



# Summary Budget Fiscal Year 2018

435 Ryman Street,  
Missoula, MT 59802  
(406) 552-6110



*Wild Blooms – Created in  
2014 by Debbie Bell*

Prepared by the City of Missoula Finance Department



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Missoula  
Montana**

For the Fiscal Year Beginning

**July 1, 2016**

Executive Director

## **Elected Officials**

Mayor, John Engen

Municipal Court Judge, Kathleen Jenks

## **City Council**

### **Ward One**

Term Expires First Monday In:

Bryan von Lossberg 2018  
Heidi West 2020

### **Ward Four**

Term Expires First Monday In:

Jon Wilkins 2018  
John DiBari 2020

### **Ward Two**

Term Expires First Monday In:

Jordan Hess 2018  
Ruth Ann Swaney 2020

### **Ward Five:**

Term Expires First Monday In:

Annelise Hedahl 2018  
Julie Armstrong 2020

### **Ward Three**

Term Expires First Monday In:

Emily Bentley 2018  
Gwen Jones 2020

### **Ward Six**

Term Expires First Monday In:

Marilyn Marler 2018  
Michelle Cares 2020

## **Administrative Officials**

**Dale Bickell**—Chief Administrative Officer

**Steve Johnson**—Central Services Director

**Jim Nugent**—City Attorney

**Mike Brady**—Police Chief

**Jason Diehl**—Fire Chief

**Leigh Griffing**—Finance Director

**Mike Haynes**—Development Services Director

**Ellen Buchanan**—Director Redevelopment, Housing & Economic Development

**Carl Horton**—Information Technologies Director

**Donna Gaukler**—Parks and Recreation Director

**Rod Austin**—Missoula Parking Commission Director

**Ron Regan**—Cemetery Director

**Martha Rehbein**—City Clerk

**Don Verrue**—Certified Building Official

**Brian Hensel**—Street Division Superintendent

**Starr Sullivan**—Wastewater Treatment Division Superintendent

**Ellen Leahy**—City/County Health Department Director

**Honore Bray**—City/County Library Director

**Laurie Pfau**—Human Resources Director

**John Wilson**—Public Works Director

**Eran Pehan**—Housing and Community Development Director

**Scot Colwell**—Vehicle Fleet Manager

**Matt Lawson**—Facilities Manager

**City of Missoula  
Committees, Commissions and Boards**

**ANIMAL CONTROL BOARD- MISSOULA CITY/COUNTY (Term 2 Years)**

<b>County Appointments:</b>	<b>Start of Term</b>	<b>End of Term</b>
Jesse Munro	Jan. 1, 2015	Dec. 31, 2017
W. Lynn Gontarek-Garberson	Jan. 1, 2016	Dec. 31, 2018
<b>City Appointments:</b>		
Adam Ehlers	Jan. 1, 2016	Dec. 31, 2018
Karen Munro	Jan. 1, 2016	Dec. 31, 2018
<b>Animal Control Board-Must be a license Vet.</b>		
Shoni Card, DVM	<i>Ongoing Appointment</i>	

**BICYCLE AND PEDESTRIAN ADVISORY BOARD (Term 3 Years)**

<b>Members:</b>	<b>Start of Term:</b>	<b>End of Term:</b>
Danny Tenenbaum	Oct. 23, 2017	Sept. 30, 2020
Gene Schmitz	Oct. 1, 2017	Sept. 30, 2020
Peter Drakos	Sept. 16, 2017	Sept. 15, 2020
Ryan Yearous	Oct. 1, 2015	Sept. 30, 2018
Cory Simenson	Aug. 14, 2017	Sept. 30, 2018
Bob Wachtel (Chair)	Oct. 1, 2015	Sept. 10, 2018
Robin Welling	Oct. 23, 2017	Sept. 30, 2019
Jeff Schmerker	Dec. 12, 2016	Sept. 30, 2019
Britt Arnesen	Nov. 7, 2016	Sept. 15, 2019

**BOARD OF ADJUSTMENT (Term 3 Years)**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
Sandy Mitchell	Feb. 13, 2017	June 30, 2018
Micah Nielsen	July 1, 2015	June 30, 2018
John Horrell (Vice Chair)	July 1, 2015	June 30, 2018
Andy Short (Chair)	July 1, 2017	June 30, 2020
Hans Hoffman	July 1, 2017	June 30, 2020
Patrick Bridegam	Aug. 7, 2017	June 30, 2020
Zachary Reimer	July 1, 2017	June 30, 2020
Sharon Palmer (Alternate#1)	Aug. 7, 2017	June 30, 2020
James Sage (Alternate #2)	Aug. 28, 2017	June 30, 2020

**City of Missoula  
Committees, Commissions and Boards**

**BUILDING CODE BOARD OF APPEALS (Term 3 Years)**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
Heather McMilin (At-Large)	July 1, 2017	June 30, 2020
Jack Moffett (Electrician)	July 1, 2017	June 30, 2020
Carl Posewitz (Architect, Chair)	July 1, 2015	June 30, 2018
David V. Gray (At-Large)	July 1, 2015	June 30, 2018
Clayton Anderson (Plumber)	July 1, 2015	June 30, 2018
John Wells (At-Large)	July 1, 2016	June 30, 2019
Jonathan Gass (Engineer)	July 1, 2016	June 30, 2019

**BUSINESS IMPROVEMENT DISTRICT BOARD (Term 4 Years)**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
Carma Jean Gilligan (Zone 1)	Jun. 1, 2015	May 31, 2019
Charlie Beaton (S. of Clark Fork River)	Jun. 1, 2015	May 31, 2019
Scott Stearns (Greater than 20,000sq ft.)	Jul. 25, 2016	May 31, 2020
Tim France (Less than 20,000 sq. ft.)	Jun. 1, 2016	May 31, 2020
Dan Cedarberg-(At-Large Rep)	Jun. 1, 2017	May 31, 2021
Kirk Bodlovic (Zone 2)	Dec. 14, 2017	May 31, 2021
Ellen Buchanan-(City of Missoula Rep)	Jun. 1, 2014	May 31, 2018

**CEMETERY BOARD (Term 3 Years)**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
Vacant	May 1, 2017	Apr. 30, 2020
Paul Filicetti	May 1, 2017	Apr. 30, 2020
Kim Seeberger (Chair)	May 1, 2017	Apr. 30, 2020
Patrick J. McHugh	May 1, 2015	Apr. 30, 2018
Mary Lou Cordis	May 1, 2015	Apr. 30, 2018

**CONSERVATION DISTRICT - MISSOULA CITY/COUNTY (Term 3 Years)**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
Tim Hall- City Appointed	Jan. 1, 2016	Dec. 31, 2018
Paul Parson- City Appointed	Jan. 1, 2017	Dec. 31, 2019
Elizabeth "Libby" Maclay	Jan. 1, 2017	Dec. 31, 2020
Sidney Wills	Jan. 1, 2015	Dec. 31, 2018
Art Pencek	Jan. 1, 2015	Dec. 31, 2018
Robert Schroeder	Jan. 1, 2015	Dec. 31, 2018
Greg Martinsen- Non-Voting	N/A	N/A
Travis Greenwalt	Jan. 1, 2017	Dec. 31, 2020

## **City of Missoula Committees, Commissions and Boards**

### **CONSERVATION LANDS ADVISORY COMMITTEE**

Appointed by the Missoula Parks & Recreation Board

<b>Members:</b>	<b>Start of Term</b>	<b>End of Term</b>
Chris Ryan	Oct. 16, 2012	Oct. 15, 2019
Karen Sippy	Oct. 16, 2016	Oct. 15, 2019
Beverly Dupree	Oct. 16, 2016	Oct. 15, 2019
Giles Thelen	Oct. 16, 2014	Oct. 15, 2017
Kathleen Kennedy	Oct. 16, 2014	Oct. 15, 2017
Kevin Verlanic	Oct. 16, 2014	Oct. 15, 2017
John Pierce	Oct. 16, 2016	Oct. 15, 2019
Terry Carlson	Oct. 16, 2015	Oct. 15, 2018
Carol Fischer	Oct. 16, 2016	Oct. 15, 2019
<b>Non-Voting Members:</b>		
Lis Bradley		
Jennifer Hensiek		

### **DESIGN REVIEW BOARD (Term 1 to 3 Years)**

<b>Members:</b>	<b>Start of Term</b>	<b>End of Term</b>
Brandon Prinzing	Feb. 6, 2017	June 30, 2018
Kathleen Likvan	Feb. 6, 2017	June 30, 2018
Adam Stubbs – Alternate	Sept. 18, 2017	Dec. 31, 2018
Kyle Gauthier	Sept. 21, 2015	Dec. 31, 2018
Dennis Lippert	Jan. 1, 2016	Dec. 31, 2018
Sheena Comer Winterer	Feb. 6, 2017	June 30, 2018
Matt Loomis	Feb. 6, 2017	June 30, 2018
Ryan Smith	Jan. 1, 2016	Dec. 31, 2018

### **ENERGY AND CLIMATE TEAM (Term 3 Years)**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
Briam Kerns	March 13, 2017	July 31, 2020
Ben Schmidt	NA	NA
Robin Saha	March 13, 2017	Jul. 31, 2020
Michael Dorshorst	March 13, 2017	Jul. 31, 2020
Craig Couch	March 13, 2017	Jul. 31, 2019
Max Boese	March 13, 2017	Jul. 31, 2019
Gwen Lankford Spencer	Aug. 28, 2017	Jul. 31, 2020
Marcia Brownlee (Alternate 1)	March 13, 2017	Jul. 31, 2019
Bart Mihailovich (Alternate 2)	March 13, 2017	Jul. 31, 2019

# **City of Missoula**

## **Committees, Commissions and Boards**

### **EXTRAORDINARY EVENTS COMMITTEE**

<b>Members</b>	<b>Representation</b>
Matt Ellis (Chair)	<i>Facility Mgr. –Allegiance Field</i>
Ellen Buchanan	<i>Missoula Redevelopment Agency</i>
Emily Bentley	<i>City Council Representative- Ward 3</i>
Mike Painter	<i>Community Forum Representative</i>
Gwen Jones	<i>City Council Conservation Committee Designee</i>
Dale McCormick	<i>Riverfront Neighborhood Council</i>
Linda McCarthy	<i>Missoula Downtown Association</i>

### **HEALTH BOARD- MISSOULA CITY/ COUNTY (Term 3 Years)**

<b>County Appointments (BCC)</b>	<b>Start of Term</b>	<b>End of Term</b>
Teresa Henry	Jan. 1, 2017	Dec. 31, 2019
Garon Smith PhD	Jan. 1, 2015	Dec. 31, 2017
<b>City Appointments City Council</b>		
Ross Miller	Jan. 1, 2016	Dec. 31, 2018
Debbie Johnston	Jan. 1, 2017	Dec. 31, 2019
<b>Other Members:</b>		
Tom Roberts, MD	<i>City/County Health Board Appointed</i>	
Jean Curtiss (County)	<i>County Commissioner Appointed</i>	
Jon Wilkins (City)	<i>City Council Appointed</i>	
Paul Parson	<i>Conservation District Board Appointed</i>	

### **HISTORIC PRESERVATION COMMISSION (Term 2 Years)**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
James R. McDonald (Professional)	Jan. 1, 2016	Dec. 31, 2018
Joshua Pollarine (Southeast)	Jan. 1, 2016	Dec. 31, 2018
Steve Adler (Professional)	Jan. 1, 2016	Dec. 31, 2018
Jolene Brink (At Large)	July 10, 2017	Dec. 31, 2019
Julie McCarthy-McLavery (At Large)	Jan. 1, 2017	Dec. 31, 2019
Paul Filicetti (Downtown)	Feb. 6, 2017	Dec. 31, 2019
Cathy Bickenheuser (Professional)	Jan. 1, 2015	Dec. 31, 2017
Solomon Martin (Alternate 1)	March 6, 2017	Dec. 31, 2019
Bruce Haroldson (Alternate 2)	Oct. 16, 2017	Dec. 31, 2018

