19/2012	11.48	11.48	12/19/2012	
	1395018-00	SERVICE REPAIRS	11/20/2012	3.39	3.39	12/19/2012	
	1395230-00	BATTERIES	11/21/2012	42.00	42.00	12/19/2012	
	1395300-00	NEW SERVICES	11/21/2012	14.78	14.78	12/19/2012	
	1398380-00	SUPPLIES	12/04/2012	1.59	1.59	12/19/2012	
Total 3300:				294.62	294.62		
CUSTOM COWBOY SHOP							
129557							
	32744	UNIFORMS - OUTERWEAR	11/24/2012	80.00	80.00	12/19/2012	
Total 129557:				80.00	80.00		
DEPT OF FAMILY SERVICES							
125899							
	120712	BACKGROUND CHECKS (2) ON	12/07/2012	20.00	20.00	12/19/2012	
Total 125899:				20.00	20.00		
DEWILL, DAN							
129558							
	14543053	REFUND UTILITY DEPOSIT	11/29/2012	83.62	83.62	12/19/2012	
Total 129558:				83.62	83.62		
DIVISION OF VICTIM'S SERVICES							
124470							
	120512	CRIME VICTIM'S COMP - NOV 1	12/05/2012	1,711.24	1,711.24	12/19/2012	
Total 124470:				1,711.24	1,711.24		
ENERGY WEST							
2630							
	111612	UTILITIES	11/16/2012	556.44	556.44	12/19/2012	
	112712	UTILITIES	11/27/2012	114.16	114.16	12/19/2012	
Total 2630:				670.60	670.60		
FARM PLAN CORPORATION							
4210							
	2879377	UNIFORM - TIM LATHAM	11/24/2012	62.99	62.99	12/19/2012	
Total 4210:				62.99	62.99		
FASTENAL COMPANY 01WYCDY							
126018							
	WYCDY44681	MATERIALS & SUPPLIES	11/14/2012	3.52	3.52	12/19/2012	

Vendor Name Vendor No	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Inventory Number
	WYCDY44724	CLASS III VESTS	11/16/2012	61.31	61.31	12/19/2012	
	WYCDY44756	SUPPLIES	11/20/2012	17.99	17.99	12/19/2012	
	WYCDY44781	BOLTS FOR METER INSTALLAT	11/26/2012	15.37	15.37	12/19/2012	
	WYCDY44789	SAFETY VESTS	11/26/2012	107.22	107.22	12/19/2012	
	WYCDY44804	CHIPPER BAR BOLTS - D07	11/27/2012	4.49	4.49	12/19/2012	
	WYCDY44806	BOLTS AND NUTS	11/27/2012	20.32	20.32	12/19/2012	
	WYCDY44962	MATERIALS & SUPPLIES	11/14/2012	15.72	15.72	12/19/2012	
Total 126018:				245.94	245.94		
FORWARD CODY WYOMING, INC							
127450							
	1 - 12/04/12	WAP LAND PURCHASE	12/12/2012	195,840.00	195,840.00	12/19/2012	
Total 127450:				195,840.00	195,840.00		
FREMONT BEVERAGES INC							
127301							
	34178	Drink Syrups	11/27/2012	71.00	71.00	12/19/2012	20004
	34178	STRAWS	11/27/2012	8.00	8.00	12/19/2012	22000
	34178	FUEL SURCHARGE	11/27/2012	3.00	3.00	12/19/2012	
Total 127301:				82.00	82.00		
FREMONT MOTOR CODY INC							
4370							
	121271	ACCIDENT REPAIR A12	11/05/2012	257.52	257.52	12/19/2012	
	121312	ACCIDENT REPAIR A12	11/08/2012	62.10	62.10	12/19/2012	
	121327	SOLENOID A103	11/07/2012	161.60	161.60	12/19/2012	
Total 4370:				481.22	481.22		
GALLS, LLC							
123014							
	000028530	CREDIT FOR C07 UNIFORMS	09/16/2012	25.13-	25.13-	12/19/2012	
	000123450	UNIFORMS C09	11/22/2012	42.59	42.59	12/19/2012	
Total 123014:				17.46	17.46		
GARDNER, JOSEPH WALTER							
129495							
	111612	CDL REIMBURSEMENT	11/16/2012	60.00	60.00	12/19/2012	
Total 129495:				60.00	60.00		
GDA ENGINEERS							
4620							
	00003-W STRI	WEST STRIP WATER PROJECT	11/26/2012	11,050.25	11,050.25	12/19/2012	
Total 4620:				11,050.25	11,050.25		
GULLIAM, AMANDA							
129559							
	17765629	REFUND UTILITY DEPOSIT	11/30/2012	46.19	46.19	12/19/2012	
Total 129559:				46.19	46.19		

Vendor Name Vendor No	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Inventory Number
HOLIDAY INN 5000							
	24633	CONTRACTOR'S BOARD MEETI	11/23/2012	137.62	137.62	12/12/2012	
	24633	LESS SALES TAX	11/23/2012	2.48-	2.48-	12/19/2012	
Total 5000:				135.14	135.14		
HUSKIE TOOLS, INC 129509							
	482701	REC'D CHECK FOR RETURNED	10/05/2012	2,773.10	.00		credit in system. rec'd ck for refund
Total 129509:				2,773.10	.00		
I STATE TRUCK CENTER 126019							
	C251115959:0	AIR DRYER	09/26/2012	86.06	86.06	12/19/2012	
	C251120118:0	AIR DRYER - CREDIT	11/22/2012	86.06-	86.06-	12/19/2012	
Total 126019:				.00	.00		
IACP NET/LOGIN 5137							
	19865	ANNUAL MEMBERSHIP	11/15/2012	500.00	500.00	12/19/2012	
Total 5137:				500.00	500.00		
ICMA RETIREMENT-457-#303143 5170							
	696236	Contributions	12/07/2012	5,784.08	5,784.08	12/07/2012	
Total 5170:				5,784.08	5,784.08		
INFORMATION SYSTEMS CONSULTING 128368							
	0064837-IN	PARTS - PHONE PROJECT	10/22/2012	120.00	120.00	12/19/2012	
Total 128368:				120.00	120.00		
JENSEN PLUMBING 129455							
	6063	REPAIR BOILER ROOM - REC C	11/14/2012	665.26	665.26	12/19/2012	
Total 129455:				665.26	665.26		
KATHENHORN, KERRY A 129560							
	4098040	REFUND UTILITY DEPOSIT	11/26/2012	113.24	113.24	12/19/2012	
Total 129560:				113.24	113.24		
KEEGAN & WINSLOW LAW FIRM 126040							
	120312	PROFESSIONAL FEES	12/03/2012	186.00	186.00	12/19/2012	
	120412	PROFESSIONAL FEES	12/04/2012	54.00	54.00	12/19/2012	
Total 126040:				240.00	240.00		

Vendor Name Vendor No	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Inventory Number
KENCO SECURITY & TECHNOLOGY							
9029							
	1002670	INSTALL FIRE PROTECTION - E	11/14/2012	367.50	367.50	12/19/2012	
Total 9029:				367.50	367.50		
KOONS, JOHN H							
129498							
	120512	RESTITUTION FROM MC-1205-0	12/05/2012	125.00	125.00	12/19/2012	
Total 129498:				125.00	125.00		
LAFOLLETTE, TRISHA							
129217							
	120512	RESTITUTION FROM MC-1101-0	12/05/2012	125.00	125.00	12/19/2012	
Total 129217:				125.00	125.00		
LOGAN SIMPSON DESIGN INC							
129527							
	13891	MASTER PLAN UPDATE	11/20/2012	20,141.16	20,141.16	12/19/2012	
Total 129527:				20,141.16	20,141.16		
LONG BUILDING TECH INC							
125191							
	SRVCE006041	REPAIRS - REC CENTER	11/27/2012	105.00	105.00	12/19/2012	
Total 125191:				105.00	105.00		
LYLE SIGNS INC							
123209							
	971533	SIGNS - LEC	11/19/2012	244.03	244.03	12/19/2012	
	974042	Sign Post 2 x 12	11/27/2012	832.50	832.50	12/19/2012	SP2X12
	974042	FREIGHT	11/27/2012	370.00	370.00	12/19/2012	
Total 123209:				1,446.53	1,446.53		
MARTIN, KELLI							
123144							
	112712	VOLLEYBALL REFEREE	11/27/2012	62.50	62.50	12/19/2012	
Total 123144:				62.50	62.50		
MEACHAM, NATHAN							
129566							
	3031061	REFUND UTILITY DEPOSIT	12/04/2012	36.74	36.74	12/19/2012	
Total 129566:				36.74	36.74		
MERCHANT JT&S							
123069							
	397	EDUCATION EXPENSE	11/30/2012	550.00	550.00	12/19/2012	
Total 123069:				550.00	550.00		

Vendor Name Vendor No	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Inventory Number
MID-WEST INSTRUMENT							
129562							
	896703	BACKFLOW TESTING EQUIPME	11/21/2012	767.90	767.90	12/19/2012	
Total 129562:				767.90	767.90		
MINDWARE							
129563							
	INV2191196	ASAP PROGRAM	11/20/2012	134.84	134.84	12/19/2012	
	IVN2191823	ASAP PROGRAM	11/20/2012	348.11	348.11	12/19/2012	
Total 129563:				482.95	482.95		
MOTOR PARTS INC							
6820							
	540532	BELTS - REC CENTER	11/02/2012	19.37	19.37	12/19/2012	
	540879	BELT FOR EF#2	11/06/2012	4.50	4.50	12/19/2012	
	540886	CREDIT FOR BELT	11/06/2012	.21-	.21-	12/19/2012	
	541220	REPAIR PARTS	11/09/2012	23.98	23.98	12/19/2012	
	541491	CLEANER - WASTE WATER	11/13/2012	18.06	18.06	12/19/2012	
	541502	REPAIR PARTS	11/13/2012	184.35	184.35	12/19/2012	
	541505	CREDIT FOR REPAIR PARTS	11/13/2012	49.50-	49.50-	12/19/2012	
	541726	REPAIR PARTS	11/15/2012	164.15	164.15	12/19/2012	
	541779	EQUIPMENT MAINT. - EL	11/15/2012	122.55	122.55	12/19/2012	
	542009	REPAIR PARTS	11/19/2012	16.20	16.20	12/19/2012	
	542407	REPAIR PARTS	11/26/2012	10.08	10.08	12/19/2012	
	542407	SHOP SUPPLIES	11/26/2012	10.05	10.05	12/19/2012	
	542444	GRINDER OIL - ST	11/26/2012	7.43	7.43	12/19/2012	
	542466	SEAL BEAM - WASTE WATER	11/26/2012	7.69	7.69	12/19/2012	
	542780	REPAIR PARTS	11/29/2012	23.93	23.93	12/19/2012	
Total 6820:				562.63	562.63		
MOUNTAIN WEST INC							
6930							
	023545	YOUTH BASKETBALL	11/15/2012	172.43	172.43	12/19/2012	
	023552	UNIFORMS	11/19/2012	10.25	10.25	12/19/2012	
	023565	UNIFORMS C16	11/27/2012	15.30	15.30	12/19/2012	
	023566	UNIFORM EMBROIDERY	11/26/2012	8.10	8.10	12/19/2012	
Total 6930:				206.08	206.08		
NATIONAL TACTICAL OFFICERS							
126008							
	38242	MEMBERSHIP RENEWAL - PER	11/13/2012	150.00	150.00	12/19/2012	
Total 126008:				150.00	150.00		
NORCO, INC.							
128948							
	10624965	CO2	11/20/2012	105.24	105.24	12/19/2012	
	10685434	SUPPLIES	11/30/2012	75.95	75.95	12/19/2012	
Total 128948:				181.19	181.19		
ONE-CALL OF WYOMING							

Vendor Name Vendor No	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Inventory Number
127665							
	30615	WYOMING ONE CALL	12/04/2012	14.00	14.00	12/19/2012	
	30615	WYOMING ONE CALL	12/04/2012	14.00	14.00	12/19/2012	
	30615	WYOMING ONE CALL	12/04/2012	14.00	14.00	12/19/2012	
Total 127665:				42.00	42.00		
OWEN, DON 125181							
	112712	VOLLEYBALL REFEREE	11/27/2012	200.00	200.00	12/19/2012	
Total 125181:				200.00	200.00		
PARK COUNTY 7670							
	877	LEC CONTRACT	11/24/2012	15,527.95	15,527.95	12/19/2012	
	877	LEC UTILITIES	11/24/2012	703.25	703.25	12/19/2012	
Total 7670:				16,231.20	16,231.20		
PARK COUNTY ANIMAL SHELTER 5120							
	120112	ANIMAL SERVICE CONTRACT	12/01/2012	3,750.00	3,750.00	12/19/2012	
Total 5120:				3,750.00	3,750.00		
PARK COUNTY LANDFILL 129053							
	113012	LANDFILL CHARGES	11/30/2012	61,520.00	61,520.00	12/19/2012	
	113012	LANDFILL CHARGES	11/30/2012	23.00	23.00	12/19/2012	
	113012	LANDFILL CHARGES	11/30/2012	53.00	53.00	12/19/2012	
Total 129053:				61,596.00	61,596.00		
PARK COUNTY PUBLIC HEALTH 7720							
	1012	FLU VACCINATIONS	12/04/2012	110.00	110.00	12/19/2012	
Total 7720:				110.00	110.00		
PARK COUNTY READY MIX 7730							
	43838	SAND SLURRY 18TH ST	10/31/2012	417.28	417.28	12/19/2012	
	43930	CONCRETE	11/20/2012	69.91	69.91	12/19/2012	
Total 7730:				487.19	487.19		
PARK COUNTY SHERIFF 7740							
	113012	INCARCERATION - NOV 2012	11/30/2012	1,080.00	1,080.00	12/19/2012	
Total 7740:				1,080.00	1,080.00		
PROVIDENT LIFE & ACCIDENT INS 128033							
	120312	PREMIUMS	12/03/2012	216.20	216.20	12/03/2012	

Vendor Name Vendor No	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Inventory Number
Total 128033:				216.20	216.20		
PURCHASE ADVANTAGE CARD							
430							
	021862	ASAP	11/21/2012	8.00	8.00	12/19/2012	
	021997	ASAP	11/21/2012	8.94	8.94	12/19/2012	
	027059	ASAP	11/27/2012	8.43	8.43	12/19/2012	
	030076	BIRTHDAY PARTIES - REC CEN	11/30/2012	18.99	18.99	12/19/2012	
Total 430:				44.36	44.36		
REESE, LINCOLN							
124744							
	112712	BASKETBALL REFEREE	11/27/2012	48.00	48.00	12/19/2012	
Total 124744:				48.00	48.00		
REYES, KIM							
129567							
	14500016	REFUND UTILITY DEPOSIT	12/03/2012	19.67	19.67	12/19/2012	
Total 129567:				19.67	19.67		
ROCKY MOUNTAIN POWER							
7570							
	112612	UTILITIES	11/26/2012	7.83	7.83	12/19/2012	
	112612	UTILITIES	11/26/2012	257.68	257.68	12/19/2012	
Total 7570:				265.51	265.51		
129572							
	121112	PURCHASE UTILITY EASEMEN	12/11/2012	5,900.25	5,900.25	12/19/2012	
Total 129572:				5,900.25	5,900.25		
S & S WORLDWIDE INC							
124166							
	7530410	SUPPLIES	11/14/2012	57.93	57.93	12/19/2012	
Total 124166:				57.93	57.93		
SCHOENING, KRISTA							
125478							
	112712	VOLLEYBALL REFEREE	11/27/2012	25.00	25.00	12/19/2012	
Total 125478:				25.00	25.00		
SCHOENING, WILLIAM D							
123147							
	112712	VOLLEYBALL REFEREE	11/27/2012	125.00	125.00	12/19/2012	
	112712	BASKETBALL REFEREE	11/27/2012	60.00	60.00	12/19/2012	
Total 123147:				185.00	185.00		
SERFAS-BOWER, KELLY							

Vendor Name Vendor No	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Inventory Number
129565							
	120112	REIMBURSE FOR TRAVEL EXP	12/01/2012	25.00	25.00	12/19/2012	
	120112	REIMBURSE FOR TRAVEL EXP	12/01/2012	25.00	25.00	12/19/2012	
	120112	REIMBURSE FOR TRAVEL EXP	12/01/2012	25.00	25.00	12/19/2012	
Total 129565:				75.00	75.00		
SHERWIN-WILLIAMS COMPANY							
127725							
	5905-3	MASKING TAPE - BREAKROOM	11/29/2012	32.34	32.34	12/19/2012	
Total 127725:				32.34	32.34		
SHOSHONE MUNICIPAL PIPELINE							
9130							
	120112	SMP WATER PURCHASES - NO	12/01/2012	95,711.68	95,711.68	12/19/2012	
Total 9130:				95,711.68	95,711.68		
SHOSHONE OFFICE SUPPLY							
9140							
	0092495	SUPPLIES	12/07/2012	45.00	45.00	12/19/2012	
	0092802	OFFICE SUPPLIES	11/15/2012	77.06	77.06	12/19/2012	
	0092886	SUPPLIES	11/21/2012	5.78	5.78	12/19/2012	
	0092938	SUPPLIES	11/27/2012	21.41	21.41	12/19/2012	
	0092955	OFFICE SUPPLIES	11/27/2012	11.60	11.60	12/19/2012	
	0092982	555605234	11/27/2012	9.08	9.08	12/19/2012	
	0092988	SUPPLIES	11/22/2012	175.13	175.13	12/19/2012	
	0093020	SUPPLIES	11/30/2012	122.99	122.99	12/19/2012	
	0093045	WALL CALENDAR - DRY ERASE	12/04/2012	24.04	24.04	12/19/2012	
	0093045	WALL CALENDAR - DRY ERASE	12/04/2012	24.04	24.04	12/19/2012	
	0093045	WALL CALENDAR - DRY ERASE	12/04/2012	24.04	24.04	12/19/2012	
	0093045	EMPLOYEE CALENDAR SUPPLI	12/04/2012	13.19	13.19	12/19/2012	
	0093071	SUPPLIES	12/04/2012	4.44	4.44	12/19/2012	
	0093082	SUPPLIES	12/04/2012	5.66	5.66	12/19/2012	
	092734	TONER	11/09/2012	123.99	123.99	12/19/2012	
Total 9140:				687.45	687.45		
SIRCHIE							
9300							
	0102108-IN	INVESTIGATION SUPPLIES	11/17/2012	179.27	179.27	12/19/2012	
Total 9300:				179.27	179.27		
SITZ III, ALEX H.							
129379							
	13602	PROFESSIONAL FEES	11/27/2012	27.00	27.00	12/19/2012	
Total 129379:				27.00	27.00		
SKARSHAUG TESTING LAB							
9320							
	173023	SAFETY SUPPLIES	11/15/2012	191.76	191.76	12/19/2012	
Total 9320:				191.76	191.76		

Vendor Name Vendor No	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Inventory Number
SKINNER, TONYA							
123304							
	112712	VOLLEYBALL REFEREE	11/27/2012	150.00	150.00	12/19/2012	
Total 123304:				150.00	150.00		
STEWART'S MERCANTILE							
127774							
	2734-19	AUDIT COMMITTE MEETING	11/28/2012	82.75	82.75	12/19/2012	
Total 127774:				82.75	82.75		
STINE BUSS WOLFF WILSON							
127032							
	87565	AUDIT SERVICES	10/31/2012	19,750.00	19,750.00	12/19/2012	
Total 127032:				19,750.00	19,750.00		
STONEHOUSE DATA SOLUTIONS							
129568							
	1122	SHREDDING SOURCES	12/03/2012	827.60	827.60	12/19/2012	
Total 129568:				827.60	827.60		
STROUPE PEST CONTROL CO							
9635							
	110212-RECY	PEST CONTROL - RECYCLE C	11/02/2012	55.00	55.00	12/19/2012	
	120312-CH	PEST CONTROL - CITY HALL	12/03/2012	60.00	60.00	12/19/2012	
	120312-EL	PEST CONTROL - EL SHOP	12/03/2012	55.00	55.00	12/19/2012	
	120312-SHOP	PEST CONTROL - SHOP	12/03/2012	83.00	83.00	12/19/2012	
Total 9635:				253.00	253.00		
T & R ELECTRIC SUPPLY COMPANY							
129569							
	2012-04	REFUND OF BID BOND 2012-04	11/30/2012	2,850.13	2,850.13	12/19/2012	
Total 129569:				2,850.13	2,850.13		
TEREX UTILITIES, INC							
129570							
	0046311-IN	EQUIPMENT REPAIR	11/16/2012	69.76	69.76	12/19/2012	
Total 129570:				69.76	69.76		
THOMSON WEST							
127136							
	826083994	1 YR. SUBSCRIPTION-SEARCH	11/04/2012	221.04	221.04	12/19/2012	
Total 127136:				221.04	221.04		
TRACTOR & EQUIPMENT CO							
9930							
	SGCS0083979	WIRING HARNESS	07/20/2012	158.19	158.19	12/19/2012	
Total 9930:				158.19	158.19		

Vendor Name Vendor No	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Inventory Number
TRUDO, BRETT							
129561							
	112112	REIMBURSE FOR CDL FEES	11/21/2012	20.00	20.00	12/19/2012	
Total 129561:				20.00	20.00		
U S POST OFFICE							
10050							
	112012	PRE-SORT POSTAGE FEES	11/20/2012	190.00	190.00	12/19/2012	
Total 10050:				190.00	190.00		
UNUM LIFE INS - LTD							
127843							
	120312	LONG TERM DISABILITY - PRE	12/03/2012	2,826.41	2,826.41	12/03/2012	
Total 127843:				2,826.41	2,826.41		
UNUM LIFE INSURANCE - LIFE							
127935							
	120312	PREMIUM	12/03/2012	1,426.48	1,426.48	12/03/2012	
Total 127935:				1,426.48	1,426.48		
VERIZON							
124442							
	1139365242	CELL PHONE SERVICE	11/20/2012	1,554.41	1,554.41	12/19/2012	
	1139365242	POLICE WIRELESS DEVICES	11/20/2012	90.06	90.06	12/19/2012	
Total 124442:				1,644.47	1,644.47		
VICKERY, MARLENE M							
129564							
	20037514	REFUND UTILITY DEPOSIT	12/04/2012	57.90	57.90	12/19/2012	
Total 129564:				57.90	57.90		
VISA							
10280							
	NOV 2700	FLASHLIGHT - PD	12/02/2012	66.50	66.50	12/19/2012	
	NOV 2700	TRAINING - PD	12/02/2012	285.00	285.00	12/19/2012	
	NOV 3444	EXPENSE - COUNCIL	12/02/2012	104.99	104.99	12/19/2012	
	NOV 3444	MEETING EXPENSE - MAYOR	12/02/2012	149.22	149.22	12/19/2012	
	NOV 7438	UNIFORMS - PD	12/02/2012	49.90	49.90	12/19/2012	
	NOV 7438	TRAINING - PD	12/02/2012	92.47	92.47	12/19/2012	
	NOV 7438	TRAVEL EXPENSE - PD	12/02/2012	40.23	40.23	12/19/2012	
	NOV 8401	FORMS - ADMIN	12/02/2012	155.20	155.20	12/19/2012	
	NOV 8419	ZUMBA - REC CENTER	12/02/2012	30.00	30.00	12/19/2012	
	NOV 8419	UNIFORMS - PARKS DEPT	12/02/2012	231.56	231.56	12/19/2012	
	NOV 8450	TRAINING - PD JUSTIN DOLLAR	12/02/2012	2,806.93	2,806.93	12/19/2012	
	NOV 8468	TRAVEL EXPENSE - FAC MAINT	12/02/2012	12.98	12.98	12/19/2012	
	NOV 8468	TRAVEL EXPENSE - STREETS	12/02/2012	33.96	33.96	12/19/2012	
	NOV 8468	TRAINING - BUILDING INSPECT	12/02/2012	308.00	308.00	12/19/2012	
	NOV 8468	TRAVEL EXPENSE - BUILDING I	12/02/2012	153.10	153.10	12/19/2012	
	NOV 8824	TRAVEL EXPENSE - WASTE WA	12/02/2012	21.00	21.00	12/19/2012	
	NOV 9433	MEMBERSHIP RENEWAL - R M	12/02/2012	200.00	200.00	12/19/2012	
	NOV 9433	MEMBERSHIP RENEWAL - R M	12/02/2012	200.00	200.00	12/19/2012	

Vendor Name Vendor No	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Inventory Number
	NOV 9433	TRAINING MATERIALS - REC C	12/02/2012	57.00	57.00	12/19/2012	
	NOV 9433	TRAVEL EXPENSE - REC CENT	12/02/2012	181.94	181.94	12/19/2012	
	NOV 9433	TRAVEL EXPENSE - REC CENT	12/02/2012	181.95	181.95	12/19/2012	
Total 10280:				5,361.93	5,361.93		
WAL MART COMMUNITY BRC							
10330							
	003664	SUGAR MIX	11/27/2012	11.48	11.48	12/19/2012	20129
	003664	Hot Dogs	11/27/2012	9.88	9.88	12/19/2012	20053
	003664	Popcorn	11/27/2012	5.00	5.00	12/19/2012	20049
	003664	Ramen Soup	11/27/2012	15.60	15.60	12/19/2012	20050
	003664	GATORAID	11/27/2012	5.98	5.98	12/19/2012	20008
	003664	Fruit Snacks	11/27/2012	16.38	16.38	12/19/2012	20026
	003664	Snack Cakes	11/27/2012	8.38	8.38	12/19/2012	20027
	003664	Pizza	11/27/2012	37.18	37.18	12/19/2012	20045
	003664	PAPER PLATES	11/27/2012	3.97	3.97	12/19/2012	21000
	003664	FORKS	11/27/2012	2.68	2.68	12/19/2012	25100
	003664	Crackers	11/27/2012	5.46	5.46	12/19/2012	20034
	003664	BOTTLED WATER	11/27/2012	2.97	2.97	12/19/2012	20009
	02711	SUPPLIES	11/20/2012	125.09	125.09	12/19/2012	
	03665	OFFICE SUPPLIES	11/27/2012	14.92	14.92	12/19/2012	
	06398	LAB SUPPLIES / MINERAL OIL	11/29/2012	13.42	13.42	12/19/2012	
	06398	LAB SUPPLIES / MINERAL OIL	11/29/2012	17.32	17.32	12/19/2012	
	06398	LAB SUPPLIES / MINERAL OIL	11/29/2012	10.14	10.14	12/19/2012	
	08726	ASAP SUPPLIES	12/03/2012	122.84	122.84	12/19/2012	
	09000	SUPPLIES	11/28/2012	29.96	29.96	12/19/2012	
	09442	SUPPLIES	11/28/2012	20.00	20.00	12/19/2012	
	09689	SUPPLIES	11/30/2012	99.39	99.39	12/19/2012	
Total 10330:				578.04	578.04		
WARNE CHEMICAL & EQUIPMENT CO							
123358							
	88744	GPS READER - B44	11/12/2012	337.05	337.05	12/19/2012	
Total 123358:				337.05	337.05		
WASSERBURGER, BRANDON							
129571							
	13685432	REFUND UTILITY DEPOSIT	12/10/2012	6.43	6.43	12/19/2012	
Total 129571:				6.43	6.43		
WATERWORKS INDUSTRIES							
10400							
	118251-01	TAPPING MACHINE PARTS	11/29/2012	149.45	149.45	12/19/2012	
Total 10400:				149.45	149.45		
WAYNE'S BOOT SHOP							
10430							
	11496	UNIFORMS - C18	11/26/2012	50.00	50.00	12/19/2012	
	11497	SAFETY BOOTS - DALE ARMST	11/26/2012	139.95	139.95	12/19/2012	
Total 10430:				189.95	189.95		

Vendor Name Vendor No	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Inventory Number
WESCO DISTRIBUTION INC							
10480							
	679029	SYSTEM MAINT	11/30/2012	175.07	175.07	12/19/2012	
Total 10480:				175.07	175.07		
WESTERN PATHOLOGY CONSULTING							
10570							
	CP 1708	RANDOM TESTING - PD	11/30/2012	90.00	90.00	12/19/2012	
	CP 1708	RANDOM TESTING - EL	11/30/2012	36.00	36.00	12/19/2012	
	CP 1708	RANDOM TESTING - STREETS	11/30/2012	36.00	36.00	12/19/2012	
	CP 1708	RANDOM TESTING - SHOP	11/30/2012	9.00	9.00	12/19/2012	
	CP 1708	RANDOM TESTING - SANITATI	11/30/2012	36.00	36.00	12/19/2012	
	CP 1708	RANDOM TESTING - WATER	11/30/2012	22.50	22.50	12/19/2012	
	CP 1708	RANDOM TESTING - WASTE W	11/30/2012	13.50	13.50	12/19/2012	
	CP 1708	RANDOM TESTING - REC	11/30/2012	18.00	18.00	12/19/2012	
Total 10570:				261.00	261.00		
WESTERN UNITED ELECTRIC SUPPLY							
10605							
	4029936	SYSTEM MAINT	11/19/2012	162.50	162.50	12/19/2012	
	4030170	SYSTEM REPAIRS	11/26/2012	106.00	106.00	12/19/2012	
Total 10605:				268.50	268.50		
WOODWARD TRACTOR CO							
10660							
	81425	SHOP SUPPLIES	12/03/2012	3.38	3.38	12/19/2012	
Total 10660:				3.38	3.38		
WRIGHT, ERIC							
129387							
	112912	REIMBURSE FOR MILEAGE - D	11/29/2012	146.52	146.52	12/19/2012	
Total 129387:				146.52	146.52		
WYOMING ASSC. OF RURAL WATER							
10760							
	10791	WARWS MEMBERSHIP	11/16/2012	375.00	375.00	12/19/2012	
Total 10760:				375.00	375.00		
WYOMING ASSN OF MUNICIPALITIES							
10770							
	12608	COUNCIL TRAINING	11/26/2012	50.00	50.00	12/19/2012	
Total 10770:				50.00	50.00		
WYOMING DEPARTMENT OF WORKFORCE SERVICES							
10670							
	120312	CONTRIBUTIONS	12/03/2012	10,094.56	10,094.56	12/03/2012	
	120312		12/03/2012	18.55	18.55	12/03/2012	
	120312	CONTRIBUTIONS	12/03/2012	24.73	24.73	12/03/2012	

Vendor Name Vendor No	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Inventory Number
Total 10670:				10,137.84	10,137.84		
WYOMING RETIREMENT SYSTEM							
10950							
	120312	CONTRIBUTIONS -	12/03/2012	59,595.16	59,595.16	12/03/2012	
Total 10950:				59,595.16	59,595.16		
YELLOWSTONE REGIONAL AIRPORT							
11150							
	120112	DECEMBER FUNDING	12/01/2012	13,975.66	13,975.66	12/19/2012	
Total 11150:				13,975.66	13,975.66		
Grand Totals:				682,901.44	680,128.34		

Payroll total \$225,563.12

TOTAL \$905,391.46

Report Criteria:

- Detail report.
- Invoices with totals above \$0 included.
- Paid and unpaid invoices included.

Eldredge, Bruce Reimbursement 147.87
TOTAL \$905,539.33

MEETING DATE: 12/18/2012
DEPARTMENT: PUBLIC WORKS
PREPARED BY: BERT POND
DEPT. DIR. APPROVAL: _____
CITY ADM. APPROVAL: _____
PRESENTED BY: STEVE PAYNE

AGENDA ITEM SUMMARY REPORT

Rocky Mountain Power Asset Transfer Agreement **River's Bend Trailer Park**

ACTION

Authorize the Mayor to sign the Asset Transfer Agreement with Rocky Mountain Power for the purchase of distribution lines and equipment in the River's Bend Trailer Park.

SUMMARY

Scott Kolpitcke, acting on behalf of the City of Cody has completed the negotiations for the terms and conditions to transfer Rocky Mountain Power Assets (electrical distribution equipment and lines in the River's Bend Trailer Park) to the City of Cody. The agreement does meet all of the City's requirements and is ready for signature. This item is requesting that the Mayor be authorized to sign the Asset Transfer Agreement and proceed with the purchase following the procedures outlined by Scott Kolpitcke.

FISCAL IMPACT

This action to execute the Asset Transfer Agreement will require a payment to Rocky Mountain Power of \$23,947.00 for the purchase of distribution lines and equipment plus transaction costs in the River's Bend Trailer Park on or before the closing date of the sale. In addition, after the transfer of facilities to the City of Cody's distribution system, by approving this agreement, the City agrees to pay Rocky Mountain Power's system separation reimbursement costs, which are estimated to be \$1,570.00 and will not exceed \$1,962.50 per the agreement.

ALTERNATIVES

- 1) Authorize the Mayor to sign the Asset Transfer Agreement with Rocky Mountain Power.
- 2) Deny authorization for the Mayor to sign the Asset Transfer Agreement and allow Rocky Mountain Power to continue providing electrical service in the River's Bend Trailer Court.

RECOMMENDATION

It is the recommendation of the City of Cody Public Works staff that the council authorize the Mayor to sign the Asset Transfer Agreement and for the City of Cody to pay to Rocky Mountain Power \$23,947.00 for the distribution lines and equipment in the River's Bend Trailer Park upon the closing date of the agreement.

ATTACHMENTS

- 1) Copy of the Asset Transfer Agreement with Rocky Mountain Power

AGENDA ITEM NO. _____

ASSET TRANSFER AGREEMENT

This Asset Transfer Agreement (the “Agreement”) is made and entered into as of the ____ day of _____ 2012 by and between Rocky Mountain Power, a division of PacifiCorp, an Oregon corporation (“Rocky Mountain Power”), and The City of Cody, Wyoming, a Wyoming municipal corporation (“the City”).

A. Rocky Mountain Power is engaged in the business of generating, transmitting and distributing electric energy and in connection therewith owns certain distribution facilities located within the annexed boundaries of The City of Cody, Wyoming, as more fully described on Schedule “1.1” attached hereto and by this reference made a part of this Agreement (the “Assets”).

B. The City has annexed the geographic areas wherein the Assets are located (“Annexed Areas”) and the customers within those areas are being served by Rocky Mountain Power.

C. Pursuant to Wyoming Statutes Section §37-2-205, upon annexation of such areas the utility shall receive “just compensation from the public or private utility franchised to serve the annexed area.”

D. The Assets that are being transferred to the City pursuant to the terms and conditions of this Agreement are located within the City’s municipal boundary.

E. The City and Rocky Mountain Power hereby understand and agree that the customers listed on Schedule “2.1” attached hereto and by reference made a part of this Agreement (herein, the “Customers”) are located within the Annexed Areas and were previously being provided retail electric service from Rocky Mountain Power through the Assets, but following the close of this transaction will receive retail electric service from the City.

NOW, THEREFORE, in consideration of the foregoing recitals and the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

ARTICLE 1

TRANSFER OF ASSETS

1.1 Transferred Assets. On the terms and subject to the conditions contained in this Agreement the City shall compensate Rocky Mountain Power for the transfer of the Assets. For the avoidance of doubt, the Assets do not include the revenue from the Customers due to Rocky Mountain Power that is earned prior to the transfer of assets, whether billed or not billed, which shall remain a receivable of the Rocky Mountain Power and the rights to said revenue is not transferred to the City by this Agreement.

1.2 Real Estate Rights. Rocky Mountain Power will, with the assistance of the City obtain approvals for the transfer of the licenses and permits relating to real estate rights granted by the Wyoming Department of Transportation (as successor in interest to the Wyoming State Highway Department) (“WYDOT”). Rocky Mountain Power will assign by quit claim deed all its title and interest to the real estate rights associated with the facilities to be transferred, including,

without limitation, the rights evidenced by the permits, licenses, rights of way, authorizations and easements attached hereto as Schedule 3.1.

1.3 Asset Value. The parties have agreed that the value of the Assets is \$23,947 (including \$21,447 for the facilities and transaction costs of \$2,500) for the Assets described on Schedule “1.1” (the “Asset Value”). In addition to the Asset Value the City agrees to reimburse Rocky Mountain Power for its actual costs incurred for the physical separation of facilities and customers from Rocky Mountain Power’s electrical system (“Reimbursement Costs”). Reimbursement Costs are estimated to be \$1,570 and shall be limited to a total of 125% of the estimated amount. The City shall pay the Reimbursement Costs to Rocky Mountain Power within 30 days after invoice.

ARTICLE 2.

CLOSING

2.1 Closing. This transaction shall close on or before ~~December 1, 2012~~ July 31, 2013, at the offices of Rocky Mountain Power in Salt Lake City, Utah, unless otherwise agreed to by the parties (the “Closing Date”). The parties agree that the parties need not attend the closing in person, and that they may mutually choose a representative of either party to hold the approved documents necessary for closing and delivery until such time as City delivers the funds to Rocky Mountain Power as described herein. At the closing and subject to the terms and conditions hereof, the following shall occur:

2.1.1 Deliveries by Rocky Mountain Power. Rocky Mountain Power shall deliver to the City:

(a) such instruments of transfer and conveyance properly executed and acknowledged by Rocky Mountain Power in customary form mutually agreed to by the Rocky Mountain Power and the City necessary to transfer to and vest in the City all of Rocky Mountain Power’s right, title and interest in and to the Assets, including (i) an instrument governing the assignment of real estate rights as provided in Section 1.2 and (ii) a bill of sale relating to the Assets.

(b) originals or certified copies of the third-party approvals specified in Section 2.1.3.

2.1.2 Deliveries by City.

(a) City shall deliver to Rocky Mountain Power the Asset Value in immediately available funds, by way of wire transfer to an account designated by Rocky Mountain Power, unless otherwise agreed to by the parties.

(b) City shall deliver to Rocky Mountain Power a duly executed Wyoming Sales Tax Exemption Certificate ETS Form 101.

2.1.3 Conditions to Closing. The closing of the transaction contemplated hereunder is conditioned upon Rocky Mountain Power obtaining approval from WYDOT for the transfer and assignment of the respective licenses and permits specified in Section 1.2. The closing is further conditioned upon Rocky Mountain Power obtaining approval for the transfer of the Assets from

the Wyoming Public Service Commission. Rocky Mountain Power will use reasonably good faith efforts to obtain such approvals in a timely manner

2.2 Prorations. Items of expense and income (if any) affecting the Assets and the assumed liabilities that are customarily pro-rated, including, without limitation, real and personal property taxes, utility charges, charges arising under leases, insurance premiums, and the like, shall be pro-rated between Rocky Mountain Power and the City as of the Closing Date.

ARTICLE 3.

PHYSICAL SEPARATION OF THE ASSETS

3.1 Separation of Assets. ~~Within 30 days after execution of this Agreement,~~ Rocky Mountain Power and the City will work in good faith to identify and coordinate logistical and operational considerations related to separation of the Assets. Such considerations will include the timeline and requirements to physically separate the Assets from Rocky Mountain Power's electrical system and, if such Assets were also used to serve customers outside of the Annexed Area, the modifications or installations to Rocky Mountain Power's facilities that are necessary for the continuity of service to those customers. The parties agree that the transfer of the Assets shall be completed within 180 days after the Closing Date unless otherwise agreed upon by the parties. The date when such transfer is completed is referred to herein as the "Transfer Date."

3.2 Physical Separation. Rocky Mountain Power will coordinate with the City the disconnection of the Customers within the Annexed Areas, to be completed by the Transfer Date. When a Customer is disconnected from Rocky Mountain Power's system, Rocky Mountain Power will read the meter and issue a final billing to the Customer. The City will have the responsibility to connect the Customer to its system, install the customer meter, and begin billing. The City will be responsible for the continued maintenance and reliable provision of retail electric service to the Customers immediately after Rocky Mountain Power has disconnected the Customer from its electrical system.

3.3 Cost Verification and True-up.

3.3.1 Error in Asset Identification. The parties acknowledge that as the Assets are physically transferred and verified against the Asset description provided in Schedule 1.1, either party may identify an error in the age, classification, or description of an Asset, or in the inclusion or exclusion thereof on Schedule 1.1. In the event an error is identified, the party identifying the error will give written notice to the other party with the correct description of the Asset. After receiving such notice, the parties agree to work in good faith to resolve the discrepancy.

3.3.2 Replacement of Assets. In the event Rocky Mountain Power replaces any of the Assets listed in Schedule 1.1 after the execution of this Agreement, but before the Closing Date, because of a failure of or damage to that Asset the City will be responsible to reimburse Rocky Mountain Power for the value of the new or replaced Asset. In such event, Rocky Mountain Power will provide to the City a list of those Assets that were replaced together with a revised Asset Value. The City shall pay to Rocky Mountain Power the amount of the revised Asset Valuation as provided in Section 3.4

3.4 Final Cost Billing. Within 30 days after the Assets have been transferred to the City, Rocky Mountain Power will give an invoice to the City for its Reimbursement Costs as described in Section 1.3 which invoice shall identify its costs incurred for the physical separation of facilities and customers from Rocky Mountain Power's electrical system and the modifications made to its system in order to continue to provide service to its remaining customers outside of the Annexed Areas. The City shall pay to Rocky Mountain Power its Reimbursement Costs within 30 days after the date of receipt of such invoice.

ARTICLE 4

MISCELLANEOUS

4.1 Assignment; Binding Effect; Survival. The rights under this Agreement shall not be assignable or transferable nor the duties delegable by the City or Rocky Mountain Power without the prior written consent of the other. No provision contained in this Agreement shall be construed to give any third person any claim, action, or right of subrogation against any party hereto. Except as may be otherwise expressly set forth in this Agreement, any representations and covenants that are contained in this Agreement shall survive the Closing Date.

4.2 Captions; Counterparts. Captions and paragraph headings used herein are for convenience only and are not a part of this Agreement and shall not be used in construing it. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

4.3 Entirety of Agreement; Amendments. This Agreement (including the Schedules hereto) contains the entire understanding between the parties concerning the subject matter of this Agreement except as expressly provided for herein, and it supersedes all prior understandings and agreements, whether oral or written, between the parties with respect to the subject matter hereof and thereof. This Agreement may be amended or modified only by an agreement in writing signed by each of the parties hereto.

4.4 Notices. All notices, requests, demands, waivers, consents and other communications hereunder ("Notices") shall be in writing, shall be delivered either in person, by overnight air courier or by certified or registered mail, return receipt requested, all fees prepaid, and shall be deemed to have been duly given and to have become effective upon receipt. Notices shall be directed to the parties or their permitted assignees at the following addresses (or at such other address as shall be given in writing by a party hereto):

If to Rocky Mountain Power, addressed to:

Rocky Mountain Power
Attn: Service Area Manager
201 South Main Street, Suite 2300
Salt Lake City, Utah 84111

With a copy to:

Rocky Mountain Power
Attn: General Counsel
201 South Main Street, Suite 2400

Salt Lake City, Utah 84111

If to the City, addressed to:

City Attorney
P.O. Box 2200
Cody, Wyoming 82414

With copies to:

Mayor of the City of Cody
P.O. Box 2200
Cody, Wyoming 82414

and

City Administrator
P.O. Box 2200
Cody, Wyoming 82414

and

Director of Public Works
P.O. Box 2200
Cody, Wyoming 82414

4.5 No waiver of immunity. Subject to Section 5.2, nothing in this Agreement shall be construed as a waiver by the City of any rights, immunities, privileges, monetary limitations to judgments and defenses available to the City under common law or the applicable provisions of the Wyoming constitution and statutes, including but not limited to its sovereign and governmental immunity.

4.6 Limitation on Liability. Under no circumstances shall either party be liable for any economic losses, costs or damages, including but not limited to special, indirect, incidental, consequential, punitive, exemplary or consequential damages.

4.7 Dispute Resolution. Each party irrevocably and unconditionally submits to the exclusive jurisdiction of any Wyoming State court sitting in Park County, Wyoming, or any federal court of the United States of America sitting in the District of Wyoming, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or for recognition or enforcement of any judgment relating thereto. The parties shall, before seeking any action in state or federal court, during a period not to exceed 30 days, attempt in good faith to resolve any dispute hereunder amicably and/or through non-binding mediation. The cost of any mediation proceedings shall be shared equally by the parties. The prevailing party shall be entitled to recover its share of the costs of mediation as well as its other

costs of litigation, and reasonable attorneys' fees. The site of any mediation proceedings shall be Cody, Wyoming.

4.8 Jury Waiver. To the fullest extent permitted by law, each of the parties hereto waives any right it may have to a trial by jury in respect of litigation directly or indirectly arising out of, under or in connection with this agreement. Each party further waives any right to consolidate any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

4.9 Construction. This Agreement and any documents or instruments delivered pursuant hereto shall be construed without regard to the identity of the person who drafted the various provisions of the same. Each and every provision of this Agreement and such other documents and instruments shall be construed as though the parties participated equally in the drafting of the same. Whenever in this Agreement the context so suggests, references to the masculine shall be deemed to include the feminine, references to the singular shall be deemed to include the plural, and references to "or" shall be deemed to be disjunctive but not necessarily exclusive.

4.10 Waiver and Severability. The failure of a party to insist, in any one or more instances, on performance of any of the terms, covenants and conditions of this Agreement shall not be construed as a waiver or relinquishment of any rights granted hereunder or of the future performance of any such term, covenant or condition, but the obligations of the parties with respect thereto shall continue in full force and effect. No waiver of any provision or condition of this Agreement by a party shall be valid unless in writing signed by such party or operational by the terms of this Agreement. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be valid, binding and enforceable under applicable law, but if any provision of this Agreement is held to be invalid, void (or voidable) or unenforceable under applicable law, such provision shall be ineffective only to the extent held to be invalid, void (or voidable) or unenforceable, without affecting the remainder of such provision or the remaining provisions of this Agreement.

4.11 Governing Law. This Agreement shall be governed in all respects, including validity, interpretation and effect, by the laws of the state of Wyoming applicable to contracts made and to be performed wholly within the state of Wyoming.

4.12 Exculpation. THE CITY AGREES THAT THE ASSETS ARE BEING SOLD ON AN "AS IS" BASIS AND IN "WITH ALL FAULTS" CONDITION, AND, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ROCKY MOUNTAIN POWER MAKES NO WRITTEN OR ORAL REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE FITNESS, MERCHANTABILITY, OR SUITABILITY OF THE ASSETS FOR ANY PARTICULAR PURPOSE. THIS SECTION IS INTENDED TO SURVIVE THE CLOSING OF THIS TRANSACTION.

4.13 Reasonable Efforts. The parties hereto agree to take all reasonable actions and to do all reasonable things necessary, proper or advisable under applicable laws to consummate and make effective, as soon as reasonably practicable, the transaction contemplated hereby, including the satisfaction of all conditions thereto set forth herein.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES

Each party hereto represents and warrants, as of the date first above written and as of the Closing Date, that:

5.1 Authorization. It is a duly organized, validly existing legal entity, in good standing under the laws of the jurisdiction of its organization. It has full legal right, power and authority to enter into this Agreement and perform its obligations hereunder. It has taken all appropriate and necessary action to authorize its execution, delivery and performance of this Agreement and the transactions contemplated hereunder. Its representative executing this Agreement is duly authorized by action of its governing body to execute this Agreement and to bind such party hereunder.

5.2 Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of such party, enforceable against it in accordance with its terms.

5.3 Litigation. There is no litigation pending or, to the best of its knowledge, threatened against such party which, if adversely determined, would affect its ability to perform its obligations hereunder.

5.4 No Violation. The execution, delivery and performance of this Agreement, the compliance with the terms and provisions hereof, and the carrying out of the transactions contemplated hereby, (a) do not conflict with and will not result in a breach or violation of any of the terms or provisions of its organizational documents and (b) do not conflict with and will not result in a breach or violation of any of the terms or provisions of any existing applicable law, or any agreement or instrument to which it is a party or by which it or any of its properties is bound.

Rocky Mountain Power represents and warrants to the City, as of the date first above written and as of the Closing Date, that:

5.5 Warranty of Title. It holds title free of any liens and encumbrances to the Assets transferred under this Agreement, as listed in Schedule 1.1

5.6 Environmental Matters. To the best of Rocky Mountain Power's knowledge, Rocky Mountain Power has not received any claims, demands, judgments, or notices that any of the facilities being transferred under this agreement are in violation of any environmental laws.

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the date first above written.

