

FINANCE COMMITTEE

09-0224R

RESOLUTION APPROVING THE BUDGET FOR THE FISCAL YEAR MAY 1, 2009, TO APRIL 30, 2010, IN THE AMOUNT OF \$4,731,717 AND THE CAPITAL REPAIR AND REPLACEMENT BUDGET FOR THE SPIRIT MOUNTAIN RECREATION AREA AUTHORITY.

CITY PROPOSAL:

RESOLVED, that the budget for the fiscal year May 1, 2009, to April 30, 2010, in the amount of \$4,731,717, including the 2009 repair and replacement budget in the amount of \$225,000 as set out in the budget on file with the city clerk as Public Document No. _____ for the Spirit Mountain recreation area authority is hereby approved.

FURTHER RESOLVED, the city acting through the city treasurer, shall make available a line of credit up to \$350,000, to be drawn upon as needed, to assist in the management of cash flow within the budget as approved, same to be repaid in full (to a zero balance) at least once per calendar year, by October 31 of that year. If repaid as agreed with the city treasurer, no interest shall be charged. The city treasurer shall determine the forms, procedures and supporting documentation that will be required to draw on the line of credit. Such transactions shall be subject to audit and public disclosures.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

STATEMENT OF PURPOSE: This resolution approves the expense budget for the Spirit Mountain recreation area authority for the budget year May 1, 2009 - April 30, 2010, in the amount of \$4,731,717. This budget includes a \$225,000 repair and replacement capital plan which must be approved per the 2003 refinance agreement, Section 3.1e. Also included in this budget, per Section 3.2a of the same agreement, is an appropriation of \$225,000 from the city of Duluth 's tourism taxes to Spirit Mountain for payment of principal and interest on the refinancing bonds. This resolution approves the total expense budget for Spirit Mountain including operating expenses, non-operating expenses, cost of goods sold, depreciation, amortization and net income. Spirit Mountain recreation area authority is the only authority which operates on a different fiscal year than the rest of the city budgets.

The line of credit is being made available to draw upon for cash flow purposes caused by the authority's seasonal operations. It is neither parties' intent to use this line of credit either in total or on a routine basis. At the request of the authority, the proposed line of credit increase is \$100,000, for a total of \$350,000.