Vacant *Serves at the pleasure of the MRA Board*

**City of Missoula  
Committees, Commissions and Boards**

**IMPACT FEE ADVISORY COMMITTEE (Term 4 Years)**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
<b>Mayoral Appointments:</b>		
Hank Trotter	Aug. 3, 2016	Nov. 30, 2020
Nick Kaufman (Development Rep)	Nov. 30, 2016	Nov. 30, 2020
Bruce Bender	Feb. 13, 2017	Nov. 30, 2020
John Freer (Chair)	Nov. 30, 2016	Nov. 30, 2020
Jim Galipeau (C.P.A.)	Dec. 1, 2014	Nov. 30, 2018
Jerry Ford	Dec. 1, 2014	Nov. 30, 2018
Maria Chesnut	March 27, 2017	Nov. 30, 2018
<b>City Council Appointments:</b>		
Derek Goldman	Jan. 23, 2017	Nov. 30, 2020
Adam Pummill	Jun. 1, 2015	Nov 30, 2018

**LIBRARY BOARD- MISSOULA CITY/COUNTY (Term 3 Years)**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
<b>County Commissioner Board Appointed:</b>		
Matt English	Feb. 2, 2017	June 30, 2018
Rita Henkel	July 1, 2014	June 30, 2019
Audra Loyal	July 1, 2017	June 30, 2022
Margaret Warstet	July 1, 2013	June 30, 2018
<b>Mayoral Appointments:</b>		
Becky Mosbacher	July 1, 2014	June 30, 2019
Barbara Berens (Alternate)	July 1, 2012	June 30, 2022

## **City of Missoula Committees, Commissions and Boards**

### **MAYOR'S DOWNTOWN ADVISORY COMMISSION (2 & 3 Year Terms)**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
Amy Allison Thompson	Dec. 6, 2016	Jan. 31, 2020
Dan Cederberg	Mar. 1, 2015	Feb. 28, 2018
Eran Fowler-Pehan (Co-Chair)	Mar. 1, 2016	Feb. 28, 2019
Melinda Mason	Mar. 1, 2016	Feb. 28, 2019
Keithi Worthington	Mar. 1, 2015	Feb. 28, 2018
Dave Chrismon	July 1, 2017	June 30, 2020
Sue Wilkins	June 1, 2015	May 31, 2018
Theresa Williams	Dec. 6, 2016	Jan. 31, 2020
Jon Wilkins	May 1, 2016	April 30, 2019
Bryan von Lossberg (Co-Chair)	May 1, 2016	April 30, 2019
Ryan Boyd	July 31, 2017	Aug. 1, 2020
Margaret Borg	March 1, 2016	Feb. 28, 2019
Nicole Rowley	Feb. 1, 2015	Feb. 28, 2018
Elizabeth Marshall	Jan. 1, 2016	Dec. 31, 2018
Ginny Merriam	Staff	Staff
Kathleen Jenks	March 1, 2016	Feb. 28, 2019
Michael Moore	Jan. 1, 2016	Dec. 31, 2018
Lt. Jake Rosling	June 1, 2016	July 31, 2019
Tom Snyder	July 1, 2017	June 30, 2020

### **MISSOULA CIVIC TELEVISION ADVISORY COMMISSION**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
<b>Mayoral Appointments:</b>		
Jean Zosel	Oct.21, 2014	Dec. 31, 2017
Megan Robson	Jan. 1, 2017	Dec. 31, 2019
<b>City Council Appointments:</b>		
Bruce Tribbensee	Jun. 8, 2015	Dec. 31, 2018
Lisa Meckenberg Jackson	Jan. 1, 2017	Dec. 31, 2019
<b>City Council Representative:</b>		
Michelle Cares	May 2, 2016	n/a
Julie Armstrong	Jan. 11, 2016	n/a
<b>City Staff Representative</b>		
Ginny Merriam	Mar. 1, 2006	n/a
<b>County Representative</b>		
Katie Kliez	Oct. 1, 2015	n/a
<b>County Public School Representative</b>		
Hatton Littman	Oct 7, 2013	n/a
<b>U of M Representative</b>		
Jen Sauer	Jun. 2, 2005	n/a

**City of Missoula**  
**Committees, Commissions and Boards**

**MISSOULA HOUSING AUTHORITY BOARD (Term 2/5 Years)**

Resident Member terms are 2 years terms

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
Vacant (Res. Member)	Jun. 26, 2017	Jun. 25, 2019
Collin Bangs	Jun. 26, 2017	Jun. 25, 2018
Monique Casbeer (Resident Member)	Jun. 26, 2016	Jun. 25, 2018
Kila Shields	Jun. 25, 2016	Jun. 25, 2021
Jaime Hoffmann	Jun. 26, 2014	Jun. 25, 2019
Heidi DeArment	Aug. 10, 2015	Jun. 25, 2020
Kaia Peterson	Nov. 22, 2016	Jun. 25, 2018

**MISSOULA PARKING COMMISSION BOARD (Term 4 Years)**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
John Roemer	May 1, 2017	Apr. 30, 2021
Matt Ellis	May 1, 2014	Apr. 30, 2018
Pat Corrick	Jul. 27, 2015	Apr. 30, 2019
Heidi Kendall	Jul. 27, 2015	Apr. 30, 2019
Joe Easton	Jun. 13, 2016	Apr. 30, 2020

**MISSOULA REDEVELOPMENT AGENCY BOARD (Term 4 Years)**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
Natasha Prinzing Jones	Aug. 21, 2017	Apr. 30, 2021
Ruth Reineking	May 1, 2014	Apr. 30, 2018
Nancy K. Moe	May 1, 2014	Apr. 30, 2018
Melanie Brock	May 1, 2015	Apr. 30, 2019
Karl J. Englund (Chair)	May 1, 2016	Apr. 30, 2020

# ***City of Missoula***

## ***Committees, Commissions and Boards***

### **OPEN SPACE ADVISORY COMMITTEE (Term 3 Years)**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
John Smith	Mar. 6, 2017	Jan. 25, 2020
Deke Tidwell	Jan. 26, 2017	Jan. 25, 2020
Robert Erickson	Jan. 26, 2017	Jan. 25, 2020
Gerhard Knudsen	Jan. 26, 2015	Jan. 25, 2018
Janet Krivacek	Jan. 26, 2015	Jan. 25, 2018
Regan Whitworth	Jan. 26, 2015	Jan. 25, 2018
Alexis Gibson	Feb. 8, 2016	Jan. 25, 2018
Eric Anderson	Jan. 26, 2016	Jan. 25, 2019
Bert Linder	Jan. 26, 2016	Jan. 25, 2019
Daniel Spencer	Jan. 26, 2016	Jan. 25, 2019
Anna Noson	Jan. 26, 2016	Jan. 25, 2019
Kevin Verlanic	Park Board Appointment	

### **PARKS AND RECREATION (Term 3 Years)**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
Ross Mollenhauer	May 1, 2017	Apr. 30, 2020
Dayna Swanson	May 1, 2016	Apr. 30, 2019
Johanna Eisenmann	May 1, 2017	Apr. 30, 2020
Dale Harris (Chair)	May 1, 2016	Apr. 30, 2019
John O'Conner	May 1, 2016	Apr. 30, 2019
Sonja Verlanic	May 1, 2016	Apr. 30, 2019
Christine Ryan	May 1, 2017	Apr. 30, 2020

### **PLANNING BOARD (Term 3 Years)**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
County Appointments (BCC)		
Dick Ainsworth	Jan. 1, 2016	Dec. 31, 2017
Michael Houlihan	Jan. 1, 2016	Dec. 31, 2017
Josh Slotnick	Jan. 1, 2016	Dec. 31, 2017
Jason Rice	Jan. 1, 2016	Dec. 31, 2017
<b>Mayoral Appointments</b>		
John Newman	Jan. 1, 2017	Dec. 31, 2018
Neva Hassanein	Jan. 1, 2016	Dec. 31, 2017
<b>City Council Appointments</b>		
Dudley Improta	Jan. 1, 2016	Dec. 31, 2017
Helen Pent Jenkins	Jan. 1, 2016	Dec. 31, 2017
<b>Planning Board Member</b>		
Jamie Hoffmann	Jan. 1, 2017	Dec. 31, 2018
Vince Caristo (City Alt.)	Mar. 20, 2017	Dec. 31, 2017
Andy Mefford (Co. Alt.)	Jan. 1, 2016	Dec. 31, 2017

**City of Missoula  
Committees, Commissions and Boards**

**POLICE COMMISSION (Term 3 Years)**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
Daniel Doyle	May 1, 2017	April 30, 2020
Suzanne Peterson	May 1, 2015	April 30, 2018
Raymond Murray (Chair)	May 1, 2016	April 30, 2019

**PUBLIC ART COMMITTEE (Term 4 Years)**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
Kia Liszak	Jun. 30, 2017	July 1, 2021
Douglas Olson	Jul. 1, 2014	Jun. 30, 2018
Peter Lambros, Chair	Jul. 1, 2014	Jun. 30, 2018
Taag Peterson	Jul. 1, 2015	Jun. 30, 2019
Kathi Olson	Jul. 1, 2015	Jun. 30, 2019
Helen Hallenbeck	Jul. 1, 2017	Jun. 30, 2021
<b>City Council Appointments</b>		
Courtney LeBlanc	Sep. 1, 2015	June 30, 2019
Cathay Smith	April 25, 2016	June 30, 2019
<b>City Council Representative</b>		
Julie Armstrong	-----	-----

**TOURISM BUSINESS IMPROVEMENT DISTRICT BOARD (Term 4 Years)**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
Callie Aschim	Sept. 11, 2017	Dec. 1, 2018
Lydia Bryan	Feb. 13, 2017	Nov. 30, 2018
Whitney Kembel	May 15, 2017	Dec. 1, 2017
Luke Laslovich	July 24, 2017	Dec. 1, 2020
Tim Giesler	Feb, 8, 2016	Dec. 1, 2019

**City of Missoula  
Committees, Commissions and Boards**

**TRANSPORTATION POLICY COORDINATING COMMITTEE**

<b>Members</b>	<b>Association</b>	<b>Voting</b>
Don MacArthur	Missoula Urban Transportation District	Yes
Jordan Hess	City Council	Yes
John Engen	Mayor, City of Missoula	Yes
Dave Strohmaier	Board of County Commissioners	Yes
Jean Curtiss	Board of County Commissioners	Yes
Ed Toavs	Montana Dept. of Transportation	Yes
Dick Ainsworth	Missoula Consolidated Planning Board	Yes
Brian Hasselbach	Federal Highway Administration	No
Doug Schallenberger	Ravalli County Commissioner	No
Garon Smith	Missoula City/County Health Board	No

**URBAN TRANSPORTATION DISTRICT BOARD (Term 4 Years)**

<b>Members</b>	<b>Start of Term</b>	<b>End of Term</b>
<b>County Appointments (BCC)</b>		
Marty Blair	Jan. 1, 2015	Dec. 31, 2018
Melanie Brock	Jan. 1, 2014	Dec. 31, 2017
Andrea Davis, Chair	Jan. 1, 2016	Dec. 31, 2019
<b>Mayoral Appointments</b>		
Amy Cilimiburg	Jan. 1, 2014	Dec. 31, 2017
Jesse Dodson	Apr. 25, 2016	Dec. 31, 2019
Anna-Margaret Goldman	April 3, 2017	Dec. 31, 2018
<b>City/County Alternating Appt.</b>		
Don MacArthur	Jan. 1, 2017	Dec 31, 2020

## Budget Message

December 26, 2017

City of Missoula Residents:

This document is the Final Operating and Capital Budget for the City of Missoula, Montana for the fiscal year ending June 30, 2018 (FY 2018). A brief summary of the Final Budget follows.