THE CITY:

THE CITY OF CODY, WYOMING, a Wyoming municipal corporation

By: _____

Name: _____

Title: _____

ROCKY MOUNTAIN POWER:

ROCKY MOUNTAIN POWER, a Division of PacifiCorp, an Oregon corporation

By: _____

Name: Mark C. Moench

Title: Senior Vice President and General Counsel

DRAFT

Schedule 1.1
Assets
(The City of Cody, Wyoming Rivers Bend Mobile Home Park)

Asset Description	Vintage	QUANTITY	UNIT
30', Class 5	1970	1	Ea.
30', Class 5	1970	1	Ea.
30', Class 4	1972	1	Ea.
40', Class 4	1979	1	Ea.
40', Class 4	1979	1	Ea.
35', Class 4	1982	1	Ea.
35', Class 4	1983	1	Ea.
35', Class 4	1995	1	Ea.
40', Class 3	2008	1	Ea.
Wire, <=499 MCM	1958	400	Ft.
Wire, <=499 MCM	1983	110	Ft.
Conduit (30 ft)	1975	3	Ea.
Conduit (20 ft)	1983	2	Ea.
INSULATED CABLE, <=499 MCM	1971	225	Ft.
XFMR,POLE,19.9/34.5,10 kva	2008	3	Ea.
XFMR,POLE,37.5,7.2,120/240,DT	1982	1	Ea.
XFMR,PAD,1PH,75,7.2,240/120,DT	1997	1	Ea.
House Meters (AMR) **	2007	8	Ea.
Other Meters (AMR) **	2007	1	Ea.
Luminaries	1962	1	Ea.
Luminaries	1962	1	Ea.
Luminaries	1972	1	Ea.
Luminaries	1979	1	Ea.

ASSET TRANSFER AGREEMENT
Schedule 2.1
Customers
(The City of Cody, Wyoming Rivers Bend Mobile Home Park)

Meter #	Customer Name	Address	Space No.
51427745	Pioneer Properties LLC	65 Belfry Highway	Residential 21
60219371	Pioneer Properties LLC	54 Belfry Highway	Residential 32
1887739	Pioneer Properties LLC	65 Belfry Highway	Laundry Room
39090126	Pioneer Properties LLC	65 Belfry Highway	Residential 23
39071960	Pioneer Properties LLC	65 Belfry Highway	Residential 22
90271938	Pioneer Properties LLC	65 Belfry Highway	Residential 20
92343016	Pioneer Properties LLC	54 Belfry Highway	Trailer 19
60219309	Pioneer Properties LLC	65 Belfry Highway	Trailer 17
92352143	Pioneer Properties LLC	65 Belfry Highway	Residential 16
41353593	Not in System		
50922392	Pioneer Properties LLC	54 Belfry Highway	Trailer 18
51279155	Pioneer Properties LLC	54 Belfry Highway	Sewer Lift Station

ASSET TRANSFER AGREEMENT
Schedule 3.1
Easements and Permits
(The City of Cody, Wyoming Rivers Bend Mobil Home Park)

DRAFT

MEETING DATE:	DEC 18, 2012
DEPARTMENT:	PUBLIC WORKS
PREPARED BY:	BERT POND
DEPT. DIR. APPROVAL:	_____
CITY ADM. APPROVAL:	_____
PRESENTED BY:	STEVE PAYNE

AGENDA ITEM SUMMARY REPORT **BID 2012-20 SURPLUS TRANSFORMERS**

BACKGROUND

The City of Cody Electric division has 31 used distribution transformers that are no longer needed by the City of Cody. These transformers were declared surplus by the Cody City Council in November of 2012. This agenda item requests that this equipment be sold as recommended below.

SUMMARY

Three bids were received for the purchase of these surplus transformers. However, two bids were rejected as they did not include bid bonds. As stated in the Bid Packet instructions, "If a bid is received without the necessary 10% bid guarantee it will be rejected."

The following is a tabulation of the three bidders and their bids:

- 1) Jerry's Electric – Total Bid Price of \$13,020.00 (Rejected -no bid bond received)
- 2) T&R Electric – Total Bid Price of \$26,111.04 (Rejected –no bid bond received)
- 3) Solomon Corporation –Total Bid Price of \$20,488.00

FISCAL IMPACT

Funds received through the sale of this equipment shall be put into the electric enterprise fund.

ALTERNATIVES

The only alternative to this sale is to keep the equipment in our stock without the ability to use it on our system. We have changed the system distribution voltage to a higher level that will not support this equipment.

RECOMMENDATION

The City of Cody Electric Division recommends that these surplus transformers be sold to Solomon Corporation for a price of \$20,488.00.

ATTACHMENTS

None

CONTRACT OF CITY ATTORNEY

This agreement is made and entered into by and between the City of Cody, Wyoming (the City), and Copenhaver, Kath, Kitchen & Kolpitcke, LLC (CKKK).

W I T N E S S E T H

Term: The term of this contract shall be from July 1, 2012 through June 30, 2013, unless one of the following occurs:

1. The City Attorney provides sixty (60) days written notice to the Governing Body during the term of this contract of his intent to terminate his employment as City Attorney; or
2. Throughout the term of this contract the City Attorney shall serve at the pleasure of the Governing Body and may be discharged at any time by a vote of the Mayor and a majority of the City Council.

Compensation: The City shall pay to CKKK a monthly fee of \$6,396.25. This fee includes the costs of legal services provided, except as described below for Jury Trials and Additional Work. A monthly summary of hours worked including a description of projects worked will be submitted to the Governing Body at the beginning of the following month.

General Duties: CKKK shall act as the City Attorney for Cody. Duties of CKKK shall include the following:

- Prosecute misdemeanor ordinance violations in municipal court;
- Prepare and review documents, including ordinances, agreements and resolutions,
- Provide legal advice to the Mayor, Council and City Staff as requested, including during council meetings.
- Perform other legal service as needed by the City.

Jury Trials and Other Additional Work: In addition to the monthly compensation described above, the City shall compensate CKKK for preparation for and prosecution of jury trials in municipal court at the rate of \$95.00 per hour. CKKK shall bill for jury trials from the time of pretrial conference through the

verdict. CKKK may seek authorization from the City to bill for additional work if such work is expected to exceed the reasonable scope of duties normally performed by the City Attorney. Compensation for additional work, except for jury trials, shall be pre-approved by the Mayor or City Council.

City of Cody

Copenhaver, Kath, Kitchen & Kolpitcke,
LLC

By: _____
Mayor Nancy Tia Brown

By: _____
Scott E. Kolpitcke
Member, CKKK, LLC

Attest:

Cynthia Baker,
Administrative Services Director

Dated this _____ day of _____, 2012.

MEETING DATE:	DEC. 18, 2012
DEPARTMENT:	CITY PLANNER
PREPARED BY:	TODD STOWELL
CITY ADM. APPROVAL:	_____
PRESENTED BY:	TODD STOWELL

AGENDA ITEM SUMMARY REPORT **Two-Lot Preliminary Plat of Willow Creek**

ACTION:

Approve the Preliminary Plat of Willow Creek, a 2-lot minor subdivision located between Cougar Avenue and West Avenue.

SUMMARY OF INFORMATION

The Summit Housing Group as developer, and Terri Egger & Gloria Borner as property owners, have submitted a preliminary plat application for a two-lot minor subdivision. The 3.15 acre property is located on the south side of Cougar Avenue, immediately east of the Beehive Home and Jehovah Witness church. The preliminary plat drawing showing the lot layout and dimensions is attached.

The property is zoned Residential B and the two lots are intended for multiple-family development. The developer is applying to the Wyoming Community Development Authority for Low Income Housing Tax Credits to develop the south lot (Lot 7-2A) with twenty four apartments located in two buildings. Potential development of the north lot is yet to be determined, although the developer speculates a 12-16 unit development. Although the property has frontage on West Avenue, all access is proposed off of Cougar Avenue, to avoid increasing traffic through the West Avenue neighborhood, and to avoid the immediate need to improve West Avenue. A private access easement and roadway would serve the lots.

Property (Looking SE):



West Ave., Hydrant at SW corner of property:



Preliminary Plat review, as defined in the subdivision ordinance is intended to “check the proposed subdivision against the city design standards, improvement requirements and to ensure that the proposed subdivision can and will conform to the city zoning ordinances and city master plans”.

AGENDA ITEM NO. _____

The Planning and Zoning Board reviewed the preliminary plat at their December 11, 2012 meeting and recommended that Council approve the preliminary plat and requested variances subject to a number of conditions. For detailed background and analysis of the proposal, refer to the attached staff report to the Planning and Zoning Board. The Planning and Zoning Board recommendation follows the staff report, with only one clarification included below. The applicant has stated agreement to the proposed conditions. The conditions of approval as recommended by the Board are as follows:

1. The water main shall be looped between the lines in Cougar Avenue and West Avenue, and the main extended along the frontage of West Avenue. The design must be reviewed and approved by the City Engineer and the Department of Environmental Quality (DEQ).
2. Provide a city easement for the water line loop between Cougar Avenue and West Avenue.
3. Provide utility easements as required by the utility providers. At a minimum, provide a 10-foot utility easement along West Avenue, and a 10-foot wide power easement for the loop system described by the City Electrical Engineer.
4. As a storm water system is not available in the immediate area, include a note on the final plat that storm water must be retained on-site in accordance with the City storm water policy.
5. In addition to the standard submittal requirements for the final plat, it is specifically required that the final plat application include:
 - a. Engineered designs for the 26-foot wide, paved interior roadway.
 - b. Evidence that the water main plans have been reviewed and approved by DEQ.
 - c. A maintenance agreement for the shared private roadway.
6. Note the variances granted on the final plat. These include variances from:
 - a. Dedication of additional right-of-way and improvement of West Avenue to City standards, based on not utilizing West Avenue for access.
 - b. The alley requirement.
 - c. Providing fifty feet of frontage to Cougar Avenue for Lot 7-A2.
7. Sewer, water, and power are available and are to be provided to each lot as specified by the City as part of the subdivision. Payment of $\frac{3}{4}$ " or larger water connections and applicable electrical service fees must occur prior to final plat approval by Council. Installation of the sewer stubs to each lot must be completed prior to any building permit or development on any lot.
8. No vehicular access to West Avenue is permitted unless West Avenue is paved and improved to City standards for a local access street. A note to this effect must be included on the final plat.
9. Vehicle access to Cougar Avenue is limited to the common access easement, unless permitted otherwise by the City Engineer.
10. With the final plat application, provide evidence of compliance with City Code 11-3-3(B)(1), relating to transfer of the Cody Canal water rights.
11. Sidewalk shall be installed to City standards along the full Cougar Avenue frontage at the time multi-family development occurs on either of these lots. Include a note to this effect on the final plat.

AGENDA ITEM NO. _____

12. Include the following in the dedication certificate on the final plat:
“And do hereby agree to promote and participate in an improvement district for curb, gutter, and sidewalk on West Avenue when deemed necessary by the City of Cody. And further, that this language shall be contained in each and all conveyances of record.”

ATTACHMENTS:

Willow Creek Preliminary Plat.
Conceptual Site Plan.
Staff Report to P&Z.

ALTERNATIVES:

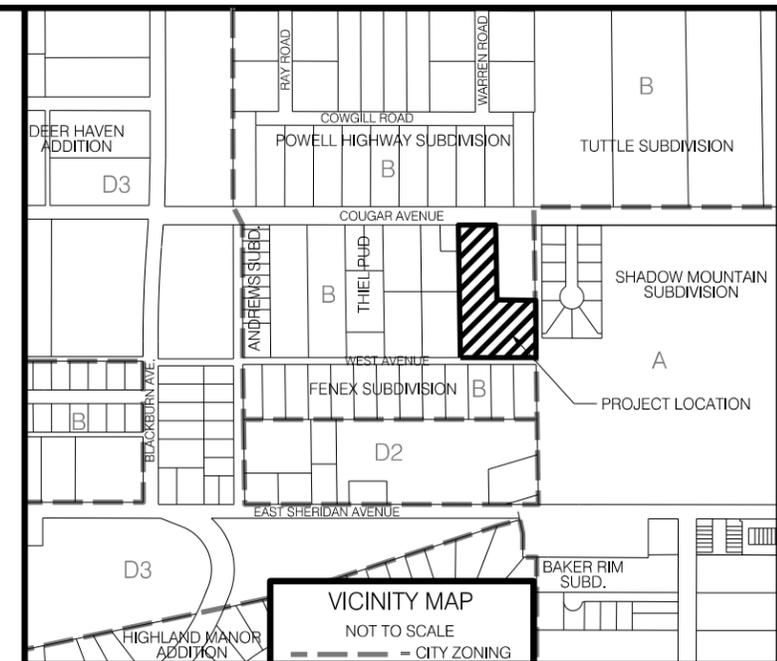
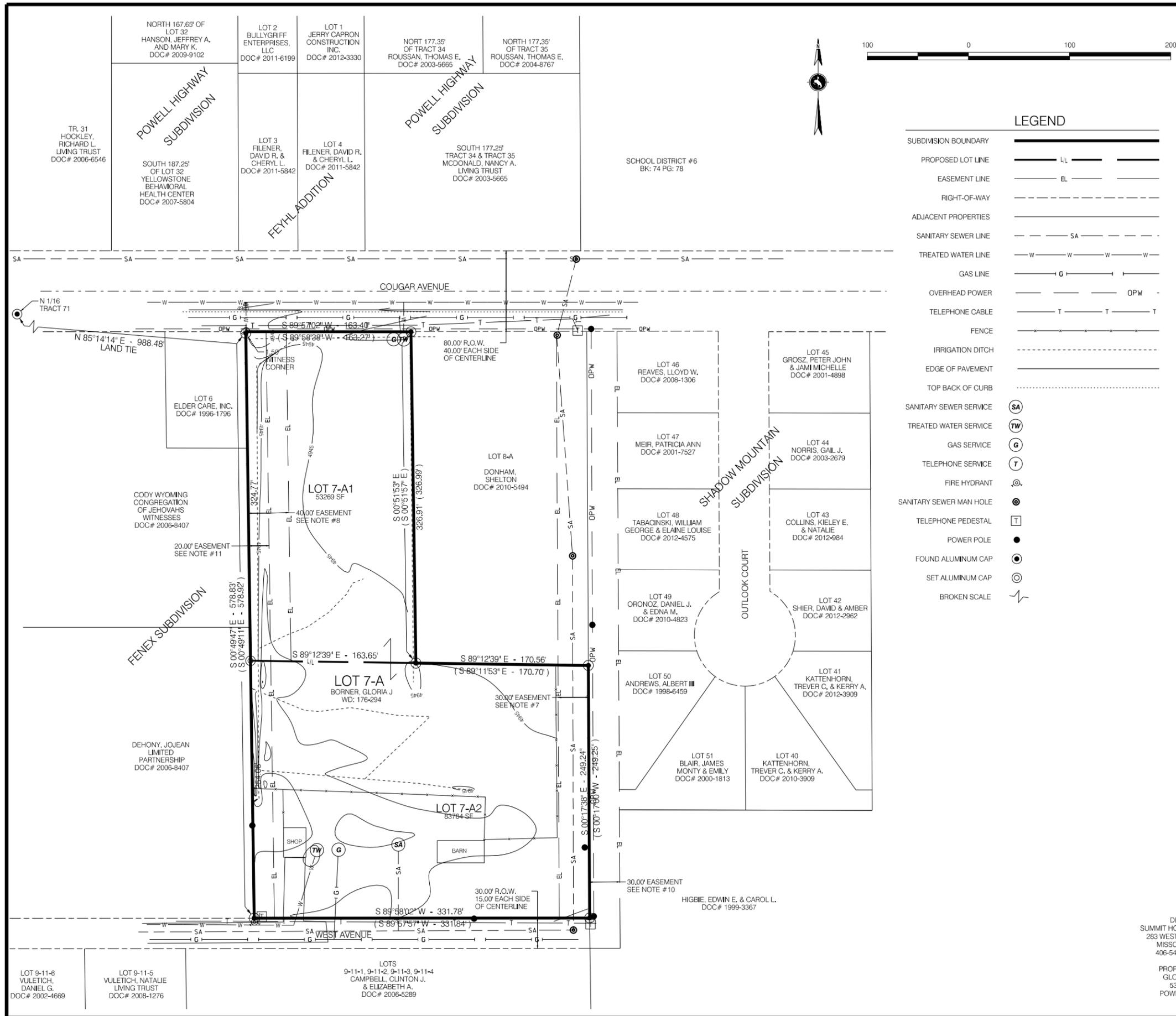
Approve or deny all or part of the requested variances, and approve or deny the preliminary plat.

RECOMMENDATION:

The Planning and Zoning Board recommends approval of the preliminary plat with the variances noted.

AGENDA & SUMMARY REPORT TO:

Sam Long, Summit Housing Group



- NOTES**
- ZONING OF SUBDIVISION IS B
ZONING OF ADJACENT PROPERTY TO THE EAST IS A
ZONING OF ALL OTHER ADJACENT PROPERTY IS B
 - PROPOSED USAGE FOR LOTS IS MULTI-FAMILY
 - THE TOTAL ACREAGE OF THE SUBDIVISION IS 3.15 ACRES +/-
 - EXISTING UTILITY LOCATIONS BASED ON:
CITY OF CODY - TREATED WATER LINE - FIELD LOCATE 6 FT DEPTH (APPROX.)
CITY OF CODY - SANITARY SEWER - FIELD LOCATE
CITY OF CODY - ELECTRICAL - FIELD LOCATE 3 FT DEPTH (APPROX.)
ENERGY WEST - GAS LINE - FIELD LOCATE 4 FT DEPTH (APPROX.)
CENTURYLINK - TELEPHONE LINE - FIELD LOCATE 4 FT DEPTH (APPROX.)
 - WATER RIGHTS FOR THIS PROPERTY WILL BE TRANSFERRED TO THE CITY OF CODY
 - ALL LOT OWNERS WILL BE REQUIRED TO RETAIN AN ENGINEER TO ANALYZE THE DRAINAGE ON EACH LOT AT TIME OF SITE PLAN SUBMITTAL. SAID ANALYSIS MUST BE SUBMITTED TO THE CITY FOR APPROVAL TO ASSURE THAT ANY PROPOSED INCREASE IN RUNOFF WILL BE RETAINED ON SITE IN AN APPROVED MANNER.
 - EXISTING 30' UTILITY AND R.O.W. EASEMENT RECORDED IN BK: 168 PG: 411. NO FENCES OR STRUCTURES SHALL BE PLACED WITHIN THE EASEMENT
 - PROPOSED PRIVATE 40.00' UTILITY AND ACCESS EASEMENT IN FAVOR OF LOT 7-A2
 - PROPOSED UTILITY SERVICES WILL BE DETERMINED AND INSTALLED DURING SITE PLAN APPROVAL PROCESS
 - 30' ALLEY AND DITCH EASEMENT WITHIN SHADOW MOUNTAIN SUBDIVISION
 - 20.00' PUBLIC UTILITY EASEMENT

PRELIMINARY PLAT

SHOWING
WILLOW CREEK MINOR SUBDIVISION
A SUBDIVISION OF LOT 7-A,
WITHIN FENEX SUBDIVISION
T.53N., R.101W., 6TH P.M.
CITY OF CODY, PARK COUNTY, WYOMING

DEVELOPER:
SUMMIT HOUSING GROUP, INC
283 WEST FRONT ST., STE. 1
MISSOULA, MT 59802
406-541-0999 EXT. 231

PROPERTY OWNER:
GLORIA BORNER
531 LANE 1/2
POWELL, WY 82435

SAGE CIVIL ENGINEERING
2824 BIGHORN AVE.
CODY, WY 82414
307-527-0915

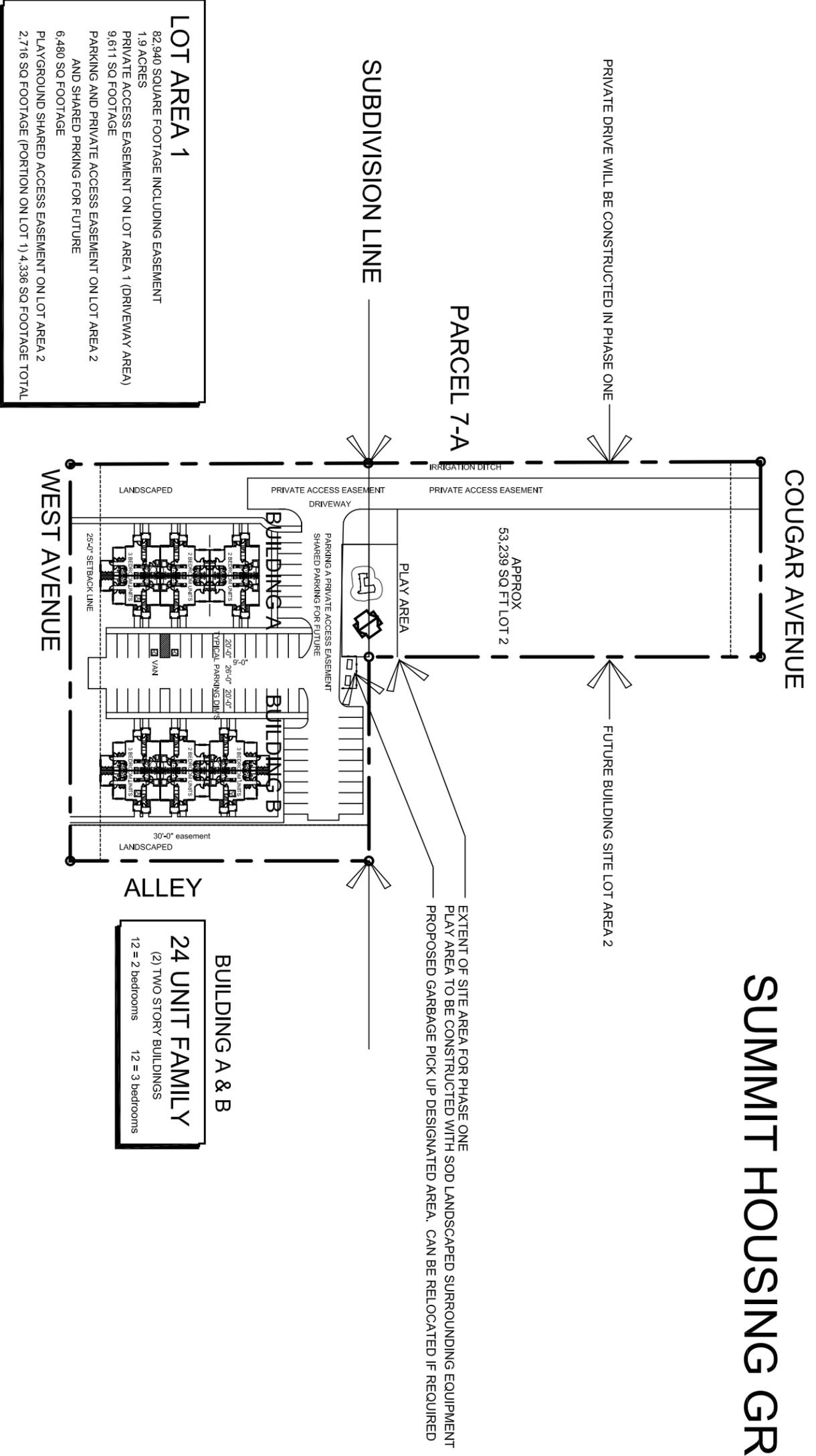
December 6, 2012
W.O. 2012-64
2012-64_PPLAT.dgn

LOT 9-11-6
VULETICH, DANIEL G.
DOC# 2002-4669

LOT 9-11-5
VULETICH, NATALIE
LIVING TRUST
DOC# 2008-1276

LOTS
9-11-1, 9-11-2, 9-11-3, 9-11-4
CAMPBELL, CLINTON J.,
& ELIZABETH A.
DOC# 2006-5289

SUMMIT HOUSING GROUP



LOT AREA 1
 82,940 SQUARE FOOTAGE INCLUDING EASEMENT
 1.9 ACRES
 PRIVATE ACCESS EASEMENT ON LOT AREA 1 (DRIVEWAY AREA)
 9,611 SQ FOOTAGE
 PARKING AND PRIVATE ACCESS EASEMENT ON LOT AREA 2
 AND SHARED PRKING FOR FUTURE
 6,480 SQ FOOTAGE
 PLAYGROUND SHARED ACCESS EASEMENT ON LOT AREA 2
 2,716 SQ FOOTAGE (PORTION ON LOT 1) 4,336 SQ FOOTAGE TOTAL

BUILDING A & B
 24 UNIT FAMILY
 (2) TWO STORY BUILDINGS
 12 = 2 bedrooms 12 = 3 bedrooms

1" = 100'-0"

WILLOW CREEK APARTMENTS PROPOSED CODY WYOMING FAMILY SITE PLAN

12/2012

3.15 ACRES

Parking Requirements LOT 1 Only
REQUIRED OFF STREET PARKING: MULTI FAMILY
12-3 BEDROOM/2.5 PER D.U.=30
12-2 BEDROOM=2 PER D.U.=24
TOTAL REQUIRED=54 SPACES REQUIRED, 60 SHOWN

**CITY OF CODY
PLANNING, ZONING AND ADJUSTMENT BOARD
STAFF REPORT**

MEETING DATE:	DECEMBER 11, 2012	TYPE OF ACTION NEEDED	
AGENDA ITEM:		P&Z BOARD APPROVAL:	
SUBJECT:	WILLOW CREEK MINOR SUBDIVISION— A TWO-LOT PRELIMINARY PLAT. SUB 2012-04	RECOMMENDATION TO COUNCIL:	X
PREPARED BY:	TODD STOWELL, CITY PLANNER	DISCUSSION ONLY:	

PROJECT OVERVIEW

The Summit Housing Group as developer, and Terri Egger & Gloria Borner as property owners, have submitted a preliminary plat application for a two-lot minor subdivision. The 3.15 acre property is located on the south side of Cougar Avenue, immediately east of the Beehive Home and Jehovah Witness church. The preliminary plat drawing showing the lot layout and dimensions is attached.

The property is zoned Residential B and the two lots are intended for multiple-family development. The developer is applying to the Wyoming Community Development Authority for Low Income Housing Tax Credits to develop the south lot (Lot 7-2A) with twenty four apartments located in two buildings. Potential development of the north lot is yet to be determined, although based on the Residential B zoning district requiring a minimum of 2,250 sq. ft. per dwelling unit for multiple-family dwellings, up to 23 dwelling units could be constructed, provided all other standards are met.

Property (Looking SE):

West Ave., Hydrant at SW corner of property:



SUBDIVISION REGULATIONS

The subdivision ordinance standards are as follows. Staff comments follow each standard. When a variance from the standard is involved, it is noted.

11-4-2: STREETS, ALLEYS AND EASEMENTS:

A. Alignment: All proposed streets, alleys and easements shall align horizontally and vertically with existing streets, alleys and easements adjacent to or lying near the subdivision.

Staff Comment- No new public streets are proposed.

B. Conform to Master Street Plan: All streets shall conform to the city master street plan for size and approximate alignment.

Staff Comment- No master-planned streets cross this property. The sizes of Cougar Avenue and West Avenue are discussed under Item "Q".

Items C through O, with the exception of F, are standards that relate to construction of new public streets and are not applicable to this project as proposed or recommended.

F. Local Streets: Local Streets will be designed to discourage through traffic.

Staff Comment: The project is specifically designed to avoid making a vehicular connection from West Avenue to Cougar Avenue, as it has the potential to create a cut-through situation for traffic going to and from the Middle School.

P. Alleys: Alleys shall be required in all subdivisions with the minimum width being twenty feet (20'), unless extreme conditions preclude the feasibility of alleys. A variance of up to four feet (4') may be granted by the commission and council in a residential development if setbacks are provided for utility boxes, garbage cans, etc. Alleys shall be constructed with a minimum of six inches (6") of crushed aggregate base course for the finished surface. The specification for the gradation of the crushed aggregate base course may be obtained from the city engineer.

Staff Comment: The applicant requests a variance from the alley requirement. Alleys are typically for utility and garbage collection. In this case, West Avenue and internal utility easements are proposed to accomplish these purposes. There is a mapped alley to the east of this property, although it is not open and passable, due to the open irrigation canal that occupies much of it. See photos below:



Q. Curb, Gutter, Sidewalk, Paved Streets: Curb, gutter, sidewalk and paved streets shall be required in all proposed subdivisions unless waived in accordance with criteria set out in subsection 11-5-2B of this title by the planning, zoning and board, and the city council. All waivers of curb, gutter and sidewalks shall require acknowledgment by the developer on the final plat that future improvement districts for the development of curb, gutter and sidewalks shall be supported by future owners of the lots and be so noted on the final plat. The developer shall be responsible for demonstrating to the city that the grades and location of the proposed improvements shall be compatible with all future development in the area.

Staff Comment: Cougar Avenue is within an 80-foot right-of-way and is currently improved as a 3-lane collector street, with curb and gutter. Other than lacking a sidewalk, Cougar Avenue meets City standards. It is recommended that installation of a sidewalk along Cougar Avenue be required with development of either lot.

West Avenue is classified as an existing marginal street, and is not shown on the Master Street Plan as extending beyond its current location. The standard for a marginal street is 38' wide street (back of curb to back of curb) within a 46' wide right-of-way, although deviations to this standard can be granted. West Avenue is approximately 22 feet wide and located within a 30-foot wide right-of-way. It is paved to about ¼ of the way across the frontage of this property, and gravel for much of the rest. There is no curb, gutter, or sidewalk on West Avenue, and the nearest streetlight is several hundred feet away. By not utilizing West Avenue for access the applicant hopes to avoid any improvement to West Avenue. If improvements are waived, it may be appropriate that a note about future participation in the construction of West Avenue be required, as if it were built to a City access street standard, utilization of West Avenue for direct access could be allowed.

Photos of West Avenue:

West End:



East End:



It should be noted that the east end of West Avenue has an informal turn-around, which is located on the subject property and apparently used regularly. The turn-around would be removed with development of the property, although a T-turnaround would be available at the southwest corner of the property due to sanitation truck needs. The T-turnaround would not be sufficient for development purposes for properties served only by West Avenue, but would provide an alternative to the historical turnaround.

R. Street Cross Section: The minimum typical street cross section for each type of street shall be as shown on the master street plan. Details of the city standards for typical paving, curb, gutter, sidewalk, alley aprons and valley gutter sections may be obtained from the city engineer.

Staff Comment: See discussion in "Q".

S. Valley Gutters: The use of valley gutters in areas where storm sewer facilities exist or are proposed will be discouraged.

Staff Comment: Not applicable.

T. Drainage: ... Minor subdivisions shall be exempt from this requirement.

Staff Comment: This is a minor subdivision, which is exempt from this requirement. However, multiple-family development on the property would be subject to the city storm water policy manual. Therefore, storm water facilities for the interior road and other impervious surfaces will need to be included with development of the site.

U. Lot Requirements: All lots within a proposed subdivision will meet the following requirements:

1. Lots shall be sized to meet the requirements of the appropriate zoning.

2. Every lot shall abut upon or have access to an approved street or an approved cul-de-sac.

3. Side lot lines shall be at approximate right angles to the street line on which the lot faces.

4. Strip lots established with the intent of restricting access to streets or alleys will be prohibited.

Staff Comment: Requirements 1, 3 and 4 are met. Requirement 2 requires each lot to abut upon or have access to an approved street. Combined with this requirement is Section 11-1-3 (Flag Lots) of the City code, which states, "Flag Lot: Any lot which has less than fifty feet (50') of fee simple frontage on a public right of way, unless part of a planned unit development. Flag lots shall not be allowed in the development of subdivisions and minor subdivisions." In other words, each lot is typically required to have at least 50 feet of frontage on a public street.

The proposal is to utilize a 40-foot wide private access easement for primary access to Lot 7-A2. Lot 7-A2 does have frontage on West Avenue, but that frontage is not proposed for access. This situation will require a variance.

No construction standard is specified in the application for the road within the 40-foot easement, and the subdivision ordinance does not have standards for this situation. It is recommended that the roadway within this private access easement be a 26-foot wide paved roadway, and signed with "No Parking", in accordance Appendix "D" of the adopted 2012 Fire Code. Either curb and gutter or drainage swales will be needed for the roadway. A design of the interior road will need to be supplied with the final plat application, but the applicant needs to know if this plan is acceptable.

V. Blocks: Blocks shall be at least three hundred feet (300') long, normally, not to exceed six hundred sixty feet (660') long. All blocks shall normally be of sufficient width to allow for two (2) tiers of lots of approximately equal width and an alley.

Staff Comment: Met as much as applicable.

OTHER:

Section 11-5-1, DEVELOPMENT AND IMPROVEMENT also includes standards for construction, most of which relate directly to the items addressed above. Those items that should be noted, but are not addressed above are listed below.

1. Fire Hydrants: Fire hydrants shall be installed at intervals not to exceed five hundred feet (500') between hydrants and provided with standard hose connections as specified by the fire department.

Staff Comment: Hydrants are at the northwest and southwest corners of the property. The Fire Marshall needs detailed site plans to determine if hydrants internal to the

project will be needed. It is also noted that the conceptual site plan layout relies upon the units be sprinklered, which is a requirement of the building code.

J. Open Drains, Irrigation Ditches: All open drains and irrigation ditches shall be buried or, if possible, eliminated.

Staff Comment: An irrigation ditch runs along the west and north property lines. The applicant is investigating whether the ditches need to be maintained, or if they can be eliminated. Written documentation from the Cody Canal company will need to be supplied with the final plat, and complied with. If the ditches are to remain, the requirement is that they be buried (piped).

Ditch at NW corner:



M. Street Lighting: Street lighting shall be installed according to the standards and requirements established by the city electrical commissioner, the cost of which will be borne by the subdivider.

Staff Comment: Street lighting is not proposed along West Avenue or the internal road, which would require a variance. Private lighting of the internal road is recommended.

N. Public Use Areas: ...

Staff Comment: Minor subdivisions are exempt from this requirement.

OTHER:

Power. Electrical service must be designed, easements provided, and facilities installed as part of the subdivision. The City Electrical Engineer has provided a conceptual design, which loops through the property from the existing power pole on Cougar Avenue, along the interior driveways and to the pole just northeast of the northeast corner of Lot 7-A2.

Water Main Extension. As noted previously, the City Engineer has indicated that the water system will need to be looped to provide adequate flow for sprinkler systems, and to meet the frontage extension requirement. The plans for such must be submitted to the state DEQ-Water Quality Division for review and approval prior to final plat approval. For the extension along West Avenue, the applicant may want to consider partnering with Clint Campbell, the property owner to the South, as he has already had the line designed.

Irrigation. The application indicates that water rights for the property will be transferred to the City. The applicant will need to submit the transfer documentation referred to by section 11-3-3(B)(1) of the City Code with the final plat.

Garbage Collection. The City prefers that the dumpsters be located on West Avenue. This will require a turn-around. One option would be to provide a T-turnaround at the southwest corner of the property. Other options may be possible. The turn-around must be constructed with development of the property.

Sewer Connections.

The application does not indicate how Lot 7-A1 will be served with sewer. It is likely easiest to create an easement across Lot 7-A2 to accomplish this. This avoids having to tap the line across Cougar Avenue.

Existing Sewer Easement. The site plan shows landscaping of the easement, which is appreciated, except that no trees will be allowed in this easement.

STAFF COMMENTS:

Staff has listed the applicable standards so that the Board can review each individually and let the applicant know if the preliminary plat appears reasonable, or if changes should be made to address any of the individual City requirements. A list of conditions has been prepared, based on variances being granted to the following. If any of the requested variances are not granted, additional conditions will be needed.

Requested Variances:

- A. From dedication of additional right-of-way and improvement of West Avenue to City standards, based on not utilizing West Avenue for access.
- B. From the alley requirement.
- C. From providing fifty feet of frontage to Cougar Avenue for Lot 7-A2.

Conditions necessary to address the subdivision requirements and the City utility requirements include the following Recommended Conditions of Approval:

1. The water main shall be looped between the lines in Cougar Avenue and West Avenue, and the main extended along the frontage of West Avenue. The design

must be reviewed and approved by the City engineer and the Department of Environmental Quality (DEQ).

2. Provide a city easement for the water line loop between Cougar Avenue and West Avenue.
3. Provide utility easements as required by the utility providers. At a minimum, provide a 10-foot utility easement along West Avenue, and a 10-foot wide power easement for the loop system described by the City electrical Engineer.
4. As a storm water system is not available in the immediate area, include a note on the final plat that storm water must be retained on-site in accordance with the City storm water policy.
5. In addition to the standard submittal requirements for the final plat, it is specifically required that the final plat application include:
 - a. Engineered designs for the interior roadway.
 - b. Evidence that the water main plans have been reviewed and approved by DEQ.
 - c. A maintenance agreement for the shared private roadway.
6. Note the variances granted on the final plat.
7. Sewer, water, and power are available and are to be provided to each lot as specified by the City as part of the subdivision. Payment of $\frac{3}{4}$ " or larger water connections and applicable electrical service fees must occur prior to final plat approval by Council. Installation of the sewer stubs to each lot must be completed prior to any building permit or development on any lot.
8. No vehicular access to West Avenue is permitted unless West Avenue is paved and improved to city standards for a local access street. A note to this effect must be included on the final plat.
9. Vehicle access to Cougar Avenue is limited to the common access easement, unless permitted otherwise by the City Engineer.
10. With the final plat application, provide evidence of compliance with City Code 11-3-3(B)(1), relating to transfer of the Cody Canal water rights.
11. Sidewalk shall be installed to City standards along the full Cougar Avenue frontage at the time multi-family development occurs on either of these lots. Include a note to this effect on the final plat.
12. Include the following in the dedication certificate on the final plat:

"And do hereby agree to promote and participate in an improvement district for curb, gutter, and sidewalk on West Avenue when deemed necessary by the City of Cody. And further, that this language shall be contained in each and all conveyances of record."

RECOMMENDATION:

If the Board is in agreement with the proposal, recommend approval of the preliminary plat and variances, subject to the conditions noted in the staff report.

ATTACHMENTS:

Application
Preliminary Plat

PROJECT DEVELOPMENT AND ADMINISTRATION AGREEMENT

THIS AGREEMENT (this “Agreement”) is made and entered into by and between the City of Cody, a political subdivision of the State of Wyoming (**“City of Cody”**), **Forward Cody Wyoming, Inc.**, a Wyoming non-profit corporation (**“Forward Cody”**), Cody LCI Realty, LLC, a Wyoming limited liability company (**“Cody LCI”**), and Cody Laboratories, Inc., a Wyoming corporation (**“Cody Labs”**).

RECITALS

(A) The **City of Cody** will apply for a Wyoming Business Ready Communities-Business Committed Grant from the Wyoming Business Council (“WBC”) in the amount of Two Million Five Hundred Thirty-One Thousand Four Hundred Twenty-Four Dollars (\$2,531,424.00) (the **“Grant”**) and will distribute the money from that Grant to Forward Cody, pursuant to the terms of that Grant according to state law, to allow Forward Cody to acquire appropriate real property, provide infrastructure improvements, and construct a building on property in Cody, Park County, Wyoming (the **“Property”**).

(B) Cody Laboratories, Inc. (**“Cody Labs”**) is the business committed with respect to the above-described grant; and,

(C) The **City of Cody** and **Forward Cody** are aware that the construction and operation of the **Cody LCI** and **Cody Labs** facility would promote the sound economic growth of the Park County, Wyoming area through, among other things, the creation of new jobs, improvement of the tax base, and creation of other resources in the Park County, Wyoming area, all of which constitute a public purpose, and,

(D) The program under which the grant is given authorizes project administration by a community development organization other than the **Grant** applicant pursuant to a written agreement between the applicant and the community development organization; and

(E) **Forward Cody** is a community development organization; and

(F) The complex nature of the project will require significant expenditure of time and resources for project administration; and

(G) **Forward Cody** has significant expertise and knowledge of the project to properly perform the project administration; and,

(H) It is of a definable benefit to the **City of Cody**, in the savings of City resources, and reasonably necessary to **City of Cody**, based upon the expertise of **Forward Cody**, that **Forward Cody** administer the project.

NOW, THEREFORE, for and in consideration of the foregoing premises, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. PROJECT DESCRIPTION:

The project involves the construction of a building of approximately twenty four thousand (24,000) square feet (the “**Project**”) and leasing of the **Project** to **Cody LCI**, as well as the subletting of the Project to **Cody Labs** by **Cody LCI**. The design and development of the **Project** and the construction thereof will be funded by the Grant. The terms and requirements of the **Grant** agreement are, by this reference, incorporated herein.

2. OBLIGATIONS OF FORWARD CODY:

2.A. **Forward Cody**, at its sole cost and expense, shall be responsible for all phases of grant management and administration of the **Project**, including, without limitation, construction of the **Project**. In this capacity, **Forward Cody** shall, among other things necessary to manage and construct the **Project**:

2.A (i). With the prior written agreement of the **City of Cody, and Cody LCI**, choose a qualified architectural and engineering firm (the “**Architect**”) to develop plans and specification for the construction of the Project in accordance with Section 2.F. below. **Forward Cody** shall also obtain all necessary zoning, subdivision, land development and building permits and approvals necessary to develop the **Project** (collectively, the “Development Approvals”). The Architect shall be retained pursuant to a written agreement with **Forward Cody**, which written agreement shall be subject to the prior written consent of the **City of Cody** and **Cody LCI**.

2.A (ii) Contract with a party chosen with the prior written agreement of the **City of Cody, and Cody LCI** to provide the necessary infrastructural improvements and construction of the **Project** in accordance with the Final Plans (as hereinafter defined) and the Final Budget (as hereinafter defined). Any contract for the construction of the Project shall be subject to the prior written consent of **Cody LCI** and shall provide that the contractor(s) shall provide payment and performance bonds acceptable to **Cody LCI**. **Forward Cody** shall achieve Substantial Completion of the **Project** (as hereinafter defined) on or about eighteen (18) months from the date on which the State of Wyoming and the City of Cody execute the **Grant** agreement (the “Completion Date”). The **Project** shall be deemed to be substantially completed (“Substantially Completed” or “Substantial Completion”) on the day when all of the following have occurred (a) the **Project** has been completed in accordance with the Final Plans and all applicable laws, rules and regulations, except for minor “punchlist” items, the completion or repair of which will not interfere with **Cody LCI’s**

and/or **Cody Labs**' use and occupancy of the **Project** under, and in accordance with, the Lease Agreement (as hereinafter defined); (b) the **Project** is available for **Cody LCI** and/or **Cody Labs** to utilize for its intended purpose without material interference with **Cody LCI's** and/or **Cody Labs**' business activities by reason of completion of **Forward Cody's** work, including (without limitation), by reason of completion of "punch list" items; (c) **Forward Cody** shall have obtained and delivered to **Cody LCI** and **Cody Labs** a copy of a final certificate of occupancy relating to the **Project** issued by the **City of Cody**, which certificate of occupancy shall be of the type customarily issued by the municipality in which the **Project** is located and which is adequate to permit **Cody LCI** and/or **Cody Labs** to legally occupy the Project for its intended purposes (the "Certificate of Occupancy"); and (d) **Forward Cody** and **Cody LCI** shall have completed a joint inspection of the **Project** and have (i) confirmed in writing that the **Project** has been completed in accordance with the Final Plans, except for minor "punchlist" items, and (ii) compiled a written list of minor "punchlist" items that do not interfere with **Cody LCI's** and/or **Cody Labs**' business activities (the "Punchlist Items"). **Forward Cody** shall complete all Punchlist Items no later than sixty (60) days after the date of Substantial Completion.

- 2.A (iii). Account for and oversee the expenditure of **Grant** funds in accordance with the terms of the **Grant** and State law. As part of this obligation, **Forward Cody** shall comply with any and all advertising and bidding requirements for all phases of the **Project**, and shall not hire, contract with, bind itself or otherwise commit grant money for construction or development of the Project until it has consulted with **City of Cody** staff to ensure compliance with state advertising and bidding requirements.
- 2.A (iv). Keep appropriate and complete records of transactions relative to the **Grant**.
- 2.A (v) Convey to the **City of Cody** a mortgage for the **Grant** term which ensures performance of the terms of the **Grant**, and upon expiration of the **Grant** term, **Forward Cody** shall seek the release of the mortgage by the **City of Cody** pursuant to which mortgage shall be released upon expiration of the **Grant** term in accordance with Section 3.A(vi) below.
- 2.A (vi). Keep the **City of Cody** and **Cody LCI** informed of all matters regarding the **Project** and give regular reports to the **City of Cody** and **Cody LCI** about the Project. Such reports shall be given as often as the **City of Cody** and **Cody LCI** request and, at the option of the **City of Cody** and **Cody LCI**, may be verbal or written.

- 2.A (vii). Complete all reporting requirements for the **Grant** including but not limited to publishing notices, submitting reports and the prompt submission of grant-eligible expenditures for reimbursement to the **City of Cody**.
- 2.A(viii). Enter into a twenty-five (25) year Lease Agreement with **Cody LCI** in a form substantially as set forth on Exhibit “A” hereto, for the continued operation and maintenance of these assets, said lease to charge a basic rental amount of approximately Four Dollars and Fifty Cents (\$4.50) per square foot per year, and to provide that **Cody LCI** has the option to purchase these assets in accordance with the terms of said lease (the “**Lease Agreement**”). Lease Agreement payments will be utilized to cover any ownership costs of the facility which are not otherwise paid by **Cody LCI** or **Cody Labs**. Any additional monies shall be used in accordance with the Revenue Recapture Plan attached herein as Exhibit “C”.
- 2.A(ix). **Forward Cody** or any contractors retained thereby shall immediately repair any damage to the property owned by **Cody LCI** and located adjacent to the Land that is caused by Forward Cody or its agents, employees, contractors, materialmen, suppliers or other agents or representatives, including, without limitation, any damage to the parking lots, driveways and drive aisles on such property caused by construction or other oversized vehicles used in constructing the **Project**. This obligation shall survive any termination of this Agreement.
- 2.A.(x) Upon completion of the **Grant**, participate in the public hearing and provide evidence and testimony regarding satisfaction of the **Grant** terms and the economic benefits and economic development impacts provided to the community by **Cody Labs**.

2.B. With respect to the construction costs for the Project, **Forward Cody** shall make reimbursement requests, together with necessary supporting documents no less frequently than monthly or as dictated by construction progress and/or WBC grant guidelines in such form as may be required by the **City of Cody** and/or the WBC. **Forward Cody** shall make such other reports in such forms and at such times as may be reasonably required by the **City of Cody** or the WBC.

2.C. In performance of its obligations under this Agreement, **Forward Cody** shall conform its conduct to the statutory obligations of the **City of Cody** and the grant requirements undertaken by the **City of Cody**.

2.D. The **City of Cody** may terminate this agreement for reasonable cause or for any breach of this agreement by **Forward Cody** or **Cody LCI** that continue beyond any applicable notice and cure periods as provided in Section 5 below. **Forward Cody's** services shall be deemed to start after all parties have signed this agreement. If

Forward Cody breaches this agreement or is for some reason unable to serve as the community development organization, the **City of Cody** shall either designate another community development organization or shall assume administration of this agreement directly.

2.E. **Forward Cody** may not terminate this agreement before the successful completion of this Agreement. Following such completion, **Forward Cody** may terminate this agreement at any time upon giving the **City of Cody** sixty (60) days prior notice.

2.F. **Following execution of this Agreement and award of the Grant, Forward Cody** shall cause the Architect to prepare preliminary plans and specifications for the construction of the Project (the "Preliminary Plans") in accordance with the specifications and criteria set forth on Exhibit "D" attached hereto (the "General Specifications"), together with a budget showing that the Project will be completed in accordance with such Preliminary Plans at a cost not to exceed the amount of the Grant (the "Budget"). Upon completion of Preliminary Plans and the Budget, **Forward Cody** and **Cody LCI** shall agree upon the same within thirty (30) days from delivery thereof by **Forward Cody** to **Cody LCI**. If **Forward Cody** and **Cody LCI** are unable to agree on the same within such thirty (30) day period, then **Cody LCI** may terminate this Agreement. **Cody LCI** shall pay any fees owed to the Architect for the work done in preparing the preliminary plans and specifications and any attorney's fees incurred by **Forward Cody** for work done in preparing this Project Development Agreement and the Lease Agreement, and the parties shall have no further rights or obligations hereunder except for those that survive the termination of this Agreement. Once **Cody LCI** has approved the preliminary construction drawings and specifications (the "**Final Plans**") and the budget (the "**Final Budget**") for the Project, **Forward Cody** shall be responsible for constructing the Project in accordance with the Final Plans and the Final Budget.

3. OBLIGATIONS OF THE CITY OF CODY:

3.A. The **City of Cody** shall:

3.A(i). Apply for the Grant on or before December 1, 2011;

3.A(ii). Notify WBC that **Forward Cody** is the designated community development organization with respect to the administration of the Grant.

3.A(iii). Forward any and all documentation received from WBC or others regarding this project to **Forward Cody** in a timely manner.

3.A(iv). Receive, review and submit in a timely fashion grant reports and requests for grant reimbursements submitted to the **City of Cody** by **Forward Cody**. **Forward Cody** recognizes that the submittal and payment process may take up to sixty (60) days, and will include a

statement in all contracts with each architect, engineer, contractor and others who will be paid by grant funds (collectively “payees”) that informs the payees that payment for invoices may be delayed by at least sixty (60) days.

3.A(v). Forward all grant reimbursements from WBC to **Forward Cody** in a timely fashion for all appropriate expenses paid by **Forward Cody**.