### Overview of Budgeted Resources

The following table depicts the projected beginning balances, estimated revenues, final budgeted expenditures, and projected ending balances for the budget year. All city funds are included in this budget. The table reflects estimated revenues of \$158,479,877, budgeted expenditures of \$159,767,346 with anticipated expenditure savings of \$1,554,412, resulting in a projected increase in the overall ending balances of \$35,466,855. An explanation of the significant changes in fund and cash balances (those greater than 10%) are provided on the following pages.

Projected Changes in Fund Balances or Cash Balances Final Budget - July 1, 2017 through June 30, 2018 (FY 2018)								
	Governmental Fund Types				Proprietary Fund Types	Fiduciary Fund Types	Component Units	Total All Funds
	General & General Special	Special Revenue	Debt Service	Capital Project	Enterprise & Internal Service	Trust & Agency		
Projected Beginning								
Nonspendable/Assigned/Restricted	\$ 3,382,924	\$ 12,233,263	\$ 3,629,934	\$ 766,886	\$ 18,138,240	\$ 419,152	\$ 11,059,980	\$ 49,630,379
Unassigned	2,676,570	(1,195,469)	(379,471)	(9,663,970)	(3,159,213)	-	(1,154,502)	(12,876,055)
Total Fund Balance/Cash	<u>6,059,494</u>	<u>11,037,794</u>	<u>3,250,463</u>	<u>(8,897,084)</u>	<u>14,979,027</u>	<u>419,152</u>	<u>9,905,478</u>	<u>36,754,324</u>
Estimated Revenues	57,710,353	20,279,948	3,339,073	11,196,101	39,196,682	-	26,757,720	158,479,877
Approved Budget	(60,037,134)	(19,171,618)	(3,112,961)	(1,404,003)	(40,326,506)	-	(35,715,124)	(159,767,346)
Anticipated Savings	<u>1,554,412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,554,412</u>
Projected Change in Fund Balance/Cash	<u>(772,369)</u>	<u>1,108,330</u>	<u>226,112</u>	<u>9,792,098</u>	<u>(1,129,824)</u>	<u>-</u>	<u>(8,957,404)</u>	<u>266,943</u>
Projected Ending								
Nonspendable/Assigned/Restricted	2,594,445	13,124,229	3,833,550	895,014	12,353,306	419,152	948,074	34,167,770
Unassigned	1,138,268	(978,105)	(356,975)	-	1,495,897	-	-	1,299,085
Total Projected Fund Balance	<u>3,732,713</u>	<u>12,146,124</u>	<u>3,476,575</u>	<u>895,014</u>	<u>13,849,203</u>	<u>419,152</u>	<u>948,074</u>	<u>35,466,855</u>



Listed below are explanations of the significant changes in fund balance/cash, for each of the major fund groups. The information below utilizes draft annual audit figures which were not available at the time of budget adoption. The fund balances in this discussion will differ from the “Projected Beginning Fund Balances” used throughout this document. The City of Missoula feels it is important to include more recently available information in this section of the budget document.

#### **General Fund (Major Fund) and General - Special Purpose Funds**

- The General Fund: The combined General Fund and General Fund Special Funds year-end fund balances decreased from \$5.49 million in FY 2016 to \$ 3.84 million at the end of FY 2017. Approximately \$1,600,000 of the reduction in the fund balance is due to an accounting issue in which the Capital Lease proceeds were distributed to the General Fund, two Special Revenue funds and the Wastewater fund. Annually the City purchases capital equipment and vehicles which are reimbursed in the form of capital lease financing. This spreads the costs of the equipment over several years in order to keep vital equipment functional and in service to serve the citizens of Missoula. All expenditures were charged to the Capital Fund and when the proceeds were received, the funds were distributed to the funds that were assuming the debt service, creating a negative balance in the Capital Fund. The accumulated financing proceeds were transferred back into the Capital Fund, reversing the trend of an increasing negative fund balance. In addition to the transfer of the \$1,600,000 from the General Fund, approximately \$160,000 of the reduction in the fund balance is due to expenditures related to the Parks and Trail bond and the timing of the reimbursement revenues from the County. In light of the decrease in the fund balance due to the accounting correction for prior year's equipment financing, the City is requesting General Fund departments commit additional 1.12% in budgetary savings to cover the reduction in fund balance and budgeted revenues. During the budget process for FY 2018, the City continues to budget conservatively for anticipated revenues and in combination with committed expenditure savings will strive to build back fund balance in the General Fund.

#### **Special Revenue Funds**

- Special Revenue Fund balances are usually fully appropriated to be spent, even though certain funds are targeted to have substantial year end fund balances to handle the ongoing operating expense of their programs without developing a negative fund balance (i.e.: Street Lighting Assessments Fund, Cable Franchise Fee Fund, Building Inspection Fund, Special District funds). Most of the other special revenue funds are slated to fully spend the beginning fund balance; the balance exists because projects were not completed during the preceding fiscal year, or the project is still in the planning stages.

#### **Debt Service Funds**

- The Debt Service year end fund balance is budgeted to be spent for all general obligation debt. Any fund balance in the special improvement district (SID) debt service funds is not being spent. The City is required to maintain a reserve equal to 5% of all outstanding SID bonds. In addition, the SID debt service funds are expected to build in size until bonds are called (redeemed) early due to prepayments of the underlying assessments supporting these debt issues.

#### **Capital Project Funds**

- The Capital Projects year end fund balance for FY 2017 was negative. The nature of the Capital Project Fund in which the funds are expended for approved projects and then reimbursed by debt issuance indicates the fund will realize a perpetual negative fund balance. In FY 2017, the negative

fund balance was reduced by 53%. This reduction is due to a realized accounting error in which capital lease proceeds were distributed to the funds assuming the debt. The financing proceeds were transferred into the Capital Project fund to cover the capital expenditures for the annual core equipment and vehicle replacement. The remaining negative fund balance will continue to fluctuate as projects are expended year to year and when completed, the fund is reimbursed through the issuance of debt or assessments.

### **Enterprise/Internal Service Funds**

- The City of Missoula now currently has five Enterprise Funds: Civic Stadium; Water Utility; Wastewater Utility; Storm Water Utility and Aquatics.
  - FY 2018 will be the first full year operating the Water Utility. There are no proposed rate increases for the Water Utility at this time. The rates will remain at the last approved PSC rate schedule. Given that there is little to no historical data of running the utility as a governmental entity, the proposed revenues and expenditures are based on a pro forma supplied by experts in the water utility field. For the next five fiscal years, the net fund balance is proposed to increase while maintaining the current rate fee structure and expending capital improvements in the \$5 million annually range. The capital improvements project schedule will upgrade and rehabilitate the aging infrastructure with the goal to decrease the leakage rate. More details are provided in regards to the capital projects in the Capital Project section of the budget.
  - The Wastewater Utility rates are scheduled to increase on January 1, 2018 by 2.5% for the final increase of a planned three year phase-in of rate increases, (2016 – 2018). Since FY 2016, the sewer utility realized an increase in revenues by an average of 3.30% per year with a modest budgeted increase in revenues of 2.95%. In addition to the sewer use fees, the City acquired Garden City Compost, formerly EKO Compost, and FY 2018 is the first full year operating the compost division of the Wastewater Utility. Based on historic analysis of the business and maintaining the existing price structure for tipping fees and compost sales, there is anticipated revenue of \$1,077,000. This will cover the costs of acquisition, personnel, operating supplies and site upgrades to be compliant with Montana Department of Environmental Quality requirements.
  - The Storm Water Utility was created to meet increased regulatory compliance for storm water runoff into local waterways. The Municipal Separate Storm Sewer System (MS4) permit is a requirement of all municipal governments to decrease the amount of contaminants entering the waterways via runoff from municipal streets/infrastructure. There is no current proposal to change to the rate structure. The Storm Water Utility is in the process of analyzing the rate structure through a rate fee study. When the study is complete the results will be presented to City Council with any recommended changes. It is anticipated that this rate study will propose an increase over the current rates. Any increase in rates will cover the necessary expenditures to meet regulatory requirements including hiring maintenance staff and future capital improvement projects.
  - Aquatics is budgeted to maintain its fund balance. The Parks & Recreation staff are reviewing the rate structure in regards to increases operating and personnel expenses and a rate change is anticipated to occur during FY 2018. This would be the first rate increase since FY 2009. It is expected that any rate structure change will result in an annual increase in fund balance.
- The City's only Internal Service Fund, the City Health Insurance plan, had suffered from significant increases in usage and medical inflation during the past decade causing a volatile fund balance. In an attempt to have a positive growth in the fund balance, the City increased the contributions on both the employee and on behalf of the City. In addition to the increased contributions, the City provided additional funding as onetime transfers from the General Fund for FY 2012 – FY 2015 to assist in maintaining a positive fund balance. In FY 2015, there was a slight reduction in fund balance due to an abnormal increase of costs to the program. This was determined to be an increased cost from the implementation of the Affordable Care Act (ACA). Part of implementing the ACA is that it is mandatory to include prescriptions as part of the total claim deductibles and this was not recognized prior to the implementation of the ACA. Again in FY 2017, the City experienced a loss in fund balance by a modest \$180,000. This reduction was due to a larger than anticipated number of larger monetary claims that were above recent historical trends. As a result of this drop in fund balance, the administration recommended that the City's funding of the health plan be increased by an additional 5% (\$40.00) per employee beginning October 2017 in addition to the 3% increase in the prior fiscal year. The City is committed to maintaining a three month reserve in the health plan based on budgeted expenditures. The target fund balance for FY 2018, meeting the

reserve requirement, is \$1,400,000. In an effort to meet the reserve requirement and stay ahead of the trend of increasing health care costs, the city has increased employee contributions and budgeted for insurance claims expense at a level 5% over the actual claims paid by the City in FY 2017. With these increases, there is a conservative estimate to increase the fund balance by \$200,000 to get closer to meeting the reserve goal. The Employee Benefit Committee has also been focusing on identifying methods to cut costs within the health plan by utilizing the assistance of the plans third party administrator, Allegiance Benefit Plan Management.

### Component Units

The City of Missoula has four component units: Missoula Parking Commission (MPC), Missoula Redevelopment Agency (MRA), Business Improvement District (BID), and the Tourism Business Improvement District (TBID).

- The Parking Commission has an operating budget of \$2.1 million plus debt service requirements of \$0.7 million. It maintains a debt service reserve of \$0.5 million, for the bond issued for the construction of an additional parking garage in the downtown business district in the spring of 2014. FY 2017 saw the first full fiscal year of operations after the implementation of new parking meters. This was a \$1.6 million plus venture that replaced all of the antiquated single-space mechanical parking meters with new multi-space digital meters (LUKE) that accept credit cards. The implementation of the LUKE machines increased parking revenue by 19%. In FY 2018 the Parking Commission is working with community partners and businesses to increase the available public parking capacity. In partnership with the Missoula Redevelopment Agency, the Parking Commission will receive an additional parking garage that is being constructed as part of a student housing project. This will increase the number of parking spaces available by more than 100 spaces. The Parking Commission is in the process of implementing License Plate Recognition (LPR) software to be used by the Enforcement Officers and at the gates of the parking garages. The implementation of the LPR will increase enforcement and provide greater efficiency for monitoring the downtown parking.
- The Missoula Redevelopment Agency (MRA) was created by the City Council to encourage new development and redevelopment pursuant to the adopted Urban Renewal Plans. Preserving existing public investment, enhancing the tax base, generating employment, and stimulating private investment are the means MRA uses to reclaim urban renewal areas. The MRA encourages infill development, provides for the adaptive reuse of the built environment, and reclaims blighted properties. MRA is empowered by State law and local ordinance to respond aggressively and with flexibility to redevelopment problems and opportunities. Through these activities, MRA also provides alternatives to urban sprawl outside existing municipal service boundaries. Missoula has six active Urban Renewal Districts (URDs) that are currently being managed by MRA. All of the districts have a tax increment financing (TIF) funding mechanism authorized by State urban renewal law. MRA is also working with the newly created Department of Housing and Community Development to identify opportunities to increase affordable housing in the community. The Agency's revenues are derived primarily from Tax Increment Property Tax, State Personal Property Tax Reimbursements, State Entitlements, and Investment Earnings. Small amounts of revenue are received from other miscellaneous sources. The Agency's fiscal year 2016 revenues were \$546,587 higher than in fiscal year 2015.