3.A(vi) Upon completion of the five (5) year term of the **Grant**, **Forward Cody** shall apply for the release of the **City of Cody’s** mortgage interest, and the **City of Cody** and **Forward Cody** shall hold the public hearing required pursuant to W.S §15-1-112 for conveyance of the **City of Cody’s** mortgage interest in the **Property** to **Forward Cody** or its affiliate with the termination of the public interest therein via release of the mortgage securing the **Grant**.

Notice of the public hearing shall include the appraised value of the **Property** (said appraisal to be obtain by and at the expense of **Forward Cody**) and notice of the proposed mortgage release, and shall be published in the Cody Enterprise at least once each week for three (3) consecutive weeks. The public hearing shall provide a forum in which the **City of Cody** may determine that the sale of the **Property** will benefit the economic development of the Cody community.

Following any determination of such economic development benefit during such hearing and the release of the mortgage securing the **Grant**, **Forward Cody** or its affiliate shall be the sole title-holder of the **Property**.

4. OBLIGATIONS OF **CODY LCI AND CODY LABS**:

4.A. **Cody LCI** (and **Cody Labs**, with regard to Section 4.A(ii) below) shall:

4.A(i). Pursue timely and efficient communications with **Forward Cody** regarding the planning, design and implementation of the **Project**.

4.A(ii). Sublease the Project to **Cody Labs**, and **Cody Labs** shall create within three (3) years after June 30, 2011 no less than 45 full time positions at an average of the sustainable family wage rate of \$14.37 per hour. It is acknowledged and agreed by the **City of Cody** and **Forward Cody** that since June 30, 2011, **Cody Labs** has created twenty-three (23) full time positions at an average of the sustainable family wage rate of \$14.37 per hour, and thus within three (3) years after June 30, 2011 **Cody Labs** must only create an additional twenty-two (22) such full time positions.

4.A(iii) After the date of June 30, 2011, make an additional capital investment in Cody LCI’s existing facilities in the amount of Five Million One Hundred Seventy Million Dollars (\$5,170,000.00)

pursuant to the **Grant** application, and provide evidence of such investment to the **City of Cody** or **Forward Cody** upon expiration of the **Grant** term.

- 4.A(iv). Upon receipt of the Development Approvals, contribute the real estate described on Exhibit “B” (the “**Land**”) to **Forward Cody** to carry out the Project.
- 4.A(v). Be responsible for any cost associated with **Project** changes that are completed at the written request of **Cody LCI** (a “**Change**”) that exceed the amount of the Grant. No Change shall be performed, and no cost associated with **Project** in excess of the Grant (collectively, “**Excess Costs**”) shall be incurred or allowed, without the prior written authorization, in each instance, of Lannett Company, Inc. (“**Lannett**”), a member of **Cody LCI**, executed by Arthur Bedrosian, Chief Executive Officer of **Lannett**, or other duly authorized officer of **Lannett**. Notwithstanding anything to the contrary contained herein, only **Lannett**, shall have the authority to authorize any Change and/or the incurring of Excess Costs on behalf of the **Cody LCI**. Any Change and/or Excess Costs that are not authorized, in writing, by a duly authorized officer of **Lannett** on behalf of the **Cody LCI** shall be *void ab initio* and of no force or effect. **Forward Cody** shall not be entitled to any compensation on account of any Change and/or any Excess Costs that are not authorized in writing by a duly authorized officer of **Lannett** on behalf of **Cody LCI**, even if the work relating to such Change and/or such Excess Costs is performed by **Forward Cody**.
- 4.A(vi). Enter into a Lease Agreement with **Forward Cody** in a form substantially as set forth on Exhibit “A” hereto.
- 4.A(vii). Provide in a timely fashion, all necessary job and wage information to **Forward Cody**, required for the submission of reports to the Wyoming Business Council. **Project** reporting will be required during the term of the Lease Agreement.

5. BREACH AND REMEDIES:

Any party believing that another is in breach of the provisions of this Agreement shall notify the defaulting party in writing of the breach, including within such notice the facts of the conduct constituting the breach and the steps necessary to cure the breach. The parties agree to meet within five (5) working days of such notice to discuss and resolve the breach. If, within fifteen (15) days after the notice of breach, the breach has not been cured, or, if the breach cannot reasonably be cured within such time, if steps have not been undertaken to reasonably cure the breach, then the non-defaulting parties may take steps reasonably necessary to enforce their rights under this Agreement. Any controversy or claim arising out of or related to this Agreement, or the breach thereof, upon mutual agreement of the parties, may be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in

any court having jurisdiction thereof. This Agreement will be construed under the laws of the State of Wyoming and the appropriate venue and jurisdiction for any injunctive relief or the filing of any arbitration determination or any cause of action shall lie in the District Court, Fifth Judicial District in Park County, Wyoming. Any arbitration shall be conducted in Cody, Wyoming.

6. REPRESENTATIVES/NOTICES

The **City of Cody** designates Nancy Tia Brown as their **“Representative”**, **Cody LCI** designates Arthur Bedrosian as its **“Representative”**, and **Forward Cody** designates James Klessens as its **“Representative.”** All notices and invoices required in this Agreement shall be in writing, properly addressed to the Representative as follows:

To **City of Cody**
Mayor Nancy Tia Brown City of Cody
P.O. Box 2200
Cody, WY 82414

To **City of Cody**
Jennifer Rosencrance, City Administrator
P.O. Box 2200
Cody, WY 82414

To **Cody Laboratories, Inc.**
or Cody LCI Realty, LLC
Arthur Bedrosian
Lannett Company, Inc.
9000 State Road
Philadelphia, PA 19136

With a required copy to:
Richard Asherman
601 Yellowstone Avenue Cody, WY 82414

To **Forward Cody:**
Forward Cody Wyoming, Inc.
Attn: James Klessens
1131 13th Street, #106
Cody, WY 82414

With a required copy to:
M. Cole Bormuth
Bormuth Law, LLC
P.O. Box 550
Cody, WY 82414

Any notice to be given herein shall be deemed given three days after the same is placed in the U.S. Mail, certified, return receipt requested, to the last known address of the addressee, or on the date such notice is actually delivered, if delivered by any means other than by certified mail.

When dealing with each other in the performance of this Agreement, the parties may assume without verification that the designated Representative is acting with authority with respect to all dealings between the parties. Conversely, only the designated Representatives have authority to represent and bind the parties relative to all matters regarding the performance of this Agreement, except that the parties understand that the Mayor and the City Administrator of the City of Cody do not have authority to sign without an affirmative vote of the City's Governing Body.

7. REPRESENTATIONS AND WARRANTIES OF CODY LCI. Cody LCI represents and warrants that:

- 7.A. **Corporate Status.** Cody LCI is a limited liability company duly organized, validly existing, and in good standing under the laws of Wyoming.
- 7.B. **Corporate Power.** Cody LCI has full power and authority to enter into and perform this Agreement. The execution and delivery of this Agreement and the performance and observance of its terms, conditions, and obligations, have been duly authorized by all necessary company action by Cody LCI. This Agreement is a valid and binding obligation of Cody LCI, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting enforcement of creditors' rights generally and by general principles of equity (whether applied in a proceeding at law or in equity).
- 7.C. **Nonbreach of Other Agreements.** The execution and delivery of this Agreement and the consummation of the transactions contemplated herein will not, conflict with the certificate of organization, operating agreement, or other organizational or governing documents of Cody LCI, or any mortgage or lien to which Cody LCI is a party or is subject or by which Cody LCI or its properties are bound or affected, or in any material respect of any lease, agreement, instrument, order, judgment, decree, law, rule, regulation, or any other restriction of any kind or character to which Cody LCI is a party or is subject or by which Cody LCI or its properties are bound or affected. No consent, approval, authorization, or order of, and no notice to or filing with, any court or governmental authority or third party is required in connection with the execution, delivery, or performance by Cody LCI of this Agreement or to consummate any transactions contemplated hereby or thereby, except as specifically provided in this Agreement.

- 7.D. **No Pending Lawsuits.** There are no actions, suits, or proceedings against **Cody LCI** pending or, to the knowledge of **Cody LCI** threatened before any court or by or before any governmental instrumentality, which could have a material adverse affect on the ability of **Cody LCI** to perform its obligations under this Agreement.
- 7.E. **No Default in Court Orders or Similar Agreements.** There exists no default by **Cody LCI** with respect to any order, writ, injunction, decree, or demand of any court or governmental instrumentality against it, and **Cody LCI** is not in default of any agreements similar to the Agreement set forth herein with any other state, city, governmental agency, or any other party.
- 7.F. **Signatory Authority.** Each person signing this Agreement on behalf of **Cody LCI** has the full authority to sign on behalf of and bind **Cody LCI** to this Agreement.

8. REPRESENTATIONS AND WARRANTIES RELATING TO THE LAND.

Forward Cody represents and warrants that:

- 8.A. **Intentionally omitted.**
- 8.B. **Hazardous Materials.** To the best of **Forward Cody's** knowledge: (i) no Hazardous Waste (as defined herein), has been used, generated, released, stored or disposed of on the Land, or sub-soil thereof, other than fertilizers and pesticides used in connection with normal landscape activities; (ii) no tanks have been located on or below the surface of the Land, (iii) the Land is not subject to any federal, state or local "Superfund" lien, proceeding, claim, liability or action, for the cleanup, removal or remediation of any such Hazardous Waste used, generated, released, stored or disposed of on the Land. For purposes of this Agreement, "**Hazardous Waste**" means those wastes which are defined in the Wyoming Environmental Quality Act in Section 35-11-103(d)(vii).
- 8.C. **Other Interests.** Neither **Cody LCI** nor any other owner of the property referenced in Paragraph 4.A(iii) above have any contract with any third party holding any option to purchase, right of first refusal or right to purchase the Land or any portion thereof, except for the option of **Cody LCI** to purchase the Land and the improvements thereon as provided in the Lease Agreement.
- 8.D. **No Leases or Contracts.** Other than the Lease Agreement and the sublease by **Cody LCI** to **Cody Labs**, there are no leases or other agreements (whether oral or written), other than those disclosed in writing to and approved by **City of Cody**, affecting or relating to the right of any party with respect to the possession of the Land or any portion thereof which are obligations which will affect the Land or any portion thereof. There are no maintenance, service, operation, development or other contracts or agreements (whether

oral or written) affecting or relating to the Land which are obligations which will affect the Land or any portion thereof.

- 8.E. **Existing Land Use Restrictions and Permits.** To the best of **Forward Cody's** knowledge, the Land is currently zoned to permit the operation of a storage facility such as that contemplated for operation on the Project premises.

9. NECESSARY ACTS AND FURTHER ASSURANCES.

The parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement or to show the ability to carry out the intent and purposes of this Agreement.

10. BENEFICIARIES:

This Agreement is negotiated for the exclusive benefit of the parties hereto. There are no intended beneficiaries of this Agreement.

11. NO WAIVER OF IMMUNITIES:

Notwithstanding any other provision of this Agreement, nothing in this Agreement shall be read to constitute or to require a waiver of any rights, defenses, limitations or privileges of the **City of Cody** under the doctrines of sovereign or governmental immunity nor shall it in any way be deemed a waiver of any of the requirements or immunity provided by the Wyoming Governmental Claims Act.

12. AVAILABILITY OF FUNDS:

The obligations of the parties are conditioned upon the availability of funds appropriated or allocated for use for the Project under this Agreement from the WBC. If funds are not allocated and available as needed for the parties to perform this Agreement, then this Agreement shall terminate and shall be of no further force or effect. Each party shall notify the other party at the earliest possible time, if the Agreement will or may be affected by a shortage of funds. No penalty shall accrue to any party in the event this provision is exercised, and no party shall be obligated or liable for any future payments due or damages as result of termination under this section. Notwithstanding the foregoing, in the event **Cody LCI** agrees to pay Excess Costs in accordance with Section 4.A(iv) above sufficient to complete the Project, then neither **Forward Cody** nor the **City of Cody** shall have the right to terminate this Agreement pursuant to this Section 12.

13. COMPLIANCE WITH LAWS:

Forward Cody and **Cody LCI** shall comply with all applicable municipal, state, and federal ordinances, laws, rules and regulations as they are now or as they are enacted, and

shall not engage in any practice which may have the effect of discriminating against any entity on the basis of disability, age, sex, race, creed, color, national origin, ancestry, or religion.

14. INDEMNITY:

Forward Cody shall indemnify, defend and hold the **City of Cody** and **Cody LCI** harmless from and against any and all claims of any nature whatsoever arising from or having connection with the performance of any duties by **Forward Cody** related in any way to this Agreement. **Cody LCI** shall indemnify, defend and hold the **City of Cody** and **Forward Cody** harmless from and against any and all claims of any nature whatsoever arising from or having connection with the performance of any duties by **Cody LCI** related in any way to this Agreement.

15. CONTRACTUAL MATTERS

15.A. **Performance Matters.** With respect to the performance of this Agreement, **Forward Cody** agrees as follows:

15.A(i). **Nondiscrimination.** **Forward Cody** shall comply with Presidential Executive Order 11246 entitled, "Equal Employment Opportunity," as amended by Presidential Executive Order 11375, and as supplemented in the Department of Labor Regulations (41 CFR Part 60), the Civil Rights Act of 1964, the Wyoming Fair Employment Practices Act (Wyo. Stat. § 27-9-105 et seq.), and the Americans with Disabilities Act (hereinafter referred to as "ADA"). 42 U.S.C. 12101, et seq. **Forward Cody** shall assure that no person is discriminated against based on the grounds of sex, race, religion, national origin or disability in connection with the performance of this Agreement.

15.A(ii). **Publicity.** Any publicity given to the program or services provided herein including, but not limited to, notices, information, pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for **Forward Cody** relative to the construction of the Project, shall identify the **City of Cody** and WBC as the sponsoring agencies.

15.B. **Local Public Hearing and Approval.** The Parties acknowledge that the application for grant funding by WBC requires the **City of Cody** as applicant to solicit citizen input through a published public hearing before submission of an application, and a resolution passed by the **City of Cody**. In the event the **City of Cody** does not pass a resolution supporting the application by the **City of Cody** to WBC for grant funds for the Project, the **City of Cody** shall have the right to declare this Agreement null and void and of no further force or effect.

15.C. **Audit.** The **City of Cody** and any of its representatives shall have access to any books, documents, papers, and records of **Forward Cody** which are pertinent to

this Agreement and which are not legally privileged. Additionally, **Forward Cody** shall abide by all regulations imposed by funding sources or governmental agencies, such as auditing requirements, payroll affidavits, and other documentation or verification.

- 15.D. **Third Party Beneficiary Rights.** The parties do not intend to create in any other individual or entity the status of a third party beneficiary, and this Agreement shall not be construed so as to create such status. The rights, duties and obligations contained in this Agreement shall operate only between the parties to this Agreement, and shall inure solely to the benefit of the parties to this Agreement. The provisions of this Agreement are intended only to assist the parties in determining and performing their obligations under this Agreement. The parties to this Agreement intend and expressly agree that only signatories to this Agreement shall have any legal or equitable right to seek to enforce this Agreement, to seek any remedy arising out of a party's performance or failure to perform any term or condition of this Agreement, or to bring an action for the breach of this Agreement.
- 15.E. **Supplanting.** Wyoming Business Committed Grants must be used to supplement existing funds for program activities and cannot replace, or supplant, nonfederal funds that have been appropriated for the same purpose.
- 15.F. **Force Majeure.** No party shall be liable for failure to perform under this Agreement if such failure to perform arises out of causes beyond the control and without the fault or negligence of the nonperforming party. Such causes may include, but are not limited to, acts of God or the public enemy, fires, floods, epidemics, quarantine restrictions, freight embargoes, and unusually severe weather. This provision shall become effective only if the party failing to perform immediately notifies the other party of the extent and nature of the problem, limits delay in performance to that required by the event, and takes all reasonable steps to minimize delays. This provision shall not be effective unless the failure to perform is beyond the control and without the fault or negligence of the nonperforming party.
- 15.G **Ownership of Documents/Work Product/Materials.** All construction documents including but not limited to the plans, CADs, and specifications for the Building, whether complete or incomplete, and any other, reports, records, field notes, data, samples, specimens, and materials of any kind related to the construction of the Building shall be considered all times to be the property of **Forward Cody** unless **Cody LCI** pays the Architect as provided in Section 2F, in which event the plans and specifications prepared by the Architect shall be considered the property of **Cody LCI**. Nothing in this Agreement shall be construed to prevent or deny the **City of Cody** or **Forward Cody**, their agents, employees, officers, representatives or officials from reviewing or having access to all construction documents.

- 15.H. **Independent Contractor Relationships.** It is specifically understood and agreed that the relationship of the parties is that of independent contractors and that the officers, employees and agents of one party are not acting as the officers, employees or agents of the other. No party hereto shall make any representation of being the officer, agent, or employee of the other.
- 15.I. **Entire Agreement.** This Agreement and the documents referenced herein contain all the terms and conditions agreed to by the parties and constitutes the sole agreement between them regarding the subject matter of this Agreement and supersedes all understandings and agreements, whether oral or in writing, previously entered into by them with respect thereto.
- 15.J. **Successors and Assigns.** Neither **Forward Cody** nor **Cody LCI** shall assign or otherwise transfer any of the rights or delegate any of the duties set forth in this Agreement (other than as set forth in Section Nineteen of the Lease Agreement referenced herein) without the prior written consent of the **City of Cody**. Neither **Cody LCI** nor any other owner of the property referenced in Paragraph 4.A(iii) above shall use this Agreement, or any portion thereof, for collateral for any financial obligation without the prior written consent of the City of Cody and Forward Cody. The terms of this Agreement shall bind the parties hereto and their permitted successors and assigns. The reference above to permitted successors and assignees is not intended to constitute a consent to any assignment of this Agreement but has reference only to those instances in which specific written consent may have been given by the **City of Cody** and/or **Forward Cody**.
- 15.K. **Modification.** This Agreement may be amended or modified only in a writing signed by all the parties hereto.
- 15.L. **Paragraph Headings.** Paragraph headings are inserted primarily for convenience, and where they conflict with the text in the construction of this Agreement, the text shall control.
- 15.M. **Waiver and Failure to Declare a Default.** The failure of any party to declare a default or to enforce its respective rights under this Agreement shall not be construed as a waiver by such party of this right to do so for any such subsequent default or violation.
- 15.N. **Interpretations.** Whenever in this Agreement the singular is used and the plural would be applicable, then such usage of the singular shall be deemed and considered to include the plural, and visa versa. Whenever a particular gender is used and another gender is applicable, then such usage shall be deemed to consider and include the other, actually applicable gender.
- 15.O. **Invalid Provisions.** It is understood and agreed that any term or provision of this Agreement which is invalid or unenforceable shall be ineffective only to the

extent of such invalidity or unenforceability without invalidating the remaining provisions hereof.

15.P. **Facsimile Signatures and Counterparts.** This Agreement may be executed in any number of counterparts, and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same agreement. Also, this Agreement may be executed by facsimile provided that the parties shall, forthwith circulate and sign no less than four (4) copies of an original signature page.

DATED effective _____, 2012.

CITY OF CODY, WYOMING

FORWARD CODY WYOMING, INC.

By: _____

By: _____

Title: _____

Title: _____

CODY LABRATORIES, INC.

CODY LCI REALTY, LLC

By: _____

By: _____

Title: _____

By: _____

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into as of the _____ day of _____, 2012, between Forward Cody Wyoming, Inc., having an address at _____ (“FORWARD CODY”), the City of Cody, having an address at _____ and Cody LCI Realty, LLC, having an address at _____ (“CODY LCI”).

WITNESSETH:

WHEREAS, FORWARD CODY is the owner of the following described real property and, in consultation with CODY LCI, will construct a warehouse building (“THE PREMISES”) to meet the purposes proposed by CODY LCI in accordance with the Project Development and Administration Agreement executed contemporaneously herewith (“THE DEVELOPMENT AGREEMENT”);

WHEREAS, CODY LCI desires to lease THE PREMISES for use as a facility for the storage of non-narcotic raw materials and other items necessary for the manufacture of the company’s pharmaceutical products; and

WHEREAS, the parties desire to enter into a lease agreement defining the rights, duties and liabilities relating to THE PREMISES and the responsibilities between the parties.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

SECTION ONE: DEFINITIONS

1.1 As used in this Lease Agreement:

- a) “THIS AGREEMENT” or “THE AGREEMENT” shall be used to refer to this Lease Agreement;
- b) “THE BUILDING” shall be used to refer to the building located at 601 Yellowstone Avenue (address to be

determined by CODY LCI), in the City of Cody, State of Wyoming;

- c) "RENOVATION ACTIVITIES" shall be used to refer to all unnecessary alterations, betterments, improvements, additions, renovations and reconstruction of or to THE PREMISES, or any part thereof, of any kind or nature whatsoever (but expressly excluding the FORWARD CODY WORK (as hereinafter defined));
- d) "LEASE YEAR" or similar words shall be used to refer to a period of twelve (12) full consecutive calendar months commencing on the Commencement Date, and each successive twelve (12) month period thereafter during the Term;
- e) "CODY LCI" shall refer to the Cody LCI Realty, LLC of 601 Yellowstone Avenue, Cody, WY 82414;
- f) "FORWARD CODY" shall be used to refer to Forward Cody Wyoming, Inc. or its authorized agent of 1131 13th Street #106, Cody WY 82414;
- g) "NECESSARY REPAIRS" shall be used to refer to all necessary replacements and alterations to THE PREMISES and THE BUILDING; and
- h) "THE PREMISES" shall be used to refer to the approximately 1.66 acres of land designated as Lot 3-A of the Amended Plat of Lots 1 and 3 of Cody Laboratories Minor Subdivision within the City of Cody, Wyoming, recorded as Document #2011-6777 in Plat Cabinet K at Page 129, in the office of the Park County Clerk, Park County, Wyoming, and THE BUILDING described below in Paragraph 2.1.

SECTION TWO: SUBJECT AND PURPOSE

2.1 FORWARD CODY leases to CODY LCI THE PREMISES reflected on the preliminary sketch plan attached as Exhibit "A" including:

A warehouse facility of approximately 24,000 square feet located on Lot 3-A of the Cody Laboratories Minor Subdivision; more specifically, 601 Yellowstone Avenue, Cody Wyoming.

2.2 THE PREMISES shall be used and occupied only for use as a facility for the storage of non-narcotic raw materials and other items

necessary for the manufacture of the company's pharmaceutical products, office space and other uses ancillary thereto, and for no other purpose without the written consent of FORWARD CODY ("THE PERMITTED USE"). All such substances shall be stored in accordance with all regulatory agency requirements. If THE PREMISES, or any part thereof, are not being used in the usual and legitimate manner in the conduct of the Permitted Use, FORWARD CODY may give CODY LCI written notice requiring CODY LCI to terminate such improper use within three (3) days thereafter. A failure to comply with such request shall constitute a breach of THIS AGREEMENT.

SECTION THREE: TERM AND RENT

3.1 FORWARD CODY leases THE PREMISES for a term of twenty-five (25) years ("THE TERM"), commencing on October 1, 2012 and terminating on the twenty-fifth (25th) anniversary date of the Commencement Date, at the base monthly rental amount of Nine Thousand Dollars (\$9,000.00), hereinafter referred to as the "BASIC RENT." The parties anticipate that THE PREMISES will be available for occupancy and that the first LEASE YEAR shall commence on or about March 1, 2013, and end on or about April 30, 2014. All payments of BASIC RENT are payable in advance on the first day of each month during the term of THIS AGREEMENT or any renewal thereof, beginning on the date THE PREMISES are available for legal occupancy by CODY LCI as evidenced by the issuance of a Certificate of Occupancy for the Building by the City of Cody for THE PERMITTED USE ("THE COMMENCEMENT DATE") (which date of occupancy shall also begin the first LEASE YEAR hereunder).

3.2 All payments of rent shall be made by CODY LCI to FORWARD CODY without notice or demand (except as otherwise provided herein), at such place as FORWARD CODY may from time to time designate. The extension of time for the payment of any installment of rent, or acceptance by FORWARD CODY in any manner other than herein specified, shall not be a

waiver of the rights of FORWARD CODY to insist on having all other payments of rent made in the manner and at the time herein specified.

3.3 No payment by CODY LCI or receipt by FORWARD CODY of a lesser amount than the rent stipulated in THIS AGREEMENT shall be deemed other than a payment on account of the earliest rent due, nor shall any endorsement or statement on any check or on any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and FORWARD CODY may accept such check or payment without prejudice to FORWARD CODY's rights to recover the balance of the rent or to pursue any other remedy provided for in THIS AGREEMENT.

3.4 All charges, costs and expenses which CODY LCI is required to pay hereunder, together with all interest and penalties that may accrue thereon in the event of CODY LCI's failure to pay such amounts, and all damages, costs and expenses which FORWARD CODY may incur by reason of any default of CODY LCI, or failure on CODY LCI's part to comply with the terms of THIS AGREEMENT, shall be deemed to be additional rent, and, in the event of non-payment by CODY LCI, FORWARD CODY shall have the rights and remedies with respect thereto as FORWARD CODY has for the non-payment of the BASIC RENT.

3.5 It is the intention of the parties that FORWARD CODY shall receive the rents and all sums payable by CODY LCI under THIS AGREEMENT, free of all expenses, charges, damages and deductions of any nature whatsoever.

3.6 All payments required herein shall be paid on or before the respective date specified. Any payment not paid within five (5) days of when due shall be subject to a late fee equal to five percent (5%) of the payment then due.

SECTION FOUR: TAXES

4.1 All real property taxes assessed against THE PREMISES shall be paid by FORWARD CODY and shall be reimbursed to FORWARD CODY by

CODY LCI within thirty (30) days following FORWARD CODY's written demand therefore, together with evidence the same have been paid. CODY LCI shall be responsible for the total of all personal property taxes levied against it for any other fixtures or equipment placed by it on THE PREMISES.

SECTION FIVE: UTILITIES

5.1 During the term of THIS AGREEMENT, CODY LCI shall pay for all normal utility services, including heat, water, natural gas, electricity, sewer usage, trash pick-up and the like, with all such services billed directly to CODY LCI.

5.2 FORWARD CODY shall not be liable in damages or otherwise for any failure to furnish or for interruption in the supply of any utilities desired by CODY LCI except to the extent the same is due to the negligence or intentional misconduct of FORWARD CODY. In the event CODY LCI shall install any equipment requiring additional utilities, the cost of installation for any such utility transmission lines, cables, hoses, pipes or receptacles for the same shall be at CODY LCI's expense, with such installation first being approved by FORWARD CODY (which approval shall not be unreasonably withheld, conditioned or delayed).

5.3 In the event CODY LCI shall require any additional service lines, wiring, piping, security devices, cooling or any other modifications to the services located on THE PREMISES, all design and installation shall be supervised and approved by FORWARD CODY or FORWARD CODY's agents (which approval shall not be unreasonably withheld, conditioned or delayed). All reasonable costs incurred by FORWARD CODY for the supervision of design and installation shall be reimbursed by CODY LCI to FORWARD CODY upon presentation of any bills, statements or invoices designating such costs.

SECTION SIX: INSURANCE

6.1 FORWARD CODY shall keep THE BUILDING, which is part of THE PREMISES, insured against loss or damage by fire, lightning or the elements

(including, without limitation, FORWARD CODY's or its contractors' maintenance of builders risk insurance during construction of THE FORWARD CODY WORK) to the extent of the full replacement value thereof, including all products of RENOVATION ACTIVITIES made by CODY LCI which have become a part of THE BUILDING as set forth herein. CODY LCI shall reimburse to FORWARD CODY the cost of such insurance within thirty (30) days following FORWARD CODY's written demand therefore. FORWARD CODY agrees that the premiums for such insurance shall be reasonably competitive with premiums charged by other insurance carriers in the Cody, Wyoming area.

6.2 CODY LCI shall obtain and maintain insurance on the personal property placed on THE PREMISES at the expense of CODY LCI. FORWARD CODY shall have no responsibility for the loss of any personal property of CODY LCI maintained on THE PREMISES.

6.3 CODY LCI, at CODY LCI's own expense, agrees to maintain at all times during the term of THIS AGREEMENT and during any use, occupancy or possession of THE PREMISES prior to the Commencement Date, public liability and property damage insurance, providing for limitations of not less than One Million Dollars (\$1,000,000.00) for injury or death to any one person and not less than Two Million Dollars (\$2,000,000.00) for injury or death occurring to more than one person as the result of one accident and not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) for property damage which may occur as a result of CODY LCI's use of THE PREMISES. Such insurance policies shall be in the form commonly known as "Comprehensive General Liability." CODY LCI further agrees to indemnify and hold FORWARD CODY harmless from all claims for personal injuries, death and property damages which occur as the result of CODY LCI's use of THE PREMISES, in and about THE PREMISES, or which result from any work done in and about THE PREMISES by CODY LCI or any contractor selected by or for CODY LCI.

6.4 All insurance required by THIS AGREEMENT shall be obtained from a company approved by FORWARD CODY (which approval shall not be unreasonably withheld, conditioned or delayed), and a certificate evidencing the issuance of such policy or policies, together with evidence of the payment of premiums, shall be delivered to FORWARD CODY before the commencement of the Term of THIS AGREEMENT.

6.5 Not less than thirty (30) days prior to the expiration of any insurance policy required of CODY LCI under the terms of THIS AGREEMENT, CODY LCI shall deliver to FORWARD CODY evidence of renewal of such policy or policies or a new certificate, together with evidence of the payment of premiums for the renewal, or new policy, as the case may be. All such insurance required herein shall contain an agreement by the insurance company that the policy or policies will not be canceled or the coverage changed without ten (10) days' prior written notice to FORWARD CODY.

6.6 The liability insurance policy or policies required under the terms of THIS AGREEMENT shall name FORWARD CODY as an additional insured.

SECTION SEVEN: RENOVATION ACTIVITIES

7.1 Upon completion of the construction of THE BUILDING pursuant to the terms of THE DEVELOPMENT AGREEMENT and the occurrence of THE COMMENCEMENT DATE, CODY LCI agrees to accept THE PREMISES in their then-current condition without calling upon FORWARD CODY to make any further expenditures or to perform any work for the preparation of THE PREMISES for CODY LCI's intended use.

7.2 CODY LCI shall not order RENOVATION ACTIVITIES or permit RENOVATION ACTIVITIES to be performed on THE PREMISES, or any part thereof, except by and with the prior written consent of FORWARD CODY, which consent shall not be unreasonably withheld, conditioned or delayed. All RENOVATION ACTIVITIES performed on THE PREMISES shall be made in accordance with all applicable laws and shall at once when made or installed be deemed to have attached to THE PREMISES and to become the property of

FORWARD CODY and shall remain for the benefit of FORWARD CODY at the end of the term, or other expiration of THIS AGREEMENT, in as good order and condition as they were when installed, reasonable wear and tear and damage by casualty excepted; provided, however, if at the time that FORWARD CODY consents to such RENOVATION ACTIVITIES, FORWARD CODY so directs in writing, CODY LCI shall upon the expiration of the TERM promptly remove the additions, improvements, fixtures and installations which were placed on THE PREMISES by CODY LCI in connection with such RENOVATION ACTIVITIES and which are designated in said notice, and repair any damage occasioned by such removal, and, in default thereof, FORWARD CODY may effect said removal and repairs at CODY LCI's expense. In the event FORWARD CODY consents to any such RENOVATION ACTIVITIES as herein provided, CODY LCI shall indemnify and hold FORWARD CODY harmless from all expenses, liens, claims or damages to either persons or property arising out of or resulting from the undertaking of RENOVATION ACTIVITIES.

7.3 In the event CODY LCI shall require any RENOVATION ACTIVITIES or any other modifications to THE PREMISES, all design and renovation shall be supervised and approved by FORWARD CODY or FORWARD CODY's agents, which approval shall not be unreasonably withheld, conditioned or delayed. All reasonable costs incurred by FORWARD CODY for the supervision of design and renovation shall be reimbursed by CODY LCI to FORWARD CODY upon presentation of any bills, statements or invoices designating such costs.

7.4 CODY LCI shall indemnify and hold FORWARD CODY harmless against any and all bills for labor performed and equipment, fixtures and materials furnished to CODY LCI in connection with said work as aforementioned and against any and all liens, bills or claims therefor or against THE PREMISES and from and against all loss, damages, costs, expenses, suits, claims and demands whatsoever in connection with said aforementioned work.

7.5 CODY LCI will not permit any mechanic's, materialman's or other lien to stand against THE PREMISES for work or material furnished to CODY LCI, provided that CODY LCI shall have the right to contest the validity of any lien or claim if CODY LCI shall first have posted a bond to insure that, upon final determination of the validity of such lien or claim, CODY LCI shall immediately pay any Judgment rendered against CODY LCI with all proper costs and charges and shall have such lien released without cost to FORWARD CODY.

7.6 Any and all RENOVATION ACTIVITIES shall be performed in a workmanlike manner and shall not weaken or impair the structural strength or lessen the value of THE PREMISES or change the purpose for which THE PREMISES, or any part thereof, may be used.

7.7 Should any governmental agency, bureau, division or otherwise require RENOVATION ACTIVITIES to THE PREMISES, pertaining to CODY LCI's use of THE PREMISES, such RENOVATION ACTIVITIES shall be promptly constructed by CODY LCI, at CODY LCI's sole cost and expense, upon first contacting FORWARD CODY for approval, which approval shall not be unreasonably withheld, conditioned or delayed.

SECTION EIGHT: REPAIRS

8.1 Subject to the terms of Section 8.2 below, CODY LCI shall keep THE PREMISES in a clean and operational condition, repair all damages to THE PREMISES, including but not limited to the heating, air conditioning, electrical, water, sewer and lighting systems, occasioned by the fault or negligence of CODY LCI, CODY LCI's subtenants, or their respective employees, and shall maintain all systems in good condition. CODY LCI shall provide (or shall cause its subtenant to provide) all incidental items it determines are necessary for operation of THE PREMISES.

8.2 CODY LCI shall make any and all NECESSARY REPAIRS to THE PREMISES including but not limited to the heating, air conditioning, electrical, water, sewer, lighting systems, and roofing, etc., which repairs

shall be completed by contractors acceptable to both FORWARD CODY and CODY LCI. FORWARD CODY may enter THE PREMISES at any and all reasonable business hours upon no less than 24 hours' notice to CODY LCI to inspect THE PREMISES and attendant systems to insure that all NECESSARY REPAIRS are being performed or to make the repairs required of FORWARD CODY; provided, however, that neither FORWARD CODY nor FORWARD CODY's agents, employees or contractors may enter THE PREMISES unless accompanied by a representative of CODY LCI, and FORWARD CODY and FORWARD CODY's agents, employees and contractors shall comply with all reasonable security requirements of CODY LCI.

8.3 All maintenance and repairs made by CODY LCI shall be at least equal in quality and class to the original work.

SECTION NINE: UNLAWFUL OR DANGEROUS ACTIVITY

9.1 CODY LCI shall neither use nor occupy THE PREMISES, or any part thereof, for any unlawful or disreputable purpose nor operate THE PREMISES or conduct CODY LCI's business in a manner constituting a nuisance of any kind. CODY LCI shall immediately, upon discovery of any unlawful or disreputable use, take action to halt such activity. The parties agree that the use of THE PREMISES for THE PERMITTED USE shall not be deemed an "unlawful or disreputable purpose" or a "nuisance".

9.2 Should CODY LABS—as CODY LCI's subtenant pursuant to Section 19.1 below—use or store any hazardous material on THE PREMISES, CODY LCI shall be responsible for any reasonable increased insurance costs attributable to the use or storage of any such hazardous material. CODY LCI and CODY LABS—jointly and severally—each hereby hold FORWARD CODY harmless against any claim or cause of action arising from or through the use of any hazardous material used or stored on THE PREMISES by CODY LABS. CODY LABS agrees to use and/or store all such hazardous materials on THE PREMISES in accordance with all governmental agencies and the regulations thereof.

9.3 CODY LCI and CODY LCI's subtenants and their respective employees or agents shall refrain from smoking on in THE BUILDING.

SECTION TEN: INDEMNITY

10.1 CODY LCI and CODY LABS—jointly and severally—each hereby indemnify and save FORWARD CODY harmless against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from any work, activity or thing whatsoever done by or on behalf of CODY LCI in or about THE PREMISES, and shall further indemnify and save FORWARD CODY harmless against and from any and all claims arising from any breach or default on the part of CODY LCI in the performance of any covenants or agreement on the part of CODY LCI to be performed, pursuant to the terms of THIS AGREEMENT, or arising from any act or negligence of CODY LCI or CODY LABS, or any of their respective agents, contractors, servants, employees or licensees, occurring in or about THE PREMISES, and from and against all costs, legal fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought therein; and, in case any action or proceeding be brought against FORWARD CODY by reason of any such claim, CODY LCI and CODY LABS, upon notice from FORWARD CODY, each covenant to resist or defend such action, at their sole expense. Notwithstanding anything to the contrary contained herein (including, without limitation, in this Section 10.1), in no event shall CODY LCI or CODY LABS have any obligation to indemnify, defend or hold harmless FORWARD CODY for or against any claims, actions, proceedings, costs, legal fees, expenses and/or liabilities relating to or resulting from the acts or omissions of FORWARD CODY or any of FORWARD CODY's agents, contractors, servants, employees or licensees.

SECTION ELEVEN: DEFAULT OR BREACH

11.1 In the event of any failure of CODY LCI to pay any rental or other sums when due hereunder, or CODY LCI's default in performing any of the

other terms, conditions or covenants of THIS AGREEMENT to be observed or performed by CODY LCI, and any such failure or default continues uncured for thirty (30) days after written notice of such failure or default shall have been given to CODY LCI and Lannett Company, Inc. (or, if such failure or default is of such a nature that the same cannot be cured within thirty (30) days, then in the event CODY LCI fails to commence curing such failure or default within thirty (30) days after notice of such failure or default shall have been given to CODY LCI and Lannett Company, Inc. and thereafter fails to prosecute such cure to completion) or, if CODY LCI shall suffer THIS AGREEMENT to be taken under any writ of execution (each of the foregoing an "EVENT OF DEFAULT"), then FORWARD CODY, besides other rights or remedies FORWARD CODY may have, shall have the immediate right to terminate THIS AGREEMENT, or re-enter and attempt to re-let without terminating THIS AGREEMENT, and remove all persons and personal property from THE PREMISES, and such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of CODY LCI, all without being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby. FORWARD CODY shall not be required to remove any property, personal or otherwise, whether such property is FORWARD CODY's, CODY LCI's, or CODY LABS' from THE PREMISES.

11.2 Upon the occurrence of an EVENT OF DEFAULT, if FORWARD CODY, without terminating THIS AGREEMENT, either:

- a) Elects to re-enter and attempts to re-let; or
- b) Takes possession pursuant to legal proceedings; or
- c) Takes possession pursuant to any notice provided by law,

then FORWARD CODY may undertake such RENOVATION ACTIVITIES and/or NECESSARY REPAIRS as may be needed in order to re-let THE PREMISES or any part thereof for such term or terms (which may be for a term extending beyond the term of THIS AGREEMENT) and at such rental or rentals and upon such other terms and conditions as FORWARD CODY in FORWARD

CODY's sole discretion may deem advisable. Upon such re-letting, all rentals received by FORWARD CODY from such re-letting shall be applied:

- a) First, to the payment of any indebtedness other than rent due hereunder from CODY LCI to FORWARD CODY, including but not limited to the costs, expenses and legal fees necessary to re-enter THE PREMISES;
- b) Second, to the payment of any costs and expenses of such re-letting, including but not limited to reasonable brokerage fees and attorney's fees;
- c) Third, to the payment of rent due and unpaid hereunder, and
- d) Finally, the residue, if any, shall be held by FORWARD CODY and applied to payment of future rent as the same may be due and payable hereunder.

If such rentals received from such re-letting during any month be less than that to be paid during that month by CODY LCI hereunder, CODY LCI shall pay any such deficiency to FORWARD CODY. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of THE PREMISES by FORWARD CODY shall be construed as an election on FORWARD CODY's part to terminate THIS AGREEMENT unless a notice of such intention is given to CODY LCI or unless the termination thereof be decreed by a Court of competent jurisdiction. Notwithstanding any such re-letting without termination, FORWARD CODY may at any time thereafter elect to terminate THIS AGREEMENT for such previous breach. Should FORWARD CODY at any time terminate THIS AGREEMENT for any breach, in addition to any other remedies FORWARD CODY may have, FORWARD CODY may recover from CODY LCI all damages FORWARD CODY may incur by reasons of such breach, including the cost of recovering THE PREMISES, reasonable attorney's fees, including the worth, at the time of such termination, of the excess, if any, of the amount of rent and charges equivalent to rent reserved in THIS AGREEMENT for the remainder of the stated term over the then-reasonable rental value of THE PREMISES for the

remainder of the stated term, all of which amounts shall be immediately due and payable from CODY LABS to FORWARD CODY.

11.3 In addition to any other remedies FORWARD CODY may have at law or equity and/or under THIS AGREEMENT, CODY LCI shall pay upon demand all of FORWARD CODY's legally allowable costs, charges and expenses, including reasonable legal fees, fees of agents and others retained by FORWARD CODY, incurred in connection with the recovery of sums due under THIS AGREEMENT, whether any suit be filed or not, or because of the breach of any covenant under THIS AGREEMENT, or for any other relief against CODY LCI. In the event either party shall bring any action against the other party for relief hereunder, the unsuccessful party shall pay the other party's reasonable attorney's fees and all Court costs.

11.4 If CODY LCI shall voluntarily file bankruptcy or any similar debtor proceedings, or take or have taken against CODY LCI, in any Court pursuant to any statute either of the United States or of any state, a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of CODY LCI's property and any such petition is not dismissed within sixty (60) days after the taking thereof, or, if CODY LCI makes an assignment for the benefit of creditors or petitions for or enters into any such arrangement, then and in that event THIS AGREEMENT shall, at the option of FORWARD CODY, be canceled and terminated, and any party claiming on behalf of CODY LCI shall not have any rights whatsoever under THIS AGREEMENT.

11.5 No waiver of any covenant or condition or of the breach of any covenant or condition of THIS AGREEMENT shall be taken to constitute a waiver of any subsequent breach of such covenant or condition nor to justify or authorize the non-observance of any other occasion of the same or of any other covenant or condition hereof, nor shall the acceptance of less than all rent due and owing by FORWARD CODY, at any time when CODY LCI is in default under such covenant or condition hereof, be construed as a waiver of such default or of FORWARD CODY's right to terminate THIS AGREEMENT on

account of such default, nor shall any waiver or indulgence granted by FORWARD CODY to CODY LCI be taken as an estoppel against FORWARD CODY, it being expressly understood that if, at any time, CODY LCI shall be in default in any of its covenants or conditions hereunder, an acceptance by FORWARD CODY of rental during the continuance of such default or the failure on the part of FORWARD CODY promptly to avail itself of such other rights or remedies as FORWARD CODY may have, shall not be construed as a waiver of such default, but FORWARD CODY may at any time thereafter, if such default continues, terminate THIS AGREEMENT on account of such default.

11.6 The rights and remedies given to FORWARD CODY by THIS AGREEMENT shall be deemed to be cumulative, and no one of such rights and remedies shall be exclusive at law or in equity of the rights and remedies which FORWARD CODY might otherwise have by virtue of a default under THIS AGREEMENT, and the exercise of one such right or remedy by FORWARD CODY shall not impair FORWARD CODY's standing to exercise any other right or remedy.

SECTION TWELVE: DESTRUCTION OF THE PREMISES

12.1 If THE PREMISES should be destroyed by fire, earthquake, Act of God or the elements during the term hereof, or damage to such an extent that THE PREMISES cannot be repaired within one hundred twenty (120) working days, THIS AGREEMENT, at CODY LCI's option, shall terminate, and any prepaid, unearned rental shall be refunded to CODY LCI. If during the first twenty (20) days after such damage or destruction CODY LCI agrees to continue as a tenant, THIS AGREEMENT shall remain in full force and effect, and FORWARD CODY shall, with all reasonable dispatch, proceed to replace THE PREMISES with a premises similar in character, and the rental shall abate for such length of time during the period of replacement that CODY LCI is deprived of the full occupation or enjoyment of THE PREMISES. If, however, THE PREMISES are only partially destroyed by any of the above

causes and the damage thereto can be repaired within the one hundred twenty (120) working day period, FORWARD CODY shall, at FORWARD CODY's option, with all reasonable dispatch, proceed to repair THE PREMISES and place THE PREMISES in substantially the same condition as THE PREMISES were prior to the damage, and CODY LCI shall only pay a pro-rata portion of the rent to FORWARD CODY based upon the portion of THE PREMISES that is fit for occupancy during the time of repair. If THE PREMISES are not fit for occupancy during the time of repair, then the rent shall abate during such time period. In the event that FORWARD CODY and CODY LCI cannot agree as to whether THE PREMISES or a portion thereof are fit for occupancy, an independent third party, as agreed upon by FORWARD CODY and CODY LCI, shall make said determination.

12.2 Except as provided in this Section 12, FORWARD CODY shall not be responsible for any claim, cause of action, damage, cost or expenses in the event CODY LCI's or CODY LABS' business is interrupted, in any manner, if THE PREMISES are damaged or destroyed by fire, earthquake, act of God or the elements, or any other cause.

SECTION THIRTEEN: CONDEMNATION

13.1 If the whole of THE PREMISES shall be taken or condemned by any competent authority for any public or quasi-public use or purpose, THIS AGREEMENT shall cease and terminate as of the date on which title shall vest thereby in that authority, and the rent reserved hereunder shall be apportioned and paid up to that date.

13.2 If only a portion of THE PREMISES shall be taken or condemned, THIS AGREEMENT and the term hereof may be terminated, by CODY LCI if the remaining portion of THE PREMISES is no longer useable for its intended purpose. In the event CODY LCI determines that it can utilize the remaining portion of THE PREMISES, the rent payable after the date on which CODY LCI shall be required to surrender possession of such condemned portion of THE

PREMISES shall be reduced in proportion to the square footage condemned as the same relates to the entire square footage thereof.

13.3 In the event of any taking or condemnation in whole or in part, the entire resulting award of consequential damages shall be awarded to the parties in accordance with the values of the parties' respective interests in THE PREMISES. For these purposes, the value of FORWARD CODY'S interest in THE PREMISES as of the date of the condemnation shall include the then value of its interest as "landlord" under this Lease, together with the value of its reversionary interest in THE PREMISES upon expiration of the TERM. In turn, the value of CODY LCI's interest in THE PREMISES as of the date of such condemnation shall include the value of its interest in THE PREMISES for the remainder of the TERM, based on the assumption that CODY LCI would exercise each and all of its remaining renewal options under this Lease, and including the value of any credits to which CODY LCI would be entitled pursuant to the terms of Section 24 below, along with any award as may be made to compensate CODY LCI for relocation expenses. In consideration of the foregoing, and to preserve and recognize its interests under this Lease with respect to the Renewal Options, the value of CODY LCI's interest for the remainder of the TERM of the Lease will be determined as if it had exercised each and all of its renewal options under this Lease, regardless of whether any such renewal would or could be effective, in practical terms, following that condemnation. FORWARD CODY shall not settle, waive or agree to any award of compensation in connection with any such taking or condemnation except with the prior written consent of CODY LCI.

13.4 In case of any governmental action not resulting in the taking or condemnation of any portion of THE PREMISES but creating a right to compensation therefor or, if less than a fee title to all or any portion of THE PREMISES shall be taken or condemned by any governmental authority for temporary use or occupancy, the rental shall be reduced in proportion to

the part of THE PREMISES which was taken or condemned by said government action.

SECTION FOURTEEN: SUBORDINATION

14.1 Provided that CODY LCI first receives an SNDA (as hereinafter defined) from the holder of each Mortgage, THIS AGREEMENT and all rights of CODY LCI hereunder shall be subject and subordinate to the lien of any and all Mortgages that may now or hereafter affect THE PREMISES, or any part thereof, and to any and all renewals, modifications or extensions of any such Mortgages. CODY LCI shall on demand execute, acknowledge and deliver to FORWARD CODY, without expense to FORWARD CODY, any and all instruments that may be necessary or proper to subordinate THIS AGREEMENT and all rights therein to the lien of any such mortgage or mortgages and each renewal, modification, or extension, and, if CODY LCI shall fail at any time to execute, acknowledge and deliver any such subordination instrument, FORWARD CODY, in addition to any other remedies available in consequence thereof, may execute, acknowledge and deliver the same as CODY LCI's attorney-in-fact and in CODY LCI's name. CODY LCI hereby irrevocably makes, constitutes and appoints FORWARD CODY, FORWARD CODY's successors and assigns, as CODY LCI's attorney-in-fact for that purpose. FORWARD CODY shall obtain from all future holders of any Mortgage encumbering THE PREMISES, subordination, non-disturbance and attornment agreement ("SNDA") with CODY LCI in form and substance satisfactory to such holder and CODY LCI. FORWARD CODY represents and warrants to CODY LCI that as of the date of this Lease there is no Mortgage encumbering or affecting THE PREMISES.