URD II, located in the heart of Missoula, covers the approximate area starting north at Toole Avenue, extending south to South 3<sup>rd</sup> Street, and starting east at Walnut Avenue and running west until Garfield Avenue.

URD III runs along the Brooks Street corridor in southwest Missoula. The approximate area that URD III covers, starts in northeast Missoula at 14<sup>th</sup> Street and Bancroft Street and follows the Brooks Street corridor southwest extending to Reserve Street and 39<sup>th</sup> Street. Recently URD III extended the boundaries to include parcels that the Southgate Mall occupies, and an area along the western boundary between Reserve Street and Montana Rail Link's Bitterroot Branch Line. The boundary modification in URD III allows for consideration of TIF funds to be used in upgrading infrastructure and expanding street connectivity in the area.

MRA has initiated programs to build sidewalks in URD II and URD III where they do not exist or are deficient. Approximately 13.2 miles of sidewalks have already been constructed with the goal of completing the sidewalk network in both districts within the life of those districts. Over \$10 million has been spent improving neighborhoods through the installation of sidewalks, curbs, street trees and repaved streets since MRA initiated the complete sidewalk program.

After successfully completing major improvements to Brooks Street between Reserve Street and Dore Lane, MRA made a commitment with the owners of the Southgate Mall to improve the infrastructure around the mall and create a new connectivity running east to west on Mary Avenue. This Mary Avenue project is investing \$10 million in improving the traffic flow and infrastructure in the area around the mall and off Reserve Street.

Two smaller districts located in downtown Missoula adjacent to the Clark Fork River are: The Front Street URD which generally occupies the area south of Main Street to the river, and west of Madison Street to one block east of Orange Street, and The Riverfront Triangle URD which occupies the area south of Broadway to the river, and west of Orange Street to the MRL Bitterroot Branch Line. The Front Street URD has active projects in the district including updating infrastructure around the Stockman Bank and working with community partners to assist with a large student housing project

The Hellgate URD, which is located east of Madison Street between Interstate 90 and the Clark Fork River and the North Reserve – Scott Street URD, located between Reserve and Scott Streets north of the MRL railroad and south of Interstate 90.

In the North Reserve – Scott Street district MRA is assisting with infrastructure upgrades to the national headquarters for a regional home health corporation, and for a new residential neighborhood named Scott Street Village.

- The Downtown Business Improvement District (BID) was created through the efforts of the Missoula Downtown Association to address the challenges created by the termination of the Downtown Urban Renewal District (URD I) on June 30, 2005. Implementation of the district began in 2001 with the creation of a committee, followed by community education through local media campaigns and meetings with property and business owners in the district. Following educating the citizens was the creation of a comprehensive database of property owners in the district, and the petition process to create the district. The verification of the petition was finalized at the end of 2004. The BID was presented and approved by the City Council in April 2005. The BID now serves as an advocate for property and business owners in the district and address areas such as safety, cleanliness, appearance, marketing, business retention and recruitment. The district also advocates for public and private investment in buildings and infrastructure.
- The Tourism Business Improvement District (TBID) was created through the efforts of the Missoula Area Convention and Visitor's Bureau to aid tourism, promotion, and marketing within the District. The creation of the district also allows Hotels/Motels outside the City limits in the Missoula Urban area to participate in the Tourism Business Improvement District. The goal of the TBID is to increase four season revenues statewide through effective marketing and promotions. In order for the TBID to accomplish its goal of increasing four season revenues by focusing on high-value, low-impact visitors by working in partnership with the Missoula International Airport to bring key new service to Missoula. The TBID also works with the community to keep and strengthen our present air service by promoting Missoula and Montana and by offering incentives to air services in an attempt to increase the total air service into and out of Missoula. Destination Missoula and the TBID will focus on increasing overnight visitation to Missoula with an emphasis on the months of November through April. In an effort to increase overnight stays in Missoula the TBID/Destination Missoula will leverage marketing funds focusing on Missoula being a prime destination for annual business meetings and/or conventions, sports and sporting events, tour, group, and leisure travel.

## Planning Processes

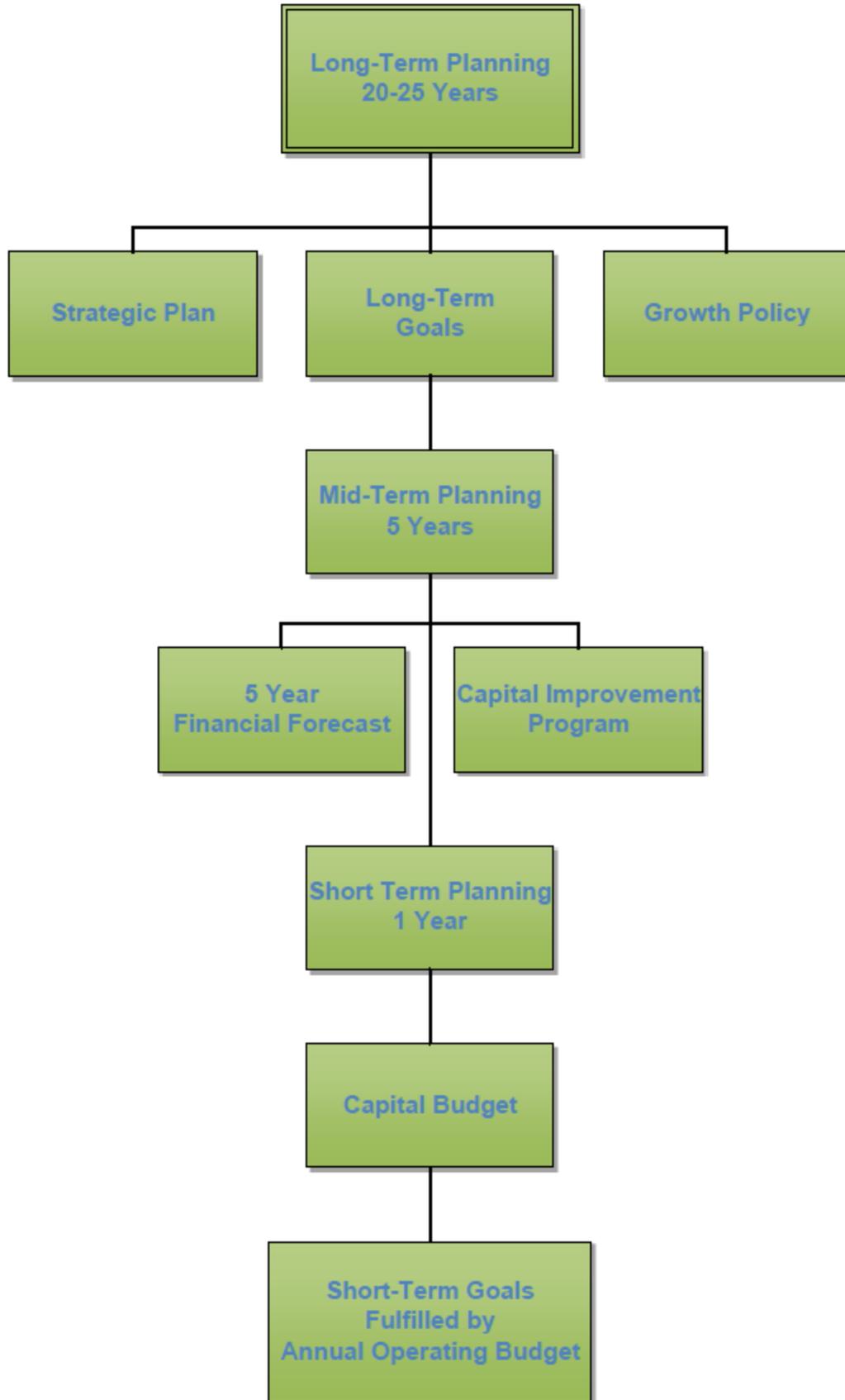


The City of Missoula conducts various planning processes (long-term, mid-term and short-term), to help guide the government and to ensure that decisions are made in the context of the organization as a whole and with a long-term

perspective. Diligent efforts are made to ensure each of these component planning processes are in concert with one another. This so called “Linkage” is paramount to insure short-term decisions are consistent with the overriding values embodied in the mid-term and long-term planning processes adopted by the City Council. This required linkage dictates that the Operating and Capital Budget be developed within the context of and consistent with, the City’s long-term and mid-term plans.

Each element of the City’s planning process has a different purpose and timeframe. The Strategic Plan, Vision, Mission, Long-term Goals and Growth Policy are the most far-reaching in nature — 20 to 25 years. The Capital Improvement Program and the Five-Year Financial Forecast are mid-term in nature — five years. The Annual Budget and the Capital Budget are short-term — covering a one year timeframe. The most important requisite is that they are coordinated efforts.

Shown below is a hierarchy of the City’s layered planning processes, all which support one another and are designed with a common goal. The chart depicts how the Annual Operating Budget and the Capital Budget fit within the City’s planning process hierarchy.





## Strategic Plan

Strategic planning suggests ways (strategies) to identify and to move toward desired future states. Strategic planning starts with the process of developing and then implementing plans to reach goals and objectives. Within government, strategic planning provides guidance for organizational management, similar to that for business, but also provides guidance for the evolution or modification of public policy and laws. Areas of such public policy include: funding of infrastructure and rate-setting, it also includes functional plans, such as the City's Growth Plan for land use, the City of Missoula transportation plan, the City of Missoula wastewater facility master plan, and City of Missoula fire master plan.

The FY 2018 budget continues our Strategic Planning initiatives started in FY 1992. This plan was significantly updated in FY 2009 and implemented in FY 2010 and updates continue through the current fiscal year. The City's Strategic Plan is an ongoing dynamic process that will provide residents, taxpayers and stakeholders a greater understanding of city government. The City's Strategic Plan focuses on performance and provides for measurable goals and objectives the City intends to achieve within the fiscal year. Department employees will be held accountable for the implementation and success of the plan. As part of the City's Strategic Planning Process, the city created a set of strategies to help guide the organization. These range from philosophical strategies down to concrete achievable goals for the coming year. The City's Strategic Planning Process, which is delineated into several charts and paragraphs, is listed below:

### City of Missoula Strategic Plan 2010-2018

#### Goal

**We believe the City of Missoula has a responsibility to remain financially stable and to provide service to its citizens.**

**We will work toward success in three areas:**

- 1. Fiscal Sustainability**
- 2. Harmonious natural and built environment**
- 3. Quality of life for all people in all places**



**City of Missoula Goals**

The City created a set of short-term and long term goals and strategies. The short-term goals and strategies are those that guide the development of the budget for the coming year. Long-term goals and strategies are more far-reaching in nature and do not change from year to year, however are reviewed and updated every year.