SECTION FIFTEEN: FORWARD CODY'S RIGHT TO PERFORM

15.1 If at any time an EVENT OF DEFAULT has occurred and is continuing, FORWARD CODY may cure such EVENT OF DEFAULT on

behalf of CODY LCI, in which event CODY LCI shall reimburse FORWARD CODY for all sums paid to effect such cure, together with interest at the rate of ten percent (10%) per annum, reasonable attorney's fees and other costs. In order to collect such reimbursement, FORWARD CODY shall have all the remedies available under law and THIS AGREEMENT for a default in the payment of rent.

SECTION SIXTEEN: FORWARD CODY'S RIGHT OF ACCESS

16.1 Subject to the terms of this Section 16, CODY LCI shall permit FORWARD CODY or FORWARD CODY's agents to inspect or examine THE PREMISES at any reasonable time upon not less than twenty-four (24) hours' prior written notice and shall permit FORWARD CODY to make such NECESSARY REPAIRS to THE PREMISES that FORWARD CODY is required to make hereunder or which CODY LCI has covenanted herein to do and has failed to do beyond any applicable notice and cure periods, without the same being construed as an eviction of CODY LCI in whole or in part, and the rent shall in no manner abate while such NECESSARY REPAIRS are being made by reason of loss or interruption of CODY LCI's use of THE PREMISES because of the prosecution of such work; provided, however, except in cases of emergency, FORWARD CODY shall give CODY LCI ten (10) days' notice of any such NECESSARY REPAIRS required to comply with the terms and conditions of THIS AGREEMENT. Any exercise by FORWARD CODY of its rights to access or enter THE PREMISES shall at all times be subject to the reasonable security requirements of CODY LCI. The representatives of FORWARD CODY entering THE PREMISES shall, at all times while upon THE PREMISES, be accompanied by a representative of CODY LCI (subject to the terms of Section 16.2 below). Notwithstanding anything to the contrary contained herein, in no event shall FORWARD CODY or FORWARD CODY's representatives, employees, agents, contractors or licensees that enter

onto or into THE PREMISES materially interfere with CODY LCI's business or CODY LCI's use and enjoyment of THE PREMISES.

16.2 If CODY LCI shall not be personally present to open and permit entry into THE PREMISES at any time when, for emergency purposes only, an entry therein shall be necessary FORWARD CODY or FORWARD CODY's agents may forcibly enter THE PREMISES only after contacting CODY LCI's designee, without rendering FORWARD CODY or such agents liable therefore, and without in any manner affecting the obligations and covenants of THIS AGREEMENT.

16.3 FORWARD CODY's right of entry or re-entry shall not be deemed to impose upon FORWARD CODY any obligation, responsibility or liability for the care, supervision or repair of THE PREMISES.

SECTION SEVENTEEN: CODY LCI'S RIGHT OF ACCESS; QUIET ENJOYMENT

17.1 CODY LCI shall have full and complete access to THE PREMISES twenty-four (24) hours per day, three hundred sixty-five (365) days per year.

17.2 FORWARD CODY covenants and warrants that FORWARD CODY is the true and lawful owner of THE PREMISES and has good right and full power to let and lease the same. FORWARD CODY agrees that CODY LCI shall quietly and peaceably hold, possess and enjoy THE PREMISES for the full term of THIS AGREEMENT without any hindrance or molestation from FORWARD CODY or any person, and FORWARD CODY will defend the title to THE PREMISES and the use and occupancy of the same by CODY LCI against the claims of all persons whomsoever.

SECTION EIGHTEEN: RESERVED

SECTION NINETEEN: ASSIGNMENT AND SUBLEASING

19.1 CODY LCI shall not mortgage or encumber THIS AGREEMENT or assign, sublet, license or permit THE PREMISES or any part thereof to be used by any party, other than Lannett Company, Inc., its subsidiaries or Cody Laboratories, Inc., or any entity controlling, controlled by or under common control with any of the foregoing entities, whether voluntary or by operation of law or otherwise, without the prior written consent of FORWARD CODY in each instance. Any such assignment, subletting, licensing or permitting of the use of the PREMISES as described above, however, shall remain subject to the terms of THIS AGREEMENT; each such assignee, subtenant, licensee or permittee shall execute a Consent to be Bound by the terms hereof; and FORWARD CODY shall be entitled to review a copy of any agreement CODY LCI and such assignee, subtenant, licensee or permittee. The sale or transfer of membership control in CODY LCI (other than any sale or transfer between or among members of Cody LCI or their affiliates) shall be deemed an assignment of THIS AGREEMENT. Any consent by FORWARD CODY to an assignment or subletting shall not in any manner be construed to relieve CODY LCI, any assignee, or sublessee from obtaining the consent in writing of FORWARD CODY to any further assignment or subleasing. It is expressly understood and agreed by FORWARD CODY that CODY LCI will be subleasing THE PREMISES to Cody Laboratories, Inc. ("CODY LABS").

19.2 CODY LCI shall not in any way be released from any duties or responsibilities set forth in THIS AGREEMENT in the event that any sublessee shall violate said sublease, unless FORWARD CODY shall expressly waive FORWARD CODY's rights against CODY LCI in THIS AGREEMENT in writing prior to said sublease.

SECTION TWENTY: NOTICE

20.1 All notices to be given with respect to THIS AGREEMENT shall be in writing and addressed as follows:

To Cody LCI Realty, LLC
Arthur Bedrosian
Lannett Company, Inc.
9000 State Road
Philadelphia, PA 19136

With a required copy to:
Richard Asherman
601 Yellowstone Avenue
Cody, WY 82414

To Forward Cody:
Forward Cody Wyoming, Inc.
Attn: James Klessens
1131 13th Street, #106
Cody, WY 82414

With a required copy to:
M. Cole Bormuth
Bormuth Law, LLC
P.O. Box 550
Cody, WY 82414

Each notice shall be sent by either (i) registered or certified mail, postage prepaid and return receipt requested or (ii) by nationally recognized overnight courier (such as Federal Express or UPS), to the party to be notified at the address set forth above or at such addresses as either party may from time to time designate in writing. Every notice shall be deemed to have been given (a) three (3) days after deposit in the United States Mail if sent by registered or certified mail, postage prepaid and return receipt requested, or (b) one (1) business day after deposited with the courier, if sent by nationally recognized overnight courier. Nothing contained herein shall be construed to preclude personal service of any notice in the manner prescribed for personal service of a summons or other legal proceedings.

SECTION TWENTY-ONE: SURRENDER OF POSSESSION

21.1 CODY LCI shall, on the last day of the term or on earlier termination and forfeiture of THIS AGREEMENT, subject to the exercise of any options granted to CODY LCI herein, peaceably and quietly surrender and deliver THE PREMISES to FORWARD CODY, including all buildings, additions, fixtures, and affixed improvements constructed or placed thereon by CODY LCI (but expressly excluding all equipment, furnishings, trade fixtures (whether or not affixed to THE PREMISES) and personal property of CODY LCI or CODY LABS, which shall remain, respectively, the property of CODY LCI or CODY LABS), all in good condition and repair, reasonable wear and tear excepted.

SECTION TWENTY-TWO: SIGNS

22.1 CODY LCI shall not, without FORWARD CODY's written consent, which consent shall not be unreasonably withheld, conditioned or delayed, place or erect any signs of any nature on any exterior portion of THE PREMISES or THE BUILDING. In the event FORWARD CODY shall consent to any such signs or alterations of existing signs, all such signs or alterations thereof shall be subject to FORWARD CODY's absolute right of approval, which approval shall not be unreasonably withheld, conditioned or delayed.

SECTION TWENTY-THREE: RESERVED

SECTION TWENTY-FOUR: OPTION TO PURCHASE

24.1 Following the City of Cody's release of the public interest in THE PREMISES and the release of the mortgage referenced in the DEVELOPMENT AGREEMENT, CODY LCI shall thereafter have an OPTION to purchase THE PREMISES (the "OPTION") during a period which shall commence upon the fifth (5th) anniversary of CODY LCI's occupancy of THE PREMISES and shall

continue until such time as CODY LCI purchases THE PREMISES (the "OPTION PERIOD").

24.2 The OPTION may only be exercised by CODY LCI by delivering written notice of such exercise to FORWARD CODY in the manner prescribed by Section 20 above, such that such notice is deemed to have been delivered on or before the date of expiration of THIS AGREEMENT.

24.3 During the OPTION PERIOD, **FORWARD CODY shall not sell or transfer THE PREMISES to any other person or party (other than to Cody LCI or its affiliates), and Cody LCI Realty, LLC shall have the exclusive OPTION and right to purchase THE PREMISES.**

24.4 For purposes of ensuring recapture of the investment by the State of Wyoming and in consideration of the performance by CODY LCI in bringing economic benefits to the community, the purchase price will be calculated as the greater of either (i) the value of an appraisal at the time of the sale of THE PREMISES to CODY LCI, or (ii) the total construction cost for THE PREMISES. This purchase price shall be reduced by all of the BASIC RENT paid by CODY LCI to FORWARD CODY from CODY LCI's date of occupancy through the closing date under the Purchase Agreement.

24.5 If CODY LCI exercises this OPTION, then FORWARD CODY agrees to execute a Purchase Contract setting forth the time frame within which FORWARD CODY shall deliver a general Warranty Deed conveying merchantable title in THE PREMISES to CODY LCI or any party designated by CODY LCI to take title (the "Purchasing Party")—said time frame not to exceed ninety (90) days—subject only to general taxes for the year of closing; local improvement districts; building and zoning regulations; county and state subdivision and zoning laws; and easements, restrictive covenants, and other reservations that are of record against THE PREMISES as of the date hereof (the "Permitted Encumbrances"). Within ten (10) days following CODY LCI's exercise of this OPTION, FORWARD CODY shall request—at CODY LCI's sole expense—a current commitment for an Owner's title insurance policy in an amount equal to the purchase price set forth above, showing

merchantable title to THE PREMISES in FORWARD CODY subject only to the Permitted Encumbrances, and to obtain an appraisal as required by Articles 23 and 24.

24.6 The Purchase Contract referenced above shall reflect that the Purchasing Party shall pay the following closing costs in cash no later than at closing:

- (a) Recording fees for the Warranty Deed;
- (b) One-half (½) of the closing agent's fee;
- (c) Any attorney fees incurred by CODY LCI;
- (d) The cost associated with any title insurance to be requested by the Purchasing Party; and
- (e) The cost of the appraisal and advertising the public hearing required by W.S. §15-1-112(b)—

and that FORWARD CODY shall pay the following closing costs in cash no later than at closing:

- (a) Recording fees for the release of any lien, judgment or other encumbrance affecting THE PREMISES;
- (b) One-half (½) of the closing agent's fee; and
- (c) Any attorney fees incurred by FORWARD CODY.

FORWARD CODY shall deliver possession of THE PREMISES to the Purchasing Party at closing.

SECTION TWENTY-FIVE: MISCELLANEOUS PROVISIONS

25.1 The captions of THIS AGREEMENT are for convenience only, are not part of THIS AGREEMENT and do not in any way limit or amplify the terms or provisions hereof.

25.2 Nothing contained in THIS AGREEMENT shall be deemed or construed to create the relationship of principal and agent, partnership, joint venture or any association whatsoever between FORWARD CODY and CODY LCI. FORWARD CODY and CODY LCI expressly understand and agree that neither the computation of rent nor any other provisions contained in THIS AGREEMENT nor any other act or acts of the parties hereto shall be deemed to create any relationship between FORWARD CODY and CODY LCI other than the relationship of landlord and tenant.

25.3 THIS AGREEMENT shall be governed by, construed and enforced in accordance with the laws of the State of Wyoming. The proper venue for any action brought under the terms or arising through the terms of THIS AGREEMENT shall be Park County, Wyoming.

25.4 Except as otherwise expressly provided, the terms and provisions hereof shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and permitted assigns, respectively, of FORWARD CODY and CODY LCI. Each term and provision of THIS AGREEMENT to be performed by the parties shall be construed to be both an independent covenant and a condition. The reference contained to successors and assignees of CODY LCI is not intended to constitute a consent to assignment by CODY LCI but has reference only to those instances in which FORWARD CODY may have given written consent to a particular assignment.

25.5 CODY LCI acknowledges that FORWARD CODY and FORWARD CODY's agents have made no representations or promises with respect to THE PREMISES, except those found in the Final Plans (as defined in THE DEVELOPMENT AGREEMENT), as well as the as-built versions thereof.. All other negotiations, considerations, representations and understandings between the parties are incorporated in THIS AGREEMENT, and CODY LCI acknowledges that FORWARD CODY, FORWARD CODY's agents and representatives, have made no representations, warranties or promises with respect to THE BUILDING, the surrounding land or fixtures in THE PREMISES.

25.6 THIS AGREEMENT constitutes the entire agreement between the parties, and any agreement hereafter made shall not be effective to change, modify or discharge THIS AGREEMENT, in whole or in part, unless such agreement is in writing and is signed by the party against whom enforcement of the change, modification or discharge is sought.

25.7 If any term or provision of THIS AGREEMENT, or the application thereof to any person or circumstance, shall, to any extent, be invalid or

unenforceable, the remainder of THIS AGREEMENT, or the application of such term or provision to the terms or entities or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of THIS AGREEMENT shall be valid and enforced to the fullest extent permitted by law.

25.8 THIS AGREEMENT may be executed in one or more counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

SECTION TWENTY-SIX: AUTHORITY OF SIGNATORIES

26.1 Each party to THIS AGREEMENT represents and warrants that the person signing THIS AGREEMENT on behalf of such party is signing with full and complete authority granted by the corporation or entity which is represented herein. Each party represents and warrants that THIS AGREEMENT is binding upon such party in accordance with the terms and conditions of THIS AGREEMENT.

(This space is intentionally left blank and the parties' signatures appear on the following page.)

SECTION TWENTY-SEVEN: TIME OF THE ESSENCE

27.1 Time is of the essence in all provisions of THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have executed THIS AGREEMENT at Cody, Wyoming, the day and year first above written.

FORWARD CODY: FORWARD CODY WYOMING, INC.

By: _____
JAMES KLESSENS, CEO/President

CODY LCI: CODY LCI REALTY, LLC

By: Lannett Company, Inc., its Manager

By: _____
Arthur Bedrosian
President and CEO

Acknowledged by the City of Cody

By: _____
Nancy Tia Brown, Mayor

EXHIBIT A

THE PREMISES

MEETING DATE:	DECEMBER 18, 2012
DEPARTMENT:	CITY PLANNER
PREPARED BY:	TODD STOWELL
CITY ADM. APPROVAL:	_____
PRESENTED BY:	TODD STOWELL

AGENDA ITEM SUMMARY REPORT

Consider Requests for Letters of Support and Financial Incentives for Low Income Housing Tax Credit Developments

ACTION:

Three separate developers have approached the City about providing support for their applications to obtain Low Income Housing Tax Credits through the Wyoming Community Development Authority (WCDA). Each developer requests support for their application in the form of a letter and reduction/waiver of utility connection fees.

SUMMARY:

For an overview of the Low Income Housing Tax Credit (LIHTC) program, see the Department of Housing and Urban Development (HUD) website

at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/training/web/lihtc/basics

To qualify to rent an apartment in the LIHTC program, the family must have an income less than a specified percentage of the area median income (AMI)—a minimum of 50 percent or 60 percent, or less if specified in the application to WCDA. The following tables depict the 2013 income limits and total housing expense limits (including utilities) for renters. (Note: The actual numbers for new units may vary slightly from this table, as values may change before the units are put into service.)

PARK COUNTY MEDIAN INCOME EFFECTIVE 12-1-12
FOR TAX CREDIT PROGRAM (MUST BE USED WITHIN 45 DAYS OF 12-1-12)

60100	PERSON								MAXIMUM GROSS HOUSING EXPENSE						
	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON	Efficiency	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm	
50%	24,900	28,450	32,000	35,550	38,400	41,250	44,100	46,950	50%	\$622.00	\$666.00	\$800.00	\$924.00	\$1,031.00	\$1,138.00
60%	29,880	34,140	38,400	42,660	46,080	49,500	52,920	56,340	60%	\$747.00	\$800.00	\$960.00	\$1,109.00	\$1,237.00	\$1,365.00
55%	27,390	31,295	35,200	39,105	42,240	45,375	48,510	51,645	55%	\$684.00	\$733.00	\$880.00	\$1,016.00	\$1,134.00	\$1,251.00
50%	24,900	28,450	32,000	35,550	38,400	41,250	44,100	46,950	45%	\$560.00	\$600.00	\$720.00	\$831.00	\$928.00	\$1,024.00
45%	22,410	25,605	28,800	31,995	34,560	37,125	39,690	42,255	40%	\$498.00	\$533.00	\$640.00	\$739.00	\$825.00	\$910.00
40%	19,920	22,760	25,600	28,440	30,720	33,000	35,280	37,560	35%	\$435.00	\$466.00	\$560.00	\$647.00	\$721.00	\$796.00
35%	17,430	19,915	22,400	24,885	26,880	28,875	30,870	32,865	30%	\$373.00	\$400.00	\$480.00	\$554.00	\$618.00	\$682.00
30%	14,940	17,070	19,200	21,330	23,040	24,750	26,460	28,170	25%	\$311.00	\$333.00	\$400.00	\$462.00	\$515.00	\$569.00
25%	12,450	14,225	16,000	17,775	19,200	20,625	22,050	23,475	20%	\$249.00	\$266.00	\$320.00	\$369.00	\$412.00	\$455.00
20%	9,960	11,380	12,800	14,220	15,360	16,500	17,640	18,780							

The last time a project in Cody was granted low income housing tax credits occurred in 1998 for the Grandview Apartments (24, one-bedroom units), located at 2012 Pioneer Avenue.

The following projects are requesting support:

AGENDA ITEM NO. _____

Willow Creek—A project by the Summit Housing Group, Inc. of Missoula, MT

This project is located on the south side of Cougar Avenue, immediately east of the Beehive House. It remains much the same as when a letter of support was requested and granted in June 2012, except only twenty four units are proposed at this time. The current proposal (Phase I) consists of two, 12-unit buildings that would provide twelve, 2-bedroom units and twelve, 3-bedroom units. The units are proposed to serve families earning less than the 40% and 45% Area Median Income levels. If Summit Housing receives the low-income housing tax credits, construction would start in September 2013. A future phase on the north end of the property is contemplated, but is not part of this request. A site plan of Phase I is attached. The property is zoned Residential B, which allows multi-family development meeting City ordinances. A current site plan is attached.

An unnamed project by G.A. Haan Development, Inc., of Harbor Springs, MI.

This project is for two six-plexes located on the south side of Canyon View Avenue, just east of 9th Street. Half of the units would be 2-bedroom and half would be 3-bedroom. The units would serve families earning less than 60% of the Area Median Income. A lower threshold may be used based on further market analysis. The property is zoned Residential B, which allows multi-family development meeting City ordinances. A site plan has not been provided.

An unnamed project by the Wyoming Housing Network, Inc. of Casper, WY—a non-profit 401(C)3 corporation.

This project is for a 12-unit building of 2 and 3 bedroom units located on the north side of Pioneer Avenue, just east of 23rd Street (near Emeritus at Absoroka Assisted Living). The property is zoned D-3, which allows multi-family development meeting City ordinances. A site plan has not been provided, nor a threshold for the Area Median Income level for this project.

Financial Support:

Apparently it is not uncommon for developers of low-income housing projects to obtain financial support from local jurisdictions. Projects with local financial support receive more points towards their application with WCDA, and therefore have a higher likelihood of success in the competitive application process. Examples have been given where tens of thousands of dollars have been granted to single low-income housing projects. The financial situation of the City does not allow that option. When the City had only one request (Summit Housing), staff discussed what the City might financially contribute and it was suggested that the Council consider a flat amount to be applied to the utility tap/connection fees. An amount of \$200 per dwelling unit was suggested, as it roughly corresponds to the water connection and water tap fees that would be required.

FISCAL IMPACT

The letter of support has no direct financial impact to the City. The amount of fiscal impact for financial support would be that amount.

ALTERNATIVES

Deny or approve the request for a letter of support and financial contribution.

RECOMMENDATION

The Park County Housing Assessment indicates that on a cumulative basis, lower income households are expected to represent about 65 % of the total rental housing market. The study also indicates that

AGENDA ITEM NO. _____

low-income households include persons who are the backbone of various industries in the Park County economy. Market studies for these projects and public comments for the Master Plan also point to a shortage of affordable housing in Park County. If a small financial contribution from the City makes the difference of a low-income housing project being built or not, it appears to be a beneficial use of the money. A large construction project would also have secondary benefits, such as job creation/retention for construction workers and local purchasing.

The letter of support is suggested for each of the projects.

ATTACHMENTS

Requests from Summit Housing and G. A. Haan Development.

AGENDA & SUMMARY REPORT TO:

Sam Long, Summit Housing Group
Benjamin Ide, G.A. Haan Development
Greg Hancock, Wyoming Housing Network



283 W. Front Street, Suite 1
Missoula, MT 59802
Phone (406) 541-0999
Fax (406) 541-0997

November 27th, 2012

Mayor Nancy Brown
City of Cody
1338 Ramsey Avenue
Cody, Wyoming 82414

Dear Mayor Brown,

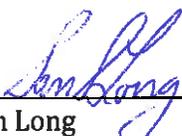
Summit Housing Group, Inc. is submitting an application to the Wyoming Community Development Authority (WCDA) for an allocation of Low Income Housing Tax Credits in January 2013. Summit Housing Group, Inc. was not awarded the credits in the last two rounds because the WCDA felt the overall project size was too large (in units) for the City of Cody. Thus, we have decided to submit a smaller 24 unit project. I plan on presenting to the City Council next week to request a letter of support and to discuss the possibility of the City waiving/reducing tap fees. By doing this, the project has a higher probability of success because of financial support from the City.

As part of the application process, the WCDA requires that we formally notify the Chief Executive Officer of the local jurisdiction. Accordingly, I have attached a letter (and mailed one as well), a site plan, a rendering, as well as a short narrative of the updated project. Please accept this letter as official notice to the City of Cody of Summit Housing Group, Inc.'s intent to submit an application to WCDA for their second competitive round of tax credits. If you could please respond to this e-mail and acknowledge receipt it would be appreciated.

The new development's name will be the Willow Creek Apartments and it will consist of 12-2 bedroom units, and 12-3 bedroom units serving families in the range of 40% to 55% area median income. The rent levels will start at \$564 for a 2 bedroom and \$696 for a 3 bedroom apartment. Financing will come from three sources; Low Income Housing Tax Credits, a permanent loan, and a WCDA HOME loan. Attached is a short narrative describing the development.

Please contact me if you have any questions or need any additional information. Thank you very much for your time and consideration.

Sincerely,



Sam Long
Project Manager



283 W. Front Street, Suite 1
Missoula, MT 59802
Phone (406) 541-0999
Fax (406) 541-0997

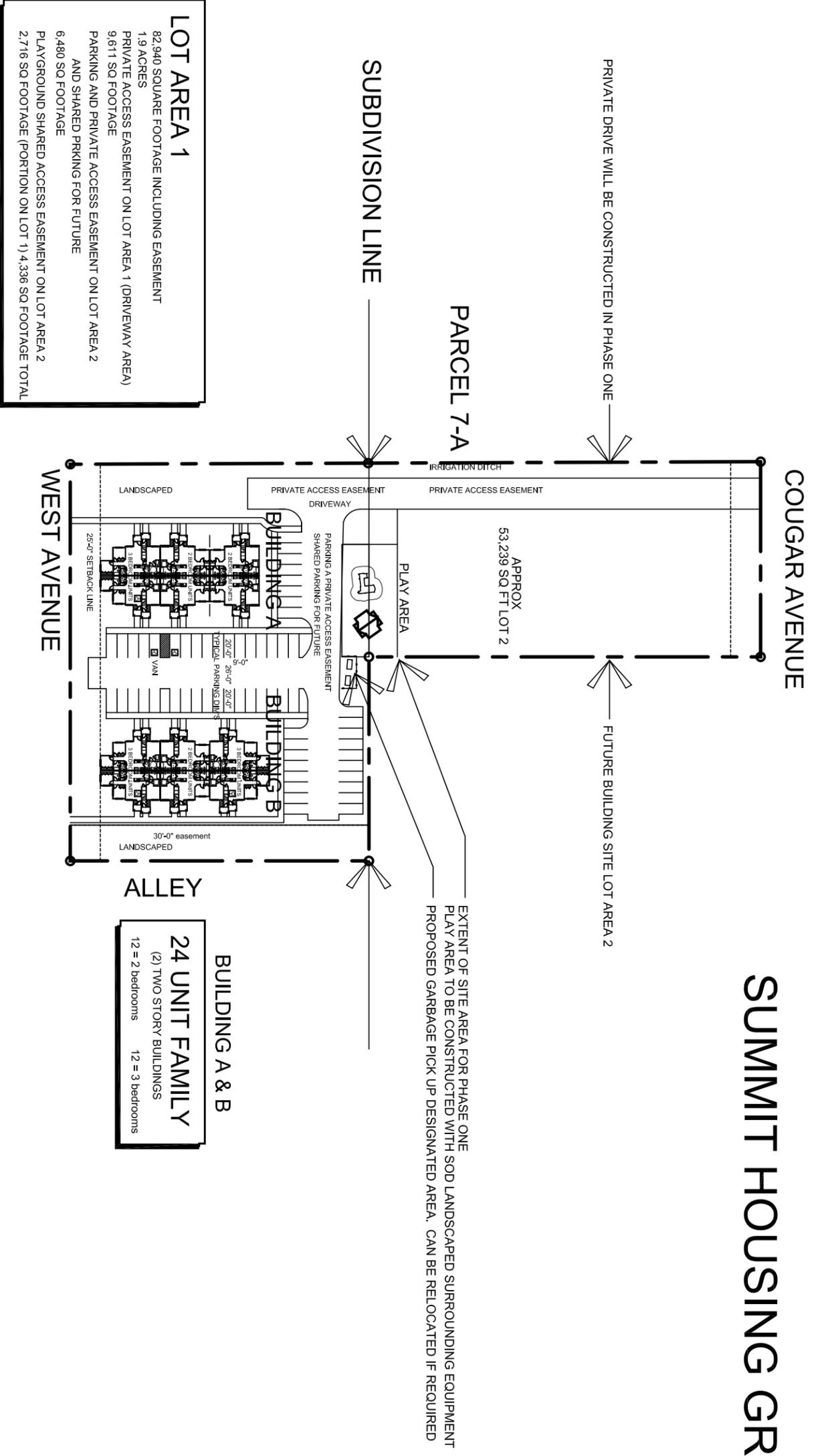
Willow Creek Apartments

Willow Creek Apartments will consist of 24 two and three bedroom units in the Low Home and 45% Area Media Income (AMI) rent levels and may be amended to maximize the need identified by our final market study. As the developer of Willow Creek Apartments, Summit Housing Group, Inc. will apply for 2013 Low Income Housing Tax Credits (LIHTC) from the Wyoming Community Development Authority on or before January 31st, 2013. The Limited Partnership will be Willow Creek Apartments, LP. The General Partner will be Long Development, Inc. The property will be managed by Highland Property Management, Inc. All entities are 100% owned by Scott Long, a Montana resident.

Summit Housing Group, Inc. has developed 756 finished units in Montana and Wyoming from 2003 through 2012 and is currently developing 32 additional units in Spearfish, South Dakota. We have a great working relationship with the WCDA and the lenders and the investors necessary to put this type of development together. Awards are usually announced near the end of April. At that point we would take the deal through the necessary city approvals and start construction in September 2013. We anticipate starting lease up of the apartments approximately 10 to 12 months later (July or September of 2014).

Willow Creek Apartments will be located at TBD Cougar Ave, Cody, WY 82414, also known as a portion of Lot 7-A, Fenex Subdivision, according to the Record of Survey showing Boundary Adjustment Survey recorded in Book "J", Page 113, Park County, Wyoming. Total project costs are projected to be \$3,940,539. Estimated annual tax credits are \$303,250. Assumed pricing for these tax credits is \$.85 or \$2,577,367 total. Additional financing would include a construction loan of \$1,663,993, a WCDA Home Loan of \$1,325,000.

SUMMIT HOUSING GROUP



LOT AREA 1
 82,940 SQUARE FOOTAGE INCLUDING EASEMENT
 1.9 ACRES
 PRIVATE ACCESS EASEMENT ON LOT AREA 1 (DRIVEWAY AREA)
 9,611 SQ FOOTAGE
 PARKING AND PRIVATE ACCESS EASEMENT ON LOT AREA 2
 AND SHARED PRKING FOR FUTURE
 6,480 SQ FOOTAGE
 PLAYGROUND SHARED ACCESS EASEMENT ON LOT AREA 2
 2,716 SQ FOOTAGE (PORTION ON LOT 1) 4,336 SQ FOOTAGE TOTAL

BUILDING A & B
 24 UNIT FAMILY
 (2) TWO STORY BUILDINGS
 12 = 2 bedrooms 12 = 3 bedrooms

1" = 100'-0"

WILLOW CREEK APARTMENTS PROPOSED CODY WYOMING FAMILY SITE PLAN

12/2012

3.15 ACRES

Parking Requirements LOT 1 Only
REQUIRED OFF STREET PARKING: MULTI FAMILY
12-3 BEDROOM/2.5 PER D.U.=30
12-2 BEDROOM=2 PER D.U.=24
TOTAL REQUIRED=54 SPACES REQUIRED, 60 SHOWN

City of Cody Agenda Request Form

In order to fully prepare the Council for their meetings, individuals wishing to appear before the Council are asked to complete the following information prior to placement on the agenda. You may be notified by mail, telephone or e-mail of the date you have been scheduled to appear. You may also be contacted by City staff prior to the meeting to see if your concerns can be addressed without appearing before the Council.

Please provide the following detailed information relating to your concern or request. This form (and any relevant attachments) is due no later than seven days prior to a Council meeting to allow sufficient time for internal review. Council packets are prepared the Wednesday prior to the Tuesday meetings. Meetings are held the first and third Tuesday of each month. Please complete the following information in full and return to City of Cody PO Box 2200 Cody, WY 82414 (Fax 307-527-6532)

Name of person to appear before the Council Sam Long

Organization Represented Summit Housing Group, Inc.

Date you wish to appear before the Council November 20th, 2012

Mailing Address 283 W. Front St. Ste 1, Missoula, MT Telephone (406) 544-9670

E-Mail Address saml@summithousinggroup.com

Preferred form of contact: Telephone _____ E-Mail

Names of all individuals who will speak on this topic Sam Long

Event Title (if applicable) Wyoming Low Income Housing Tax Credit Application

Date(s) of Event (if applicable) 2013

Full description of topic to be discussed (include all relevant information, attach additional sheet if necessary) Request support for 24 unit multi-family affordable/LIHTC apartment complex on Cougar Avenue. Summit would also like to discuss the possibility of the City reducing/waiving tap fees to show financial support for the project. WCDA gives preference to projects that have any financial support from local government.

Which City employee(s) have you spoken to about this issue? Todd Sowell

Signature  Date 11/05/2012

Willow Creek Apartments

Willow Creek Apartments will consist of 24 two and three bedroom units in the Low Home and 45% Area Media Income (AMI) rent levels and may be amended to maximize the need identified by our final market study. As the developer of Willow Creek Apartments, Summit Housing Group, Inc. will apply for 2013 Low Income Housing Tax Credits (LIHTC) from the Wyoming Community Development Authority on or before January 31st, 2013. The Limited Partnership will be Willow Creek Apartments, LP. The General Partner will be Long Development, Inc. The property will be managed by Highland Property Management, Inc. All entities are 100% owned by Scott Long, a Montana resident.

Summit Housing Group, Inc. has developed 728 finished units in Montana and Wyoming from 2003 through 2012 and is currently developing 32 additional units in Spearfish, South Dakota. We have a great working relationship with the WCDA and the lenders and the investors necessary to put this type of development together. Awards are usually announced near the end of April. At that point we would take the deal through the necessary city approvals and start construction in September 2013. We anticipate starting lease up of the apartments approximately 10 to 12 months later (July or September of 2014).

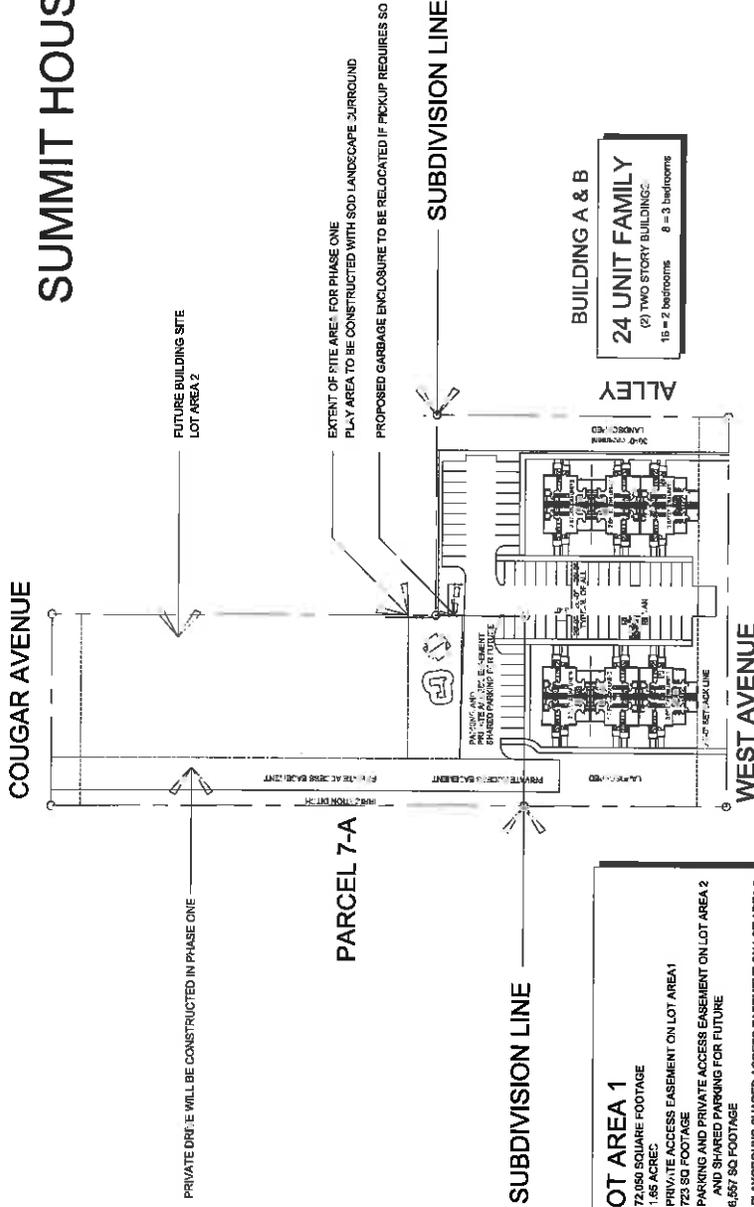
Willow Creek Apartments will be located at TBD Cougar Ave, Cody, WY 82414, also known as a portion of Lot 7-A, Fenex Subdivision, according to the Record of Survey showing Boundary Adjustment Survey recorded in Book "J", Page 113, Park County, Wyoming. Total project costs are projected to be \$3,953,180. Estimated annual tax credits are \$309,673. Assumed pricing for these tax credits is \$.85 or \$2,570,029 total. Additional financing would include a construction loan of \$1,244,836, a WCDA Home Loan of \$1,383,151.

Income Level	# of units	Gross Max. Rent	Utility Allowance	Net Max. Rent	Mkt. Rental Adjustment	Net Rent
1-BR @ LHR	0	577	75	502	0	502
2-BR @ LHR	7	653	89	564	0	564
3-BR @ 45%	4	799	103	696	0	696
lesser 45%/LHR	11 45.83%					
1-BR @ 45%	0	577	75	502	0	502
2-BR @45%	11	691	89	602	0	602
3-BR @45%	2	799	103	696	0	696
Tot. 40% Rents	13 54.17%					
1-BR @ 50%	0	641	75	566	0	566
2-BR @ 50%	0	768	89	679	0	679
3-BR @ 50%	0	888	103	785	0	785
Tot. 40% Rents	0 0.00%					
Total Rentables	24					
Mgrs. Unit - 2 BR	0					
	24					

Unit Sq. Ft.	
1 bdrm.	0
2 bdrm.	1,014
3 bdrm.	1,174

1 Beds	0
2 Beds	18
3 Beds	6
Total	24

SUMMIT HOUSING GROUP



LOT AREA 1
 72,080 SQUARE FOOTAGE
 1.65 ACRES
 PRIVATE ACCESS EASEMENT ON LOT AREA 1
 723 SQ FOOTAGE
 PARKING AND PRIVATE ACCESS EASEMENT ON LOT AREA 2
 AND SHARED PARKING FOR FUTURE
 6,557 SQ FOOTAGE
 PLAYGROUND SHARED ACCESS EASEMENT ON LOT AREA 2
 4,888 SQ FOOTAGE

BUILDING A & B
24 UNIT FAMILY
 (2) TWO STORY BUILDINGS
 16 = 2 bedrooms 8 = 3 bedrooms

1" = 100'-0"

WILLOW CREEK APARTMENTS PROPOSED CODY WYOMING FAMILY SITE PLAN

5/2012

TOTAL SITE 3.15 ACRES

Parking Requirements Lot Area 1
 REQUIRED OFF STREET PARKING: MULTI FAMILY
 8-3 BEDROOM=2.5 PER D.U.=20
 16-2 BEDROOM=2 PER D.U.=32
TOTAL REQUIRED= 52 SPACES REQUIRED, 55 SHOWN



Proposed Family Apartments

Summit Housing Group, Inc.
283 W. Front Street, Suite 1
Missoula, MT 59802
Phone (406) 541-0999



ECONOMICIDES ARCHITECTS, LLC
42 COOLIDGE ROAD
EAST LANSING, MI 48823
PHONE (313) 351-3730
FAX (313) 351-4120



283 W. Front Street, Suite 1
Missoula, MT 59802
Phone (406) 541-0999
Fax (406) 541-0997

June 11, 2012

Mayor Nancy Brown
City of Cody
1338 Ramsey Avenue
Cody, Wyoming 82414

Dear Mayor Brown,

As we have discussed, Summit Housing Group, Inc. is re-submitting an application to the Wyoming Community Development Authority (WCDA) for an allocation of Low Income Housing Tax Credits. As part of the application process, WCDA requires that we formally notify the Chief Executive Officer of the local jurisdiction. Accordingly, please accept this letter as official notice to the City of Cody of Summit Housing Group, Inc.'s intent to submit an application to WCDA for competitive tax credits.

These tax credits will be allotted according to need, which our market study has determined is high in Cody. To address this need, we are working on a 24-unit family development that would be located at approximately 2715 Cougar Avenue also known as Lot 7-A, Fenex Subdivision, according to the Record of Survey showing Boundary Adjustment Survey recorded in Book "J", Page 113, Park County, Wyoming.

The new development's name will be the Willow Creek Apartments and it will consist of 16-2 bedroom units, and 8-3 bedroom units serving families in the range of 40% to 50% area median income. The rent levels will start at \$510 for a 2 bedroom and \$629 for a 3 bedroom apartment. Please note we have reduced the rents by 10% per the recommendation of the WCDA. Financing will come from three sources; Low Income Housing Tax Credits, and a WCDA HOME loan. Attached is a short narrative describing the project.

Please contact me if you have any questions or need any additional information. Thank you very much for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Long", is written over a horizontal line.

Sam Long
Project Manager



June 19, 2012

Mr. Jack Jenks
Summit Housing Group, Inc.
283 West Front Street, Suite 1
Missoula, MT 59802

RE: Oregon Trail Apartments
Multifamily LIHTC Project in Cody, Wyoming

Dear Mr. Jenks,

Thank you for attending our January 17th Cody City Council meeting and informing us about your affordable housing project. It was a pleasure to meet you and Sam Long.

As you know, the Cody City Council unanimously approved providing a letter of support for Summit Housing Group's development of the Oregon Trail Apartments at TDB Cougar Avenue, Cody, WY 82414, also known as Lot 7-A, Fenex Subdivision. We wholeheartedly support your efforts to provide affordable multifamily housing in Cody, and believe that this project will fill a need in our community.

The City of Cody is experiencing continued growth and housing, especially affordable housing, is in short supply. Your development's mix of 32 two bedroom, and 8 three bedroom units will help meet the housing needs of small and large families at or below 50% of the area median income. With the increased cost of living in Cody, we feel that affordable housing of this type will address the needs of our community for workforce housing. Oregon Trail Apartments will also help meet the affordable housing needs documented in the Park County Housing Assessment.

We look forward to the addition of your affordable multifamily project to our community. Please do not hesitate to contact me if you need further assistance.

Sincerely,

Nancy Tia Brown, Mayor

Nancy Tia Brown
MAYOR

Donny Anderson
Charles Cloud
Bryan Edwards
Jerry Fritz
Steve Miller
Stan Wolz
COUNCIL MEMBERS

C. Edward Webster II
MUNICIPAL JUDGE

Jennifer R Rosencranse
CITY ADMINISTRATOR

1338 Rumsey Avenue
P.O. Box 2200
Cody, Wyoming 82414

(307) 527-7511
FAX (307) 527-6532

KEEP YOUR HOME

DON'T ACCEPT FORECLOSURE, WE CAN HELP!

If you are delinquent on mortgage payments or have a pending foreclosure sale date, WHN can help you explore your options to avoid foreclosure or reduce the impact of foreclosure.

We will:

- Help you talk to your mortgage company and work out delinquency resolution options
- Help you create a budget to bring your mortgage current
- Evaluate affordable loan options to bring your mortgage current

Through individual coaching, we help you find the best solution for your financial situation. We inform you about programs you may be eligible for, and help you develop a financial plan to meet your needs.



EARN WYOMING

EARN A MATCH OF YOUR SAVINGS AND BECOME A HOMEOWNER!

EARN Wyoming works with families motivated to resolve their credit challenges, develop sustainable money management skills, save down payment funds, earn a savings match, and become fiscally responsible, successful homeowners.

EVERY | **WE GIVE**
\$1 | **UP TO A**
YOU SAVE | **\$3**
MATCH
WHEN YOU PURCHASE YOUR HOME



300 S. WOLCOTT, SUITE 200
CASPER, WYOMING 82601

P 307-472-5843 F 307-472-0893



*"Building Independence...
In Wyoming, For Wyoming"*

ABOUT WHN

The Wyoming Housing Network, Inc. (WHN) was conceived through a collaborative statewide planning process, and incorporated as a 501(c)(3) nonprofit organization in January 2005 to address the affordable housing need in Wyoming. Based in Casper, WHN is a Community Housing Development Organization that educates homebuyers and homeowners and works with partners to create and preserve affordable housing in Wyoming.

The mission of the Wyoming Housing Network is to build self-reliant families and stable communities. We accomplish our mission through delivery of financial strengthening services and by working with multiple community partners to create and preserve affordably priced housing.

RENTAL HOUSING

WHY DOES THE WYOMING HOUSING NETWORK WORK TO ADDRESS WYOMING'S RENTAL HOUSING NEED?

The lack of affordably priced housing challenges the stability and economic health of our families and communities. Due to Wyoming's lack of quality affordable housing, many families are forced to pay more than they can afford and many employers struggle to recruit and retain employees.

WHN IS SOLVING THE NEED FOR RENTAL HOUSING

WHN has developed over 250 high quality rental housing units in Casper, Guernsey, Riverton and Torrington, and is actively working with multiple partners to address housing needs throughout Wyoming.



BUY A HOME

WHN informs and coaches potential homeowners for successful and sustainable homeownership with financial management and homebuyer education training.

HOMEBUYER EDUCATION

A Well-Informed Homebuyer Becomes a Successful Homeowner! WHN's high-quality homebuyer education and coaching leads to successful long-term homeownership! WHN provides borrowers with the information and resources necessary to make an informed home purchase decision.

What are the benefits to me, the homebuyer?

- I will learn about each step of the home buying process
- I will know how much home I can afford
- I will build a stable financial foundation through creation and maintenance of a household budget
- I will gain increased confidence about my ability to become a home owner
- I will be prepared for the challenges of homeownership



FINANCIAL MANAGEMENT

Many of us need help to clean up past and current financial missteps. WHN will assess your current situation and provide tools and guidance. WHN will also help you achieve your financial goals by developing a step-by-step plan to help you achieve financial success.

Our financial management program will help you:

- Learn positive steps you can take to improve your credit
- Learn how to put your money to work for you
- Find out what creditors look for when you apply for credit
- Get tips on budgeting; build and maintain a monthly budget
- Learn strategies to control day-to-day finances



December 13, 2012

Mayor Nancy Brown
Cody City Council
1318 Rumsey Ave
Cody, Wyoming 82414

Regarding: Request for Letter of Support and Local Match to address Cody's Affordable Rental Housing Need

Mayor Nancy Brown and Cody City Council:

I will attend the December 18 City Council meeting to request a letter of support and funding commitment for the below described Cedar Mountain Apartments development. For the Mayor and Council's consideration, the following is offered.

Background:

The Wyoming Housing Network (WHN) is preparing an application for funding to construct 12 new rental apartments in Cody on vacant land owned by Harold Musser at the corner of Pioneer and 23rd Streets. The apartments will serve working households earning 40% to 45% of Area Median Income. Based upon the market study, the development will include a mix of one bedroom, two bedroom, and three bedroom units; each will include all kitchen appliances and a clothes washer and dryer.

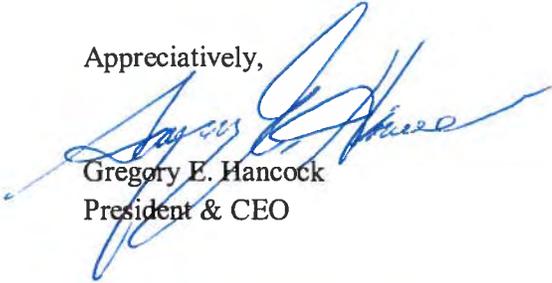
WHN's funding application to the Wyoming Community Development Authority (WCDA) is due at the end of January 2013. Funding through WCDA is limited, so applications are competitively ranked and typically only one third are successful. The Cody community can strengthen our funding application by providing a letter of support and local funding match to leverage approximately \$2.2 million development funds requested through WCDA.

For additional information about WHN and the proposed development, please see the attached documents.

Request for Letter of Support and Funding Commitment:

1. Please provide a letter of support for our funding application. Example support letters previously provided to WHN from the Town of Guernsey and City of Torrington are attached.
2. Please provide a local match funding commitment of \$10,000. Note that the match would be provided only if our funding application is approved by WCDA.

Appreciatively,



Gregory E. Hancock
President & CEO

G.A. Haan Development

Solutions In Affordable Housing

December 10, 2012

City of Cody
Attn: Todd Stowell, City Planner
PO Box 2200
Cody, WY 82414

Re: Lots 17 and 18, Block 11, Canyon Meadows Subdivision

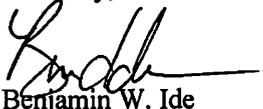
Dear Todd,

It was nice speaking with you today about our proposed housing development to be located on Lots 17 and 18, Block 11, of Canyon Meadows Subdivision. As I stated during our call, we're interested in building 12 affordable family units to be financed through the Low Income Housing Tax Credit (LIHTC). Restrictions will be placed on the deed of the property ensuring that rents remain affordable to households whose income does not exceed 60% of the area median income; however, depending on the needs identified in the to-be-received market study, our restrictions may be even lower than 60%.

Our application for LIHTC is due to the Wyoming Community Development Authority (WCDA) by January 31, 2013. Applications are competitive and are awarded funding based on scoring criteria established by WCDA. Local contributions are one of the criteria that WCDA considers when scoring applications, making municipalities that participate financially in affordable housing more likely to receive funding. For this reason, we would like to formally request a contribution from the City of Cody for this project in the form of waived city fees, including tap and permit fees.

If you, or anyone else at the City of Cody, would like to discuss this further please don't hesitate to contact me. Our company has built similar high-quality, affordable housing throughout Wyoming and I invite you to view some of our properties on our website at www.haandev.com. Thank you for considering this request and, again, please feel free to contact me with any questions or comments.

Sincerely,



Benjamin W. Ide
Development Coordinator

MEETING DATE: DECEMBER 18, 2012
DEPARTMENT: ADMINISTRATIVE SERVICES
PREPARED BY: LESLIE BRUMAGE, FINANCE
OFFICER
DEPT. DIR. APPROVAL: _____
CITY ADM. APPROVAL: _____

AGENDA ITEM SUMMARY REPORT

Acceptance of the FY2011-2012 Audit Report

BACKGROUND

In response to an RFP for auditing services issued in 2011 the City engaged the services of Stine, Buss, Wolff, Wilson & Associates for a 3-year term. They have been the City's auditors since 2006.

SUMMARY

Stine, Buss, Wolff, Wilson & Associates completed the audit of the City's financial statements for the fiscal year ended June 30, 2012 and issued an Independent Auditor's Report and Report on Internal Controls. These reports are included with the City's basic financial statements.

An audit workshop was held on November 28, 2012 to present the draft to a committee of Council and staff members. The committee approved presenting the report to the Council for acceptance.

FISCAL IMPACT

None

ALTERNATIVES

At its discretion the City Council may accept or reject the auditor's report and related financial statements.

RECOMMENDATION

Accept the auditor's report and related financial statements as presented.

ATTACHMENTS

1. Basic Financial Statements for the fiscal year ended June 30, 2012

AGENDA & SUMMARY REPORT TO:

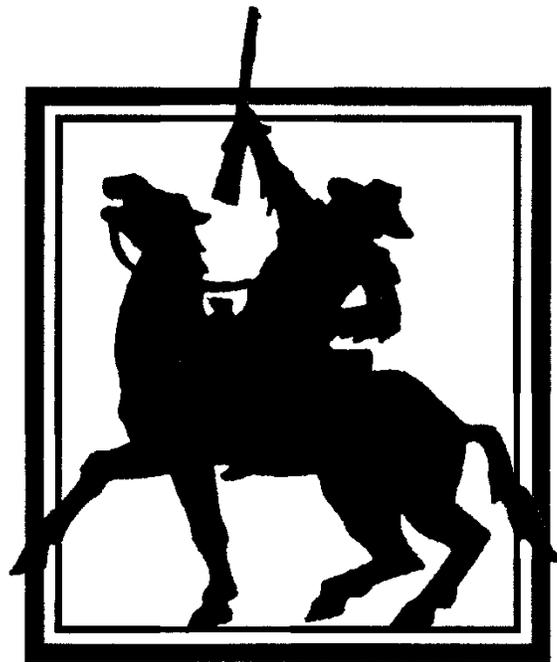
1. Keri Wilson 527-6161

AGENDA ITEM NO. _____

Basic Financial Statements

City of Cody, Wyoming

June 30, 2012



CITY OF CODY
WYOMING

City of Cody, Wyoming
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For the fiscal year ended June 30, 2012

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Worland: Stephen L. Stine, C.P.A.

Cody: Keven L. Buss, C.P.A.
Reanne N. Wolff, C.P.A.
Keri J. Wilson, C.P.A.

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Cody, Wyoming
PO Box 2200
Cody, Wyoming 82414

We have audited the accompanying financial statements of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cody, Wyoming, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Cody, Wyoming's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2012, on our consideration of the City of Cody's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through

11 and 65 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cody, Wyoming's financial statements as a whole. The combining non-major fund financial statements are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining non-major funds financial statements is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Stine, Buss, Wolff, Wilson & Associates, P.C.
Certified Public Accountants

November 28, 2012
Cody, Wyoming

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Cody, Wyoming offers the readers of Cody's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2012.

Financial Highlights

- The assets of the City of Cody exceeded its liabilities at the close of the most recent fiscal year by \$77,768,110. Of this amount \$15,136,781 is unrestricted and may be used to meet the City's ongoing obligations.
- Total net assets increased by \$1,944,379. The governmental-type net assets increased by \$993,840 and the business-type net assets increased by \$950,539.
- The governmental funds reported a combined ending fund balance of \$6,113,313 which is an increase of \$459,184 in comparison with the prior year.
- The unassigned fund balance for the governmental funds was \$3,709,914 or approximately 61% of the total governmental funds balance.
- The City's total debt decreased by \$870,459. This is mainly a result of principal payments on the Electric Fund bonds, the early retirement of the Water Fund Bonds and the DWSRF Water Fund Loan, annual payments towards notes payable made during the fiscal year and changes in compensated absences accruals.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. Cody's basic financial statements are comprised of three components (1) Government-Wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Financial Statements.

This report also contains supplemental schedules and information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Cody's finances, in a manner similar to a private-sector business. The *statement of activities* presents information reflecting how Cody's net assets have changed during the fiscal year just ended.

The government-wide financial statements distinguish the functions of Cody that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees

and charges (*business-type activities*). The governmental activities include general government, administrative services, public safety, parks, public facilities, recreation, and public works. The business-type activities include solid waste collection, water, wastewater and electric.

The government-wide financial statements include not only the City of Cody but also the Yellowstone Regional Airport, a discretely presented component unit. See Note 5 in the notes to the financial statements for more details regarding this entity.

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 Cody, 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 Cody can be divided into two categories: governmental funds and proprietary funds.

- **Governmental Funds.** Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. These funds focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- **Proprietary funds.** Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information.

Notes to the Financial Statements

The notes to the financial statements are considered an integral part of the basic financial statements since they provide additional information needed to gain a full understanding of the data provided in both the government-wide and fund financial statements.

Supplemental Information

In addition to the basic financial statements, which include the accompanying notes, this report also presents *required supplemental information*. Included is a budgetary comparison for the General Fund and the Lodging Tax Fund comparing actual results (using the basis of budgeting) with the original budget and the final amended budget.

Other supplemental information included with the basic financial statements are the combining balance sheet and combining statement of revenues, expenditures and changes in fund balance schedules for the non-major governmental funds (special revenue and capital projects).

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the City of Cody's assets exceeded liabilities by \$77,768,110. The following summaries of net assets and changes in net assets are presented for the current fiscal year with comparison totals for the fiscal year 2010-2011.

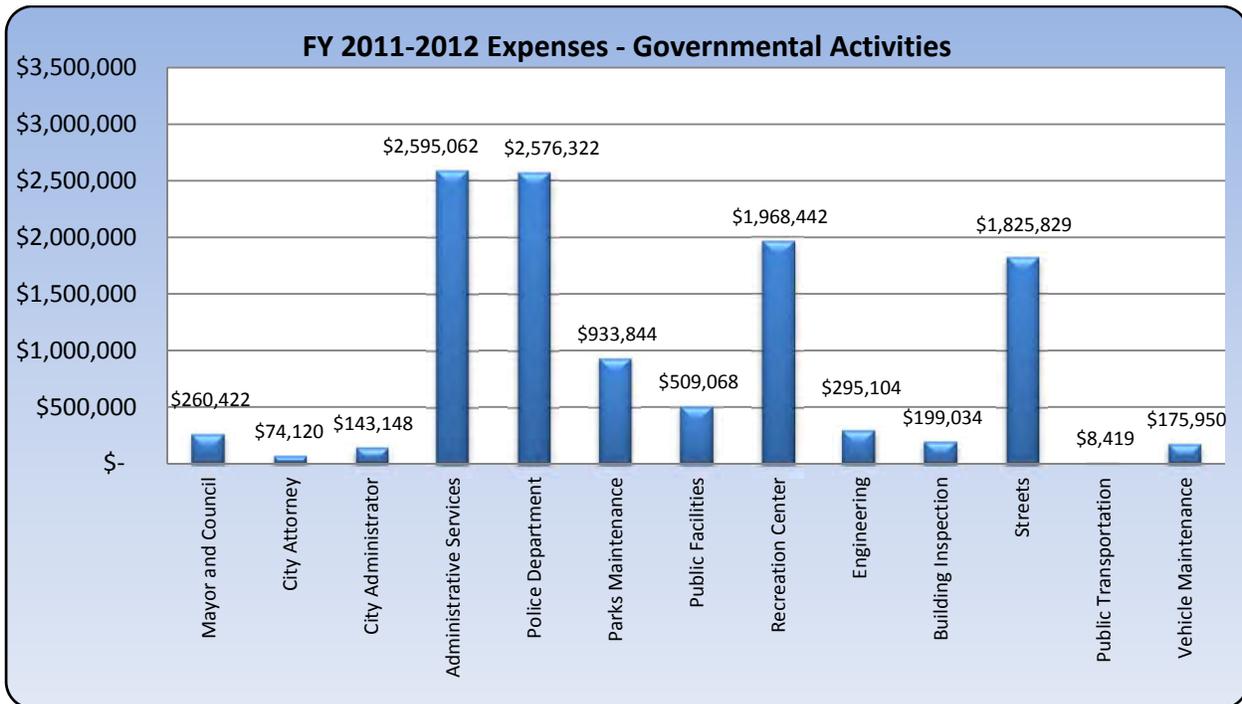
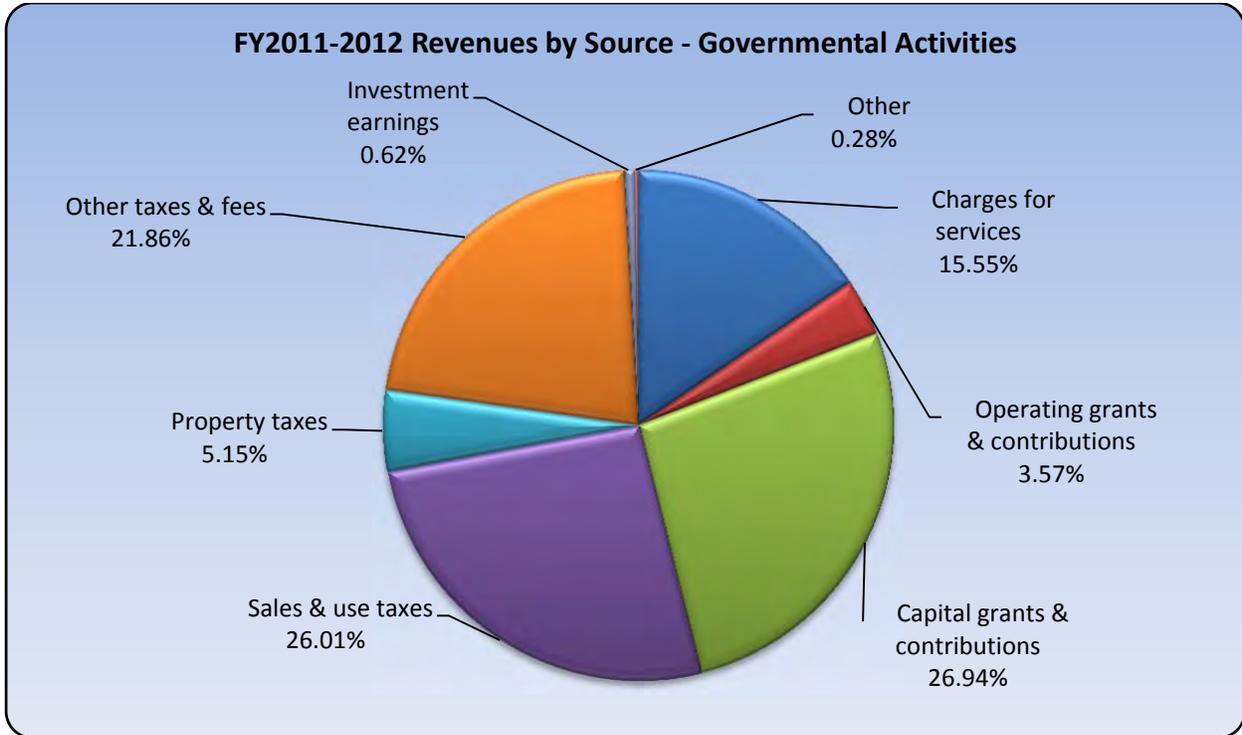
City of Cody						
Statement of Net Assets (condensed)						
As of June 30 each year						
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
Current and other assets	\$ 8,169,576	\$ 7,927,958	\$10,358,420	\$ 10,039,942	\$18,527,996	\$ 17,967,900
Capital assets	27,931,574	28,542,209	34,164,246	34,560,285	62,095,824	63,102,494
Total assets	\$ 36,101,150	\$36,470,167	\$44,522,666	\$ 44,600,227	\$80,623,820	\$ 81,070,394
Long-term debt outstanding	\$ -	\$ -	\$ 1,872,812	\$ 549,926	\$ 1,872,812	\$ 549,926
Other current liabilities	2,551,621	1,926,798	375,652	825,560	2,927,273	2,752,358
Total liabilities	\$ 2,551,621	\$ 1,926,798	\$ 2,248,464	\$ 1,375,486	\$ 4,800,085	\$ 3,302,284
Net assets						
Invested in capital assets, net of debt	\$ 27,931,574	\$ 28,542,209	\$32,281,544	\$ 33,589,852	\$60,213,122	\$ 62,132,061
Restricted	105,664	81,329	472,308	417,939	577,972	499,268
Unrestricted	5,512,291	5,919,831	9,520,350	9,216,950	15,032,641	15,136,781
Total net assets	\$ 33,549,529	\$ 34,543,369	\$42,274,202	\$ 43,224,741	\$75,823,731	\$ 77,768,110

The largest portion of Cody's net assets (80%) reflects its investment in capital assets (e.g. land, buildings, machinery & equipment, and infrastructure), less any debt used to acquire those assets that is still outstanding. Cody uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Cody's net assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

City of Cody Changes in Net Assets As of June 30 each year						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2012	2011	2012	2011	2012
Revenues:						
Program revenues						
Charges for services	\$ 1,800,324	\$ 1,657,153	\$15,737,301	\$16,658,137	\$17,537,625	\$18,315,290
Operating grants/contributions	472,418	380,760	10,000	5,000	482,418	385,760
Capital grants/contributions	4,828,436	2,870,510	2,820,650	264,915	7,649,086	3,135,425
General revenues						
Sales & use taxes	2,477,700	2,770,758	-	-	2,477,700	2,770,758
Property taxes	538,624	549,138	-	-	538,624	549,138
Other taxes & fees	2,274,794	2,329,425	-	-	2,274,794	2,329,425
Investment earnings	66,480	66,225	81,078	108,322	147,558	174,547
Other	19,640	29,906	123,280	927	142,920	30,833
Total Revenues	12,478,416	10,653,875	18,772,309	17,037,301	31,250,725	27,691,176
Expenses:						
Mayor and Council	268,534	260,422	-	-	268,534	260,422
City Attorney	76,067	74,120	-	-	76,067	74,120
City Administrator	149,017	143,148	-	-	149,017	143,148
Administrative Services	3,250,507	2,595,062	-	-	3,250,507	2,595,062
Police Department	2,665,589	2,576,322	-	-	2,665,589	2,576,322
Parks Maintenance	917,174	933,844	-	-	917,174	933,844
Public Facilities	450,258	509,068	-	-	450,258	509,068
Recreation Center	2,008,562	1,968,442	-	-	2,008,562	1,968,442
Engineering	326,929	295,104	-	-	326,929	295,104
Building Inspection	153,122	199,034	-	-	153,122	199,034
Streets	1,684,331	1,825,829	-	-	1,684,331	1,825,829
Public Transportation	12,187	8,419	-	-	12,187	8,419
Vehicle Maintenance	234,435	175,950	-	-	234,435	175,950
Solid Waste	-	-	1,550,003	1,635,049	1,550,003	1,635,049
Water	-	-	2,428,139	2,434,057	2,428,139	2,435,057
Wastewater	-	-	916,922	1,026,071	916,922	1,026,071
Electric	-	-	8,312,840	8,898,697	8,312,840	8,898,697
Total Expenses	12,196,712	11,564,764	13,207,904	13,993,874	25,404,616	25,558,638
Transfers:						
Transfers-internal activity	2,370,335	2,092,888	(2,370,335)	(2,092,888)	-	-
Transfers-to component unit	(180,756)	(188,159)	-	-	(180,756)	(188,159)
Total Transfers	2,189,579	1,904,729	(2,370,335)	(2,092,888)	(180,756)	(188,159)
Change in net assets	2,471,283	993,840	3,194,070	950,539	5,665,353	1,944,379
Net assets - July 1	31,078,246	33,549,529	39,080,132	42,274,202	70,158,378	75,823,731
Net assets - June 30	\$33,549,529	\$34,543,369	\$42,274,202	\$43,224,741	\$75,823,731	\$77,768,110

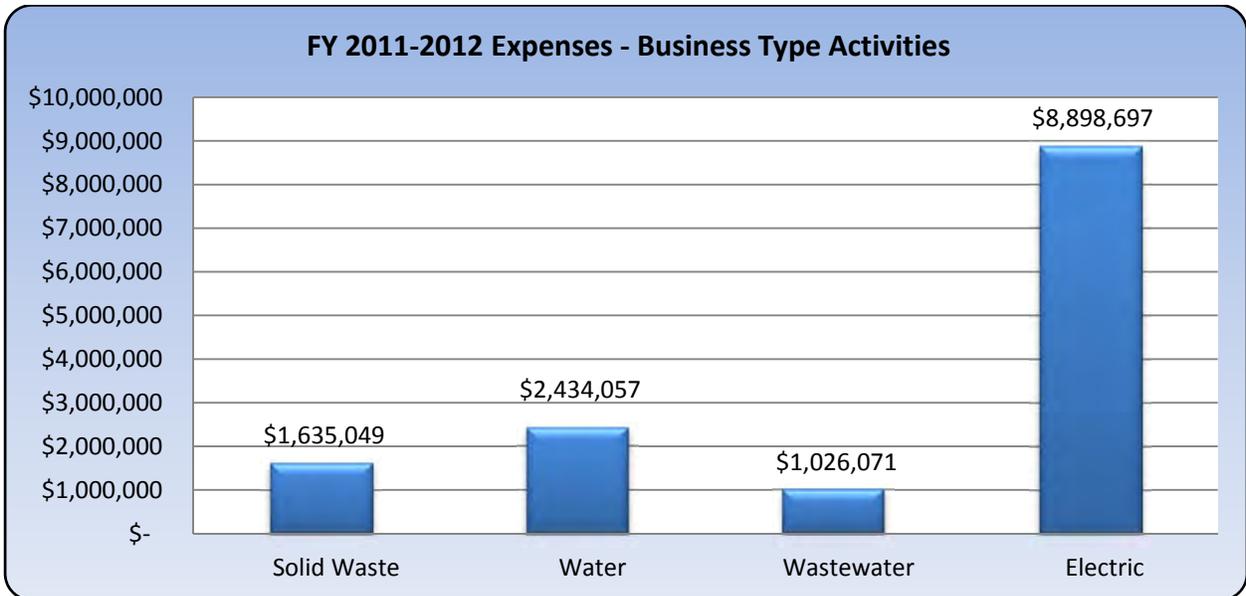
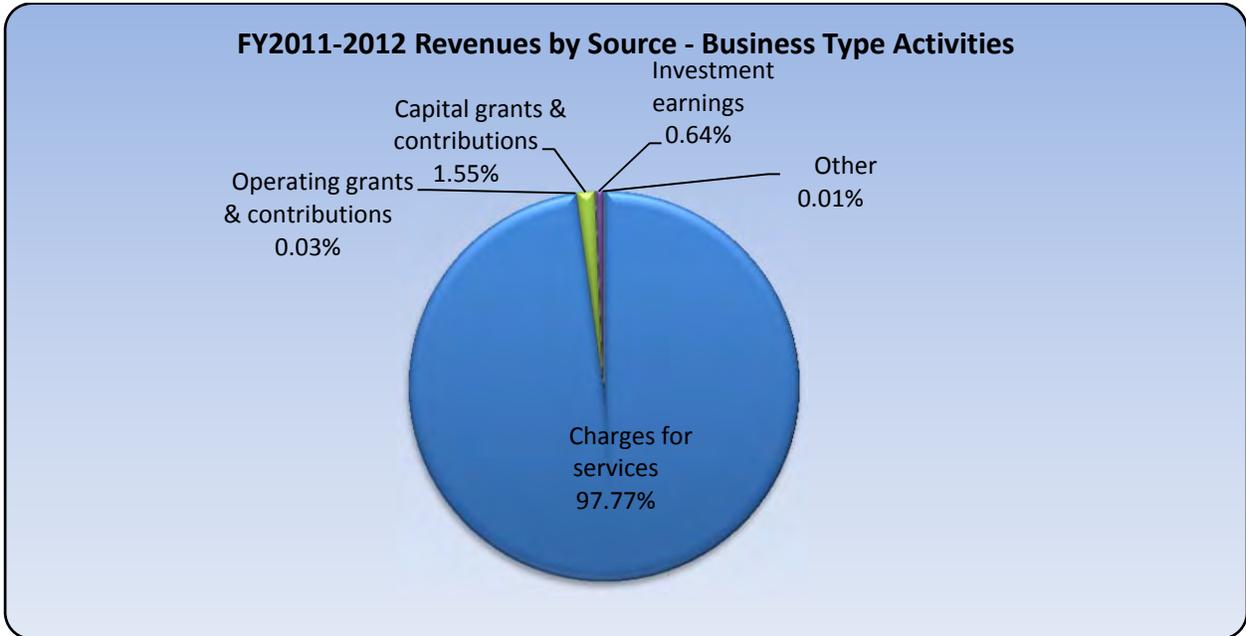
Governmental Activities

The following charts illustrate governmental revenues by source and the governmental expenses by function as reported on the statement of changes in net assets.



Business-type Activities

The following charts illustrate business-type revenues by source and the business-type expenses by function as reported on the statement of changes in net assets.



Governmental Activities. Governmental activities during Fiscal Year 2011-2012 increased Cody's net assets by \$993,840. The following information describes key changes for the year:

- Capital assets increased approximately \$610,000 due to the completion of several large capital projects including:
 - Bob Moore parking lot resurfacing
 - City Hall HVAC system
 - Veterans Park Memorial
 - Vietnam Memorial
 - Auditorium ADA Improvements
 - 16th Street Storm Sewer
 - Cougar Avenue Reconstruction
- Intergovernmental receivables decreased approximately \$550,000 due to a decrease in the amount of grants receivable as of June 30th.
- Accounts Payable decreased by approximately \$770,000 due to an early voucher approval on June 30th.
- Retainage payable decreased approximately \$125,000 due to all retainage holdings being paid out prior to June 30th.

Business-type Activities. Business-type activities during Fiscal Year 2011-2012 increased Cody's net assets by \$950,539. The following information describes key changes for the year:

- Cash and cash equivalents decreased approximately \$300,000 due to the retirement of debt in the Water Fund.
- Accounts Receivable increased by approximately \$200,000 due to increased Electric rates implemented during the fiscal year.
- The Water Bond Reserve decreased \$67,000 due to the retirement of the Water Fund bonds.
- Invested in capital assets increased approximately \$390,000 due to new capital equipment purchases.
- Inventory decreased approximately \$160,000 due to the use of in-stock materials for projects.
- The long-term liabilities decreased approximately \$900,000 due to the retirement of debt in the Water Fund and the annual debt service payment on the Electric Fund bonds.

Debt Administration

As of June 30, 2012 the City of Cody had total debt outstanding of \$1,541,906 consisting of bonds, notes payable, accrued absences and utility deposit liabilities. The current portion (due within one year) of outstanding debt totals \$991,980.

City of Cody Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
Revenue Bonds Payable	\$ -	\$ -	\$ 1,647,000	\$ 850,000	\$1,647,000	\$ 850,000
Notes Payable	-	-	225,812	114,411	225,812	114,411
Accrued Compensated Absence Payable	270,486	291,749	174,714	176,949	445,200	468,698
Utility Deposit Liability	-	-	94,353	108,797	94,353	108,797
Total Outstanding Debt	<u>\$ 270,486</u>	<u>\$ 291,749</u>	<u>\$ 2,141,879</u>	<u>\$ 1,250,157</u>	<u>\$2,412,365</u>	<u>\$ 1,541,906</u>

Capital Assets

The City of Cody's investment in capital assets for its governmental and business-type activities as of June 30, 2012 amounted to \$62,132,061 (net of accumulated depreciation). This investment in capital assets includes land, easements, buildings & improvements, machinery, equipment, infrastructure associated with the water, wastewater and electric distribution systems, as well as streets, trails and park facilities. The following summary of capital assets is presented for the current fiscal year with comparison totals for the fiscal year 2011-2012

City of Cody's Capital Assets Net of Depreciation						
	Governmental Activities		Business-type Activities		Total	
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
Land	\$ 2,277,647	\$ 2,277,647	\$ 381,416	\$ 614,332	\$ 2,659,063	\$ 2,891,979
Intangibles	52,481	76,400	7,045	7,045	59,526	83,445
Buildings	12,980,558	12,980,558	1,136,927	1,146,632	14,117,485	14,127,190
Improvements other than bldgs	3,978,868	4,607,879	147,987	141,468	4,126,855	4,749,347
Furniture & Fixtures	75,503	75,503	-	-	75,503	75,503
Machinery & Equipment	4,671,464	4,764,243	5,322,527	4,222,364	9,993,991	8,986,607
Infrastructure	13,910,251	15,261,008	44,669,063	44,889,233	58,579,314	60,150,241
Construction in Progress	395,839	104,573	1,034	773,359	396,873	877,932
Total Assets	<u>\$38,342,611</u>	<u>\$40,147,811</u>	<u>\$ 51,665,999</u>	<u>\$ 51,794,433</u>	<u>\$ 90,008,610</u>	<u>\$ 91,942,244</u>
Less Accumulated Depreciation	<u>\$(10,411,035)</u>	<u>\$(11,605,602)</u>	<u>\$(17,501,754)</u>	<u>\$(17,234,149)</u>	<u>\$(27,912,789)</u>	<u>\$(28,839,751)</u>
Total Net Assets	<u>\$27,931,576</u>	<u>\$28,542,209</u>	<u>\$ 34,164,245</u>	<u>\$ 34,560,284</u>	<u>\$ 62,095,821</u>	<u>\$ 63,102,493</u>

Financial Contact

The City of Cody's financial statements are designed to provide its users (citizens, taxpayers, customers, investors and creditors) with a general overview of Cody's finances and to demonstrate Cody's accountability. Questions concerning any of the information presented in this report or requests for additional information should be sent to:

Finance Officer
City of Cody
PO Box 2200
Cody, WY 82414

City of Cody, Wyoming
Statement of Net Assets
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Component Unit</u>
ASSETS:				
Cash and cash equivalents	\$ 6,486,342	\$ 6,578,269	\$ 13,064,611	\$ 493,186
Accounts receivable, net of allowance	-	2,223,922	2,223,922	94,081
Related party receivable	-	-	-	-
Franchise tax receivable	56,775	-	56,775	-
Court fine receivable, net of allowance	69,018	-	69,018	-
Due from other governments	695,117	-	695,117	75,827
Other receivables, net of allowance	224,171	-	224,171	-
Interfund receivables(payables)	-	-	-	-
Inventory	161,582	711,015	872,597	14,727
Prepaid expenses	178,345	-	178,345	6,445
Restricted assets:				
Cash and cash equivalents	56,608	176,088	232,696	194,037
Investments	-	350,648	350,648	-
Capital assets:				
Land and construction in progress	2,382,220	1,387,691	3,769,911	940,347
Other capital assets, net of depreciation	26,159,989	33,172,594	59,332,583	23,678,858
Total Assets	<u>36,470,167</u>	<u>44,600,227</u>	<u>81,070,394</u>	<u>25,497,508</u>
LIABILITIES:				
Accounts payable	410,489	-	410,489	84,519
Related party payables	829,810	-	829,810	-
Accrued liabilities	329,967	92,093	422,060	14,136
Accrued interest expense	-	6,022	6,022	8,190
Retainage payable	-	-	-	-
Customer deposits	40,889	108,797	149,686	-
Other payables	10,975	27,214	38,189	-
Due to other governments	-	-	-	-
Unearned Revenue	12,919	-	12,919	-
Long-term liabilities:				
Due within one year	291,749	591,434	883,183	50,809
Due in more than one year	-	549,926	549,926	123,900
Total Liabilities	<u>1,926,798</u>	<u>1,375,486</u>	<u>3,302,284</u>	<u>281,554</u>
NET ASSETS				
Invested in capital assets, net of related debt	28,542,209	33,589,852	62,132,061	24,447,210
Restricted for:				
Capital projects	70,227	-	70,227	194,037
Debt service	-	417,939	417,939	-
Public Safety	11,102	-	11,102	-
Unrestricted	5,919,831	9,216,950	15,136,781	574,707
Total Net Assets	<u>\$ 34,543,369</u>	<u>\$ 43,224,741</u>	<u>\$ 77,768,110</u>	<u>\$ 25,215,954</u>

See accompanying notes to the basic financial statements

City of Cody, Wyoming
Statement of Activities
For the fiscal year ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services & Fines	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities
Primary Government					
Governmental activities:					
Mayor and Council	\$ 260,422	\$ -	\$ -	\$ -	\$ (260,422)
City Attorney	74,120	-	-	-	(74,120)
City Administrator	143,148	-	-	-	(143,148)
Administrative Services	1,397,685	140,442	-	-	(1,257,243)
Police Department	2,576,322	163,161	103,415	19,600	(2,290,146)
Parks Maintenance	933,844	-	24,470	321,385	(587,989)
Public Facilities	509,068	16,125	-	177,020	(315,923)
Recreation Center	1,968,442	1,115,629	252,875	5,714	(594,224)
Engineering	295,104	-	-	-	(295,104)
Building Inspection	199,034	-	-	-	(199,034)
Streets	1,825,829	-	-	374,630	(1,451,199)
Public Transportation	8,419	-	-	-	(8,419)
Vehicle Maintenance	175,950	-	-	-	(175,950)
Public Works (permits/licenses)	-	221,796	-	774,785	996,581
Pass Through Grants	1,197,377	-	-	1,197,376	(1)
Interest on long-term debt	-	-	-	-	-
Total Governmental Activities	11,564,764	1,657,153	380,760	2,870,510	(6,656,341)
Business-Type Activities:					
Solid Waste	1,635,049	2,492,758	5,000	-	-
Water	2,434,057	2,932,706	-	223,315	-
Wastewater	1,026,071	1,132,717	-	41,600	-
Electric	8,898,697	10,099,956	-	-	-
Total Business-Type Activities	13,993,874	16,658,137	5,000	264,915	-
Total Primary Government	\$ 25,558,638	\$ 18,315,290	\$ 385,760	\$ 3,135,425	\$ (6,656,341)
Component Unit					
Yellowstone Regional Airport	1,989,638	547,621	84,614	814,917	
Total Component Units	\$ 1,989,638	\$ 547,621	\$ 84,614	\$ 814,917	
General Revenues:					
Taxes:					
Sales and Use Taxes 2,770,758					
Property Taxes 549,138					
Franchises Taxes 250,446					
Lodging Taxes 94,538					
Severance Taxes & Royalties 836,698					
Motor Vehicle & Gasoline Taxes 344,232					
Cigarette Tax 89,191					
Other Taxes -					
Supplemental State Funding 714,320					
Investment Income 66,225					
Gain(Loss) on Disposal of Assets 4,947					
Miscellaneous 24,959					
Payments Between Primary Government and Component Unit (188,159)					
Transfers from Park County -					
Transfers - Internal Activity 2,092,888					
Total General Revenues and Transfers 7,650,181					
Change in Net Position					993,840
Net Assets - beginning					33,549,529
Net Assets - ending					\$ 34,543,369

See accompanying notes to the basic financial statements

City of Cody, Wyoming
Statement of Activities
For the fiscal year ended June 30, 2012

) Revenue and Changes in Net Position
Primary Government

<u>Business-Type Activites</u>	<u>Total</u>	<u>Component</u>
\$ -	\$ (260,422)	\$ -
-	(74,120)	-
-	(143,148)	-
-	(1,257,243)	-
-	(2,290,146)	-
-	(587,989)	-
-	(315,923)	-
-	(594,224)	-
-	(295,104)	-
-	(199,034)	-
-	(1,451,199)	-
-	(8,419)	-
-	(175,950)	-
-	996,581	-
-	(1)	-
-	-	-
-	(6,656,341)	-
862,709	862,709	-
721,964	721,964	-
148,246	148,246	-
1,201,259	1,201,259	-
2,934,178	2,934,178	-
\$ 2,934,178	\$ (3,722,163)	\$ -
		(542,486)
		\$ (542,486)
-	2,770,758	-
-	549,138	-
-	250,446	-
-	94,538	-
-	836,698	-
-	344,232	-
-	89,191	-
-	-	104,245
-	714,320	-
108,322	174,547	315
(82,924)	(77,977)	-
83,851	108,810	15,705
-	(188,159)	188,159
-	-	125,439
(2,092,888)	-	-
(1,983,639)	5,666,542	433,863
950,539	1,944,379	(108,623)
42,274,202	75,823,731	25,324,577
\$ 43,224,741	\$ 77,768,110	\$ 25,215,954

See accompanying notes to the basic financial statements

City of Cody, Wyoming
Balance Sheet
Governmental Funds
June 30, 2012

	<u>MAJOR FUNDS</u>		<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Lodging Tax Fund</u>		
ASSETS:				
Cash and cash equivalents	\$ 4,635,114	\$ 1,442	\$ 1,865,505	\$ 6,502,061
Restricted cash and cash equivalents	40,889	-	-	40,889
Accounts receivable, net of allowance				-
Franchise tax receivable	56,775	-	-	56,775
Court fine receivable, net of allowance	69,018	-	-	69,018
Other receivables, net of allowance	223,994	-	177	224,171
Due from other governments	616,635	8,039	70,443	695,117
Interfund receivables (payables)	-	-	-	-
Inventory	161,582	-	-	161,582
Prepaid expenses	178,345	-	-	178,345
Total Assets	<u>5,982,352</u>	<u>9,481</u>	<u>1,936,125</u>	<u>7,927,958</u>
LIABILITIES & FUND BALANCES:				
Liabilities:				
Accounts payable	404,447	-	6,042	410,489
Related party payables	829,810	-	-	829,810
Accrued wages and related charges	329,967	-	-	329,967
Retainage payable	-	-	-	-
Customer deposits	40,889	-	-	40,889
Other payables	10,975	-	-	10,975
Deferred revenue	176,796	-	15,719	192,515
Total Liabilities	<u>1,792,884</u>	<u>-</u>	<u>21,761</u>	<u>1,814,645</u>
Fund Balances:				
Nonspendable:				
Inventory/prepaid expenses	339,927	-	-	339,927
Restricted for:				
Police forfeitures	11,102	-	-	11,102
Public Improvements	-	-	49,127	49,127
Convention Center	21,100	-	-	21,100
Committed:				
Assigned:				
Capital Assets	-	-	1,865,237	1,865,237
Open space contributions	107,425	-	-	107,425
Community Support	-	9,481	-	9,481
Improvement Districts	-	-	-	-
Unassigned	3,709,914	-	-	3,709,914
Total Fund Balances	<u>4,189,468</u>	<u>9,481</u>	<u>1,914,364</u>	<u>6,113,313</u>
Total Liabilities & Fund Balances	<u>\$ 5,982,352</u>	<u>\$ 9,481</u>	<u>\$ 1,936,125</u>	<u>\$ 7,927,958</u>

See accompanying notes to the basic financial statements

City of Cody, Wyoming
 Balance Sheet
 Governmental Funds
 June 30, 2012

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets:

Total Fund Balances - Governmental Funds	\$ 6,113,313
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of: \$ 11,605,598	<u>28,542,209</u>
Certain long-term assets are not available to pay for current fund liabilities and therefore are deferred in the funds:	
Court fine receivable	40,632
Motor vehicle taxes	65,091
Severance taxes	61,740
Franchise Fees	4,333
Receivable from other governments	7,800
	<u>179,596</u>
Certain long-term liabilities are not due and payable from current financial resources and therefore are not reported in the funds:	
Accrued compensated absences	(291,749)
	<u>(291,749)</u>
Net Assets of Governmental Activities:	<u><u>\$ 34,543,369</u></u>

See accompanying notes to the basic financial statements

City of Cody, Wyoming
Statement of Revenues, Expenditures Changes in Fund Balances
Governmental Funds
for the fiscal year ended June 30, 2012

	MAJOR FUNDS		Non-Major Governmental Funds	Total Governmental Funds
	General	Lodging Tax Fund		
Revenues:				
Taxes (intergovernmental & service generated)	\$ 4,355,195	\$ 94,538	\$ -	\$ 4,449,733
Royalties	487,343	-	-	487,343
State and Federal Funding	1,665,863	-	67,642	1,733,505
Pass Through Grants	1,197,376	-	-	1,197,376
Fines & Forfeitures	218,602	-	-	218,602
Charges for Services:				-
Penalties & Fees	89,916	-	-	89,916
Parks & Recreation Fees	1,115,629	-	-	1,115,629
Public Works	221,796	-	-	221,796
Licenses & Permits	50,526	-	-	50,526
Facility Rental	16,125	-	-	16,125
Assessment Revenue	-	-	-	-
Investment Income	44,173	307	21,745	66,225
Contributions & Donations	246,410	-	5,000	251,410
Miscellaneous	24,959	-	-	24,959
Total Revenues	9,733,913	94,845	94,387	9,923,145
Expenditures:				
Current:				
Mayor & Council	259,511	911	-	260,422
City Attorney	74,120	-	-	74,120
City Administrator	140,615	-	-	140,615
Administrative Services	1,291,904	-	-	1,291,904
Police Department	2,331,167	-	-	2,331,167
Parks Maintenance	668,103	-	-	668,103
Public Facilities	410,002	-	-	410,002
Recreation Center	1,687,691	-	-	1,687,691
Engineering	271,845	-	-	271,845
Building Inspection	196,585	-	-	196,585
Streets	1,295,236	-	-	1,295,236
Public Transportation	-	-	-	-
Vehicle Maintenance	155,592	-	-	155,592
Pass Through Grants	1,197,377	-	-	1,197,377
Debt Service	-	-	-	-
Capital Outlay	909,606	-	746,423	1,656,029
Total Expenditures	10,889,354	911	746,423	11,636,688
Excess(deficiency) of revenues over expenditures	(1,155,441)	93,934	(652,036)	(1,713,543)
Other Financing Sources(Uses):				
Transfers In(Out)	1,838,153	(123,000)	637,592	2,352,745
Payment to component Unit	(188,159)	-	-	(188,159)
Sale of Governmental Assets	8,141	-	-	8,141
Total Other Financing Sources(Uses)	1,658,135	(123,000)	637,592	2,172,727
Net Change in Fund Balance	502,694	(29,066)	(14,444)	459,184
Fund Balances - Beginning	3,955,455	38,547	1,660,127	5,654,129
Fund Balances - Ending	\$ 4,458,149	\$ 9,481	\$ 1,645,683	\$ 6,113,313

See accompanying notes to the basic financial statements

City of Cody, Wyoming
Statement of Revenues, Expenditures Changes in Fund Balances
Governmental Funds
for the fiscal year ended June 30, 2012

**Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balances of Governmental Funds
to the Statement of Activities**

Net changes in fund balances - total governmental funds	\$ 459,184
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays and issue costs as expenditures while governmental activities report depreciation and amortization expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	1,144,958
Capital asset disposal	(3,194)
Depreciation expense	(1,311,628)
	(169,864)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Contributed assets	780,499
Deferred revenue	(54,716)
	725,783
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 funds:	
Accrued compensated absences	(21,263)
	(21,263)
Change in Net Assets of Governmental Activities	\$ 993,840

See accompanying notes to the basic financial statements

City of Cody, Wyoming
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-Type Activities - Enterprise Funds				Total Proprietary Funds
	Solid Waste Fund	Water Fund	Wastewater Fund	Electric Fund	
ASSETS:					
Current Assets:					
Cash and cash equivalents	\$ 1,661,460	\$ 1,476,443	\$ 1,236,625	\$ 2,203,741	\$ 6,578,269
Restricted cash and cash equivalents	-	-	-	108,797	108,797
Accounts receivable, net of allowance	312,399	400,144	161,688	1,349,691	2,223,922
Due from other governments	-	-	-	-	-
Interfund receivables(payables)	-	-	-	-	-
Inventory	3,916	121,014	6,394	579,691	711,015
Total Current Assets	<u>1,977,775</u>	<u>1,997,601</u>	<u>1,404,707</u>	<u>4,241,920</u>	<u>9,622,003</u>
Non-current Assets:					
Restricted Assets:					
Cash and cash equivalents	-	-	-	67,291	67,291
Investments	-	-	-	350,648	350,648
Capital Assets:					
Land and other non-depreciable assets	324,078	3,472	374,416	685,725	1,387,691
Other capital assets, net of depreciation	749,471	10,323,439	11,612,229	10,487,455	33,172,594
Total Non-current Assets	<u>1,073,549</u>	<u>10,326,911</u>	<u>11,986,645</u>	<u>11,591,119</u>	<u>34,978,224</u>
Total Assets	<u>\$ 3,051,324</u>	<u>\$ 12,324,512</u>	<u>\$ 13,391,352</u>	<u>\$ 15,833,039</u>	<u>\$ 44,600,227</u>
LIABILITIES:					
Current Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Sales tax payable	-	-	-	27,214	27,214
Accrued expenses	24,982	17,873	9,338	39,900	92,093
Accrued interest payable	-	2,654	-	3,368	6,022
Customer deposits	-	-	-	108,797	108,797
Notes payable	-	14,485	-	-	14,485
Bonds payable, net	-	-	-	400,000	400,000
Unearned Revenue	-	-	-	-	-
Accrued compensated absences	44,217	46,998	21,721	64,013	176,949
Total Current Liabilities	<u>69,199</u>	<u>82,010</u>	<u>31,059</u>	<u>643,292</u>	<u>825,560</u>
Non-current Liabilities:					
Notes payable	-	99,926	-	-	99,926
Bonds payable, net	-	-	-	450,000	450,000
Total Non-current Liabilities	<u>-</u>	<u>99,926</u>	<u>-</u>	<u>450,000</u>	<u>549,926</u>
Total Liabilities	<u>69,199</u>	<u>181,936</u>	<u>31,059</u>	<u>1,093,292</u>	<u>1,375,486</u>
NET ASSETS:					
Invested in capital assets, net of related debt	1,073,549	10,209,846	11,986,645	10,319,812	33,589,852
Restricted for debt service	-	-	-	417,939	417,939
Unrestricted	1,908,576	1,932,730	1,373,648	4,001,996	9,216,950
Total Net Assets	<u>\$ 2,982,125</u>	<u>\$ 12,142,576</u>	<u>\$ 13,360,293</u>	<u>\$ 14,739,747</u>	<u>\$ 43,224,741</u>

See accompanying notes to the basic financial statements

City of Cody, Wyoming
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
for the fiscal year ended June 30, 2012

	Business-Type Activities - Enterprise Funds				Total Proprietary Funds
	Solid Waste Fund	Water Fund	Wastewater Fund	Electric Fund	
Operating Revenues:					
Charges for Services:					
Solid waste charges	\$ 2,412,721	\$ -	\$ -	\$ -	\$ 2,412,721
Recycling revenue	80,037	-	-	-	80,037
Water charges	-	2,847,968	-	-	2,847,968
Water crane sales	-	16,514	-	-	16,514
Wastewater charges	-	-	1,095,134	-	1,095,134
Electric charges	-	-	-	10,031,727	10,031,727
Miscellaneous	209	36,204	5,205	42,235	83,853
Total Operating Revenues	<u>2,492,967</u>	<u>2,900,686</u>	<u>1,100,339</u>	<u>10,073,962</u>	<u>16,567,954</u>
Operating Expenditures:					
Solid waste	1,565,712	-	-	-	1,565,712
Water distribution	-	2,037,688	-	-	2,037,688
Wastewater	-	-	584,428	-	584,428
Electric	-	-	-	8,441,705	8,441,705
Depreciation expense	69,337	368,139	441,643	406,711	1,285,830
Total Operating Expenses	<u>1,635,049</u>	<u>2,405,827</u>	<u>1,026,071</u>	<u>8,848,416</u>	<u>13,915,363</u>
Operating Income(Loss)	857,918	494,859	74,268	1,225,546	2,652,591
Non-Operating Revenues(Expenses):					
Investment income	19,264	20,846	13,181	55,031	108,322
Development fees	-	-	-	61,348	61,348
Hook up fees	-	36,632	-	6,881	43,513
Plant investment fees	-	-	34,711	-	34,711
Tap fees	-	31,592	-	-	31,592
Impact Fees	-	-	2,872	-	2,872
Gain(Loss) on disposal of assets/inventory	28	732	(116,284)	32,600	(82,924)
Miscellaneous	-	-	-	-	-
Interest expense and fiscal charges	-	(28,230)	-	(50,281)	(78,511)
Total Non-Operating Revenues(Expenses)	<u>19,292</u>	<u>61,572</u>	<u>(65,520)</u>	<u>105,579</u>	<u>120,923</u>
Net Income(Loss) before contributions & transfers	877,210	556,431	8,748	1,331,125	2,773,514
Capital contributions	200,143	250,093	41,600	32,934	524,770
Operating contributions	5,000	-	-	-	5,000
Transfers in(out)	(571,726)	(450,484)	(282,172)	(1,048,361)	(2,352,743)
Changes in Net Position	510,627	356,040	(231,824)	315,698	950,541
Total Net Assets - beginning	2,471,498	11,786,536	13,592,117	14,424,049	42,274,200
Total Net Assets - ending	<u>\$ 2,982,125</u>	<u>\$ 12,142,576</u>	<u>\$ 13,360,293</u>	<u>\$ 14,739,747</u>	<u>\$ 43,224,741</u>

See accompanying notes to the basic financial statements

City of Cody, Wyoming
Statement of Cash Flows
Proprietary Funds
for the fiscal year ended June 30, 2012

Business-Type Activities - Enterprise Funds						
	Solid Waste Fund	Water Fund	Wastewater Fund	Electric Fund	Total Proprietary Funds	Discretely Presented Component Unit
Cash Flows From Operating Activities						
Receipts from customers	2,484,017	2,836,291	1,103,071	9,859,647	16,283,026	537,361
Payments to suppliers	(1,000,095)	(1,703,277)	(312,303)	(7,415,627)	(10,431,302)	(344,148)
Payments to employees	(535,817)	(336,722)	(270,720)	(871,984)	(2,015,243)	(519,440)
Receipts of customer deposits	-	-	-	72,900	72,900	-
Customer deposits refunded or applied	-	-	-	(58,456)	(58,456)	-
Other receipts/payments	210	36,205	5,205	42,235	83,855	15,705
Net Cash Provided by/(used in) Operating Activities	<u>948,315</u>	<u>832,497</u>	<u>525,253</u>	<u>1,628,715</u>	<u>3,934,780</u>	<u>(310,522)</u>
Cash Flows From Non-Capital Financing Activities						
Operating grants	5,000	-	-	-	5,000	85,799
Passenger facility tax	-	-	-	-	-	104,245
Proceeds from hook up fees	-	36,632	-	6,881	43,513	-
Proceeds from tap fees	-	31,592	-	-	31,592	-
Miscellaneous income/(expense)	-	-	-	32,600	32,600	-
Other Non-Capital Financing Activities	28	734	640	-	-	-
Operating transfers in/(out)	(571,726)	(450,484)	(282,172)	(1,048,361)	(2,352,743)	328,661
Net Cash Provided by/(used in) Noncapital Financing Activities	<u>(566,698)</u>	<u>(381,526)</u>	<u>(281,532)</u>	<u>(1,008,880)</u>	<u>(2,240,038)</u>	<u>518,705</u>
Cash Flows From Capital and Related Financing Activities						
Purchase of capital assets	(354,453)	(120,658)	-	(794,529)	(1,269,640)	(924,661)
Purchase of Investments	-	-	-	(335,333)	(335,333)	-
Contributed capital revenues	-	-	-	12,868	12,868	1,074,665
Proceeds from development fees	-	-	-	61,348	61,348	-
Proceeds from plant investment & impact fees	-	-	37,583	-	37,583	-
Proceeds from sale of investments	-	-	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-	-	-
Proceeds from loans	-	-	-	-	-	-
Principal paid on capital debt	-	(533,402)	-	(375,000)	(908,402)	(1,999)
Interest and fiscal charges paid on capital debt	-	(30,673)	-	(51,706)	(82,379)	(10)
Net Cash Used in Capital and Related Financing Activities	<u>(354,453)</u>	<u>(684,733)</u>	<u>37,583</u>	<u>(1,482,352)</u>	<u>(2,483,955)</u>	<u>147,995</u>
Cash Flows From Investing Activities						
Interest and dividends	19,264	20,847	13,182	35,328	88,621	315
Net Cash Provided by/(Used in) Investing Activities	<u>19,264</u>	<u>20,847</u>	<u>13,182</u>	<u>35,328</u>	<u>88,621</u>	<u>315</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	46,428	(212,915)	294,486	(827,189)	(700,592)	356,493
Balances - beginning of year	1,615,032	1,689,358	942,139	3,207,018	7,453,547	330,730
Balances - end of year	<u>\$ 1,661,460</u>	<u>\$ 1,476,443</u>	<u>\$ 1,236,625</u>	<u>\$ 2,379,829</u>	<u>\$ 6,752,955</u>	<u>\$ 687,223</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities						
Operating income/(loss)	\$ 857,918	\$ 494,859	\$ 74,268	\$ 1,225,546	2,652,591	\$ (1,418,112)
Adjustments reconcile operating income to net cash provided/(used) by operating activities:						
Depreciation	69,337	368,139	441,643	406,711	1,285,830	1,103,161
Change in assets and liabilities:						
Receivables	(8,740)	(28,190)	7,937	(172,080)	(201,073)	(10,260)
Inventory	19,493	(7,090)	849	144,889	158,141	-
Accounts payable	-	-	-	-	-	2,132
Accrued expenses	5,808	2,967	640	8,997	18,412	2,808
Prepaid expenses	-	-	-	-	-	7,702
Sales tax payable	-	-	-	4,200	4,200	-
Customer deposit liability	-	-	-	14,444	14,444	-
Accrued compensated absences	4,499	1,812	(84)	(3,992)	2,235	2,047
Net Cash Provided by/(Used in) Operating Activities	<u>\$ 948,315</u>	<u>\$ 832,497</u>	<u>\$ 525,253</u>	<u>\$ 1,628,715</u>	<u>\$ 3,934,780</u>	<u>\$ (310,522)</u>
Non-Cash Activities:						
Loss on sale of capital assets	\$ -	\$ -	\$ 116,924	\$ -	\$ 116,924	\$ -
Contributed capital assets	<u>\$ 200,143</u>	<u>\$ 250,093</u>	<u>\$ 41,600</u>	<u>\$ 32,934</u>	<u>\$ 524,770</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. FINANCIAL REPORTING ENTITY
- B. BASIS OF PRESENTATION
- C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING
- D. ASSETS, LIABILITIES, AND NET ASSETS
- E. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES
- F. REVENUES, EXPENDITURES AND EXPENSES
- G. USE OF ESTIMATES
- H. RECENTLY ISSUED ACCOUNTING STANDARDS

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

- A. DEFICIT FUND BALANCES OR NET ASSETS
- B. BUDGET REQUIREMENTS
- C. DEPOSITS AND INVESTMENTS REQUIREMENTS
- D. ACCOUNTS PAYABLE AND ACCRUED EXPENSES
- E. DEBT RESTRICTIONS AND COVENANTS

NOTE 3. DETAIL NOTES - TRANSACTION CLASSIFICATION

- A. DEPOSITS AND INVESTMENTS
- B. RECEIVABLES
- C. DUE FROM OTHER GOVERNMENTS
- D. RESTRICTED ASSETS
- E. CAPITAL ASSETS
- F. LONG-TERM DEBT
- G. INTERFUND BALANCES AND ACTIVITIES
- H. FUND BALANCES AND NET ASSETS

NOTE 4. OTHER NOTES

- A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS
- B. RISK MANAGEMENT
- C. LEASES
- D. COMPENSATED ABSENCES
- E. RELATED PARTY TRANSACTIONS
- F. SEGMENT INFORMATION FOR ENTERPRISE FUNDS
- G. COMMITMENTS AND CONTINGENCIES
- H. SUBSEQUENT EVENTS/OTHER

NOTE 5. COMPONENT UNIT - YELLOWSTONE REGIONAL AIRPORT

- A. REPORTING ENTITY
- B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- C. CASH AND INVESTMENTS
- D. CAPITAL ASSETS
- E. RISK MANAGEMENT
- F. CURRENT LIABILITIES
- G. LONG TERM DEBT

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

- H. NET ASSETS
- I. CAPITAL CONTRIBUTIONS
- J. PENSION PLAN
- K. DEFERRED COMPENSATION PLAN
- L. LEASE AGREEMENTS
- M. ECONOMIC DEPENDENCY
- N. RELATED PARTY TRANSACTIONS
- O. COMMITMENTS/SUBSEQUENT EVENTS/OTHER

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City's accounting and financial reporting policies conform to accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In accordance with GASB Statement Nos. 20 and 34, for its governmental and business-type activities, enterprise funds and similar discretely presented component unit the City has elected to apply Financial Accounting Standards Board (FASB) pronouncements, Accounting Principles Board (APB) opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent sections of this Note. Effective for interim and annual periods ending after September 15, 2009 all existing accounting standards documents are superseded as described in FASB Statement No. 168.