Listed below are the City's Strategies that help guide the development of this budget. The goals and strategies listed below are addressed very specifically in each of the departmental narratives in this budget document. The extent to which a department can advance these goals and strategies is actually quantified and taken

into account when the individual offices are seeking funding for capital requests. Actual review, approval and funding for each of the capital requests is explained in the Capital Budget section of this report.

City of Missoula Strategies	
<b>Missoula will lead the region in the following three areas:</b>	
<b>1. Funding and Service</b>	<ul style="list-style-type: none"> <li>We will maintain or improve the level of service to citizens.</li> <li>We will work toward sustaining and diversifying fiscal resources.</li> <li>We will work with public and private sector partners in greater numbers to find new ways to enhance and diversify Missoula's economy.</li> </ul>
<b>2. Harmonious Natural and Built Environment</b>	<ul style="list-style-type: none"> <li>We will make sure that our natural and built environments continue to represent Missoula's values of clean water and clear air.</li> <li>We will work to provide citizens access to parks, open spaces and the natural environment.</li> <li>We will reflect values of sustainability in transportation and building design.</li> </ul>
<b>3. Quality of Life for All Citizens</b>	<ul style="list-style-type: none"> <li>We will work together to meet basic human needs with dignity for all.</li> <li>We will work to provide affordable housing for the work force of Missoula.</li> <li>We will support plans and programs that promote a healthy lifestyle for Missoula's citizens.</li> </ul>

Departments develop and continue to develop performance measures to identify and track quantitative and qualitative measures of their service delivery performance. Performance budgets emphasize the accomplishment of program objectives. Performance budgeting involves a shift away from inputs (what is going to be purchased), to outcomes (what is going to be accomplished). Annually, the departments review their strategic goals and if the goals were met or need to be redefined. The departments revise the goals and strategies on an annual basis to ensure that they are short term, or can be accomplished within a year.

## Five-Year Financial Plan

Each year the City of Missoula evaluates its current financial condition within the context of existing programs, assesses future financial capacity, and integrates the City's Strategic goals, objectives, and financial policy into its decision-making process. Analysis of the City's financial and economic trends is an integral part of this process.

Finance Department staff perform financial trend analysis each year in conjunction with the annual mid-year budget analysis. This review utilizes budgetary and financial information to create a series of local government indicators to monitor changes in the City's financial condition. These indicators, when considered as a whole, can help interested stakeholders gain a better understanding of the City's overall financial condition. This type of analysis of key financial trends and other community factors is similar to the analysis that credit rating agencies undertake to determine the City of Missoula's bond rating.

Using this trend analysis and the framework of the financial policies adopted by City Council, management is able to strategically plan and budget, provide solutions to negative trends, and ultimately preserve the financial health of the City of Missoula. It is a good 'report card' of the City's current financial condition and reference point as staff begins work on the next year's budget. Most importantly, the financial trend analysis assists the City Council and the City administration in focusing on the "Big Picture" of the City's financial operations.

The City of Missoula is starting to show trends of increased building in both the commercial and residential portions of the city. This increase in the building industry is positive for the City due to the fact that at this time the majority of the City's revenues are dependent on the tax base. Since FY 2008, the start of the recession, the City was having difficulty raising revenues related to the stagnant growth in the building industry and many commercial businesses lay empty or for sale. During the recession, the goal of the City was to maintain a positive fund balance or increase the fund balance to the goal of a 7% reserve of operating expenditures. This is one of the major long term goals of the City General Fund. With the onset of increased spending in the building industry, the City has stated to realize a small portion of the additional tax base, which translates into increased revenues from property taxes. Growth in the City is evident by the continued positive increase in the market value, which is discussed further in the budgetary trends section below. Although there is continued and steady growth, the City's revenues are still limited and reliant on taxes and the ability to tax the citizens within State statutes. The additional revenue generated from growth continues to be limited by the State Legislature which is restraining the growth factor by half a percent, as compared to three percent the growth factor prior to 2008.

For the future the City is looking into expanding services and space. Currently the City is experiencing overcrowding issues with the current facilities that house the staff and with the services provided. As the population continues to increase, there are greater needs in the services provided to the public. Every year, new FTE's and programs are being added which requires more overall staff. The current property that houses the police and internal services departments are constrained by space, with no room for expansion. As the number of FTE's and services continue to climb due to increases in services required by either need, statute, legal authority, or mandated requirements, the City is looking into acquiring additional property in order to consolidate staffing. Currently the City is renting space for three different departments and a number of staff members. Within five years, the municipal court may need to expand to add another courtroom and add additional staff for the possibility of a newly elected Judge. Since a majority of revenues are reliant on the tax base and the will of the State Legislature, the City has been actively looking into different revenue streams to supplement the anemic tax allowances. There has been discussion of creating a local option sales tax in an effort to diversify revenues to support City services. Another area of concern is the aging infrastructure and the funding for the infrastructure. The state allowance for the Gas tax has recently increased which will provide for some additional infrastructure funding.

## Capital Improvement Plan



The City prepares a five-year Capital Improvement Program (CIP) which is summarized within the Annual Operating Budget. The CIP is a multi-year capital improvement plan that forecasts, but does not obligate, future spending for all anticipated capital projects. The CIP is developed and updated annually. The proposed five-year CIP uses conservative financial forecasts and reflects only those projects with the highest priority, that are mandated by the law or some other legal obligation and projects that have the most realistic expectation for completion during the next five years.

As in recent years, the City continues to face numerous capital funding requests. At the same time, the City has finite resources and limited taxing authority to fund the operating costs for many of the proposed capital projects. The proposed five-year CIP attempts to continue, and even expedite, priority projects and projects that are legally obligated, while ensuring long-term sustainability for operating impacts.

The Annual Budget Process includes a re-evaluation of the capital projects included in the CIP for the coming year as well as the anticipated funding sources for the projects. If

approved in the Annual Budget Process, the capital items appear in the Annual Operating Budget, which constitutes the formal spending authority for the project. The capital items included in the Annual Operating Budget represent the "Capital Budget".

The City of Missoula utilizes capital lease financing to purchase vehicles and equipment that have outlived their useful life and have been determined by the vehicle maintenance manager to be in need of being replaced. Each fall the City enters into a new capital lease agreement from the vehicles and equipment purchased the prior year. The goal of the City is to enter into a capital lease agreement that total around \$1.5 - \$2.5 million per year with a future lease payment averaging about \$475,000 per year. With the City entering into a lease agreement every year and existing lease payments expire, this maintains a consistent debt payment of approximately \$1.5 million per year. This is the amount used for future capital lease payments when developing the budget and in determining the vehicle and equipment replacement schedule.

An additional summary of the significant capital projects included in the FY 2018 Operating Budget is included in the Capital Projects Section of this budget. The Capital Projects Section includes the details of the current and estimated future debt payments based on of the vehicle and equipment replacements schedule.

## STAFFING CHANGES

The final budget includes a net overall increase of 54.24 full-time equivalent employees (FTE). The chart below shows the change in FTE for the budget year for each department. Also, included in the appendix is a chart that shows the City's FTE over the last five years.

<b>Staffing Changes (FTE)</b>	
<b>DEPARTMENT/DIVISION</b>	<b>Net Increase (Decrease)</b>
<b>General Fund Departments</b>	
Human Resources	1.00
Municipal Court	(1.50)
Finance/Treasurer	(1.00)
Central Services	(1.00)
Facility Maintenance	2.00
Development Services	1.73
Housing & Community Development	2.00
City Attorney	1.00
Street Division	(1.50)
Fleet Maintenance	(1.30)
Police Department	(0.01)
Parks and Recreation	(0.02)
<b>Total General</b>	<b>1.40</b>
<b>General Fund Special &amp; Special Revenue Funds</b>	
Fort Missoula Regional Park	5.71
Planning	1.00
Building Division	1.52
Road District 1	1.72
Parks District 1	1.27
Transportation	0.10
<b>Total General Fund - Special &amp; Special Revenue</b>	<b>11.32</b>
<b>Enterprise &amp; Component Unit Funds</b>	
Aquatics	0.36
Wastewater	6.16
Water	32.00
Storm Water	2.00
Parking Commission	1.00
<b>Total Enterprise &amp; Comp Unit</b>	<b>41.52</b>
<b>Total for City</b>	<b>54.24</b>

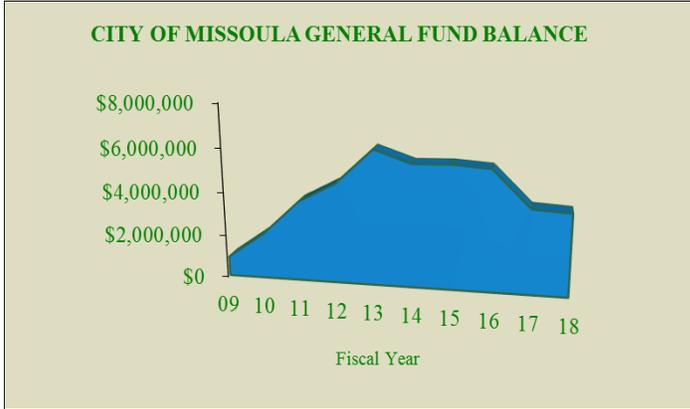
In FY 2018, the increase to the number of FTE appears to be a large increase, when in fact, the actual increase is 6.37 FTE's. The remaining 47.87 FTE's are due to the creation of new departments and/or newly acquired utilities. The largest increase is from the acquisition of the water utility. The other large increase is from the purchase of the compost facility, which added 6.16 FTE. The remaining increases are from the completion of the Fort Missoula Regional Park, creation of the storm water utility and creation of the Housing and Community Development department.

## BUDGETARY TRENDS

Shown below are a series of key financial indicators and budgetary trends that affect the ability of the City to sustain current service levels, while maintaining financial stability.

Fund balance measures the net financial resources available to finance expenditures of future periods.

Rating agencies examine fund balance when considering the credit quality of the City.



The General Fund balance is one of the better indicators of the City's overall financial health. Shown by the graph to the left is the City's actual General Fund balance over the course of the last ten years. Although not shown on the graph, the reduction in General Fund balance from FY 2001 to 2003 was attributable to several factors including the financial losses associated with a Fire arbitration settlement and a business licensing lawsuit as well as the transfer of nearly \$1,000,000 to stabilize the City's Health Plan and set up the City's Building Inspection Division as a separate fund. Subsequent to FY 2003,

the City has made a conscious effort to rebuild the General Fund balance. At the end of FY 2008, the total fund balance of the General Fund was \$1.2 million compared to \$1.0 million at year end in FY 2003. The decrease in fund balance in FY 2008 was due to a decline in expected expenditure savings and slight increase in tax delinquencies. An item of note is a historic review over the past 15 years indicates the City has consistently have between 3% - 5% in expenditure savings. The City addressed this issue by requiring mandatory holdbacks on expenditures ranging from 0.5% - 3.7% starting in FY 2009 and continues through the current fiscal year. The FY 2008 expenditure savings were less than 1% due to the heavy operating impact of higher fuel, energy and transportation costs that became imbedded in virtually everything the City purchased. The decrease in fund balance in FY 2009 was primarily due to a decline in expected revenues, especially in the fee based services related to the decline in economic expansion (planning and engineering fees, business licenses), investment earnings and in police fines. The decrease in collections on fee based services resulted in a decrease in the General fund balance from \$1.2 million to \$0.9 million.