1.A. FINANCIAL REPORTING ENTITY

The City's financial reporting entity is comprised of the following:

Primary Government: City of Cody

Discretely Presented Component Unit: Yellowstone Regional Airport (Joint Powers Board)

The City of Cody (City) is a municipal corporation located in Park County, Wyoming. The elected Mayor and six-member City Council represent the governing body responsible for the activities related to City government within the jurisdiction of the City. The government received funding from local, state and federal government sources and must comply with the accompanying requirements of these funding sources.

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, The Financial Reporting Entity and includes all component units of which the City is fiscally accountable.

Blended Component Units

Blended component units are separate legal entities that meet the GASB 14 component unit criteria and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City, of which the City maintains none.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the GASB 14 component unit criteria but do not meet the criteria for blending. The City has one component unit that is discretely presented in the City's report as presented below:

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

Yellowstone Regional Airport - created in 1980 to construct, maintain, equip, operate and conduct an airport and incidental facilities. The governing body consists of seven members of whom four are appointed by the City Council and three are appointed by the Park County Commissioners. Any issuance of debt would require the approval of the City and Park County. The City funds approximately 60% of the Airport's revenue shortfall. Additional disclosures related to Yellowstone Regional Airport are located in NOTE 5. Complete financial statements of the individual discretely presented component unit can be obtained from the administrative office at: Yellowstone Regional Airport, Attn: Administrative Offices, 2101 Roger Sedam Drive, Cody, WY 82414.

Related Organizations

The following related organizations are not included in the financial reporting entity:

Wyoming Municipal Power Agency - provides electrical generation and distribution services to its eight member communities.

Shoshone Municipal Pipeline - operates a pipeline and water treatment facility to sell water to the six communities participating in the joint powers venture.

Lodging Tax Joint Powers Board (Park County Travel Council) - determines the disposition of lodging tax receipts in Park County, Cody, Powell and Meeteetse.

The City appoints one or two representatives to serve on each of these joint powers boards. However, in each case there are at least 5 other board members selected by other entities. Each board hires its own management, sets its own rates and is responsible for its own expenses. The City is not liable for losses of any of the boards and does not provide a significant amount of funding for any of the boards.

1.B. BASIS OF PRESENTATION

Government-Wide Financial Statements:

The statement of net assets and statement of activities display information about the City as a whole including component units. They include all financial activities of the reporting entity except for fiduciary activities, of which the City maintains none. Eliminations have been made to minimize the double reporting of transactions involving internal activities. Individual funds are not displayed in these statements. Instead, the statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between the expenses and program revenues directly associated with the different governmental functions and business-type activities to arrive at the net revenue or expense of the function or activity prior to the use of taxes and other

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

general revenues. Program revenues include (1) fees, fines and service charges generated by the program or activity, (2) operating grants and contributions that are restricted to meeting the operational requirements of the program or activity, and (3) capital grants and contributions that are restricted to meeting the capital requirements of the program or activity.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Separate financial statements are presented for the two major fund categories: governmental and proprietary. An emphasis of the fund financial statements is placed on major governmental and enterprise funds. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund is at least 10% of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund that are at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. A fund not meeting the criteria of (a) and (b), however management has elected to report the fund as a major fund due to its significance to users of the financial statements.

All remaining governmental and enterprise funds not meeting the above criteria are aggregated and reported as non-major funds. The funds of the financial reporting entity are described below:

GOVERNMENTAL FUNDS

General Fund

The General Fund is the primary operating fund of the City. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. This fund is always a major fund.

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for certain purposes. The reporting entity includes the following special revenue funds:

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Special Improvement District #44 - accounts for water assessments due/collected related to the improvement and development of the Valley View area. This is a non-major fund and as of June 30, 2012 this fund was closed out.

Special Improvement District #56 - accounts for sewer assessments due/collected related to the improvement and development of residential areas. This fund is a non-major fund and as of June 30, 2012 this fund was closed out.

Lodging Tax Fund - accounts for revenues and expenditures of lodging taxes which are to be used to support community functions and activities. This fund is a major fund by the election of management.

Capital Projects Funds

Capital Projects funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes the following capital projects funds, of which all are non-major funds:

Public Improvements Fund - accounts for proceeds specifically required for the use of public improvements for governmental type activities.

Vehicle Replacement Fund - accounts for transfers from other funds within the primary government which is to be used to purchase vehicles and equipment. Transfers are based upon each department's vehicles and assigned replacement schedules to allocate appropriate funds to cover future replacements. Although projects (such as construction) are not being performed, the City considers this a capital project fund.

Proprietary Funds

Proprietary funds include enterprise and internal service funds. Enterprise funds are used to account for business-like activities for services provided to the general public. Internal service funds are used to account for business-like activities provided and charged to other funds or entities within the reporting entity. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Non-operating revenues of the proprietary funds include such items as investment earnings and subsidies. The reporting entity includes the following proprietary funds, all of which are major funds:

Solid Waste Fund - accounts for the activities of the department responsible for maintaining a dependable system for collecting and disposing of solid waste and recyclable materials in the City.

Water Fund - accounts for activities of the department responsible for providing a safe, potable water supply and an irrigation water supply to the community.

Wastewater Fund - accounts for the activities of the department responsible for maintaining a dependable system for collecting and treating the City's wastewater.

Electric Fund - accounts for activities of the department responsible for providing a dependable electric supply to the community.

Component Units

Discretely presented component units are separate legal entities whose governing body (in majority) is appointed by the Mayor or City Council, but whose governing body is not substantially the same as the City Council or an entity established to provide services primarily to the City. The reporting entity includes the following discretely presented component unit (see NOTE 5. for detail transaction notes):

Yellowstone Regional Airport - accounts for activity of the special government used to maintain, operate, and actively manage airport activities.

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe **how** transactions are recorded within the financial statements. Basis of accounting refers to **when** transactions are recorded regardless of the measurement focus applied.

Measurement Focus

Government-wide and Proprietary Fund Financial Statements

In the government-wide Statement of Net Assets and the Statement of Activities, and the proprietary and fiduciary fund statements the "economic resources" measurement focus is applied. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported.

Governmental Fund Financial Statements

In the governmental fund financial statements, a "current financial resources" measurement focus is applied. Under this focus, only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

City of Cody, Wyoming
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Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements

In the government-wide Statement of Net Assets and Statement of Activities, and the proprietary fund financial statements the accrual basis of accounting is applied. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic assets are used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental Fund Financial Statements

In the governmental fund financial statements the modified accrual basis of accounting is applied. Under the modified accrual basis of accounting revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City has defined "available" as collected within 60 days after year end. Sales and use taxes, franchise taxes, lodging taxes, court fines and interest are considered susceptible to accrual. Expenditures, including capital outlay, are recorded when the related fund liability is incurred, except for long-term debt principal and interest, claims and judgments, and accrued compensated absences, which are recorded as expenditures to the extent they have matured. Proceeds of general long-term debt and capital leases are reported as other financial sources.

1.D. ASSETS, LIABILITIES AND NET ASSETS

Cash and Cash Equivalents

Cash and cash equivalents include all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less. Investments in open-ended mutual fund money market accounts are also considered cash equivalents and are reported at the funds current share price.

Investments

Investments consist of certificates of deposit whose original maturing term exceeds three months and U.S. government securities. Investments in long-term U.S. government securities are carried at fair value from quoted market prices.

Receivables

Material receivables in governmental funds and governmental activities include revenue accruals such as sales tax, franchise tax, grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in accordance with GASB 33. Interest and investment earnings are

City of Cody, Wyoming
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recorded when earned only if paid within 60 days since they would be considered both measurable and available at the fund level.

Proprietary-type funds, business-type activities and similar component unit's material receivables consist of all revenues earned at year -end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Component unit material receivables consist of grant receivables and various fee receivables.

Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories

The City records consumable materials and supplies as an asset when purchased and expended as consumed. Such inventory is valued at cost (fair market value).

Capital Assets and Depreciation

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund type or proprietary fund type operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, property, plant and equipment are accounted for as capital assets. The City's capitalization threshold varies by asset classification and category. The range of asset capitalization threshold by asset classification is noted below:

Land	\$5,000
Intangibles	\$5,000
Buildings	\$25,000
Other Improvements	\$25,000
Machinery & Equipment	\$ 5,000
Furniture & Fixtures	\$ 5,000
Infrastructure	\$5,000 - \$25,000

All capital assets are valued at historical cost or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. General infrastructure assets (such as roads, bridges, and traffic systems) acquired prior to July 1, 2006, are reported at estimated historical cost using deflated replacement costs. The cost of normal maintenance and repairs to these assets that do not add materially to the value of the asset or significantly extend the assets' useful lives are not capitalized. Interest costs, net of interest earned on any invested capital debt proceeds, are capitalized when incurred by proprietary funds.

Depreciation of all exhaustible capital assets is recorded as an operating expense in proprietary fund financial statements and as an allocated expense in the Statement of Activities, with

City of Cody, Wyoming
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accumulated depreciation reflected in the Statement of Net Assets. Depreciation is calculated over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	30 – 50 Years
Other Improvements	10 Years
Intangibles	1-5 Years
Machinery & Equipment	5 – 10 Years
Furniture & Fixtures	5 Years
Infrastructure	5 – 50 Years

In the government fund financial statements, capital assets acquired are accounted for as capital outlay expenditures.

Restricted Assets

Restricted assets include cash and investments of enterprise funds and business-type activities that are legally restricted as to their use. The primary restricted assets are related to revenue bond trustee accounts.

Long-Term Debt

Accounting treatment of long-term debt varies depending upon the source of repayment and the measurement focus applied, and whether the debt is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental activities, business-type activities, proprietary fund and component unit resources are reported as liabilities incurred. The long-term debt consists primarily of accrued compensated absences, liability for claims, notes payable, and revenue bonds payable. This long-term debt is reported net of unamortized premiums, discounts, and amounts deferred from refundings, if applicable.

Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Compensated Absences

The City's policies regarding vacation and compensatory time permit employees to accumulate varying amounts as determined by management.

The City's sick leave policy caps sick leave accruals at 720 hours and employees with balances in excess of 720 as of the adoption date are allowed to keep all of the hours accrued until such time that the employees use the hours below 720. Eligible employees may be able to convert a

City of Cody, Wyoming
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portion of their accrued sick leave towards the employee's 457 Deferred Compensation account or Health Savings account or a combination of both upon an eligible separation of employment.

The employee's sick bank hours are converted at the rate of pay the employee is earning at the time of separation. Leave is converted by taking the total unused accumulated sick leave hours, up to a maximum of 720 hours, multiplied by the employee's rate of pay at the date of separation, multiplied by the percentage in accordance to the following table:

<u>Total years of consecutive service</u>	<u>% of Current Pay</u>
Less than 7	0%
7	5%
8	10%
9	15%
10	20%
11	25%
12	30%
13	35%
14	40%
15	45%
16+	50%

The estimated liabilities for vested benefits also include salary-related payments such as employment taxes. Compensated absences are reported as accrued in the government-wide, proprietary and component until financial statements. Governmental funds report only the matured compensated absences payable to currently terminating employees.

Equity Classifications

Government-Wide and Proprietary Fund Financial Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the user either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

City of Cody, Wyoming
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Governmental Fund Financial Statements:

In the fund financial statements, governmental fund balance is presented in five possible categories:

- a. Nonspendable – resources which cannot be spent because they are either (a) not in spendable form or; (b) legally or contractually required to be maintained intact.
- b. Restricted – resources with constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed – resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner. The commitment or use of Committed Resources is accomplished through an Ordinance or Resolution of the City Council, usually during the annual budget process or subsequent budget amendment.
- d. Assigned – resources neither restricted nor committed for which a government has as stated intended use as established by the governing body. The assignment or use of Assigned Resources is accomplished by Council action.
- e. Unassigned – resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

Application of Net Assets:

It is the City of Cody's policy to first use restricted net assets, prior to the use of unrestricted net assets, when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Application of Fund Balance:

When both restricted and unrestricted fund balances are available for use, it is the City's policy to use externally restricted fund balances first. Furthermore, committed fund balances are reduced first, followed by assigned fund balances and then unassigned fund balances when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

1.E. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES

In the process of aggregating the financial information for the government-wide financial statement, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Vehicle Maintenance Allocation:

The City of Cody operates a Vehicle Maintenance department in the General Fund. The main function of this department is to provide maintenance and repair services on fleet vehicles and equipment. Under City policies, interdepartmental services performed by one department for another are credited to the performing department and charged to the receiving department to reflect the accurate cost of programs. For reporting purposes, the Enterprise Fund charges are shown as transfers in/out between funds. The General Fund activities are credited to the performing department and charged as an expense to the receiving departments. The cost allocation is calculated annually based on each department's percentage of use; therefore, actual costs are not being allocated. The cost allocation for this fiscal year was distributed as follows:

<u>Fund</u>	<u>Allocation Value</u>
General Fund	\$ 152,904
Solid Waste Fund	103,127
Water Fund	7,740
Wastewater Fund	10,807
Electric Fund	19,376
Total	<u>\$ 293,954</u>

Government-Wide Financial Statements:

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

- a. Internal balances – amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are reported as internal balances. There are none to be reported in the current year.
- b. Internal activities – amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds are not eliminated in the statement of activities.

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

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- c. Primary government and component unit activity and balances – resource flows between the primary government and the discretely-presented component units are reported as if they were external transactions.

Fund Financial Statements:

Interfund activity, if any, within and among the governmental, proprietary fund and fiduciary categories is reported as follows in the fund financial statements:

- a. Interfund loans – amounts provided with a requirement for repayment are reported as interfund receivables and payables. None are reported in the current year.
- b. Interfund services – sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
- c. Interfund reimbursements – repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
- d. Interfund transfers – flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

1.F. REVENUES, EXPEDITURES, AND EXPENSES

Sales Tax

The City presently levies a four cent sales tax on taxable sales within the City. The sales tax is collected by the State and remitted to the City the month following receipt by the State. The sales tax recorded is allocated to General Fund operations. Sales tax resulting from sales occurring prior to year end and received by the City after year end have been accrued and are included under the caption, *Due from other governments* since they represent taxes on sales occurring during the reporting period.

Property Tax

The Park County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Collections are distributed after the end of each month.

Property Tax Calendar

August 10	Taxes are levied and become an enforceable lien on the properties
September 1	First of two equal installment payments is due
November 10	First installment is delinquent
March 1	Second installment is due
May 10	Second installment is delinquent

City of Cody, Wyoming
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According to GASB #33 (Non-exchange Revenues), a receivable can be recorded at the earliest of the date of the assessment or the date a lien is placed on the property. Neither of these items occurs prior to June 30th for the upcoming levy, therefore the August levy included in the current fiscal year is the basis for the receivable.

Grants

The City participates in various grant activities depending on the applicable projects and/or grants available. Expenditures from certain grants are subject to audit by the grantor, and the City is contingently liable to refund amounts received in excess of allowable expenditures.

During the fiscal year the City of Cody acted as the pass through agency for a State of Wyoming for Forward Cody Wyoming, Inc. This grant, in the amount of \$2,998,599, is administered by Forward Cody Wyoming, Inc and is for the construction of a 10,000 square foot building. This building will be owned by Forward Cody, Inc and rented to Eleutian Technologies. The project which started in 2010 was completed during Fiscal Year 2011-2012. To ensure compliance with the terms of the grant, the City of Cody holds a security interest in the form of a mortgage on the building.

The City of Cody received an advance payment in the amount of \$250,000 from Wyoming State Parks and Cultural Resources for the construction of the Veterans Park Memorial. As of June 30, 2012, \$12,919 of these funds was unexpended and is reported as unearned revenue on the Statement of Net Assets.

Expenditures & Expenses

In the government-wide statement of activities expenses including depreciation of capital assets are reported by function or activity. In the governmental fund financial statements expenditures are reported by class (further reported by function) as current, capital outlay and debt service. In proprietary fund financial statements, expenses are reported by object or activity.

1.G. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

1.H. RECENTLY ISSUED ACCOUNTING STANDARDS

GASB Statements issued since the Fiscal Year 2010-2011 financial statements include:

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, effective for periods beginning after December 15, 2011,

City of Cody, Wyoming
Notes to Basic Financial Statements
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provides financial reporting guidance for deferred outflows and inflows of resources. The City of Cody intends to implement the new requirements for the Fiscal Year 2012-2013 financial statements.

GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*, effective for periods beginning after June 15, 2011, clarified whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. The new requirements are not applicable to the City of Cody.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective for periods beginning after December 15, 2012, provides financial reporting guidance to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources or inflows of resources, based on the definitions of those elements in Concepts Statement No. 4, Elements of Financial Statements. The City of Cody intends to implement the new requirements for the Fiscal Year 2012-2013 Financial statements.

GASB Statement No. 66, *Technical Corrections-2012*, effective for periods beginning after December 15, 2012, resolves conflicting guidance that resulted from the issuance of Statements No. 54 and No. 62. The City of Cody intends to implement the new requirements for the Fiscal Year 2012-2013 Financial statements.

GASB Statement No. 67, *Financial Reporting for Pensions – an amendment of GASB Statement No. 25*, effective for periods beginning after June 15, 2013, enhances the decision-usefulness of the financial reports of pension plans, their value for assessing accountability, and their transparency by providing information about measures of net pension liabilities and explanations of how and why those liabilities changed from year to year. The new requirements are not applicable to the City of Cody.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, effective for periods beginning after June 15, 2014, enhances the decision-usefulness of information in employer and governmental non-employer contributing entity financial reports by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. If there are any requirements of this statement which are applicable to the City of Cody they will be implemented for the Fiscal Year 2014-2015 Financial Statements.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the City and its component units are subject to various federal, state and local laws and contractual regulations.

2.A. DEFICIT FUND BALANCES OR NET ASSETS

Wyoming Statutes prohibit the creation of a deficit fund balance in any individual fund of the City. For the year ended June 30, 2012, the City had not incurred a fund balance deficit in any individual fund.

2.B. BUDGET REQUIREMENTS

The City prepares its annual operating budget under the provisions of Wyoming State Statutes for all the funds. In accordance with those provisions, the following process is used to adopt the annual budget:

- a. Prior to June 1, the City administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1.
- b. A public hearing is conducted to obtain citizen comments.
- c. Subsequent to the public hearing the budget is adopted by Ordinance of the City Council.
- d. By July 31 the adopted budget is filed with the State and County.

Budgets for governmental funds are prepared using the modified cash basis of accounting. Proprietary funds budgets are prepared using the accrual basis of accounting. The statutory legal level of control at which expenditures may not legally exceed appropriations is the fund level. The City adopts, manages and amends its budget at the department level as well as by total fund level. Management control is at budgetary line item level. The Council may amend the budget once it is approved and may authorize transfers within the various budgetary programs in any fund. Unused appropriations for all funds lapse at the end of the year. The City does not use encumbrance accounting.

2.C. DEPOSITS AND INVESTMENTS REQUIREMENTS (POLICIES)

In accordance with State law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Wyoming or political subdivision debt obligations or surety bonds.

Investments of a City are limited by State law to the following:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Wyoming is pledged.

City of Cody, Wyoming
Notes to Basic Financial Statements
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- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime banker's acceptances, prime commercial paper and repurchase agreements involving securities which are authorized investments under State Statutes.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a, b, c and d.

2.D. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts Payable

Accounts payable in the governmental activities includes the payables recorded by the City at June 30, 2012 related to normal monthly expenditures and capital expenditures for all funds. The process is for the separate funds to pay the General Fund for the expenditures/expenses incurred by each fund. The General Fund is then responsible for the issuance of the checks to third parties. Due to the liability of the payable being taken care of by the respective funds (their payment to the General Fund) and funds had been transferred to cover this liability, the governmental activities (General Fund) will maintain this payable for reporting purposes. The allocation of the funds initially responsible for the payables is as follows:

<u>Fund</u>	<u>Allocation</u>
General Fund	\$203,127
Vehicle Replacement Fund	-
Lodging Tax Fund	-
Public Improvements Fund	-
Solid Waste Fund	107,957
Water Fund	159,168
Wastewater Fund	43,988
Electric Fund	715,243
Total Governmental Accounts Payable	<u><u>\$1,229,483</u></u>

City of Cody, Wyoming
Notes to Basic Financial Statements
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Due to the timing of grant expenditures and the expected reimbursement the Public Improvements Fund recorded its own accounts payable balance in the amount of \$6,042 for the Bob Moore Parking Lot project.

Related Party Payables

The above figures include related party payables of: \$146,859 in the Water Fund payable to Shoshone Municipal Pipeline and \$682,951 payable to Wyoming Municipal Power Agency. Further disclosure of related party transaction is reported in Note 4E.

Accrued Expenses

Accrued expenses consist of wages earned by employees through June 30, 2012 which had not yet been paid and related payroll liabilities such as FICA. Due to the dates and report filing of certain payroll related expenses for items such as workers compensation and retirement these items are also included in the accrual. These items were not paid prior to June 30, 2012 for their respective liability.

2.E. DEBT RESTRICTIONS AND COVENANTS

General Long-Term Debt

As required by State Statutes, the City may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue without first obtaining voter approval. For the year ended June 30, 2012 the City incurred no such debt or obligations.

Revenue Bond and Promissory Note Debt

The bond indentures relating to the revenue bond issuances of the City of Cody, which are the responsibility of the proprietary funds, contain certain restrictions and covenants that are financial related. They are as follows:

NW Improvement Projects Joint Powers Board Lease Revenue Bonds Series 2001 – the lesser of (1) 10% of the original principal amount of the bonds, (2) the maximum principal and interest requirements on the bonds or (3) 125% of the average annual principal and interest requirements on the bonds. The reserve requirement is calculated on the investment cost basis. The current cost basis as of June 30, 2012 is \$402,624 therefore the reserve account is adequately funded.

During Fiscal Year 2011-2012 the Water Fund paid off the outstanding Refunding Revenue Bonds in the amount of \$422,000 and the Drinking Water State Revolving Fund loan in the amount of \$97,474. The bonds were originally scheduled to mature as of December 1, 2019 and the loan on June 1, 2024.

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues and expenditures/expenses.

3.A. DEPOSITS AND INVESTMENTS

The City's investment policy is adopted pursuant to the requirements of W.S. 9-4-831(h). It is the policy of the City of Cody to invest public funds in a manner which will provide a reasonable rate of investment return while assuring the maximum holding of principal, meeting the daily cash flow demand of the City of Cody, and conforming to all federal, state, and local laws and regulations governing the investment of public funds. This policy applies to the investment of all public funds maintained by the City of Cody and except for cash held for certain restricted purposes the City of Cody consolidates cash balances from all funds to maximize investment earnings. Investment income is allocated to the various funds based on their respective participation and in accordance with Generally Accepted Accounting Principles.

The City maintains all deposits with one financial institution and maintained 100% pledging of such funds during the fiscal year.

Deposits with Financial Institutions

The City's bond reserve account is held by a trustee bank. Decisions are made by the trustee bank for the investing of such funds in accordance with State Statutes. At June 30, 2012, \$67,291 was invested in a GS government money market account and \$335,333 was invested in U.S Government Agency Fixed Income Securities. The fair market value of these investments is \$417,939.

At June 30, 2012 the carrying amount of the City's cash and cash equivalents was \$13,297,307.

Investments

The repurchase sweep agreement is an authorized investment under Wyoming State Statutes and the City of Cody Investment Policy and is backed by securities of the U.S. Government or securities explicitly guaranteed by the U.S. Government. The market value of the securities exceeded the principal value by 2% to 5%.

The City's repurchase sweep agreement operates by transferring funds to a repurchase agreement at the end of each business day then automatically transferred back to the City's account at the opening of the next business day. As of June 30, 2012 the market value of the sweep was \$13,699,431.

City of Cody, Wyoming
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Investment and Deposit Risk

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party (Wells Fargo Bank). The repurchase sweep agreement securities are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the bank's trust department, but are not in the City's name. Due to the liquidity of the repurchase sweep agreement and the short time in which funds are invested the custodial credit risk is not a significant concern.

The only investments held by the entity are deposit accounts and a repurchase agreement and due to the type of investments, interest rate and credit risk are not significant concerns.

3.B. RECEIVABLES

As required by GASB #33, there is a court fine receivable recorded on the books in the amount of \$446,536 with an uncollectible allowance recorded of \$377,518. Many of the outstanding fines fall into the category of over 120 days past due, however, they are typically years past due and not considered collectible. Many of these accounts have been sent to collections.

A significant portion of the receivables are due from residents of Cody, Wyoming. Other receivables in the governmental funds consist of billings through the City's accounts receivable system for items such as building permits, miscellaneous items, licenses, etc. Proprietary funds accounts receivable consist of usage and tap fees billed to customers (solid waste, water, wastewater, and electric). They are as follows:

	<u>Governmental</u>	<u>Proprietary</u>	<u>Total</u>
Accounts Receivable – billed	\$ 153,225	\$ 1,134,764	\$ 1,287,989
Accounts Receivable – unbilled	5,052	1,155,563	1,160,615
Other Receivables:			
Receivable	164,755	48,106	212,861
Assessments	-	-	-
Allowance for Uncollectible Accounts	(28,418)	(114,511)	(142,929)
Accounts Receivable, net of allowance for uncollectible accounts	\$ 294,614	\$ 2,223,922	\$ 2,518,536

3.C. DUE FROM OTHER GOVERNMENTS

Due from other governments consists of those revenues due from outside governmental agencies such as the county, state and federal government. The following is a schedule of those receivables and related deferred revenues:

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

	Governmental		Business-Type
	<u>Receivable</u>	<u>Deferred</u>	<u>Receivable</u>
Grants	\$ 86,572	\$ 15,719	\$ -
Sales and Use Tax	437,370	-	-
Ad Valorem (Property) Tax	15,446	-	-
Severance Tax	60,138	60,137	-
Cigarette Tax	8,153	-	-
Lodging Tax	8,038	-	-
Motor Vehicle Tax	66,694	66,693	-
Gasoline Tax	12,706	-	-
Total	<u>\$695,117</u>	<u>\$ 142,549</u>	<u>\$ -</u>

The amount shown on this schedule (\$142,549) for deferred revenue differs from deferred revenue total shown on the Governmental Funds Balance Sheet deferred revenue (\$192,515) due to certain deferred revenue not derived from intergovernmental sources.

3.D. RESTRICTED ASSETS

The amounts reported as restricted assets of the enterprise funds on the proprietary funds statement of net assets are comprised of cash and investments held by the trustee bank on behalf of the enterprise funds related to their required bond and note accounts as described in Note 2.E. The restricted assets as of June 30, 2012 were as follows:

<u>Type of Restricted Assets</u>	<u>Current Cash and Cash Equivalents</u>	<u>Non-Current Cash and Cash Equivalents</u>	<u>Non-Current Investments</u>	<u>Total Restricted Assets</u>
Primary Government:				
General Fund:				
Unearned Grant Revenue	\$ 12,919	-	-	\$ 12,919
Deposit Liabilities	40,889	-	-	40,889
Total Governmental	<u>53,808</u>	<u>-</u>	<u>-</u>	<u>53,808</u>
Electric Fund:				
Bond Account	-	67,291	350,648	417,939
Deposit Liabilities	108,797	-	-	108,797
Total Proprietary	<u>108,797</u>	<u>67,291</u>	<u>-</u>	<u>526,736</u>
Total Restricted Assets	<u>\$ 162,605</u>	<u>\$ 67,291</u>	<u>\$ 350,648</u>	<u>\$ 580,544</u>

3.E. CAPITAL ASSETS

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

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

	Balance at July 1, 2011	Adjustments	Additions	Disposals	Balance at June 30, 2012
<u>Governmental Activities:</u>					
Non-Depreciable:					
Land	\$ 2,277,647	\$ -	\$ -	\$ -	\$ 2,277,647
Intangibles	-	-	-	-	-
Construction in Progress	395,839	(643,112)	351,846	-	104,573
Total Non-Depreciable Assets at Historical Cost	2,673,486	(643,112)	351,846	-	2,382,220
Depreciable:					
Buildings	12,980,558	-	-	-	12,980,558
Intangibles	52,481	-	23,919	-	76,400
Improvements	3,978,868	341,781	287,230	-	4,607,879
Furniture & Fixtures	75,503	-	-	-	75,503
Machinery & Equipment	4,671,464	-	204,042	(111,263)	4,764,243
Infrastructure	13,910,251	301,331	1,070,756	(21,330)	15,261,008
Total Depreciable Assets at Historical Cost	35,669,124	643,112	1,585,948	(132,593)	37,765,591
Less Accumulated Depreciation:					
Buildings	(2,697,251)	-	(272,002)	-	(2,969,253)
Intangibles	(52,481)	-	(1,351)	-	(53,832)
Improvements	(2,466,403)	-	(276,053)	-	(2,742,456)
Furniture & Fixtures	(46,875)	-	(11,652)	-	(58,527)
Machinery & Equipment	(3,106,341)	-	(427,545)	95,735	(3,438,151)
Infrastructure	(2,041,684)	-	(323,029)	21,330	(2,343,383)
Total Accumulated Depreciation	(10,411,035)	-	(1,311,632)	117,065	(11,605,602)
Net Depreciable Assets	25,258,089	643,112	274,316	(15,528)	26,159,989
Governmental Activities Capital Assets, Net	\$ 27,931,576	\$ -	\$ 626,162	\$ (15,528)	\$ 28,542,209
<u>Business-Type Activities</u>					
Non-Depreciable:					
Land	\$ 381,416	\$ -	\$ 232,916	\$ -	\$ 614,332
Construction in Progress	1,034	-	772,325	-	773,359

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

Total Non-Depreciable Assets at Historical Cost	382,450	-	1,005,241	-	1,387,691
	Balance at July 1, 2011	Adjustments	Additions	Disposals	Balance at June 30, 2012
Depreciable:					
Buildings	1,136,927	-	9,705	-	1,146,632
Intangibles	7,045	-	-	-	7,045
Improvements	147,987	-	-	(6,519)	141,468
Machinery & Equipment	5,322,527	-	378,900	(1,479,063)	4,222,364
Utility Systems	44,669,063	-	418,914	(198,744)	44,889,233
Total Depreciable Assets at Historical Cost	51,283,549	-	807,519	(1,684,326)	50,406,742
Less Accumulated Depreciation:					
Buildings	(614,046)	-	(26,991)	-	(641,037)
Intangibles	(7,045)	-	-	-	(7,045)
Improvements	(121,262)	-	(7,170)	6,519	(121,913)
Machinery & Equipment	(3,363,419)	-	(302,751)	1,464,427	(2,201,743)
Utility Systems	(13,395,982)	-	(948,921)	82,492	(14,262,411)
Total Accumulated Depreciation	(17,501,754)	-	(1,285,833)	1,553,438	(17,234,149)
Net Depreciable Assets	33,781,795	-	(478,314)	(130,888)	33,172,593
Business-Type Capital Assets, Net	\$ 34,164,245	\$ -	\$ 526,927	\$ (130,888)	\$ 34,560,284

3.F. LONG-TERM DEBT

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental funds (Government Activities Long-Term Debt) and the amounts to be repaid from proprietary funds (Business-Type Activities Debt).

Governmental Activities Long-Term Debt

As of June 30, 2012 the governmental activities long-term debt consisted of the following:

Accrued Compensated Absences: Accrued compensated absences reported in the governmental activities are comprised of accrued vacation leave, sick leave and compensatory time.

Total Accrued Compensated Absences – Current Portion	<u>\$291,749</u>
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City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

Business-Type Activities Long-Term Debt

As of June 30, 2012 the business-type activities long-term debt consisted of the following:

Revenue Bonds Payable:

Joint Powers Board Lease Revenue Bonds Series 2001, original issue amount of \$4,000,000, secured by electric revenues/receivables and is an obligation of the electric fund, interest rates from 2.45% to 5.0%, issued to acquire, improve and equip certain electrical distribution systems serving the residents of leases.

850,000

Total Revenue Bonds

\$850,000

Current Portion

\$400,000

Non-Current Portion

450,000

Total Revenue Bonds Payable

\$850,000

Notes Payable:

Note payable to Wyoming Water Development Commission, Annual installments with an interest rate of 4%, final payment due in 2018, obligation of the Water Fund, secured by water revenues.

\$114,411

Total Notes Payable

\$114,411

Current Portion

\$14,485

Non-Current Portion

99,926

Total Notes Payable

\$114,411

Accrued Compensated Absences: Accrued compensated absences reported in the business-type activities are comprised of accrued vacation leave, sick leave and compensatory time.

Total Accrued Compensated Absences – Current Portion

\$176,949

Meter Deposit Liability: Utility customers without acceptable credit history are required to pay a meter deposit to obtain utility services. Deposits are refundable after 12 consecutive months of on-time payment history.

Total Meter Deposit Liability – Current Portion

108,797

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

Changes in Long-Term Debt

<u>Type of Debt</u>	<u>Balance at July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2012</u>	<u>Amounts Due within A Year</u>
Governmental Activities:					
Accrued Compensated Absences	\$270,486	\$21,263	-	\$291,749	\$291,749
Total Governmental Activities	\$270,486	\$21,263	-	\$291,749	\$291,749
Business-Type Activities:					
Revenue Bonds Payable	\$1,647,000	\$ -	(\$797,000)	\$850,000	\$400,000
Notes Payable	225,812	-	(111,401)	114,411	14,485
Meter Deposit Liability	94,353	72,900	(58,456)	108,797	108,797
Accrued Compensated Absences	174,714	2,235	-	176,949	176,949
Total Business-Type Activities	\$2,141,879	\$75,135	(\$966,857)	\$1,250,157	\$700,231

Annual Debt Service Requirements – Primary Government

The annual debt service requirements to maturity, including principal and interest, for long-term debt, excluding accrued compensated absences, claims payable and meter deposit liability, of the primary government as of June 30, 2012 are as follows:

<u>Year Ending June 30</u>	<u>Business-Type Activities</u>			
	<u>Revenue Bonds Payable</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	400,000	32,300	14,485	4,576
2014	450,000	11,250	15,066	3,996
2015	-	-	15,668	3,394
2016	-	-	16,294	2,767
2017	-	-	16,946	2,115
2018-2022	-	-	35,952	2,171
2026-2027	-	-	-	-
2028-2032	-	-	-	-
Totals	\$850,000	\$43,550	\$114,411	\$19,019

In the current fiscal year the total interest expense charged to the Water Fund was \$28,230 and the total interest expense charged to the Electric Fund was \$50,281.

3.G. INTERFUND BALANCES AND ACTIVITIES

Interfund transfers for the year ended June 30, 2012 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Nature of Transfer</u>
General Fund	Vehicle Replacement Fund	\$ 316,003	Vehicle replacement allocation

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

Lodging Tax Fund	General Fund	\$ 123,000	Operational
Improvement Districts	Water Fund	\$ 5,560	Improvement District Reimbursement
Improvement Districts	Wastewater Fund	\$ 3,314	Improvement District Reimbursement
Solid Waste Fund	General Fund	\$ 182,570	Operational
Solid Waste Fund	General Fund	\$ 103,127	Fleet maintenance allocation
Solid Waste Fund	Vehicle Replacement Fund	\$ 171,096	Vehicle replacement allocation
Solid Waste Fund	General Fund	\$ 114,933	Franchise fee allocation
Water Fund	General Fund	\$ 287,259	Operational
Water Fund	General Fund	\$ 7,740	Fleet maintenance allocations
Water Fund	Vehicle Replacement Fund	\$ 35,247	Vehicle replacement allocation
Water Fund	General Fund	\$ 125,798	Franchise fee allocation
Wastewater Fund	General Fund	\$ 195,054	Operational
Wastewater Fund	General Fund	\$ 10,807	Fleet maintenance allocations
Wastewater Fund	Vehicle Replacement Fund	\$ 24,897	Vehicle replacement allocation
Wastewater Fund	General Fund	\$ 54,727	Franchise fee allocation
Electric Fund	General Fund	\$ 631,676	Operational
Electric Fund	General Fund	\$ 19,376	Fleet maintenance allocations
Electric Fund	Vehicle Replacement Fund	\$ 99,222	Vehicle replacement allocation
Electric Fund	General Fund	\$ 298,087	Franchise fee allocation

The following capital contributions are recorded as other financing sources due to the purchase of capital assets by the Vehicle Replacement Fund:

<u>Fund</u>	<u>Amount</u>
Solid Waste	\$ 200,143
Water	26,778
Electric	32,934
Total	\$ 259,855

The amount shown on this schedule (\$259,855) for capital contributions differs from capital contributions total shown on the Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds capital contributions (\$618,740) due to contributed capital received from outside agencies.

At fund level, the purchase by the governmental fund is recorded as capital outlay expenditure and is a capital contribution in the proprietary fund. However for the government-wide financial statements this activity is treated as a transfer between funds and activity is eliminated.

Payments between the primary government and the component unit for the year ended June 30, 2012 were as follows:

<u>Payment From</u>	<u>Payment To</u>	<u>Amount</u>	<u>Nature of Transfer</u>
General Fund	Yellowstone Regional Airport	\$188,159	Operational Subsidy

3.H. FUND BALANCES AND NET ASSETS

Components of Fund Balances

As of June 30, 2012 fund balances components consisted of the following:

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

Fund	Non-Spendable	Restricted	Committed	Assigned
General Fund	\$ 339,927	\$ 32,202	\$ -	\$ 107,425
Lodging Tax Fund Public	-	-	-	-
Improvements Fund Vehicle	-	49,127	-	-
Replacement Fund Lodging Tax Fund	-	-	-	1,865,237
	-	-	-	9,481
Total	\$ 339,927	\$ 81,329	\$ -	\$ 1,982,143

Net Asset Restrictions

In the governmental activities at the government-wide level there is a restriction in the amount of \$81,329 due to certain assets being restricted to a specific use such as the public improvements fund (\$49,127), police forfeiture funds (\$11,102) and convention center project (\$21,100). In the business-type activities the restriction of \$417,939 is due to debt accounts being restricted from a third party.

NOTE 4. OTHER NOTES

4.A. EMPLOYEE PENSION PLANS

The City and all full-time and regular part-time employees participate in the Wyoming Retirement System (WRS), a cost-sharing multi-employer public employee retirement system. All Full-time employees are required to participate in WRS.

WRS pays employees a defined benefit depending upon years of service and earnings using an accrued benefit cost method. The employee contribution rate is 3.68% and the City contribution rate is 10.44%. Law enforcement employees participate at a higher contribution level with an additional 3.08% of their wages contributed to the plan by each employee.

Approximate contribution amounts and payroll basis is as follows (amounts prior to 2011 for City Employees and Law Enforcement are based on 14.12% and 17.2% contribution rates, respectively):

Fiscal Year Ended	City Employees			Law Enforcement	
	Contribution (14.12%)	Contribution (11.25%)	Payroll	Contribution (17.2%)	Payroll
2012	\$558,436	-	\$3,954,929	\$204,093	\$1,186,587
2011	453,439	67,511	3,811,429	229,936	1,336,000
2010	-	446,000	3,964,000	214,000	1,244,000

Wyoming Retirement System has two tiers of benefits for City employees:

Tier 1: For employees who have made a contribution to the Plan for service prior to September 1, 2012, benefits are calculated using a multiplier of 2.125 percent for the first

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

15 years of service and 2.25 percent for years of service above 15 and the employee's three-year highest average salary. Employees under this tier are eligible for full retirement at age 60 or the Rule of 85 (age plus years of service in WRS equals 85 or more).

Tier 2: For employees who made their first contribution to the Plan for service on or after September 1, 2012 or if an employee terminated employment before being vested, or took a refund and then were reemployed on or after September 1, 2012, benefits are calculated using a multiplier of 2 percent for all years of service and the employee's five-year highest average salary. Employees under this tier are eligible for full retirement benefits at age 65 or the Rule of 85.

City employees are eligible for a reduced benefit when:

Under Tier 1 the employee reaches age 50 and are vested;

Under Tier 2 the employee reaches age 55 and are vested or

Under either Tier if the employee completes 25 years of service at any age

Law enforcement employees are eligible for full retirement after reaching age 60 and are vested or at any age with 20 years of service. Early retirement benefits are available with a reduced benefit after reaching age 50 and are vested.

WRS also provides death and disability benefits and is established by State Statute. Financial statements of WRS are available from the Wyoming Retirement System, 6101 Yellowstone Road Suite 500, Cheyenne, WY 82002.

4.B. RISK MANAGEMENT

Liability

The City is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these various risks of loss through participation in the Wyoming Local Government Liability Pool (LGLP). The City pays an annual actuarially determined assessment to LGLP for liability coverage. The coverage provides \$250,000 per claimant, but not more than \$500,000 per occurrence for all claimants. The deductible per occurrence is \$5,000. The contribution to the plan in the current year was \$53,493. Should claims exceed LGLP deposits, each participant is liable and will be assessed for its proportionate share whether or not it continues to participate in the plan, should LGLP terminate, the City would receive its proportionate share of excess funds remaining in the LGLP account. The City has incurred no losses of significance in excess of coverage provided by LGLP in the last three years.

Health Insurance

The City also participates in the Wyoming Association of Municipalities Joint Powers Insurance Coverage (WAM-JPIC) as a means to acquiring health and life insurance at competitive rates.

City of Cody, Wyoming
Notes to Basic Financial Statements
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The package is acquired by pooling resources with other governmental entities. Total costs for health insurance for the City in the current year were approximately \$1,200,000.

Property Insurance

Buildings and equipment are adequately insured under commercial insurance policies. The City has incurred no losses of significance in excess of coverage provided by the commercial carriers in the last three years. Total costs for property insurance for the City in the current year were approximately \$31,000.

4.C. LEASES

The City has entered into a lease agreement with the Cody Council on Aging, Inc. for a building constructed by the City for use as a senior center. The annual fair market value under the lease is approximately \$87,000. The term of the lease is 30 years beginning January 1, 2002 with valuation adjustments to be considered every five years. The annual lease payment is considered an in-kind contribution from the City to the Cody Council on Aging, a 501(c) (3) organization.

4.D. COMPENSATED ABSENCES

Accumulated vacation, sick leave and compensatory pay of the City's employees vest every other week and is recorded as a liability in the respective City funds. The General Fund's accrued vacation pay and sick leave is reported as a liability on the government-wide financial statements. Liabilities of the proprietary funds are reported within those funds at the fund level and government-wide level of financial statements. See Note 3.F. for further disclosure of the liabilities.

4.E. RELATED PARTY TRANSACTIONS

Jointly Governed Organizations

The City purchased water totally approximately \$1,420,000 from the Shoshone Municipal Water Joint Powers Board (SMP) during the fiscal year ended June 30, 2012 and owed the Board \$146,859 as of June 30, 2012.

The City purchased electricity totaling approximately \$6,900,000 from the Wyoming Municipal Power Agency during the fiscal year ended June 30, 2012 and owed the Agency \$682,951 as of June 30, 2012.

4.F. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains four business-type activities which provide solid waste, water, wastewater and electric services. Only the Water Fund and the Electric Fund are required to have segment information presented, however Management has chosen to show limited segment information on each Proprietary Fund in this Note. Each fund is a major fund therefore the full segment

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

information can be easily seen in the proprietary funds financial statements. Segment information for the year ended June 30, 2012 follows:

	Solid Waste Fund	Water Fund	Wastewater Fund	Electric Fund	Combined Total
Operating Revenues	\$ 2,492,967	\$ 2,900,686	\$ 1,100,339	\$ 10,073,962	\$ 16,567,954
Depreciation	69,337	368,139	441,643	406,711	1,285,830
Operating Income	857,918	494,859	74,268	1,225,546	2,652,591
Transfers In(Out)	(571,726)	(450,484)	(282,172)	(1,048,361)	(2,352,743)
Property Additions	(354,453)	(120,658)	-	(794,529)	(1,269,640)
	Solid Waste Fund	Water Fund	Wastewater Fund	Electric Fund	Combined Total
Net Income	877,210	556,431	8,748	1,331,125	2,773,514
Net Working Capital	1,908,576	1,932,730	1,373,648	4,001,996	9,216,950
Total Assets	\$ 3,051,324	\$ 12,324,512	\$ 13,391,352	\$ 15,833,039	\$ 44,600,227
Bonds Payable	-	-	-	850,000	850,000
Notes Payable	-	114,411	-	-	114,411
Total Net Assets	\$ 2,982,125	\$ 12,142,576	\$ 13,360,293	\$ 14,739,747	\$ 43,224,741

4.G. COMMITMENTS AND CONTINGENCIES

Construction Commitments

At June 30, 2012 the following construction commitments were outstanding of which some are being performed by City of Cody employees/departments:

Project	Fund/Department	Actual as of June 30, 2012	Anticipated Remaining Cost
South Beck Lake/BLM Project	Public Improvements	\$ 12,986	\$ 186,314
Beck Lake Trail Improvements	Parks	\$ 21,527	\$ 7,500
North Cody 2AB Electrical System	Electric	\$ 661,570	\$ 25,000
Robert Street Reconstruction	Streets	\$ 3,000	\$ 117,376
Bob Moore Parking Lot	Streets	\$ 67,058	\$ 10,171
Recycling Center Building	Solid Waste	\$ 91,162	\$ 20,000
Spirit Mountain Waterline Rehab	Water	\$ 3,472	\$ 96,527
River's Bend Electric Lines	Electric	\$ 17,155	\$ 15,100

Contingencies

Grant Program Involvement – in the normal course of operations the City participated in various federal and state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by the granting or loan agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement

City of Cody, Wyoming
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June 30, 2012

which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Litigation – the City is a party to various legal proceedings which normally occur in the course of government operations. The financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings. While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State Statute relating to judgments, the City feels that any settlement or insurance would not have a material adverse effect on the financial condition of the City.