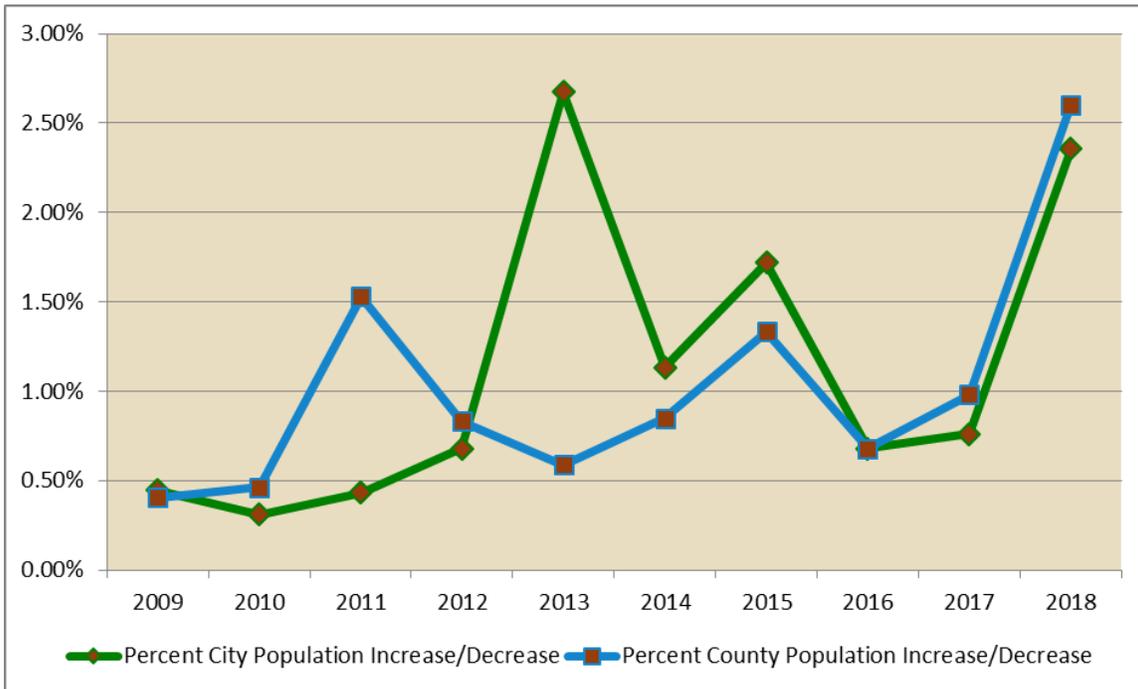
In order to combat the reductions in the general fund balance, the City's budgets continue to be structurally balanced, permitting the City to increase its General Fund year-end fund balance from \$0.9 million in FY 2009 to the high point of \$6.14 million by the end of FY 2013, meeting the 7% fund balance target. However, the fund balance continues to show a decline through the year end FY 2016. The continued building of the fund balance from FY 2009 through FY 2013 was accomplished by budgeting conservatively for revenues and by mandating significant expenditure savings from many large General Fund departments. Please note that seven special purpose funds under General Fund control were removed from the Special Revenue fund category at the end of FY 2010 and moved to special purpose General Fund accounts in FY 2011, causing an increase in the assigned fund balance by \$1.5 million.

Using the draft audit financials references in the changes to fund balance discussion beginning on page A-9, we are able to project fund balance in the General and General Fund Special Purpose Funds for FY 2018 at an estimated \$3.8 million with an estimated ending fund balance of \$3,732,713. The reduction in fund balance can be attributed to the assigned fund balance in the special purpose General Fund Accounts. This is to be expected, as the funds in these special purpose accounts are set aside for special projects and/or improvements. Even though the overall general fund balances are expected to reduce, the City intends to rebuild the FY 2018 unassigned General fund balance by over \$600,000 in FY18 in order to build the fund balance up towards the targeted 7%. The unassigned fund balance target is 7% of operating expenses. This percentage was identified by the City and the City's rating agency as an adequate target level for the unassigned fund balance in the General Fund.



Full-time equivalent employees (FTE) are a key indicator mirroring the growth of the City of Missoula. As shown by the graph on the left, total FTE's grew to 512.17, and then reduced back to 491.29 by FY 2012 in reaction to the recession. Due to the fact that revenues had stabilized and have been increasing for several years successively, and related workloads have also increased due to the uptick in the building industry activity, the City has decided to increase the number of FTE's by 14.44% (81.85 FTE's) in all departments since

FY 2012. An 11.18% (46.57) increase in FTE's in the General Fund and a 1287% (12.87) increase in FTE's in Road and Park District 1 funds which are primarily supported by non-tax revenues. These were the first increases in a number of years, which equates to a 14.27% (59.44 FTE) increase over this 10-year period, while the City's population is estimated to have increased 0.91% during this same period of time. Please note that 23 of the new FTE's in FY 2013 were transferred to the City from the County Planning Offices (along with their own funding streams). If these FTE's were backed out of this calculation, (as they are predominantly self-supporting), the actual growth of new FTE's would be 5.32% compared to the population increase of 0.91% over the last 10 years. Not included in the calculations is the addition of the water utility, compost and storm water utility. The increases attributable to the utilities is an overall increase by 42.16 FTE's, which translates into an additional 7.44% of FTE's from FY 2017.



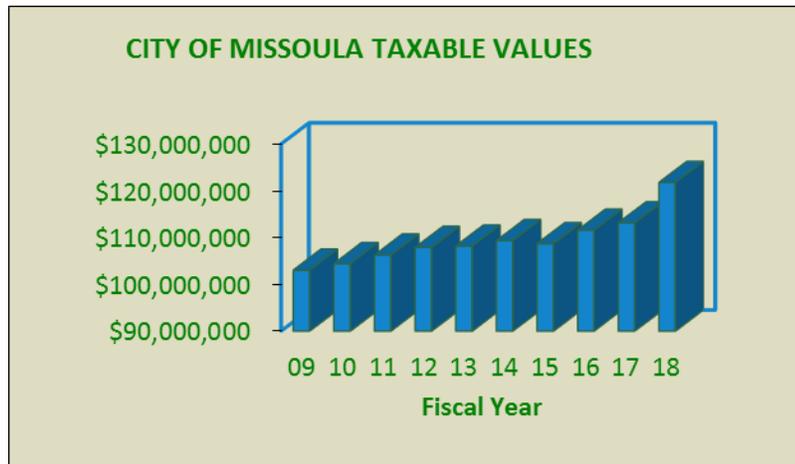
One of the principal challenges continually facing the City is the on-going financial obligation of new employees necessary to meet the service demand that accompanies the growth of the City. All indications are that the growth Missoula has experienced in the past will continue for the foreseeable future.



As a general rule, all real and personal property in the State of Montana is subject to taxation by the State. In addition to taxation by the State, its counties, municipalities and other political subdivisions have the ability to levy taxes. This rule is subject to exceptions in the case of specified classes of exempt property. Property is classified according to its use and character. The different classes of property are

taxed proportionately based on their market valuation. Property valuations are based on comprehensive appraisals of all taxable property and is performed by the Department of Revenue each year. The Department of Revenue certifies market and taxable values to each city on or before the 1<sup>st</sup> Monday in August. The trend of the City of Missoula's market value is shown by the graph above. As reflected by the graph, the City's market value has increased from \$3.412 billion in FY 2009 to \$8.176 billion in FY 2018, for a 141.38% increase over this period. The market value of property in the City reflects the rapid growth the City is experiencing. The graph of taxable values that follows reflects the City's ability to raise general tax revenue necessary to support the growing demand for government services.

The taxable value for property is determined by applying a statutorily established percentage ratio to the market value of the property, according to its property classification. The applicable ratio for most commercial and residential real properties is currently approximately 2.6%. Shown on the right is a history of the City's actual taxable value since 2009. The increase in taxable values does not coincide with the increase in market values because of



adjustments to the percentage ratio by the Montana Legislature and by changes in tax policy implemented through property tax amendments. The adjustments by the Legislature were designed to prevent local taxes from increasing at the same rate as property values. The taxable values (as opposed to market values) more accurately reflect the ability of the City to increase tax revenues. As illustrated in the graph, the City's taxable value increased from \$103,008 million to \$121,756 million from 2009 to 2018, an increase of only 18.54%, which is well less than a quarter of the increase in the market value of the same property. In recent years, the State has been placing a large restriction on the percentage of newly taxable values as compared to years past. As indicated in FY 2009 the taxable value was \$103,008 and in the current year the taxable value is \$121,756, an increase of \$18,000. In FY 2009 the inflation factor provided by the State was 1.672% and this resulted in an additional \$245,847 in revenue. Compared to the current year, the State restricted inflation rate is 0.590%, which resulted in an increase in revenues of \$278,840. With the restrictions on the ability to leverage annual growth from the State, it has made it difficult to fund projects and new requests that are sorely needed, without finding other avenues of revenue.

## SHORT TERM INITIATIVES – MAJOR ISSUES & SOLUTIONS

1. The FY 2018 budget, as adopted, was brought to Council in mid-June, earlier than the previous year, and in line with the accelerated schedule adopted in FY 2013 to approve the next fiscal year budget prior to the end of the current fiscal year. The calculated additional property tax impact for the current fiscal year is a reduction of 1.19% for City taxes and City-wide Road and Park District assessments, which is estimated to be a reduction by approximately \$26.40 per year for a home with a market value of \$250,000.
2. The FY 2017 budget includes 2.75% increases for Planning, Fire, Special Events, Business Licenses and Development Services. Building Inspection fees are being held at the current level for this year with the proposal of decreasing or adjusting the fees. The 2% increases in these areas as of service will not take effect until January 1, 2018. Several years ago, the City chose not to increase any charges for services fees. At that time, the decision to not increase the fees had a negative effect on the fund balance, as it declined due to increased administrative costs associated with operating these programs. The fund balance took the hit since there was not additional revenue to cover the administrative cost increases that occurred during the year. This year (FY 2018) as well as in the past four years (FY 2013 – FY 2017), based off the experience in FY 2011, and the continuation of annual cost increases for administering the programs, administration has determined that fees should increase by 2-3% each year in the Business Licensing, Development Services and Planning areas.
3. The actual level of new tax revenue from growth in the City's tax base for the current fiscal year (FY2017) is \$429,000. This compares to growth in past five fiscal years of \$452,529 for FY 2016; \$195,197 for FY 2015; \$299,612 for FY 2014 and \$271,813 for FY 2013. The City has budgeted for inflationary trending of property taxes allowed by state law (\$124,594).
4. City property taxes were not raised to support the increased expenses of the General Fund and in the city-wide assessments supporting expanded service in the Special Road and Park Districts. General Fund increases also relate to the City continuing to honor its union contracts. During the heart of the recession (FY 2008 – FY 2011) the City cut overall expenditures by 11% and reduced the workforce by 22 FTE's. Aside from the proposed salary increases for union and non-union staff in during that time and through FY 2017, virtually no new tax funded requests were proposed or approved due to the limited growth in taxes, except for several mandatory expenses such as costs associated with elections that occur in alternating budget years and the mandated Department of Justice agreement related to handling cases that involve rape. Starting in FY 2018, administration and Council met and determined strategic initiatives for the FY 2018 budget that identified the priorities of the administration and Council. These initiatives focused on public safety, supporting existing programs and projects and infrastructure. This is evidenced by the approved new requests that will be outlined further in the budget document. On the expenditure side, the largest expense is wages and benefits. Roughly 78% of the General Fund budget is devoted to personnel costs. For FY 2018 there is an increase in FTE's by 54.24 of which over half is due to expansion of services such as adding the Water Utility, Storm Water Utility, Compost and creation of the Housing and Community Development Department.
  - Property taxes were maintained for support of the City's Health Plan, as the plan has performed better in the last two fiscal years even though the fund took a hit in FY 2017. Prior to FY 2010, the City's Health Plan had consistently built fund balance for six consecutive years, and had \$2.3 million in surplus at the beginning of FY 2010. From the period of FY 2011 – FY 2015 the fund was very volatile and difficult to predict. During that time, the General Fund injected several large amounts of funds in order to stabilize the fund. One of the ways the City has leveled out the volatile nature is that for the past two year, the contributions on behalf of the employees has increase by 3% and then an additional 5% in FY 2018. With the additional increases in contributions and increased proposed expenditures, the proposed ending balance for FY 2018 is expected to grow by \$200,000 The City has also been focused on identifying ways to cut costs within the Health Plan utilizing the assistance of the plan's third party administrator, Allegiance.
5. Assessments were increased in the newly created Road Special Maintenance District, as the City attempts to increase the level of service delivery in this core area of service. Special Districts (Missoula has Road and Park Districts) are in place throughout Montana. Per the request of the City Council, the FY 2015 budget included a significant Road Special District funding increase of \$200,000 associated with additional annual support for the startup of a sidewalk support program that was initiated in FY 2014 with the goal to increase the amount of sidewalk projects initiated in the upcoming years. The FY 2018 commitment is \$370,000 of City support. The increased Special Road District assessments is identified as adding 1.72 FTE. This increases the number of FTE for the Streets Department to use for crack-sealing activities and snow plowing in the winter. The Park District assessments are used to support conservation lands, routine maintenance parks, median-greenway

maintenance, urban forestry, spray decks, and maintenance and operational support of the new Fort Missoula Regional Park that opened in the fall of FY 2017 and the County portion of Phase II to open in the spring of 2018

6. Standard & Poor's and Moody's, our ratings agencies, recently completed an updated review of many of our City credits. All of the City's credits were re-affirmed and sustained, which is a very positive factor while two credit ratings were increased by Standard and Poor's:
  - a. The City's GO Bond rating was increased from AA- to AA+
  - b. The City's General Fund Obligation Bonds from A+ to AA

One of the areas of concern in prior reviews was that a number of revenue streams that support General Fund functions had been allowed to accumulate balances outside of the General Fund and, to some extent, outside of the City's direct oversight. Many of these funds are now accounted for within General Fund during this budget process and will be kept under administration review and oversight going forward. The purpose and intent will not change for these revenue streams, but they will no longer be allowed to accumulate outside of the General Fund and will be managed more closely by the administration in the future. Standard & Poor's also recommended that future budgets plan to increase the General Fund year-end unassigned fund balance to 7% of the General Fund expenditures per the City's adopted financial policy. Every fiscal year since 2013, the City has budgeted to increase the fund balance in the General Fund.



7. Funding anticipated from HB124 (city entitlement from the State of Montana) is projected at \$8,552,718 for FY 2018, an expected increase of \$389,913 over FY 2017. State legislation reduced the entitlement share pool for FY 2016 to "Appropriate emergency money for new or expanded mental health crisis intervention" per HB33. The entitlement is back to normal funding starting in FY 2017.
8. The Building Inspection Fund is fully recovered as economic conditions continue to improve in the construction portion of the Missoula economy. The Building Inspection Division had previously reduced the staffing by four positions several years ago, Facility and Vehicle Maintenance has taken on the responsibility of maintaining and determining the replacement schedule and costs for the inspector's vehicles and there was a recent upgrade to the permitting system software, a cost that has generated many benefits to both the building community and City staff. The Building Inspection Division has been able to maintain its staff since there was an increase in its staffing by 1 FTE in FY 2016.
9. Impact fees are budgeted conservatively and are anticipated to generate approximately \$1,800,000 of revenue for FY 2018, over \$1.88 million were received in FY 2017 illustrating the uptick in construction seen across the city.
10. The City is permitted to levy what is necessary to fund voter-approved General Obligation (GO) Bond debt service. In FY 2017, the City will drop the levy to cover the bond payments (9.35 mills in FY 2018 from 14.02 in FY 2017).
11. General Fund support for the City's Capital Improvement Program will be of \$1,401,503 for FY 2018, compared to \$1,330,841 in FY 2017. In FY 2018, CIP support includes the required General Fund fixed payments plus the scheduled General Fund vehicle and equipment replacements. In addition to the vehicles and equipment, some of the notable projects are the completion of the Police Evidence and Storage building, continued IT infrastructure upgrades, phase II of the Wayfinding project and several parks around the City. The City Administration, in conjunction with all City offices, has developed a long-term (20-year) equipment replacement schedule that addresses the fact that the equipment replacement needs are more than \$2 million greater in the first five years (FY 2009-2014) than in the following five years. Six years ago, the City proposed to smooth out this wave of deferred equipment replacement by financing the equipment scheduled for replacement over successively shorter time frames in the future. This allows equipment to provide better service to residents during fiscally constrained times such as these. There are many Non-General Fund CIP projects that were not affected by the extremely tight funding in the General Fund these past years.

12. The General Fund baseline budget appears to be adequate for the new fiscal year for both fuel and energy costs. The City adopted the Conservation & Climate Action plan which outlines a strategic path to an overall goal of carbon neutrality for municipal operations by 2025. The strategies are organized into three main focus areas of operations: Fleet and Facilities, Internal Policies and Practices and Renewable Energy and offsets. Strategies to meet the goals of the Conservation and Climate Action plan include adding GPS units to the rolling fleet to improve efficiency and reduce fuel consumptions/costs. The City is in the infant stages of the All-In-One recycling pilot, which involves, City Hall, Council Chambers, Street Division and Facility and Vehicle Maintenance. Another strategy is performing a solar study to gather information about installing solar cells to City facilities to reduce the dependence on purchasing electricity from vendors. Central Services is conducting a baseline zero waste study in conjunction with Republic Services in an effort to decrease the amount of refuse the City disposes of every year.
13. This General Fund budget includes cost of living increases of approximately 2.75% for non-union staff. All union contracts were negotiated and approved in FY 2016. On average, there is a negotiated 2.75-3% raise to union staff.
14. Inflation based on price indexes for postage (proposed increase in first class stamps by 4.25%) and a 6% increase in electricity based on an approved rate increase for Northwestern Energy by the PSC. Assumptions for operating supplies or purchased services were accepted into the budget, unless a pre-existing contract for service allowed for a scheduled increase in FY 2018.
15. The program enhancements allowed in the FY 2018 budget are detailed in the appendix.
16. The economic factors driving the budget development are discussed below in the next section of the budget message.

## **ECONOMIC FACTORS**

- University of Montana economist, Patrick Barkey, has forecast that Montana's economic growth will be around the 3.2% range, which continues an improvement that began in 2014. Patrick Barkey has also projected that the Montana economy will outperform the national economy this next year.
- Missoula continues to see growth in the construction and manufacturing areas of the economy and in the financial and business industries. There are four identified areas that are proposed to see growth in the upcoming year: UM and State Government; Healthcare; Professional Services and Manufacturing of wood products. Due to an increase in these industries, Missoula is starting to realize a positive and favorable growth.
- The Missoula Economic Partnership, a public-private economic development organization, opened its doors in June 2011 and is fielding calls from a variety of fronts for business relocation, granting activity, expansion assistance and more. Since the Partnership has opened its doors, the Missoula employment market has enjoyed an increase of 750 jobs. These jobs center around basic industries, such as computer based technologies, manufacturing and health services.
- All of these factors were considered in preparing the City of Missoula's budget for the 2018 fiscal year. The decline in revenues in FY 2009 through FY 2012, especially in the fee based services related to the decline in economic expansion (planning and engineering fees, business licenses) has reversed and these revenues have been increasing each year since FY 2012.
- Sewer utility rates were increased modestly (2.5% per year) for the past three years beginning in FY 2016 to fund capital improvement projects. This takes into account increasing the capacity of sanitary sewer pipelines and pump stations to accommodate the growth and residential construction that is being planned for in the Linda Vista and Miller Creek areas. The City has continued to grow in population and in new sewer connections at a rate of approximately 1.5% per year. The sewer fund has been able to continue to build the fund balance to accommodate future projects, however the growth for the past couple of years is not adequate to cover the necessary and requested upgrades to the sewer treatment plant and sewer infrastructure therefore the modest increase in rates by 2.5%. In FY 2017, the City completed the purchase of EKO compost, renaming it to Garden City compost.



## **Closing**

We hope the information contained in the FY 2018 Final Budget is of benefit to all interested parties. In closing we want to tell the public that we made dramatic changes in the budget process starting in FY 2008 that continued through the current budget process. We have been actively pursuing a Performance Based Budget process since FY 2008. We strongly encourage each and every person using city services to inform us of their ideas, level of satisfaction and problems.

Respectfully,

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John Engen, Mayor

### RECOMMENDED BUDGET PRACTICES

The City of Missoula is striving to incorporate the recommended practices promulgated by the National Advisory Council on State and Local Budgeting (NACSLB) in its annual budget.

The NACSLB was created to provide tools for governments to improve their budgeting processes and to promote their use. The NACSLB focuses on long-term financial planning and encourages governments to consider the longer consequences of actions to ensure that impacts of budget decisions are understood over a multi-year planning horizon and to assess whether program and service levels can be sustained. Practices encourage the development of organizational goals, establishment of policies and plans to achieve these goals, and allocation of resources through the budget process that are consistent with goals, policies and plans. There is also a focus on measuring performance to determine what has been accomplished with scarce government resources.

Following are excerpts of the NACSLB's budget practice recommendations.

### BUDGET DEFINITION

The budget process consists of activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets.

A good budget process is characterized by several essential features.

- Incorporates a long-term perspective
- Establishes linkages to broad goals
- Focuses budgeting decisions on results and outcomes
- Involves and promotes effective communication with stakeholders
- Provides incentives to government management and employees

These key characteristics of good budgeting make clear that the budget process is not simply an exercise in balancing revenues and expenditures one year at a time, but is strategic in nature, encompassing a multi-year financial and operating plan that allocates resources on the basis of identified goals. A good budget process moves beyond the traditional concept of line-item expenditure control, providing incentives and flexibility to managers that can lead to improved program efficiency and effectiveness.

### MISSION OF THE BUDGET PROCESS

The mission of the budget process is to help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process. Communication and involvement with citizens and other stakeholders is stressed. Communication and involvement are essential components of every aspect of the budget process.

### PERFORMANCE BUDGETING

The City of Missoula is moving to a Performance Budgeting approach for the development of its annual operating budget. Performance budgets emphasize the accomplishment of program objectives as opposed to a description of what is going to be purchased by the government.

Performance budgeting involves a shift away from a debate by the City Council of what is going to be purchased toward a debate regarding what is going to be accomplished.

The City of Missoula is in the early stages of its Performance Budgeting efforts. Each department is in the process of identifying performance objectives, identifying and tracking workload indicators, and establishing quantifiable performance measures. It is anticipated that it will take 3 – 5 years to fully implement the performance budgeting system.

### FINANCIAL TREND ANALYSIS

The budget process begins in the winter with the initial updating of the five-year financial trend analysis for the City as a whole.

Using the latest fiscal, operational, and legislative information, the finance office staff works collaboratively with city departments to update the city's most recent financial trend analysis.

The financial trend analysis assists the City Council and the city administration in focusing on the "Big Picture" of the city's financial operations.

### NEEDS ASSESSMENT PHASE

#### Late Winter – Early Spring

Departments have an opportunity to assess current conditions, programs, and needs. Examination of current departmental programs or positions for possible trade-offs, reduction, or

## BUDGET PROCESS

elimination is strongly suggested. During this phase, departments are encouraged to thoroughly review all programs and services, assessing their value and priority to the citizens. At the same time, departments are asked to submit requests for new or expanded programs. The first proposals submitted for review are those capital requests that fit within the City's five-year capital improvement program.

From this process, they prepare their preliminary departmental budgets.