4.H. SUBSEQUENT EVENTS/OTHER

The following actions were taken by the City Council subsequent to the June 30th end of the fiscal year but prior to the issue date of this report:

Authorize the Mayor or designee to execute, with Yellowstone Regional Airport, two Federal Aviation Administration grant agreements totaling \$1,410,312 to acquire Snow Removal Equipment (SRE) in the amount of \$612,994 and to construct SRE Building in the amount of \$797,318 contingent upon review by the City Attorney.

Awarded Bid 2012-08 to Titan Machinery in the amount of \$92,958, less a trade in value of \$20,950, leaving a net bid of \$72,008 for the purchase of a backhoe loader.

Awarded Bid 2012-09 to Jacks Truck and Equipment in the amount of \$98,896, less trade in value of \$8,200, leaving a net bid of \$90,696 for the purchase of a Day Cab Truck.

Approved uncollectible accounts write offs in the amount of \$54,136 for utility charges and municipal court fines.

Awarded Bid 2012-12 for the sale of a 2001 Johnston Street Sweeper to D&T Lawn Care in the amount of \$15,001.

The City of Cody was notified by Wyoming State Parks and Cultural Resources that the unused portion of the advance grant revenue for the Veterans Park Memorial project in the amount of \$12,919 must be returned.

At June 30, 2012 and through the date of the report, management was unaware of further subsequent events warranting disclosure on the financial statements.

NOTE 5. COMPONENT UNIT – YELLOWSTONE REGIONAL AIRPORT

NOTE A. REPORTING ENTITY

The Yellowstone Regional Airport Joint Powers Board (Airport) is a governmental subdivision of the State of Wyoming, formed under Wyoming Statute §16-1-104, located in Cody, Wyoming. The Airport is governed by a seven member board of trustees, four members are appointed by the City of Cody and three by Park County. The Board of Trustees has the authority to exercise all of the powers and privileges provided under law. These powers include the ability to establish and collect rates, rentals and other charges, the authority to acquire, construct, operate, manage and maintain airport facilities, the authority to buy and sell real and personal property, the authority to issue debt for acquiring or constructing any facility or permanent improvement, and the ability to sue or be sued in its corporate name. The Airport receives funding from local, state, and federal government sources and must comply with the requirements of these funding sources.

Component units are legally separate organizations for which the Airport is financially accountable. The Airport is financially accountable for an organization which appoints a voting majority of the organization's government board and (1) is able to significantly influence the programs or services performed or provided by the organization; or (2) is legally entitled to or can otherwise access the organization's recourses; is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or is obligated for the debt of the organization. Based upon the application of these criteria, the Airport has no component units requiring inclusion in these financial statements.

Due to the City of Cody having the ability to appoint a majority of the Board of Trustees of the Airport, the Airport is a discretely presented component unit of the City of Cody.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Airport have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard - setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Basis of Presentation - Fund Accounting

The Airport's accounting system is organized and operated on a fund basis. The fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which is for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The Airport's basic financial statements consist of a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows.

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

Basis of Accounting/Measurement Focus

The statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The Airport utilizes a proprietary fund and is accounted for using the accrual basis of accounting. This fund accounts for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in the proprietary fund. The proprietary fund has selected to consistently not follow Financial Accounting Standards Board pronouncements, which has now been replaced with the FASB Accounting Standards Codification (FASB ASC), issued subsequent to November 30, 1989, as permitted under Governmental Accounting Standards Board Statement No. 20.

Cash and Cash Equivalents

The Airport's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Accounts Receivable/Due from Other Governments

The Airport's accounts receivable consists of monies earned by the Airport prior to year end but not yet received. These receivables consist of user fees and charges for services. No allowance for doubtful accounts has been recorded as all accounts historically are fully collectable.

Due from other governments is made up of monies due from outside governmental entities, such as the state, for monies expended prior to year end but not yet received from the outside entity as of June 30, 2012.

Inventories

Inventories are recorded at cost. The costs of inventory items are recorded as expenses when used. Inventory consists mainly of fire fighting chemicals/supplies and parts and supplies for airport vehicles.

Prepaid Expense

Prepaid expenses are items which have been paid for in advance of the entity's fiscal year. Due to the nature and terms of insurance policies, these have a tendency to require this type of payment. Therefore, prepaid expense of the Airport consists of the health insurance premiums and portion of the liability insurance policy which had been paid but is for coverage occurring in the subsequent fiscal year.

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

Capital Assets and Depreciation

Capital assets are long-lived assets of the Airport and reported on the statement of net assets. The valuation bases for capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Capital assets are capitalized when purchased. In the fiscal year 2010 the Airport implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. The Airport utilizes a capitalization threshold of \$5,000 for all purchases and projects.

Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. All assets are depreciated except for land. Cost less estimated salvage value (if any) is depreciated over the estimated useful life of the asset. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings	30-40 years
Infrastructure and improvements	15-30 years
Machinery and equipment	5-15 years

Equity Classifications

In accordance with the governmental accounting standards board pronouncement, net assets are displayed in three components:

- Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, and improvement of those assets.
- Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

It is the Airport’s practice to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities. For the Airport, these revenues are charges for services and miscellaneous reimbursements. Operating expenses are necessary costs incurred to provide the goods and services that are the primary activity of the Airport.

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

Contributions of Capital

Contributions of capital arise from outside contributions of capital assets or outside contributions of resources restricted to capital acquisition and construction.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Budget

Joint Powers Boards are not required by State Statute to prepare an annual budget. However, the Airport's Board prepares an operational budget annually for the presentation to the two governments, the City of Cody and Park County, who are required to approve the budget. Construction projects which are funded by federal and state grants are not typically included within this budget as they are not operational in nature. The Board may amend the budget after it is approved, and may also authorize transfers within various budgetary programs. The budget is prepared using the modified cash basis of accounting. Unused appropriations lapse at the end of the year.

NOTE C. CASH AND INVESTMENTS

Wyoming statutes allow the Airport to deposit uninvested funds with federal banks, state banks, and federal or state savings and loan institutions. All deposits must be fully insured by the FDIC or FSLIC, or secured by a pledge of financial institution assets.

The Airport maintained 100% pledging of its deposits in financial institutions.

The Airport follows state law regarding deposits in financial institutions and maintains all deposits in one financial institution. Due to the types of deposits held by the Airport, there is no interest rate risk or credit risk requiring disclosure in accordance with Statement No. 40.

Wyoming statutes allow investments in bonds or obligations issued by or guaranteed by the United States, repurchase agreements involving bonds of obligations issued by or guaranteed by the United States, mortgage backed securities that are obligations of or guaranteed or insured by the United States (excluding high risk items), bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System, guaranteed investment contracts issued and guaranteed by a United States commercial bank or insurance company, a commingled fund of securities listed in this paragraph held by a bank authorized to do business in this state, bonds of the Wyoming natural gas pipeline authority, and shares of diversified money market funds that invest their funds as prescribed by law. The Airport currently has no investments of these types,

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

nor does the Airport have a written investment policy differing from the state statutes. Therefore, the Airport follows the state statutes in regards to possible investments.

Restricted Cash – The passenger facility account is monitored by the Federal Aviation Administration. The revenue deposited into this account is directly related to the passenger facility charges earned through the use of the airport by the commercial airlines. This revenue cannot be used for operating purposes and must be authorized by the Federal Aviation Administration for use on airport improvements, etc. See Note N. for authorized use of this account for projects in progress or committed at June 30, 2012.

NOTE D. CAPITAL ASSETS

	<u>June 30, 2011</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Dispositions</u>	<u>June 30, 2012</u>
<i>Assets not being depreciated:</i>				
Work in progress	\$ -	\$ 217,297	\$ -	\$ 217,297
Land	723,050	-	-	723,050
<i>Assets being depreciated:</i>				
Buildings and improvements	14,551,331	26,937	-	14,578,268
Infrastructure and improvements	17,054,268	-	-	17,054,268
Machinery and equipment	<u>1,286,664</u>	<u>666,634</u>	-	<u>1,953,298</u>
Total capital assets	<u>33,615,313</u>	<u>910,868</u>	-	<u>34,526,181</u>
Less: accumulated depreciation				
Buildings and improvements	(1,611,534)	(485,793)	-	(2,097,327)
Infrastructure and improvements	(6,110,098)	(581,403)	-	(6,691,501)
Machinery and equipment	<u>(1,082,183)</u>	<u>(35,965)</u>	-	<u>(1,118,148)</u>
Total accumulated depreciation	<u>(8,803,815)</u>	<u>(1,103,161)</u>	-	<u>(9,906,976)</u>
Net Capital Assets	<u>\$ 24,811,498</u>	<u>\$ (192,293)</u>	<u>\$ -</u>	<u>\$ 24,619,205</u>

Depreciation expense in the current year was \$1,103,161.

Certain assets are reported on the Airport's books to which the Airport does not maintain title. These assets are those which were a part of the airport upon inception of the Joint Powers Board in 1980. These assets include land, buildings, and a small amount of infrastructure and

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

improvements. The title remains with the City of Cody; however, the Airport is now responsible for the operations and maintenance of these assets. Therefore, considering the Airport is a discretely presented component unit of the City and the assets are not being reported in duplicate, it is appropriate that the assets remain on the Airport's records.

No assets were disposed of in the current year.

NOTE E. RISK MANAGEMENT

The Airport is exposed to various risks of loss related to property loss, torts, errors and omissions, as well as medical benefits provided to employees. The Airport has purchased commercial insurance to cover such claims. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current or prior two years.

NOTE F. CURRENT LIABILITIES

Accounts Payable

Accounts payable consist of costs incurred but not yet paid at June 30, 2012. These costs include operational costs such as utilities, security costs, capital project costs and advertising costs. Total accounts payable for June 30, 2012 is \$84,519 (\$24,557 of operational expenses and \$59,962 of capital/project expenses).

Retainage Payable

Retainage payable would consist of cost incurred but not yet paid at year end on construction costs related to airport improvement projects. This payable is accumulated throughout the projects, if applicable, and will be paid upon completion of the project. For GAAP purposes and due to the certainty of payment upon completion, retainage is typically recorded as incurred. Retainage payable at June 30, 2012 is \$0.

Accrued Expenses

Accrued expenses include payroll taxes and other monthly and quarterly payments due related to payroll through June 30, 2012 (not paid at June 30, 2012). Total accrued expenses are \$14,136. Due to the timing of the pay period at the end of the fiscal year, there is not an accrued payroll liability at June 30, 2012 for wages earned but not yet paid. Therefore, the previous amount is due to related benefit and taxes not paid at June 30, 2012.

Interest Payable

Accrued expenses also include accrued interest of \$8,190 related to the Aeronautic loan outstanding. Due to the timing of the loan payments the entire year of interest was accrued.

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

The prior year payment was made by June 30, 2011 and the current year payment was not made until July of 2012, therefore, the accrual of interest was made.

Accrued Compensated Absences

It is the Airport's policy to allow the accumulation of vacation time. The accrual varies by employee due to the accrual rate being based on the years of service. Vacation can only be accrued to a maximum of 80 hours and may be carried over from year to year at that maximum rate. Upon termination of employment, an employee will be paid all accrued vacation earned through the last day of employment. Total accrued vacation at June 30, 2012 was \$10,904. This is considered to be a current liability due to the history of the use of vacation time by employees.

NOTE G. LONG-TERM DEBT

At June 30, 2012, the loan at the Airport was as follows:

	Original Balance	Maturity	June 30, 2011	Additions	Payments	June 30, 2012
Line of Credit	\$ 202,000	10/20/2011	\$ 1,999	-	(1,999)	\$ -
Aeronautic Loan	\$ 200,000	1/15/2015	163,805	-	-	163,805
Total Long-term debt			165,804	-	(1,999)	163,805

Loan Information

The First National Bank Line of Credit loan was approved on October 14, 2009 and is for the purpose of completing office space in the new terminal building. The line of credit was available for one year to be termed out for 120 months at maturity on unsecured basis with the various rate options. There was a one-time loan origination fee of 1%. The initial \$2,000 was prepaid finance charges on the loan and was required to be repaid on October 20, 2011. The line of credit was paid in full and closed-out prior to year-end.

The Wyoming Aeronautics loan was obtained for the purpose of aiding in financing the final construction phase of the new terminal building project.

The funding was obtained for various phases of the project, including restaurant furniture, fixtures, equipment and for the remaining work to be completed on the TSA office space. The loan is to be repaid with revenue generated from reimbursements for finishing work performed on the TSA office space and also from rent income earned on restaurant and TSA office space. The loan was approved on June 15, 2010. Collateral on this loan includes all revenues received as user fees, rentals and lease payments made to the airport from the operation of the new terminal building. Total funding available under this agreement is \$200,000, payable annually on July 15th each year for the next five years.

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

The aggregate maturities of long-term debt follow:

<u>For the Year Ended June 30,</u>	<u>Principal Matured</u>	<u>Interest</u>
2013	\$ 38,005	\$ 8,190
2014	39,905	6,290
2015	41,900	4,295
2016	<u>43,995</u>	<u>2,200</u>
	\$ <u>163,805</u>	\$ <u>20,975</u>

NOTE H. NET ASSETS

See Note B. – Equity Classifications for explanation of the necessity and requirement of the balance of \$24,447,210 being recorded at “investment in capital assets, net of related debt”.

The passenger facility account is restricted by a third party and the Airport must obtain authorization from the third party for the use of the funds. The balance of this account at June 30, 2012 in the amount of \$194,037 is recorded as restricted net assets for this reason.

NOTE I. CAPITAL CONTRIBUTIONS

Intergovernmental - Grants contributed by governmental grantors that are restricted for the construction of Airport assets are recorded as capital contributions. Total capital contributions were \$814,917 of which the majority was contributed by state and federal agencies.

NOTE J. PENSION PLAN

Airport full-time or regular part-time employees participate in the Wyoming Retirement System (System) program, which is a cost sharing, multi-employer, public employee retirement plan. The System pays an employee a defined benefit depending upon years of service and earnings using an accrued benefit cost method.

For the fiscal year, the Airport made approximately \$23,050 of required contributions into the Retirement System on eligible wages of approximately \$323,800 at a 7.12% required contribution rate. Substantially all regular employees are eligible to participate in the plan. The contributions for 2011 and 2010 were approximately \$20,863 and \$17,465 on approximate payrolls of \$293,020 and \$301,839, respectively. The employees contribute 7.00% of wages into the retirement plan making total contributions 14.12%, effective September 2010. The rate prior to that date in the previous years (2011 and 2010) was a contribution rate of 5.57% for the employee and 5.68% for the employer making the total contribution 11.25%. Employee’s retirement benefits are based on a number of factors that have changed at various times over the life of the retirement plan. Specific benefit calculations, retirement provisions, 10 year historical trends and other plan details are available in the annual PERS audit report of the Wyoming Retirement System, Herschler Building, Cheyenne, Wyoming.

NOTE K. DEFERRED COMPENSATION PLAN

The Airport offers its employees a deferred compensation plan. The plan permits employees to defer a portion of their salary until future years. The amount in the plan is available to employees only upon termination, retirement, death or unforeseen emergency.

All amounts of compensation deferred under the plan, all property and rights purchases with those amounts, property or rights (until paid or made available to the employee or the beneficiary) are solely the property of the Airport and are not restricted to providing benefits under the plan. Those amounts, property or rights are subject only to the claims of the Airport's general creditors. Participant's rights under the plan are equal to those of general creditors of the Airport in an amount equal to the fair market value of the deferred account for each participant. The Airport's management believes that it is not likely that it will use assets to satisfy the claim of general creditors in the future.

NOTE L. LEASE AGREEMENTS

The Airport leases facilities (hanger lots and space in the terminal building) to various parties under several operating leases. The majority of these leases are renewable annually and could be terminated upon the discretion of the Board.

NOTE M. ECONOMIC DEPENDENCY

The City of Cody and Park County provided approximately 36% of the Airport's operating funds for the year ending June 30, 2012. Total funds transferred from the governmental entities were \$313,598. The two entities have provided 36% and 41% of the Airport's operating funds for the year ending June 30, 2011 and 2010, respectively.

NOTE N. RELATED PARTY TRANSACTIONS

Hangar rentals and advertising space are available to all individuals and business therefore; it is possible that related parties are conducting normal business transactions with the Airport.

NOTE O. COMMITMENTS/ SUBSEQUENT EVENTS/ OTHER

Construction/Grant

Airport Improvement Program Project No. 25 agreement (discretionary), which was for construction of the apron phase II was approved by the Federal Aviation Administration in fiscal year 2010. The total project was expected to cost approximately \$2,500,000 with the project being funded 95% from airport improvement federal funds. Three percent was funded by the state grant-in-aid funds and two percent by the Airport. The Airport had approval to use passenger facility money for their portion of the construction cost. At June 30, 2011, the project was considered complete and total project costs incurred were approximately \$2,630,000. The primary contractor on this phase of the project was Century Construction. In fiscal year 2012 an amendment was obtained for \$230,773 for the ALP/Boundary Survey Project. The primary

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

contractor on this new phase of the project is Morrison & Maierle. As of year-end this project is not considered complete and costs incurred are approximately \$217,300.

On July 13, 2011 there was a bid approval made for the purchase of a new ARFF vehicle for approximately \$540,000 with Oskosh. A grant agreement was approved with the FAA for funding of \$344,020, amended to \$376,195. State Project 2821 was approved by the WYDOT on June 22, 2011 for \$10,864, subsequently amended to \$11,880. Local funding of \$7,919 was also required to be provided. Total costs incurred for this vehicle purchase amounted to approximately \$602,900, which includes an outstanding payable at June 30, 2012 of \$24,204 to L.N. Curtis.

As of June 30, 2012, \$35,757 was still considered outstanding for payment on the ALP/Boundary Survey Project, payable to the project engineers Morrison & Maierle Inc.

Subsequent Events

Airport Improvement Program Project No. 29 is for the purchase of new snow removal equipment. This project/agreement was signed July 20. The total project is expected to cost approximately \$613,000 with the project being funded 93.75% from airport improvement federal funds. Three and three quarters of a percent will be funded by the state grant-in-aid funds and two and one half percent by the Airport. The Airport is awaiting approval to use passenger facility money for their portion of the cost. Bid for equipment was awarded in July 2012 for the snow removal equipment in the amount of \$608,976.

Airport Improvement Program Project No. 30 is for the construction of a snow removal equipment building. This project/agreement was signed July 20, 2012. The total project is expected to cost approximately \$797,300 with the project being funded 93.75% from airport improvement federal funds. Three and three quarters of a percent will be funded by the state grant-in-aid funds and two and one half percent by the Airport. The Airport is awaiting approval to use passenger facility money for their portion of the construction cost. The project was bid, however, had not been awarded.

On June 13, 2012, the Task Order #8 was approved for the design of the General Aviation Apron Rehab/Expansion project for approximately \$189,000, which is for the engineering costs related to this project. The State Aeronautics Division requested the Airport to accept grant funding of up to \$750,000, to be used on this project. However, the construction phase of this project has not yet been bid.

The Airport has been approved for a new three year reimbursable TSA Law Enforcement Officer agreement to be effective October 1, 2012.

The approval for the Pavement Maintenance Program with WYDOT was completed, with anticipated funding to be set at 90% from WYDOT and 10% from the Airport. The bid was awarded to Maxwell Asphalt Inc. in the amount of \$46,812.

City of Cody, Wyoming
Notes to Basic Financial Statements
June 30, 2012

General

In the normal course of operations, the Airport receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

Litigation

The Airport is a party to various legal proceedings which normally occur in the course of government operations. The financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings. While the outcome of any proceedings cannot be predicted, due to the insurance coverage maintained by the Airport and the State statute relating to judgments, the Airport feels that any settlement or insurance would not have a material adverse effect on the financial condition of the Airport, if necessary.

At June 30, 2012, and through the date of the component unit's report dated October 18, 2012, management of YRA was unaware of any further commitments, subsequent events, or other items which would require disclosure in the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

City of Cody, Wyoming
 Budgetary Comparison Schedule - Modified Cash Basis
 General Fund
 for the fiscal year ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ 3,955,455	\$ 3,955,455	\$ 3,955,455	\$ -
Resources (inflows):				
Taxes				
Sales and Use Tax	2,617,779	2,617,779	2,743,299	125,520
Franchise Tax	877,873	877,873	850,891	(26,982)
Licenses & Permits	48,054	48,054	50,526	2,472
Intergovernmental				
Federal Grants	358,569	361,280	424,385	63,105
State Grants	553,457	553,457	496,439	(57,018)
Pass Through Grants	1,498,599	1,498,599	1,613,514	114,915
Severance Tax	367,645	367,645	349,355	(18,290)
Royalties	483,439	483,439	485,476	2,037
State and Federal Funding	713,861	713,861	714,320	459
Other Taxes				
Motor Vehicle Tax	131,356	131,356	128,401	(2,955)
Gasoline Tax	243,190	243,190	213,586	(29,604)
Cigarette Tax	96,611	96,611	89,341	(7,270)
Ad Valorem Tax	542,018	542,018	553,480	11,462
Fines and Forfeitures	266,246	266,246	228,515	(37,731)
Charges for Services:				
Penalites and Fees	87,012	87,012	95,452	8,440
Parks and Recreation Fees	1,125,860	1,125,860	1,115,754	(10,106)
Public Works Fees	596,180	596,180	516,074	(80,106)
Assessment Revenue				
Investment Income	49,850	49,850	43,854	(5,996)
Contributions and Donations	229,061	229,061	250,064	21,003
Facility Rentals	27,125	27,125	16,125	(11,000)
Miscellaneous	66,700	66,700	33,362	(33,338)
Total Revenues	<u>10,980,485</u>	<u>10,983,196</u>	<u>11,012,213</u>	<u>29,017</u>
Other Financing Sources:				
Transfers from Other Funds	1,419,560	1,419,560	1,419,560	-
Total other Financing Sources	<u>1,419,560</u>	<u>1,419,560</u>	<u>1,419,560</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>12,400,045</u>	<u>12,402,756</u>	<u>12,431,773</u>	<u>29,017</u>
Amounts Available for Appropriation	<u>16,355,500</u>	<u>16,358,211</u>	<u>16,387,228</u>	<u>29,017</u>
Charges to Appropriations (outflows):				
General Government:				
Mayor and City Council	276,554	276,779	260,230	16,549
City Attorney	83,104	83,104	74,120	8,984
City Administrator	142,329	142,329	139,783	2,546
Administrative Services	1,484,409	1,500,528	1,413,297	87,231
Administrative Services - Pass Through Grants	1,498,599	1,498,599	1,197,377	301,222
Police	2,702,688	2,721,052	2,429,027	292,025
Parks	1,106,416	1,111,827	818,000	293,827
Public Facilities	687,545	732,786	597,007	135,779
Recreation Center	2,037,494	2,039,940	1,743,535	296,405
Engineering	356,907	356,907	278,041	78,866
Building Inspection	260,707	244,063	194,820	49,243
Streets	2,481,697	2,577,043	1,915,987	661,056
Vehicle Maintenance	400,718	382,980	317,022	65,958
Public Transportation	8,688	8,688	-	8,688
Total Charges to Appropriations	<u>13,527,855</u>	<u>13,676,625</u>	<u>11,378,246</u>	<u>2,298,379</u>
Payment to Component Unit	188,159	188,159	188,159	-
Transfers Out	-	-	-	-
Total Interfund Transfers	<u>\$ 188,159</u>	<u>\$ 188,159</u>	<u>\$ 188,159</u>	<u>\$ -</u>
Ending Budgetary Fund Balance	<u>\$ 2,639,486</u>	<u>\$ 2,493,427</u>	<u>\$ 4,820,823</u>	<u>\$ 2,327,396</u>

City of Cody, Wyoming
 Budgetary Comparison Schedule - Modified Cash Basis
 General Fund
 for the fiscal year ended June 30, 2012

Adjustments to Generally Accepted Accounting Principles Basis:	
Changes in due from other governments	\$ (628,892)
Changes in due from other entities	(6,897)
Changes in court receivables and related accounts	(17,187)
Changes in other receivables	(1,516)
Changes in allowances	(29,048)
Changes in accounts payable	(8,900)
Changes in accrued liabilities	3,569
Changes in deferred revenue	<u>57,516</u>
Net change in fund balances - GAAP basis	<u>(631,355)</u>
Ending Fund Balance - GAAP Basis	<u><u>\$ 4,189,468</u></u>

Notes:

- (1) The City budgets for depreciation expense at the fund level however depreciation expense is not reported at that level. Therefore the budgeted depreciation expense in the amount of \$1,164,174 does not have a correlating actual expense amount shown.

- (2) The City of Cody operates a Vehicle Maintenance department in the General Fund. The main function of this department is to provide maintenance and repair services on fleet vehicles and equipment. Under City policies, interdepartmental services performed by one department for another are credited to the performing department and charged to the receiving department to reflect the accurate cost of programs. For reporting purposes, the Enterprise Fund charges are shown as transfers in/out between funds. The General Fund activities are credited to the performing department and charged as an expense to the receiving departments. The cost allocation is calculated annually based on each department's percentage of use; therefore, actual costs are not being allocated. See Note 1.E. in the Notes to the Basic Financial Statements for additional details.

- (3) The City of Cody operates a Vehicle Replacement capital project fund which accounts for transfers from other funds within the primary government which is to be used to purchase vehicles and equipment. Transfers are based upon each department's vehicles and assigned replacement schedules to allocate appropriate funds to cover future replacements. See Note 3.G. in the Notes to the Basic Financial Statements for additional details.

City of Cody, Wyoming
 Budgetary Comparison Schedule - Modified Cash Basis
 Major Governmental Fund
 for the fiscal year ended June 30, 2012

	LODGING TAX FUND			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive(Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 38,547	\$ 38,547	\$ 38,547	\$ -
Resources (inflows):				
Taxes	90,000	90,000	94,538	4,538
Investment Income	430	430	307	(123)
Amounts Available for Appropriation	<u>128,977</u>	<u>128,977</u>	<u>133,392</u>	<u>4,415</u>
Charges to Appropriations (outflows):				
Mayor and City Council	1,000	1,000	911	89
Community Support	-	-	-	-
Transfers Out	<u>123,000</u>	<u>123,000</u>	<u>123,000</u>	<u>-</u>
Total Charges to Appropriations	<u>124,000</u>	<u>124,000</u>	<u>123,911</u>	<u>89</u>
Ending Budgetary Fund Balance	<u>\$ 4,977</u>	<u>\$ 4,977</u>	<u>\$ 9,481</u>	<u>\$ 4,504</u>

See independent auditor's report as it relates to required supplementary information.

OTHER SUPPLEMENTAL INFORMATION

City of Cody, Wyoming
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2012

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>		<u>Total Non-Major Governmental Funds</u>
	<u>Special Improvement District #44</u>	<u>Special Improvement District #56</u>	<u>Public Improvements Fund</u>	<u>Vehicle Replacement Fund</u>	
<u>Assets</u>					
Cash and Cash Equivalents	\$ -	\$ -	\$ 445	\$ 1,865,060	\$ 1,865,505
Restricted - Cash and Cash Equivalents	-	-	-	-	-
Grants Receivable	-	-	70,443	-	70,443
Accounts Receivable	-	-	-	177	177
Total Assets	\$ -	\$ -	\$ 70,888	\$ 1,865,237	\$ 1,936,125
<u>Liabilities</u>					
Deferred Revenue	\$ -	\$ -	\$ 15,719	\$ -	\$ 15,719
Accounts Payable	-	-	6,042	-	6,042
Total Liabilities	\$ -	\$ -	\$ 21,761	\$ -	\$ 21,761
<u>Fund Equity</u>					
Fund Balance:					
Nonspendable:	-	-	-		-
Restricted:					
Public Improvements	-	-	49,127		49,127
Committed:	-	-	-		-
Assigned:	-	-	-	-	-
Capital Assets	-	-	-	1,865,237	1,865,237
Improvement Districts	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Equity	\$ -	\$ -	\$ 49,127	\$ 1,865,237	\$ 1,914,364
Total Liabilities and Fund Equity	\$ -	\$ -	\$ 70,888	\$ 1,865,237	\$ 1,936,125

See independent auditor's report as it relates to required supplementary information.

City of Cody, Wyoming
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
for the fiscal year ending June 30, 2012

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>		<u>Total Non-Major Governmental Funds</u>
	<u>Special Improvement District #44</u>	<u>Special Improvement District #56</u>	<u>Public Improvements Fund</u>	<u>Vehicle Replacement Fund</u>	
REVENUES					
Assessment Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of Assets	-	-	-	-	-
Contributions	-	-	341,324	-	341,324
Investment Income	-	-	1,052	20,693	21,745
Total Revenues	<u>-</u>	<u>-</u>	<u>342,376</u>	<u>20,693</u>	<u>363,069</u>
EXPENDITURES					
Current:	-	-			
Capital Outlay	-	-	366,796	379,628	746,424
Total Expenditures	<u>-</u>	<u>-</u>	<u>366,796</u>	<u>379,628</u>	<u>746,424</u>
Revenues Over(Under) Expenditures	-	-	(24,420)	(358,935)	(383,355)
Other Financing Sources(Uses)					
Transfers In	-	-	-	646,466	646,466
Transfers Out	-	(8,874)	-	-	(8,874)
Revenues and Other Financing Sources Over(Under) Expenditures and Other Uses	-	(8,874)	(24,420)	287,531	254,237
Fund Balance - beginning of year	<u>-</u>	<u>8,874</u>	<u>73,547</u>	<u>1,577,706</u>	<u>1,660,127</u>
Fund Balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,127</u>	<u>\$ 1,865,237</u>	<u>\$ 1,914,364</u>

See independent auditor's report as it relates to required supplementary information.



Worland: Stephen L. Stine, C.P.A.

Cody: Keven L. Buss, C.P.A.
Reanne N. Wolff, C.P.A.
Keri J. Wilson, C.P.A.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

To the Mayor and City Council
City of Cody, Wyoming
1002 Sheridan Avenue
Cody, Wyoming 82414

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Cody as of and for the year ended June 30, 2012, which collectively comprise the City of Cody's basic financial statements and have issued our report thereon dated November 28, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Compliance and Other Matters

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

We also noted additional matters that we reported to management and those charged with governance of the City of Cody in a separate letter dated November 28, 2012.

This report is intended for the information and use of the audit committee, Council, management, others within the entity, federal awarding agencies and pass-thru agencies and the State of Wyoming, and is not intended to be and should not be used by anyone other than those specified parties.



Stine, Buss, Wolff, Wilson & Associates, P.C.
Certified Public Accountants

Cody, Wyoming

November 28, 2012

MEETING DATE: NOVEMBER 20, 2012
 DEPARTMENT: PUBLIC WORKS
 PREPARED BY: BERT POND
 DEPT. DIR. APPROVAL: _____
 CITY ADM. APPROVAL: _____
 PRESENTED BY: STEVE PAYNE

AGENDA ITEM SUMMARY REPORT

Electric Rate Ordinance 2012-21

ACTION

Publically read the Electric Rate Ordinance 2012-21 and pass it on 1st reading. The Ordinance, if passed, will represent an average retail rate percent increase for an aggregate of all customers of 5.34%

BACKGROUND

Continued poor economic conditions continue to cause upward pressure on our wholesale electric rate from the Wyoming Municipal Power Agency. At its September meeting in Cody this year, Rich Pullen of WMPA outlined the conditions that lead to their proposal to increase the electric rate to member communities from 67 mils/kWh to 72 mils/kWh. This rate increase was approved by WMPA's board on November 15, 2012 and will take effect on January 1, 2013.

The need for this increase is due to the following reasons:

- Continued poor economic conditions that reduce the cost of surplus power sales and therefore revenue to the agency.
- Continued low electrical load growth for the Agency's members pushing down revenues.
- Poor performance in the investment market yielding extremely low interest rates on WMPA CD's.

The wholesale rate increase prompted the City staff to perform a new Cost of Service Study to determine the effect this wholesale rate increase would have on our customers. The results of this study indicate that it will be necessary to raise the retail rates to our customers.

If this rate increase is approved, it will represent an average retail rate percent increase for an aggregate of all customers of 5.34%.

The wholesale cost of power to the City over the next year will be approximately \$8,396,000. The impact of the proposed retail rate increase is outlined in an attached customer cost comparison spreadsheet covering selected customers in all three rate classes.

Rate History – City and WMPA

<u>Year</u>	<u>Ordinance</u>	<u>% Increase</u>	<u>WMPA % Increase</u>
2008	2007-25	4.05%	12%
2010	2009-01	5.39%	11.11%
2011	2010-25	5.76%	10%
2012	2011-28	15.37%	21.8%

For the upcoming year, the **2013 Retail Rate** increase will be **5.34%** averaged over all customers of the City of Cody compared to a **WMPA Wholesale Rate** increase of **7.46%**.

AGENDA ITEM NO. _____

APPA Rate Comparison Study Information:

<u>Rate Compared</u>	<u>New</u>	<u>Existing</u>	<u>Existing</u>	<u>Existing</u>
<u>Residential Rates:</u> Cents/kWh	<u>Cody</u> 9.9	<u>Powell</u> 11.2	<u>Garland</u> 10.7	<u>Rocky Mountain</u> 9.1
<u>Sm Comm Rates:</u> Cents/kWh	<u>Cody</u> 9.2	<u>Powell</u> 10.9	<u>Garland</u> 10.2	<u>Rocky Mountain</u> 7.6
<u>Demand Rates:</u> Cents/kWh	<u>Cody</u> 8.5	<u>Powell</u> 8.0	<u>Garland</u> 8.7	<u>Rocky Mountain</u> 5.2

FISCAL IMPACT

The above table compares the new Cody rate to the existing rates of other utilities in the area. These numbers are the energy only cost to the customer and do not include base charges. Powell will likely raise their rates at the same time Cody does and I believe Rocky Mountain Power is also seeking a rate increase. I do not know about Garland Light and Power. This proposed rate increase will provide the additional revenues to cover:

- An assumed 2.5% salary increase.
- The projected wholesale power sales bill for 2013 from WMPA.
- The projected depreciation expense for the City of Cody in 2013.
- Electric Division Budget accounts unchanged from the 2012/2013 fiscal year budget.

ALTERNATIVES

- 1) Increase retail electric rates as presented in the rate ordinance 2012-21.
- 2) Increase retail electric rates as modified by the City Council.
- 3) Leave the retail electric rates as they are currently configured. This will mean that we will not make sufficient revenues to cover power purchases from WMPA and will need to cover the shortfall out of reserves. This will mean a draw of approximately \$37,000 per month from current reserves which stand at \$1,673,127.00. This amount is less than set by previous council action due to the use of reserves for the Road 2AB purchase and construction.

RECOMMENDATION

It is the recommendation of the City of Cody Public Works staff that the City adopt the new electric rate ordinance 2012-21 to become effective on January 1, 2013.

ATTACHMENTS

- 1) Electric Rate Ordinance 2012-21
- 2) City Customer Bill Comparisons – Old vs. New

AGENDA ITEM NO. _____

ORDINANCE 2012-21

AN ORDINANCE AMENDING THE HEREIN BELOW IDENTIFIED SECTIONS OF TITLE 8, CHAPTER 1, ARTICLE III, OF THE CODY CITY CODE TO MODIFY ELECTRICAL RATES.

Article III, Section 8-1-13 shall be hereby amended as follows:

Sec. 8-1-13. Schedule of rates.

(a) Residential service rate.

(1) The rates to be charged for domestic purposes shall be as follows:

(i) For electrical usage billed after January 1, 2013

A. Each customer shall pay a monthly customer charge of \$15.583; and

B. Additionally, each customer shall pay \$0.099 per kilowatt-hour used per month as an energy charge.

(b) Commercial and miscellaneous service rate.

(1) The rates to be charged for commercial and miscellaneous purposes shall be as follows:

(i) For electrical usage billed after January 1, 2013

A. Each customer shall pay a monthly customer charge of \$46.75, and

B. Additionally, each customer shall pay \$0.092 per kilowatt-hour.

(c) Optional small commercial and miscellaneous service rate.

(1) The rates to be charged for the optional commercial and miscellaneous service rate shall be as follows:

For electrical usage after January 1, 2013

(i) Each customer shall pay a monthly customer charge of \$16.71; and

(ii) Additionally, each customer shall pay \$0.152 per kilowatt-hour for all energy used per month as an energy charge.

(d) General service rate.

(1) The rates to be charged for those customers with demand meters shall be as follows:

(i) For electrical usage billed after January 1, 2013

A. Each customer shall pay a monthly customer charge of \$93.50 and

B. Additionally, each customer shall pay \$0.0339 per kilowatt-hour for all energy used per month as an energy charge, and

C. Additionally, each customer shall pay a monthly demand charge of \$14.81 per kilowatt of demand as shown or computed from the

readings of the City's demand meter installed at the customer's location for the fifteen-minute period of customer's greatest use during the billing period.

- (2) Customers requesting or transferring service of more than two hundred amperes after May 14, 2001 shall be billed under this demand rate.
- (3) The Public Works Director or his/her designee shall recommend to the Administrative Services Director the rate classification for new commercial customers requesting electrical service, based on the customer's energy and demand requirements.

(e) Irrigation rate.

- (1) The rates to be charged for those customers with irrigation and pumping shall be as follows:
 - (2) For electrical usage after January 1, 2013
 - A. Each customer shall pay an annual customer charge of \$100.51 for twenty-five horsepower or less.
 - B. Each customer shall pay an annual customer charge of \$167.78 for everything over twenty-five horsepower.
 - C. Additionally, each customer shall pay \$0.0669 per kilowatt-hour for all energy used per month as an energy charge.

(f) Outdoor nighttime lighting.

The rates to be charged for those customers who have city installed outdoor lighting on City of Cody structures shall be as follows:

Security Light Watts	Charge per Month	Energy Rate Used
63 Watt	\$2.52	\$0.1274/kWh
175 Watt	\$8.03	\$0.1274/kWh
150 Watt	\$6.88	\$0.1274/kWh
200 Watt	\$9.18	\$0.1274/kWh
250 Watt	\$11.47	\$0.1274/kWh
400 Watt	\$18.35	\$0.1274/kWh
1000 Watt	\$45.88	\$0.1274/kWh

This includes all energy costs and maintenance costs associated with each unit.

(g) Service Charges

The following charges apply to all levels of service in addition to any other charges.

<u>Connection and Reconnection Charge:</u>	
Normal Office Hours (7:30 a.m. to 5:00 p.m.)	\$25.00
Other than Normal Office Hours	\$110.00
<u>Trouble Calls on Customer-Owned Equipment:</u>	
Normal Office Hours (7:30 a.m. to 5:00 p.m.)	No Charge
Other than Normal Office Hours (for first two hours, actual labor costs for work in excess of two hours)	\$110.00
<u>Temporary Service Connection:</u>	
Single Phase and Three Phase	\$105.00
Returned Check Charge:	\$30.00
<u>Meter Testing:</u>	
Testing of meters more than once at customer's request in a twelve month period, where meter is found to be accurate within two percent.	\$50.00

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF CODY, WYOMING;

PASSED ON FIRST READING THE 20th DAY OF NOVEMBER, 2012

PASSED ON SECOND READING THE ~~_____ 4th _____~~ DAY OF
| ~~_____ DECEMBER _____~~, 2012

PASSED, APPROVED AND ADOPTED
ON THIRD AND FINAL READING THE _____ DAY OF _____, 2012

|

Nancy Tia Brown, Mayor

ATTEST:

Cynthia D. Baker, Administrative Services Officer

ORDINANCE 2012-19

AN ORDINANCE AMENDING THE HEREIN BELOW IDENTIFIED SECTIONS OF TITLE 8 CHAPTER 1 ARTICLE II, OF THE CODY CITY CODE TO MODIFY TEMPORARY SERVICE.

Article II, Section 8-1-10 shall be hereby amended as follows:

Sec. 8-1-10 Temporary Service

Any person desiring temporary lighting and power service from the city during the construction activities before permanent power is installed shall pay a nonrefundable temporary meter fee of one hundred five dollars (\$105.00) (single phase or 3-phase) for the ~~meter to secure payment of electricity used~~ installation of the meter. The usage and base charges for the temporary meter will depend on the classification ~~of the person applying for the service~~ of the type of service requested. If the service will be used for primarily commercial use, the applicants will pay for the temporary electrical service at the commercial electric rate. If the service will primarily be used for residential use, the applicant will pay for the temporary electrical service at the residential rate. (Ord. 2008-24, 12-2-2008). In addition to the temporary meter fee, accounts established with temporary meters are also subject to the deposit requirements as outlined in 8-1-9.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF CODY, WYOMING;

PASSED ON FIRST READING _____ December 4, 2012 _____

PASSED ON SECOND READING _____

PASSED, APPROVED AND ADOPTED
ON THIRD AND FINAL READING. _____

Nancy Tia Brown, Mayor

ATTEST:

Cynthia Baker
Administrative Services Officer

ORDINANCE 2012-20

AN ORDINANCE AMENDING THE HEREIN BELOW IDENTIFIED SECTIONS OF TITLE 8 CHAPTER 1 ARTICLE II, OF THE CODY CITY CODE TO MODIFY GENERAL CONDITIONS GOVERNING CITY SUPPLIED UTILITIES.

Article II, Section 8-1-8 shall be hereby amended as follows:

Sec. 8-1-8 General Conditions Governing City Supplied Utilities

A. Execution Of Contract For Purchase Of Electricity For Use By The City: The mayor and city council shall sign and execute any contract that may be made with any utility, federal or state agency, department or any municipality or joint powers board concerning the purchase of electrical energy for use by the city that may be approved by resolution of the city council.

B. Service Nontransferable Without Advance Approval: The electrical service furnished by the city is intended to be used by the actual customer that has entered into the contract with the city for the uses contemplated by the rate category of the service. This service is not to be resold, assigned, used or extended off of the tract of land served for the use or benefit of any other individual, corporation or other entity in advance of receiving the specific written approval of the city administrator or his/her designee. (Ord. 2004-08, 8-2-2004)

C. Changes in Property Ownership: In the case of a change in ownership of any property to which the City of Cody provides utility services, it is the responsibility of the new owner/ transferee to establish a utility account by completing an application for utility service and complying with the deposit requirements as outlined in 8-1-9 as of the date of sale, transfer or conveyance. If the new owner/transferee establishes the utility account after the date of sale, transfer or conveyance the new owner/transferee shall be responsible for payment of all charges incurred back to the date of sale, transfer or conveyance of the property. In the event the new owner/transferee fails to comply with the application and deposit requirements the City of Cody reserves the right to establish a utility account in the name of the new owner/transferee. In the case of foreclosures, the date of sale, transfer or conveyance shall be the date of the foreclosure sale as confirmed by the Park County Sheriff's Office.

D. Changes in Property Tenancy: In cases where a tenant is provided utility services by the City of Cody and the services are billed in the tenant's name it is the responsibility of the tenant to notify the City of Cody in advance of when the tenant vacates the property and requests to terminate utility service. A tenant's services may also be terminated by the City of Cody without a request from the tenant if notification is received from a landlord or property owner or upon receipt of an application for utility service from a new tenant. If a tenant fails to notify the City of Cody to terminate services as of the actual date the tenant vacated the property, the City of Cody shall terminate services as of the date the notice to terminate is received. The tenant shall be responsible for all charges incurred through the date of termination and no adjustment of charges shall be made to a tenant's bill for a tenant's failure to provide a timely termination notice to the City of Cody as required.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF CODY, WYOMING;

PASSED ON FIRST READING

___DECEMBER 4, 2012___

PASSED ON SECOND READING

PASSED, APPROVED AND ADOPTED
ON THIRD AND FINAL READING.

Nancy Tia Brown, Mayor

ATTEST:

Cynthia Baker
Administrative Services Officer

MEETING DATE: DECEMBER 18, 2012
DEPARTMENT: LEGAL
PREPARED BY: SCOTT KOLPITCKE
CITY ADM. APPROVAL: _____
PRESENTED BY: SCOTTKOLPITCKE

AGENDA ITEM SUMMARY REPORT

CABLE FRANCHISE AGREEMENT WITH BRESNAN COMMUNICATIONS, LLC

ACTION TO BE TAKEN:

Consider approving and entering into a ten year cable franchise agreement with Bresnan Communications, LLC.

SUMMARY OF INFORMATION:

The City and Bresnan have negotiated a new ten-year franchise agreement to grant Bresnan non-exclusive use the City's easements and rights of ways for Bresnan's cable system. The previous franchise agreement between the parties expired June 30 2012, and the parties have been operating on an interim agreement during the negotiation process. The previous agreement had a ten year term. In consideration of the City giving Bresnan access to the City's rights of way, Bresnan will pay to the City a franchise fee of 5% of its Annual Gross Revenue derived from the operation of the cable system within the City of Cody. In addition, the agreement imposes the following terms and conditions:

- Bresnan will continue to provide a government access channel;
- Bresnan will pay to the City a one-time \$12,000 PEG grant to be used for equipment related to the local access channel.
- Bresnan must maintain insurance naming the City as an additional insured. For the first five years, the insurance will have a \$1 million limit, and for the next five years, the insurance must have a \$3 million limit.
- Bresnan must indemnify the City against claims and losses arising out of the construction, operation, maintenance or repair of the cable system.
- Bresnan will provide cable service to 11 locations within Cody, including Cody City Hall, the Cody Police Department, Cody Auditorium, the Cody schools, and the Cody Senior Center.

FISCAL IMPACT

This agreement maintains the existing percentage of gross revenue which Bresnan currently pays to the City as a franchise fee. The amount of money the City receives depends on the revenue Bresnan receives from cable subscribers within Cody. In Fiscal Year 2010-2011, Bresnan paid the City \$131,196.06. In FY 2011-2012, Bresnan paid \$123,291.25. Through November 2012, Bresnan has paid \$62,452.74. In addition, this agreement provides the City with an additional one-time \$12,000 PEG grant to be used for its PEG facilities.

AGENDA ITEM NO. _____

ALTERNATIVES

Approve or reject the Agreement.

AGENDA & SUMMARY REPORT TO:

ORDINANCE NO. 2012 - 22

AN ORDINANCE TO ENTER INTO A CABLE FRANCHISE AGREEMENT WITH BRESNAN COMMUNICATIONS, LLC

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF CODY, PARK COUNTY, WYOMING THAT THAT CITY OF CODY AND BRESNAN COMMUNICATIONS, LLC SHALL ENTER INTO A CABLE FRANCHISE AGREEMENT, WHICH AGREEMENT IS ATTACHED TO AND INCORPORATED WITH THIS ORDINANCE.

PASSED on first reading the _____ day of _____, 2012.

PASSED on second reading the _____ day of _____, 2012.

PASSED on third reading the _____ day of _____, 2012.

CITY OF CODY

**NANCY TIA BROWN
MAYOR**

ATTEST:

CYNTHIA D. BAKER
Administrative Services Officer

PUBLISH: CODY ENTERPRISE:

CABLE FRANCHISE AGREEMENT
BY AND BETWEEN
THE CITY OF CODY, WYOMING
AND
BRESNAN COMMUNICATIONS, LLC

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EXHIBITS

EXHIBIT A: MUNICIPAL/SCHOOL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

THIS CABLE FRANCHISE AGREEMENT (the “Franchise” or “Agreement”) is entered by and between the City of Cody, a validly organized and existing political subdivision of the State of Wyoming (the “Local Franchising Authority” or “LFA”) and Bresnan Communications, LLC, a limited liability company duly authorized to conduct business in the State of Wyoming (the “Franchisee”).

WHEREAS, the LFA wishes to grant Franchisee a renewal of its nonexclusive franchise to construct, install, maintain, extend and operate a Cable System in the Franchise Area as designated in this Franchise;

WHEREAS, the LFA is a “franchising authority” in accordance with Title VI of the Communications Act, (see 47 U.S.C. §522(10)) and is authorized to grant one or more nonexclusive cable franchises pursuant to applicable law;

WHEREAS, Franchisee’s Cable System will occupy the Public Rights-of-Way within the Franchise Area, and Franchisee desires to use portions of the Cable System to provide Cable Services and other services in the Franchise Area;

WHEREAS, the LFA has reviewed the past performance of the Franchisee and identified the future cable-related needs and interests of the LFA and its community, and has determined that Franchisee is in material compliance with its existing franchise and applicable law and that its Cable System is adequate and feasible in a full public proceeding affording due process to all parties;

WHEREAS, the Franchisee has represented to the LFA, and the LFA accepts Franchisee to be financially, technically and legally qualified to continue to operate the Cable System;

WHEREAS, the LFA has determined the grant of this nonexclusive franchise to Franchisee is consistent with the public interest; and

WHEREAS, the LFA and Franchisee have reached agreement on the terms and conditions set forth herein and the parties have agreed to be bound by those terms and conditions; and,

NOW, THEREFORE, in consideration of the LFA’s grant of a renewal franchise to Franchisee, and Franchisee’s promise to provide Cable Service to residents of the Franchise Area pursuant to and consistent with the Cable Act, pursuant to the terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which are hereby acknowledged,

THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

1. DEFINITIONS

Except as otherwise provided herein, the definitions and word usages set forth in the Cable Act are incorporated herein and shall apply in this Agreement. In addition, the following definitions shall apply:

1.1 *Access Channel*: A video channel, which Franchisee shall make available to the LFA without charge for Public, Educational, or Governmental noncommercial use for the transmission of video programming as directed by the LFA.

1.2 *Affiliate*: Any Person who, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with, the Franchisee.

1.3 *Basic Service*: Any tier of Cable Service which includes, at a minimum, the retransmission of primary local television broadcast signals provided to any Subscriber and, to the extent required by applicable law, any Access Channel required by this Franchise, and which may also include any additional Video Programming signals as determined by Franchisee.

1.4 *Bundled Service*: The offering of Cable Services with any Non-Cable Service offering for a single aggregate price.

1.5 *Cable Act*: Shall mean the Cable Communications Policy Act of 1984, Pub. L. No. 98-549, 98 Stat. 2779 (1984) (codified at 47 U.S.C. §§ 521-611), as amended (including as amended by the Cable Television Consumer Protection and Competition Act of 1992 and the Telecommunications Act of 1996) .

1.6 *Cable Service or Cable Services*: Shall be defined herein as it is defined under Section 602 of the Cable Act, 47 U.S.C. § 522(6), as amended.

1.7 *Cable System or System*: Shall be defined herein as the facility consisting of antennae, wire, coaxial cable, amplifiers, towers, microwave links, wave guide, optical fibers, optical transmitters and receivers, satellite receive/transmit antennae, and/or other equipment designed and constructed for the purpose of producing, receiving, amplifying, storing, processing, or distributing analog and/or digital audio, video, data or other forms of electronic, electromechanical, optical, or electrical signals.

1.8 *Control*: The ability to exercise *de facto* or *de jure* control over day-to-day policies and operations or the management of Franchisee's affairs.

1.9 *FCC*: The United States Federal Communications Commission, or successor governmental entity thereto.

1.10 *Force Majeure*: An event or events reasonably beyond the ability of Franchisee to anticipate and control that directly or indirectly results in Franchisee's non-compliance with, or delay in the performance of, any obligation hereunder. This may include, but is not limited to, severe or unusual weather conditions, strikes, labor disturbances and disputes, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy, incidences of terrorism, acts of vandalism, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which the Franchisee is not primarily responsible, fire, flood, or other acts of God, or work delays resulting from unaffiliated utility providers failure to service, monitor or maintain utility poles to which Franchisee's fiber network is attached, and unavailability of materials and/or qualified labor to perform the work necessary.

1.11 *Franchise Area*: The entire existing territorial limits of the LFA and such additional areas as are annexed or acquired, during the term of this Franchise.

1.12 *Franchisee*: Bresnan Communications, LLC and its lawful and permitted successors, assigns and transferees.

1.13 *Gross Revenue*:

1.13.1 All revenue, as determined in accordance with generally accepted accounting principles, directly received by Franchisee derived from the operation of the Cable System to provide Cable Service in the Franchise Area in any manner that requires use of the Public Rights-of-Way. Gross Revenue includes, but is not limited to, basic, expanded basic and pay service revenue, revenue from installation and rental of converters, franchise fees, and any leased access revenue.

1.13.2 Gross Revenue also includes a pro rata portion of all revenue derived by Franchisee pursuant to compensation arrangements for advertising derived from the operation of Franchisee's Cable System to provide Cable Service within the Franchise Area, subject to the exceptions below. The allocation shall be based on the number of Subscribers in the Franchise Area divided by the total number of subscribers in relation to the relevant local, regional or national compensation arrangement. Advertising commissions paid to third parties shall not be netted against advertising revenue included in Gross Revenue.

1.13.3 Gross Revenue does not include any fees or taxes which are imposed directly or indirectly on any Subscriber by any governmental unit or agency, and which are collected by the Franchisee on behalf of a governmental unit or agency. Gross revenue does not include; (i) revenues received by any Affiliate or other Person in exchange for supplying goods or services used by Franchisee to provide Cable Service over the Cable System; (ii) revenues which cannot be collected by Franchisee and are identified as bad debt; provided that if revenue previously representing bad debt is collected, this revenue shall be included in Gross Revenue for the collection period; (iii) refunds, rebates or discounts made to Subscribers or other third parties; (iv) any revenues classified as Non-Cable Services revenue under federal or state law; (v) revenues from the sale of Cable Services to customers, which are exempt, as required or allowed by the LFA including, but not limited to, the provision of Cable Services to public institutions as required or permitted herein; (vi) revenues from the sale of capital assets or sales of surplus equipment or program launch fees, *i.e.*, reimbursement by programmers to Franchisee of marketing costs incurred by Franchisee for the introduction of new programming; (vii) directory or Internet advertising revenues including, but not limited to, yellow page, white page, banner advertisement and electronic publishing; or (viii) any fees or charges collected from Subscribers or other third parties for PEG Grant payments.

1.14 *Information Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. §153(20), as amended.

1.15 *Local Franchise Authority (LFA)*: The City of Cody, Wyoming, or the lawful successor, transferee, or assignee thereof.

1.16 *Non-Cable Services*: Any service that does not constitute Video Programming pursuant to this Franchise including, but not limited to, Information Services and Telecommunications Services.

1.17 *Normal Business Hours*: The hours during which most similar businesses in the community are open to serve Subscribers. In all cases, Normal Business Hours shall include some evening hours at least one night per week and/or some weekend hours. Franchisee will notify its Subscribers and the LFA of its Normal Business Hours.

1.18 *PEG*: Public, Educational, and Governmental.

1.19 *Person*: An individual, partnership, association, joint stock company, trust, corporation, or governmental entity.

1.20 *Public Rights-of-Way*: The surface and the area across, in, over, along, upon and below the surface of the public streets, roads, bridges, sidewalks, lanes, courts, ways, alleys, and boulevards, including, public utility easements and public lands and waterways used as Public Rights-of-Way, as the same now or may thereafter exist, which are under the jurisdiction or control of the LFA. Public Rights-of-Way do not include the airwaves above a right-of-way with regard to cellular or other nonwire communications or broadcast services.

1.21 *Standard Installation*: Any service installation that can be completed using an aerial drop of one hundred fifty (150) feet or less.

1.22 *Subscriber*: A Person who lawfully receives Cable Service over the Cable System with Franchisee's express permission.

1.23 *Telecommunication Services*: Shall be defined herein as it is defined under Section 3 of the Communications Act, 47 U.S.C. § 153(46), as amended.

1.24 *Transfer of the Franchise*:

1.24.1 Any transaction in which:

1.24.1.1 a fifty percent (50%) ownership or greater interest in Franchisee is transferred, directly or indirectly, from one Person or group of Persons to another Person or group of Persons, so that Control of Franchisee is transferred; or

1.24.1.2 the rights held by Franchisee under the Franchise are transferred or assigned to another Person or group of Persons.

1.24.1.3 However, notwithstanding Sub-subsections 1.24.1.1 and 1.24.1.2 above, a Transfer of the Franchise shall not include transfer of an ownership or other interest in Franchisee to the parent of Franchisee or to another Affiliate of Franchisee; transfer of an interest in the Franchise or the rights held by the Franchisee under the Franchise to the parent of Franchisee or to another Affiliate of Franchisee; any action which is the result of a merger of the parent of the Franchisee; or any action which is the result of a merger of another Affiliate of the Franchisee.

1.25 *Video Programming*: Shall be defined herein as it is defined under Section 602 of the Communications Act, 47 U.S.C. § 522(20), as amended.

2. GRANT OF AUTHORITY: LIMITS AND RESERVATIONS

2.1 *Grant of Authority*: Subject to the terms and conditions of this Agreement, the LFA hereby grants the Franchisee the right to own, construct, install, operate, extend and maintain a Cable System or such other facility along the Public Rights-of-Way within the Franchise Area, in order to provide Cable Service and such other services that may be lawfully provided over the Cable System.

2.2 *Effective Date and Term*: This Franchise shall become effective on the date that the LFA passes and adopts this Franchise (the "Effective Date"). The term of this Franchise shall be ten (10) years from the Effective Date unless the Franchise is earlier revoked or terminated as provided herein (the "Term"). Upon the expiration of the Term, this Franchise shall continue to survive unless and until: (a) the parties mutually agree upon and execute a new or renewed franchise agreement; (b) Franchisee terminates this Franchise, upon ninety (90) days written notice to the LFA; or (c) the LFA revokes the Franchise pursuant to Article 11 of this Agreement. Nothing herein shall be deemed to constitute a waiver of either party's rights under applicable law, rule or regulation, including 47 U.S.C. §546.

2.3 *Grant Not Exclusive*: The Franchise and the rights granted herein to use and occupy the Public Rights-of-Way to provide Cable Services shall be non-exclusive, and the LFA has granted and reserves the right to grant other franchises for similar uses or for other uses of the Public Rights-of-Way, or any portions thereof, to any Person, or to make any such use itself, at any time during the term of this Franchise, subject to Section 12.15. Any such rights which are granted shall not adversely impact the authority as granted under this Franchise and shall not interfere, except as permitted by applicable law, with existing facilities of the Cable System.

2.4 *Franchise Subject to Applicable Law*: Notwithstanding any provision to the contrary herein, this Franchise, the LFA and Franchisee are subject to and shall be governed by all applicable provisions of federal law and state law, as amended from time to time, including but not limited to the Cable Act.

2.5 *No Waiver*: The failure of the LFA or the Franchisee on one or more occasions to exercise a right under this Franchise, the Cable Act or other applicable state or federal law, or to require compliance or performance under this Franchise, shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance of this Agreement, nor shall it excuse Franchisee from compliance or performance, unless such right or such compliance or performance has been specifically waived in writing.

2.6 *Construction of Agreement*:

2.6.1 Nothing herein shall be construed to limit the scope or applicability of Section 625 of the Cable Act, 47 U.S.C. § 545, as amended.

2.6.2 Should any change to state or federal law, rules or regulations have the lawful effect of materially altering the terms and conditions of this Franchise, then the parties shall

negotiate modifications to this Franchise to the mutual satisfaction of both parties, or Franchisee may terminate this Franchise if the parties cannot reach agreement on the above-referenced modification to the Franchise. If the change to state or federal law, rules or regulations provides that Franchisee may offer Cable Service pursuant to an alternate form of grant of authority other than this Franchise, then Franchisee may terminate this franchise upon agreeing to the terms and conditions of said alternate form of grant of authority.

2.7. *Local Ordinances:* Franchisee agrees to comply with the terms of any lawfully adopted generally applicable local ordinances, to the extent that the provisions of the ordinance do not have the effect of limiting the benefits, or expanding the obligations of Franchisee, that are granted by this Franchise. Franchisee reserves the right to challenge provisions of any ordinance which conflict with its contractual rights, either now or in the future. Franchisee agrees that it is subject to the lawful exercise of the police power of the LFA.

3. PROVISION OF CABLE SERVICE

3.1 *Availability of Cable Service:*

3.1.1 *Availability of Cable Service Generally:* Franchisee shall make Cable Service available to all residential dwelling units within the Franchise Area where: (1) the average density is equal to or greater than twenty-five (25) occupied residential dwelling units per linear mile measured from the nearest active cable plant; and (2) such dwelling units are within one thousand three hundred twenty (1,320) cable-bearing strand feet (one quarter cable mile) of its active trunk or feeder line. If, as a result of new construction, an area within the Franchise Area meets the requirements in this Section 3.1.1, Franchisee shall provide Cable Service to such area within twelve (12) months of receiving notice from the LFA that such requirements have been met. Franchisee at its discretion may make Cable Service available to businesses within the Franchise Area in conformance with this Section 3.1. Service offered to subscribers pursuant to this agreement shall be conditioned upon Franchisee having legal access to any such Subscriber's dwelling unit or other units wherein such service is provided. Nothing herein shall require Franchisee to provide service to any Person who fails to abide by Franchisee's terms and conditions of service. Nothing herein shall be construed to limit the Franchisee's ability to offer or provide bulk rate discounts or promotions where applicable, to the extent permitted under federal and state Law. For underground installations, Franchisee shall charge the Subscriber no more than Franchisee's actual cost. Such costs shall be submitted to said Subscriber in writing before installation is begun.

3.1.2 No Subscriber shall be refused service arbitrarily. However, for unusual circumstances, such as a Subscriber's request to locate his cable drop underground, existence of more than one hundred fifty (150) feet from distribution cable to connection of service to Subscribers, or a density of less than fifteen (15) residences per 1,320 cable-bearing strand feet of trunk or distribution cable, service may be made available on the basis of a capital contribution in aid of construction, including cost of material, labor and easements. For the purpose of determining the amount of capital contribution in aid of construction to be borne by the Franchisee and Subscriber in the area in which service may be expanded, the Franchisee will contribute an amount equal to the construction and other costs per mile, multiplied by a fraction whose numerator equals the actual number of residences per 1,320 cable-bearing strand feet of its trunk or

distribution cable, and whose denominator equals fifteen (15). Subscribers who request service will bear the remainder of the construction and other costs on a *pro rata* basis. The Franchisee may require that the payment of the capital contribution in aid of construction borne by such potential Subscribers be paid in advance.

3.1.3 *No Discrimination in the Availability of Cable Service:* Franchisee shall not deny access to Cable Service to any group of potential residential Subscribers because of the income of the residents of the local area in which such group resides.

3.2 *Municipal and School Service:* Upon written request from the LFA, Franchisee shall provide the following:

3.2.1 Franchisee shall, without charge, provide one (1) Standard Installation, for Basic Service, as provided below, into the internal R.F. distribution system of each: municipal office building, library and school within the LFA (hereinafter singly or collectively referred to as the “premises”). Franchisee shall make a connection at one outlet in each such premise for the purpose of enabling the said premises to distribute the Basic Service. Where such premises consist of more than one building, only one tie-in and connection shall be provided by Franchisee. The premises that Franchisee shall provide such service to are designated at Exhibit A of this Agreement.

3.2.2 As used in this Franchise, the terms:

3.2.2.1 “School” shall mean those public elementary, middle/junior, and high school educational institutions within the Franchise Area; and

3.2.2.2 “Library” shall mean a library established for free public purposes by official action of a municipality, district, or the legislature, where the whole interest belongs to the public, provided, however, that the term shall not include a professional, technical or public school library; and

3.2.2.3 “Municipal office buildings” shall mean the LFA’s City hall, recreation center, police building, and other municipal facilities but shall not include County and State office buildings.

3.2.3 Franchisee shall make such tie-in and connection at the location designated by the appropriate official as the location of the internal R.F. distribution system of the premises. The responsibility of Franchisee shall terminate when the tie-in and connection to the internal R.F. distribution system are completed, and the responsibility for performance of the internal R.F. distribution system, and for distribution of the transmissions throughout such system shall be solely that of the administrator of the premises. Franchisee makes no representation or warranty as to the ability of such distribution system to carry the programs transmitted over its Cable System.

3.2.4 Where Franchisee is serving the area, but the premises to be connected with a Standard Installation is located more than one hundred, fifty (150) feet from the nearest trunk or feeder cable, the cost of the aerial cable installation beyond one hundred fifty (150) feet will be paid by the recipient. For underground installations, Franchisee shall charge the recipient its

actual cost. Such cost estimates shall be submitted to said recipient, in writing, before installation is begun.

4. SYSTEM FACILITIES

4.1 Design and Construction Requirements:

4.1.1 To the extent commercially practicable, all structures, lines and equipment erected by Franchisee within the Franchise Area shall be so located as to cause minimum interference with the proper use of streets, alleys, easements and other public ways and places, and to cause minimum interference with rights or reasonable convenience of property owners who adjoin any of the said streets, alleys or other public ways and places. Existing poles, posts and other structures of the electric power company or any telephone company or any other public utility that may be available to Franchisee shall be used to the extent commercially practicable in order to minimize interference with travel. Where both power and telephone utilities are placed underground, and to the extent commercially practicable, Franchisee's cable also shall be placed underground.

4.1.2. Upon thirty (30) days, written notice, excluding emergencies, Franchisee shall, at its own expense, protect, support, temporarily disconnect, relocate in the Public Rights-of-Way, or remove from the Public Rights-of-Way, any property of the Franchisee when lawfully required by the LFA by reason of traffic conditions, public safety, street abandonment, freeway and street construction, change or establishment of street grade, installation of sewers, drains, gas or water pipes, or any other type of structures or improvements by the LFA. Franchisee shall have the right to abandon its underground property, but not its above-ground property without first removing same, if requested by the LFA. If funds are generally available to users of the Public Rights-of-Way for such relocation, Franchisee shall be entitled to its pro rata share of such funds.

4.2 *Tree Trimming:* Franchisee shall have the authority to trim trees or other natural growth in order to access and maintain the Cable System after giving at least twenty-four (24) hours prior notice to the LFA and the property owner or occupant, to the extent practicable.

4.3 *Technical Standards:* Franchisee shall comply with all applicable FCC rules and regulations applicable to the Cable System, including without limitation FCC Rules and Regulations, Part 76, Subpart K (Technical Standards), as may be amended from time to time.

4.4 *Emergency Alert System:* Franchisee shall comply with the Emergency Alert System ("EAS") requirements of the FCC and applicable state law, in order that emergency messages may be distributed over the System.

4.5 *Restoration of Municipal Property:* Any municipal property damaged or destroyed shall be promptly repaired or replaced by the Franchisee and restored to pre-existing condition at Franchisee's expense.

5. PEG SERVICES

5.1 Franchisee shall comply with applicable law, rules, and regulations pertaining to non-commercial PEG access to the System.

5.2 Franchisee shall provide the LFA and the residents of the Franchise Area with equitable access to all non-commercial PEG access services provided by Franchisee as part of its PEG access policies, rules, and procedures.

5.3 Franchisee shall provide capacity for one (1) Government Access Channel and one (1) Educational Access Channel (collectively, "PEG Channels"). The PEG Channels provided by the Franchisee may be offered in any format using any transmission method and carried on any tier or channel position as may be permissible under applicable law.

5.4 *Indemnity for PEG:* The LFA shall require all local producers and users of any of the PEG facilities or Channels to agree in writing to authorize Franchisee to transmit programming consistent with this Agreement and to defend and hold harmless Franchisee and the LFA from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims for failure to comply with applicable federal laws, rules, regulations or other requirements of state or federal authorities; for claims of libel, slander, invasion of privacy, or the infringement of common law or statutory copyright; for unauthorized use of any trademark, trade name or service mark; for breach of contractual or other obligations owing to third parties by the producer or user; and for any other injury or damage in law or equity, which result from the use of a PEG facility or Channel. The LFA shall establish rules and regulations for use of PEG facilities, consistent with, and as required by, 47 U.S.C. §531.

5.5 *PEG Grant:* Franchisee shall provide to the LFA a financial contribution for use in support of the production of local PEG programming in the amount of Twelve Thousand Dollars (\$12,000.00) (the "PEG Grant."). The PEG Grant shall be due and payable within ninety (90) days of the Effective Date of this Agreement. The PEG Grant shall be used solely by the LFA for PEG Access equipment, including but not limited to, studio and portable production equipment, editing equipment, and program playback equipment, or for renovation or construction of PEG Access facilities, and for any other PEG capital related needs of the LFA.

5.6 *Recovery of Costs:* To the extent permitted by federal law, the Franchisee shall be allowed to recover the cost of the PEG Grant and any costs arising from the provision of PEG services from Subscribers and to include such costs as a separately billed line item on each Subscriber's bill. Without limiting the foregoing, if allowed under state and federal laws, Franchisee may externalize, line-item, or otherwise pass-through interconnection and any franchise-related costs to Subscribers.

6. FRANCHISE FEES

6.1 *Payment to LFA:* Beginning sixty (60) days after the Effective Date of this Agreement, Franchisee shall pay to the LFA a franchise fee of five percent (5%) of annual Gross Revenue (the "Franchise Fee"), provided however, that until such time as the Franchisee pays Franchise Fees in accordance with this Agreement, it shall continue to pay a franchise fee in accordance with the prior franchise with the LFA. The twelve (12) month period applicable under

the Franchise for the computation of the Franchise Fee shall be a calendar year. Such payments shall be made no later than forty-five (45) days following the end of each calendar quarter. Franchisee shall be allowed to submit or correct any payments that were incorrectly omitted, and shall be refunded any payments that were incorrectly submitted, in connection with the quarterly Franchise Fee remittances within ninety (90) days following the close of the calendar year for which such payments were applicable.

6.1.1 Each payment shall be accompanied by a written report to the LFA, verified by an authorized representative of the Franchisee, containing an accurate statement in summarized form as well as in detail, of the Franchisee's Gross Revenue in the Franchise Area and the computation of the payment amount, drafted in accordance with generally accepted accounting principles.

6.1.2 Upon timely written request by the LFA, within the first calendar quarter of each year during the term of this Agreement, Franchisee shall furnish to the LFA, within 30 days of such request, a statement of the total amount of Gross Revenue for the previous calendar year, and all payments, deductions and computations for the period. The statement shall be reviewed by a certified public accountant, who may also be an employee of the Franchisee, prior to submission to the LFA.

6.1.3 In the event any payment due is not received within thirty (30) days from the calendar date that it is due pursuant to Section 6.1 of this Agreement, Franchisee shall pay, in addition to the amount due, interest on the amount due at the rate of one percent (1%) per month, compounded daily, calculated from the date the payment was originally due until the date the LFA receives payment. Notwithstanding anything herein to the contrary, the requirements of this Subsection 6.1.3 do not apply to amounts incorrectly omitted from a timely made payment, which were subsequently corrected and submitted to the LFA pursuant to Section 6.1.

6.1.4 The LFA shall impose an equivalent franchise fee obligation to the obligations contained in this Section 6.1 on all new and renewed providers of Cable Service in the Franchise Area. In any event, if any new or renewed franchise agreement contains franchise fee obligations that are lesser in amount than the obligations imposed in this Section 6.1, Franchisee's obligations under Section 6.1 shall thereafter be automatically reduced to an equivalent amount.

6.2 *Limitation on Franchise Fee Actions:* The parties agree that the period of limitation for recovery of any Franchise Fee payable hereunder shall be six (6) years from the date on which payment by Franchisee is due.

6.3 *Bundled Services:* If Franchisee provides a Bundled Service to Subscribers, the Franchise Fee shall be applied only to the value of the Cable Services, as reflected on the books and records of Franchisee in accordance with FCC rules, regulations, standards or orders.

7. REPORTS AND RECORDS

7.1 *Open Books and Records:* Upon reasonable written notice to the Franchisee and with no less than thirty (30) business days written notice to the Franchisee, the LFA shall have the right to inspect the Franchisee's records kept in the ordinary course of business, and reasonably necessary for the LFA to enforce this Franchise, during Franchisee's regular business hours on a

nondisruptive basis. Such notice shall specifically reference the Section or subsection of the Franchise which is under review, so that Franchisee may organize the necessary books and records for appropriate access by the LFA. Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than six (6) years. Notwithstanding anything to the contrary set forth herein, Franchisee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose any of its or an Affiliate's books and records not relating to the provision of Cable Service in the Franchise Area. Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Cable Act, 47 U.S.C. §551. Any undisputed amounts due to the LFA as a result of an audit shall be paid within sixty (60) days following written notice to the Franchisee by the LFA, which notice shall include a copy of the audit findings. If any such undisputed amounts discovered by the audit show that the Franchisee Fee payments have been underpaid by five percent (5%) or more, Franchisee shall pay the total cost of the audit, such cost not to exceed fifteen thousand dollars (\$15,000) per audit. The LFA's right to audit, and the Franchisee's obligation to retain records related to a Franchise Fee audit, shall expire six (6) years after each Franchise Fee payment is due.

8. INSURANCE AND INDEMNIFICATION

8.1 *Insurance:*

8.1.1 During the first five (5) years of the Franchise Term, Franchisee shall maintain in full force and effect, at its own cost and expense, Commercial General Liability Insurance in the amount of one million dollars (\$1,000,000) combined single limit for bodily injury and property damage, and, upon timely written request by the LFA, three million dollars (\$3,000,000) in such coverage thereafter for the last five (5) years of this Franchise. The Franchisee shall provide a certificate of insurance designating the LFA as an additional insured. Such insurance shall be non-cancellable except upon thirty (30) days prior written notice to the LFA.

8.2 *Indemnification:*

8.2.1 Franchisee shall indemnify and hold harmless the LFA, its officers, employees, and authorized agents from and against all losses and claims, demands, payments, suits, actions, recoveries, and judgments resulting from property damage or personal injury, arising from actions taken pursuant to this Agreement by Franchisee, its officers, employees, and authorized agents in the construction, operation, maintenance, service or repair of the Cable System or any portion thereof, or by reason of any suit or claim for royalties, license fees, or infringement of patent rights arising from Franchisee's performance under this Agreement other than the provision of PEG facilities and PEG channels. The LFA shall promptly notify Franchisee of any claim for which it seeks indemnification and shall make available to Franchisee all relevant information under LFA's control regarding such claim. Upon notification of a claim, Franchisee shall fully control the defense of such claim and any compromise, settlement, resolution, or other disposition of such claim, including selection of counsel; provided however, that, the LFA shall have the right to participate in the defense of any litigation by retaining its own counsel at its own cost and expense, and Franchisee shall not agree to any settlement or compromise that includes the

release of the LFA without the consent of the LFA to the terms of such settlement or compromise, such consent not to be unreasonably withheld. Notwithstanding any provision contained herein and to the contrary, Franchisee shall have no obligation to indemnify or defend the LFA with respect to any programming provided by the LFA. The LFA shall be responsible for its own acts and the acts of its officers, employees, and agents that constitute willful misconduct, negligence, or willful breach, subject to any and all defenses and limitations of liability provided by law. The Franchisee shall not be required to indemnify the LFA for acts solely committed on the part of the LFA which constitute willful misconduct, negligence or willful breach on the part of the LFA, its officers, employees, agents, attorneys, consultants, independent contractors or third parties acting in their official capacity on behalf of the LFA.

9. TRANSFER OF FRANCHISE

9.1 *LFA Consent Required:* Subject to Section 617 of the Cable Act, 47 U.S.C. § 537, as amended, no Transfer of the Franchise shall occur without the prior consent of the LFA, provided that such consent shall not be unreasonably withheld, delayed or conditioned. In considering an application for the Transfer of the Franchise, the LFA may consider the applicant's: (i) technical ability; (ii) financial ability; (iii) good character; and (iv) other qualifications necessary to continue to operate the Cable System consistent with the terms of this Franchise.

9.2 *LFA Consent Not Required for Certain Transactions:* No prior consent of the LFA shall be required for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in the Franchise or Cable System in order to secure indebtedness, or for transactions otherwise excluded under Section 1.24 above.

10. RENEWAL OF FRANCHISE

10.1 *Governing Law:* The LFA and Franchisee agree that any proceedings undertaken by the LFA that relate to the renewal of this Franchise shall be governed by and comply with the provisions of Section 12.9 below and Section 626 of the Communications Act, 47 U.S.C. § 546, as amended.

10.2 *Consistent Terms:* Franchisee and the LFA consider the terms set forth in this Article 10 to be consistent with the express provisions of 47 U.S.C. § 546.

11. ENFORCEMENT AND TERMINATION OF FRANCHISE

11.1 *Notice of Violation:* In the event the LFA believes the Franchisee has not complied with the terms of the Franchise, it shall notify the Franchisee in writing of the exact nature of the alleged noncompliance.

11.2 *Franchisee's Right to Cure or Respond:* The Franchisee shall have thirty (30) days from receipt of the notice described in Section 11.1 of this Agreement:

11.2.1. to respond to the LFA, contesting the assertion of noncompliance;

11.2.2. to cure such default; or

11.2.3. in the event that default cannot be cured within the thirty (30) day period, initiate reasonable steps to remedy such default as expediently as possible and notify the LFA of the steps being taken and the projected date that the default will be cured.

11.3 *Public Hearing:* In the event that the Franchisee fails to respond to the notice described in Section 11.1 of this Agreement pursuant to the procedures set forth in Section 11.2 of this Agreement, or in the event that the alleged default is not remedied within thirty (30) days or the date projected pursuant to Section 11.2.3 above, the LFA may schedule a public hearing to investigate the default. The public hearing shall be held at the next regularly scheduled meeting of the LFA. The LFA shall notify the Franchisee in writing of the time and place of such meeting and provide the Franchisee with an opportunity to be heard. Written notice will be provided at least five (5) business days in advance of the hearing.

11.4 *Enforcement:* Subject to applicable federal, state and local law, in the event the LFA, after such meeting, determines that the Franchisee is in default of any material provision of the Franchise, the LFA may seek any or all of the following remedies:

11.4.1. Seek specific performance of any provision, which reasonably lends itself to that remedy, as an alternative to damages, or seek other equitable relief;

11.4.2. Commence an action at law for monetary damages; or

11.4.3. In the case of substantial default of a material provision of the Franchise, declare the Franchise to be revoked.

11.5 *Revocation:*

11.5.1 If the LFA seeks to revoke the Franchise after following the procedures set forth in Sections 11.1 through 11.4 of this Agreement, the LFA shall give written notice to the Franchisee of its intent to revoke the Franchise on the basis of a pattern of noncompliance by the Franchisee including one or more instances of substantial noncompliance with a material provision of the Franchise. The notice shall set forth the exact nature of the noncompliance. The Franchisee has ninety (90) day from the notice to object in writing and to state its reason for the objection. In the event the LFA has not received a satisfactory response from the Franchisee, it may seek termination of the Franchise at a public meeting. The LFA shall cause to be served upon the Franchisee, at least ten (10) day prior to a public meeting, a written notice specifying the time and place of the meeting and stating its intent to request the termination.

11.5.2 At the designated meeting, the LFA shall give Franchisee an opportunity to state its position on the proposed revocation, after which the LFA shall determine whether or not the Franchise shall be revoked. The Franchisee may appeal such determination to an appropriate court, which has the power to review the decision of the LFA as provided by law.

11.5.3 The LFA may, at its sole discretion, take any lawful action which it deems appropriate to enforce the LFA's rights under the Franchise in lieu of revocation of the Franchise.

11.6 *Assessment of Liquidated Damages:*

11.6.1 Because it may be difficult to calculate the harm to the LFA in the event of a breach of this Franchise by the Franchisee, the parties agree to liquidated damages as a reasonable estimation of the actual damages beginning in year six (6) of this Franchise. To the extent that the LFA elects to assess liquidated damages as provided in this Franchise, such damages shall be the Franchising Authority's sole and exclusive remedy for such breach or violation and shall not exceed a time period of one hundred eighty (180) days. Nothing in this subsection is intended to preclude the LFA from exercising any other right or remedy with respect to a breach that continues past the time the LFA stops assessing liquidated damages for such breach.

11.6.2 Prior to assessing any liquidated damages, the LFA shall follow the enforcement procedures of this Franchise that provide the Franchisee proper written notice and a right to cure.

11.6.3 The first day for which liquidated damages may be assessed, if there has been no cure, shall be the day of the LFA's written notice to the Franchisee, as such notice is required by Section 11.3.

11.6.4 Franchisee may appeal (by pursuing judicial relief) any assessment of liquidated damages within thirty (30) days of paying the assessment.

11.6.5 Pursuant to the requirements outlined herein, liquidated damages shall not exceed the following amounts: fifty dollars (\$50) per day for material departure from the FCC technical performance standards; fifty dollars (\$50) per day for failure to comply with Article 5 of this Agreement ("PEG Services"); fifty dollars (\$50) per day for each material violation of Section 12.11 of this Agreement ("Customer Service"); and fifty dollars (\$50) per day for any material breaches or material defaults of this Agreement not previously listed.

11.7 *Force Majeure:* Franchisee shall not be held in default under, or in noncompliance with, the provisions of this Franchise, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged default occurred or was caused by a Force Majeure.

11.8 *Technical Violations:* The parties agree that it is not the LFA's intention to subject the Franchisee to penalties, fines, forfeitures or revocation of the Franchise for so-called "technical" breaches or violations of the Franchise or local cable ordinance, which shall include, but are not limited to the following:

11.8.1. In instances or for matters where a violation or breach by the Franchisee of the Franchise or local cable ordinance was a good faith error that resulted in no or minimal negative impact on the customers within the Service Area; or

11.8.2. Where circumstances reasonably beyond the control of the Franchisee precipitated a violation by the Franchisee of the Franchise or local cable ordinance, or prevented the Franchisee from complying with a term or condition of the Franchise or local cable ordinance.

11.9 *False Statements*: Any false or misleading statements or representation in any report required by this Franchise, not including clerical errors or errors made in good faith, may be deemed a material breach of this Franchise and may subject the Franchisee to all remedies, legal or equitable, which are available to the LFA under this Franchise.

11.10 *Performance Bond*: As a condition of the Franchise being awarded, and throughout the Term, Franchisee shall provide and maintain a performance bond in the amount of twenty thousand dollars (\$20,000). The performance bond may be drawn upon by the LFA to ensure Franchisee's faithful performance of each term and condition of the Franchise. The LFA agrees to either return the original bond or sign the necessary documentation to release the bond promptly upon expiration, termination or transfer of the Franchise.

12. MISCELLANEOUS PROVISIONS

12.1 *Binding Acceptance*: This Agreement shall bind and benefit the parties hereto and their respective heirs, beneficiaries, administrators, executors, receivers, trustees, successors and assigns, and the promises and obligations herein shall survive the expiration date hereof.

12.2 *Preemption*: In the event that federal or state law, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, the provision shall be read to be preempted to the extent, and for the time, but only to the extent and for the time, required by law, except that such provision shall survive such preemption and shall remain in effect for the term of this Agreement to the extent permitted by law. In the event such federal or state law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision hereof that had been preempted is no longer preempted, such provision shall thereupon return to full force and effect, and shall thereafter be binding on the parties hereto, without the requirement of further action on the part of the LFA.

12.3 *Notices*: Unless otherwise expressly stated herein, notices required under the Franchise shall be mailed first class, postage prepaid, to the addressees below. Each party may change its designee by providing written notice to the other party.

12.3.1 Notices to Franchisee shall be mailed to:

Bresnan Communications, LLC
1111 Stewart Avenue
Bethpage, NY 11714
Attention: Vice President, Government Affairs

12.3.2 With a copy to:

Cablevision Systems Corporation
1111 Stewart Avenue
Bethpage, NY 11714
Attention: Legal Department

12.3.3 Notices to the LFA shall be mailed to:

City of Cody
P. O. Box 2200
1338 Rumsey Avenue
Cody, WY 82414

12.4 *Entire Agreement*: This Franchise and the Exhibits hereto constitute the entire agreement between Franchisee and the LFA and they supersede all prior or contemporaneous agreements, representations or understandings (whether written or oral) of the parties regarding the subject matter hereof. The LFA acknowledges and agrees that all the elements of its local ordinances, rules, and regulations with respect to the provision of Cable Service over Franchisee's Cable System are fully reflected by the terms and conditions of this Agreement and are satisfied by the Franchisee's compliance with the terms and conditions of this Agreement, and in the event of a material conflict between a provision of this Agreement and a provision of such local ordinance, rules, and regulations, this Agreement shall be controlling.

12.5 *Amendments and Modifications*: Amendments and/or modifications to this Agreement shall be mutually agreed to in writing by the parties.

12.6 *Captions*: The captions and headings of articles and sections throughout this Agreement are intended solely to facilitate reading and reference to the articles, sections and provisions of this Agreement. Such captions shall not affect the meaning or interpretation of this Agreement.

12.7 *Severability*: If any section, subsection, sub-subsection, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional by any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other section, subsection, sub-subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the Term of the Franchise.

12.8 *Recitals*: The recitals set forth in this Agreement are incorporated into the body of this Agreement as if they had been originally set forth herein.

12.9 *Cable System Transfer Prohibition*: Under no circumstance including, without limitation, upon expiration, revocation, termination, denial of renewal of the Franchise or any other action to forbid or disallow Franchisee from providing Cable Services, shall Franchisee or its assignees be required to sell any right, title, interest, use or control of any portion of Franchisee's fiber network including, without limitation, the Cable System and any capacity used for Cable Service or otherwise, to the LFA or any third party. Franchisee shall not be required to remove the fiber network or to relocate the fiber network or any portion thereof as a result of revocation, expiration, termination, denial of renewal or any other action to forbid or disallow Franchisee from providing Cable Services. This provision is not intended to contravene leased access requirements under Title VI of the Cable Act or PEG requirements set forth in this Agreement.

12.10 *Employment Practices*: Franchisee will not refuse to hire, nor will it bar or discharge from employment, nor discriminate against any person in compensation or in terms,

conditions, or privileges of employment because of age, race, creed, color, national origin, or sex or any protected category of persons under federal or state law.

12.11 *Customer Service*: Franchisee shall comply with the consumer protection and customer service standards set forth in applicable federal and state law.

12.12 *No Third Party Beneficiaries*: Except as expressly provided in this Agreement, this Agreement is not intended to, and does not create any rights or benefits on behalf of any Person other than the parties to this Agreement.

12.13 *LFA Official*: The Mayor of the LFA is the LFA official that is responsible for the continuing administration of this Agreement.

12.14 *No Waiver of Parties' Rights*: Notwithstanding anything to the contrary in this Agreement, no provision of this Agreement shall be construed as a waiver of either the LFA's or the Franchisee's rights under applicable federal and state law.

12.15 *Level Playing Field*:

12.15.1 Any future Cable Service Franchise(s) or other similar authorization granted by the LFA shall only authorize or permit any Person providing Cable Service or any other Video Programming service to enter into the Public Rights-of-Way on the same terms and conditions as those contained in this Franchise. If the LFA grants a franchise (or franchises), or permits access to the Public Rights-of-Way to a non-franchised provider of Cable Service, that contain provisions imposing lesser obligations or more favorable terms on the company(s) thereof than are imposed by the provisions of this Franchisee, then, upon written notice to the LFA by Franchisee, this Franchise shall upon notice to the LFA by Franchisee be deemed modified and construed to include all such less burdensome and more favorable terms identified by Franchisee.

12.15.2 Nothing in this Section 12.15 shall be deemed a waiver of any remedies available to Franchisee under Federal, State or Municipal Law, including but not limited to Section 625 of the Cable Act, 47 U.S.C. Section 545.

AGREED TO THIS _____ DAY OF _____, 201__.

LFA : CODY, WYOMING

By: _____

Name:

Title:

BRESNAN COMMUNICATIONS, LLC

By: _____
Name:
Title:

EXHIBITS

Exhibit A: Municipal Buildings to be Provided Free Cable Service

EXHIBIT A

MUNICIPAL/SCHOOL BUILDINGS TO BE PROVIDED FREE CABLE SERVICE

NAME	ADDRESS	CITY	STATE	ZIP
City of Cody	1338 Rumsey Avenue	Cody	WY	82414
Cody High School	1225 10th Street	Cody	WY	82414
Eastside School	1601 Bleistein Avenue	Cody	WY	82414
Livingston School	2001 12th Street	Cody	WY	82414
Sunset School	3101 E. Sheridan Ave.	Cody	WY	82414
Cody Middle Sch	2901 Cougar Avenue	Cody	WY	82414
Cody Rec. Center	1402 Heart Mountain St.	Cody	WY	82414
Cody Police Dept.	1402 Riverview Drive	Cody	WY	82414
Cody Senior Center	613 13 th Street	Cody	WY	82414
Cody Auditorium	1240 Beck Avenue	Cody	WY	82414
City Shop	119 19 th Street	Cody	WY	82414

MEETING DATE: DECEMBER 18, 2012

DEPARTMENT: ADMINISTRATIVE SERVICES

PREPARED BY: LESLIE BRUMAGE

PRESENTED BY: LESLIE BRUMAGE

AGENDA ITEM SUMMARY REPORT

Resolution 2012-33 Extension of Wells Fargo Banking Agreement

ACTION TO BE TAKEN:

Approve Resolution 2012-33 authorizing the extension of the current banking agreement with Wells Fargo for one additional year beginning July 1, 2013 through June 30, 2014.

SUMMARY OF INFORMATION:

In May 2009 the City Council approved a banking services agreement with Wells Fargo for a 3-year period beginning July 1, 2009. The agreement has a provision allowing the City to extend the agreement for two additional one-year periods. In January 2012 the Council exercised its option to extend the agreement by the first of those two additional years. Due to poor market conditions and low interest rates staff is recommending that the Council extend the banking agreement for the second year for the period of July 1, 2013 through June 30, 2014.

FISCAL IMPACT

The City will continue to receive no-fee banking services as long as a balance of at least \$6 million is on deposit with Wells Fargo and the interest rate earned will remain at 1.125% during the term of the extension.

ALTERNATIVES

The Council may approve Resolution 2012-33 authorizing the extension of the current banking services agreement or request that staff issue an RFP for new banking services to start July 1, 2013.

ATTACHMENTS

Resolution 2012-33
Current Banking Services Agreement with Wells Fargo

AGENDA & SUMMARY REPORT TO:

Craig Caldwell Wells Fargo Bank Craig.I.Caldwell@wellsfargo.com 527-2617

AGENDA ITEM NO. _____

RESOLUTION NO. 2012-33

**A RESOLUTION APPROVING AN EXTENSION TO THE
BANKING SERVICES AGREEMENT BETWEEN THE CITY OF
CODY AND WELLS FARGO BANK.**

WITNESSETH

WHEREAS, the Governing Body for the City of Cody, Wyoming approved a banking services agreement with Wells Fargo Bank on May 26, 2009 which expired June 30, 2012 and;

WHEREAS, the Governing Body for the City of Cody, Wyoming desires to extend the current Banking Services Agreement with Wells Fargo Bank and;

WHEREAS, the original agreement included a provision for two one-year extensions and;

WHEREAS, staff and the Banking Committee recommends the extension which has no increase in any bank fees and retains the current interest rate.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CODY, WYOMING THAT the option to extend the banking services agreement with Wells Fargo Bank, attached hereto as "Exhibit A", is hereby approved for the second one-year extension beginning July 1, 2013 through June 30, 2014.

PASSED, APPROVED AND ADOPTED THE 18th day of December 2012

Nancy Tia Brown, Mayor

Attest:

Cynthia Baker, Administrative Services Officer

Banking Services Agreement

The City of Cody, Wyoming, a municipal corporation (hereinafter the "City") and Wells Fargo Bank (hereinafter the "Bank") agree and contract as follows:

1. TERM OF AGREEMENT

The Banking Services Agreement is to extend for a period of three (3) years beginning July 1, 2009 with the City retaining the option to extend the agreement for two additional one (1) year periods.

2. OBLIGATIONS

The City shall deposit and maintain certain accounts including but not limited to general operating, payroll, and other deposit accounts with the Bank during the term of this Agreement.

The City shall, at its discretion, select the desired required and optional services from those offered in the banking services Proposal. The City may, at its discretion, determine when and if each service shall be selected, implemented, or terminated at any time during the term of this Agreement.

Nothing in this Agreement shall be construed as a commitment by the City to refrain from depositing funds with other banks or financial institutions for investment purposes or as required by law.

The Bank shall provide the banking services as described in this Agreement and the following documents:

- a. Request for Proposal for Banking Services
- b. Bank's Banking Services Proposal

This Banking Services Agreement, together with the documents described above shall comprise and be referred to as the "Agreement".

3. COMPENSATION

The compensation to be paid to the Bank shall be as outlined in Section 7 of the Bank's Banking Services Proposal. The Bank agrees that if the City maintains a depository relationship with the Bank that collectively holds a balance no less than six million dollars the Bank shall waive all fees associated with the required services.

The compensation to be paid to the City shall be as outlined in Section 6 of the Bank's Banking Services Proposal

4. TERMINATION OF AGREEMENT

The City reserves the right to terminate or suspend this Agreement if the Bank breaches any provision of this Agreement or fails to perform to the City's satisfaction by giving ninety (90) days written notice to the Bank. In the event of termination, all finished or unfinished reports, or other material prepared by the Bank pursuant to this Agreement shall be provided to the City. The Bank shall be entitled to receive just and equitable compensation of any satisfactory services completed prior to the date of termination not to exceed the compensation set forth above. Upon receiving notice of termination the Bank shall cooperate in good faith and shall exercise reasonable diligence in complying with any request by the City for the transfer of funds and/or termination of services provided under this Agreement.

5. **OWNERSHIP OF WORK PRODUCT**
Ownership of the originals of any reports, data , studies, surveys, charts, specifications, figures and any other documents which are developed, compiled or produced as a result of this agreement, whether or not completed, shall be vested in the City.
6. **GENERAL ADMINISTRATION AND MANAGEMENT**
The Administrative Services Director or his/her designee for the City shall review and approve the Bank's charges and interest payments to the City under this agreement, shall have the primary responsibility for overseeing and approving services to be performed by the Bank and shall coordinate all communications with the Bank.
7. **SUCCESSORS AND ASSIGNS**
The Bank's rights and obligations under this Agreement shall not be assigned to a third party or to a successor institution without the City's written consent.
8. **HOLD HARMLESS/INDEMNIFICATION**
The Bank agrees to indemnify, defend, and hold harmless the City and its officers, agents, and employees from any claim, real or imaginary, filed against the City or its officers, agents or employees, alleging damage or injury arising out of the subject matter of this Agreement; provided however that such provision shall not apply to the extent that the damage or injury results from the fault of the City or its officers, agents, or employees.
9. **COMPLIANCE WITH LAWS**
The Bank shall comply with all applicable State, Federal, and City laws, ordinances, regulations, and codes which may govern the services provided under this Agreement.
10. **FUTURE SUPPORT**
The City makes no commitment and assumes no obligations for the support of Bank activities except as set forth in this agreement.
11. **INDEPENDENT CONTRACTOR**
The Bank is and shall be at all times during the term of this Agreement an independent contractor.
12. **MODIFICATION OF AGREEMENT**
This Agreement may be amended or modified only by written instrument agreed to and properly signed by both parties hereto.
13. **ADDITIONAL WORK**
The City may desire to have the Bank perform other services in connection with the banking relationship other than provided for by the express intent of this Agreement. Any such services shall be considered as additional work, supplemental to this Agreement. Additional work shall not proceed unless so authorized in writing by the City. Authorized additional work will be compensated for in accordance with a written supplemental Agreement between the City and the Bank.
14. **SUPPLEMENTAL AGREEMENTS**
It is understood by the parties to this Agreement that, in order to authorize and implement certain banking procedures and transactions contemplated by this Agreement, the Bank may request the City to execute certain documents, including but not limited to: an Automated Clearing House Service Operating Agreement, a Master Repurchase Agreement, Wire Transfer Services Agreement, and a Treasury Management Agreement. The parties expressly agree that nothing in any Supplemental Agreements shall be construed as limiting in any manner the City's rights under this Agreement. Furthermore, nothing in any Supplemental

Agreements shall be construed as a waiver by the City of any rights, claims, or defenses it may have under this Agreement or under any applicable provision of State, Federal, or Common law. To the extent that any provision in this Agreement conflicts with a provision in any Supplemental Agreement, the provision in this Agreement shall control.

15. BINDING EFFECT

A waiver or indulgence by the City of breach of any provision of this Agreement by the Bank shall not operate or be construed as a waiver of any subsequent breach by the Bank.

All Agreements and covenants contained herein are severable and in the event any of them shall be held to be invalid by any court of competent jurisdiction, this Agreement shall be interpreted as if such invalid agreements or covenants were not contained herein and the remaining provision of this Agreement shall not be affected by such determination and shall remain in full force and effect. This Agreement shall not fail because any part or any clause hereof shall be held indefinite or invalid.

Each party hereto represents and warrants that this Agreement has been duly authorized and executed by it and constitutes a valid and binding agreement and that any governmental or organizational approvals necessary for the performance of this Agreement have been obtained.

The validity, interpretation, and construction of this Agreement and of each part hereof shall be governed by the laws of the State of Wyoming.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates written below:

BANK: Wells Fargo Bank, NA

CITY:

Craig L. Caldwell
Name

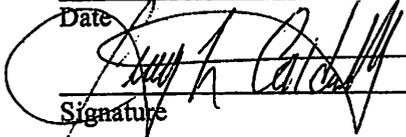
Nancy Tia Brown
Name

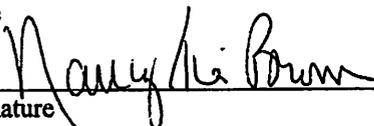
Vice President
Title

Mayor
Title

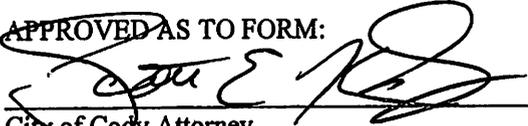
May 4, 2009
Date

5/26/09
Date


Signature


Signature

APPROVED AS TO FORM:


City of Cody Attorney

5/22/09
Date