### BUDGET DEVELOPMENT AND PRIORITIZATION PHASE

The Finance Department compiles and tabulates the budgetary information submitted by the individual departments and begins the preparation of the preliminary budget in cooperation with the Mayor, City Administrator and the City's CIP and operating budget teams. The needs of the city departments are weighed against projected funds available and a determination must be made as to which services will be included in the final budget. The operating budget includes proposed expenditures and the means of financing them. All capital and operating new requests are scored and ranked by the CIP and operating budget teams.

Within the framework of the City's financial capacity, City Council priorities and departmental needs assessments, budget requests are reviewed and a preliminary City operating budget takes shape.

The purpose of the preliminary budget is to enable the community, stakeholders and the City Commission to comment on a balanced budget well before it is adopted.

### CAPITAL IMPROVEMENTS PROGRAM (CIP) AND ITS RELATIONSHIP TO THE OPERATING BUDGET

The City of Missoula prepares a Capital Improvement Plan (CIP) document separate and apart from the Annual Operating Budget. Unlike the Annual Operating Budget, the CIP is a multi-year capital improvements plan that forecasts, but does not obligate, future spending for all anticipated capital projects.

Whenever the City commits to a CIP plan, there is an associated long-range commitment of The amendment, supporting documents and drafted resolution is presented to the Council for

operating funds. For this reason, it is important to evaluate capital commitments in the context of their long-range operating impact. Most capital projects affect future operating budgets either positively or negatively due to an increase or decrease in maintenance costs or by providing capacity for new programs to be offered. Such impacts vary widely from project to project and, as such, are evaluated individually during the process of assessing project feasibility.

The multi-year, long-range fiscal analysis also provides an opportunity to review the operating impact of growth-related future capital projects.

### ADOPTION/IMPLEMENTATION PHASE

Public hearings are conducted to enable citizens and other interested parties to comment on the proposed budget. Following the public hearings, the City Council may modify the proposed budget or may adopt it without changes.

The budget and the corresponding property tax mill levy must be adopted by the 3rd Monday in August or within 45 days of receiving certified taxable values from the Department of Revenue.

Management control of the budget is maintained by monthly revenue and expenditure reports, whereby departments are able to compare actual results to the budget throughout the fiscal year. In addition, the Finance Director prepares quarterly budget reviews on a city-wide basis, with presentations to the City Council at a public meeting. These budget reviews are aimed at examining expenditure patterns, and recommending corrective action to be taken during the year.

### AMENDING THE BUDGET

The City's budget may be amended during the course of the year, following public notice, a public hearing, and a majority vote of the City Council. The requesting department is responsible for preparing the budget amendment and supporting documents. The proposed amendment and supporting documents are reviewed by the Finance Department for accuracy and completeness. After Finance reviews and approves the amendment, a budget amendment resolution is drafted and presented along with the amendment and supporting documents to the City Council at a duly noticed public meeting.

## BUDGET PROCESS

review, if approved, a formal public notice is forwarded to the newspaper, setting the date, time, reason, and funding source for the proposed budget amendment. At the public meeting the Council hears a staff report from the pertinent department amendment. Following the staff report, and Council discussion, the meeting is opened up for public input. The City Council considers the Resolution and may approve, amend, table, or deny the Budget Amendment. The annual appropriations and transfers for various departments are controlled and monitored for budgetary compliance at the fund level. Management does not make transfers of appropriations or over-expend appropriations at the department level within a fund without approval of the City Council.

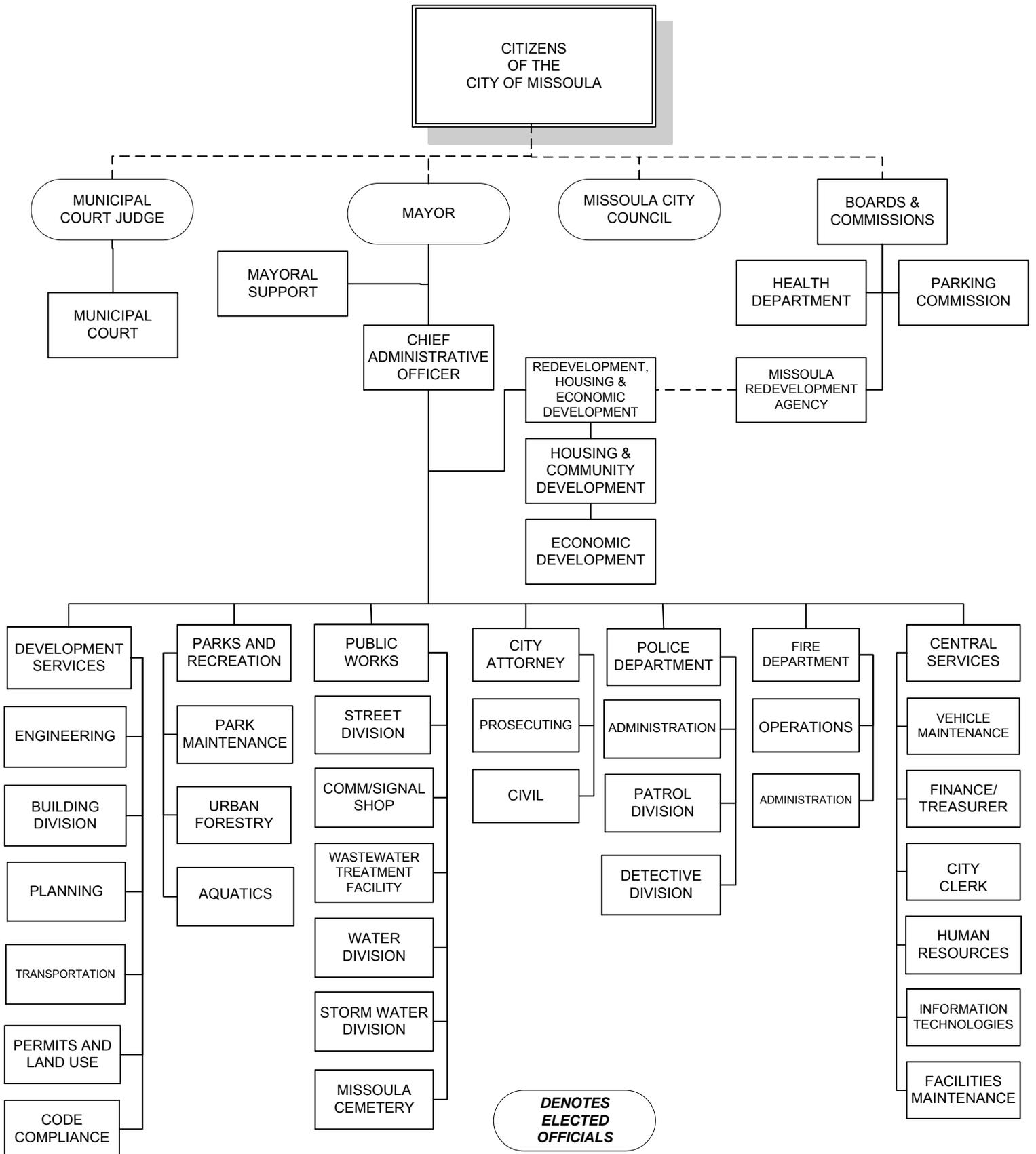
# BUDGET PROCESS

## THE BUDGET TIMELINE

January	<p>The Finance Department prepares mid-year budget reviews by updating budget to actual expenditures and revenues for all departments. Assist major departments in preparing budget review for Council</p> <p>The Capital Improvement Program is initiated for next fiscal year with a press release notifying the public and a workshop scheduled for all City supervisory staff.</p>	May	<p>Weekly meetings scheduled in A&amp;F to review CIP's with departments and outside agencies as required</p> <p>The preliminary budget is presented to the Budget Committee of the Whole.</p> <p>Weekly Council meetings scheduled with City departments and outside agencies requesting funding.</p> <p>The public hearing is kept open until the budget is adopted in June.</p> <p>Preliminary budget presented and updated weekly by Finance Department with voted, recommended or proposed changes</p>	
	February		<p>Major Departments present mid-year budget reviews to City Council and identify goals and initiatives to complete by year end</p> <p>Finance Department received direction from Administration and City Council regarding budgetary priorities for upcoming budget presentations</p> <p>The Finance Department reviews approved and funded Capital Improvements Program (CIP) project budgets and submits update forms to the Departments to update the status of the projects and identify any new projects</p> <p>Baseline expenditures, revenues and salary updated for all departments and funds</p>	June
March		<p>Finance Department reviews submitted CIP's for expenditures and funding sources and prepares CIP's for review by CIP Team</p> <p>The CIP team meets with Department Heads to review CIP's for expenditures, funding sources and level of need and recommend approval &amp; funding</p> <p>The Preliminary CIP Budget is referred to the Missoula City Council A&amp;F committee to review current year project request for approval and funding</p> <p>Finance Staff analyze baseline budget and new requests submitted by departments</p> <p>Finance Staff projects expenditures and revenues for remainder of current year and assumptions for upcoming budget to be provided to Mayor and Budget Team</p>	July	<p>Finance Staff updates financial information with adopted baseline and approved new requests for final budget resolution</p> <p>Waiting to receive final tax values from the State Department of Revenue.</p>
	August	<p>Final budget documents are published on the City website either in August or September.</p> <p>Tax levies received first Monday in August from Department of Revenue and Levies referred to Council for adoption</p> <p>Annual budget and Tax Levies presented to council for adoption.</p>	September	<p>Quarterly review of budgetary expenditures and revenues</p> <p>Preparations are made for mid-year budget review</p>
		April	<p>Weekly meetings scheduled in A&amp;F to review CIP's with departments and outside agencies as required</p> <p>The Budget Team meets with Department Heads and reviews baseline budgets, any proposed baseline increases and new requests</p> <p>Mayor and Budget Team review assumptions and make recommended approval of new requests and baseline increases</p> <p>Budget appeals are heard by the Mayor, CAO and Finance Officer</p> <p>The preliminary budget is referred to the Missoula City Council Budget Committee of the Whole and the Mayor proposes the annual budget and the funding priorities of the budget</p> <p>Public Hearings are scheduled.</p>	October
November	<p>Quarterly review of budgetary expenditures and revenues</p> <p>Preparations are made for mid-year budget review</p>		December	<p>Quarterly review of budgetary expenditures and revenues</p> <p>Preparations are made for the mid-year budget review</p>
December	<p>Quarterly review of budgetary expenditures and revenues</p> <p>Preparations are made for the mid-year budget review</p>			



# FY16 Citizens of The City of Missoula



REQUESTED AND FUNDED OPERATING BUDGET INCREASES							
Department	Ranking	Amount	High-Funded	Low-Not Funded	One-Time Costs	Ongoing Costs	Non-Budgeted Revenues Funded
<b>General Fund</b>							
<b>City Council:</b>							
Projector Replacement Parts	1	658	-	658	658	-	-
<b>Sub-total</b>		<b>658</b>	<b>-</b>	<b>658</b>	<b>658</b>	<b>-</b>	<b>-</b>
<b>City Clerk:</b>							
Elections	1	95,800	95,800	-	95,800	-	95,800
<b>Sub-total</b>		<b>95,800</b>	<b>95,800</b>	<b>-</b>	<b>95,800</b>	<b>-</b>	<b>95,800</b>
<b>Information Technologies</b>							
Help Desk Specialist	1	52,464	-	52,464	1,500	50,964	-
Shipping/Postage increase	2	150	-	150	-	150	-
<b>Sub-total</b>		<b>52,614</b>	<b>-</b>	<b>52,614</b>	<b>1,500</b>	<b>51,114</b>	<b>-</b>
<b>Municipal Court</b>							
Full Court Enterprise Conversion	1	71,767	71,767	-	33,703	38,064	71,767
Legislative Placeholder (\$0)	2	-	-	-	-	-	-
Missoula Correctional Services Contract	3	21,334	16,384	4,950	-	21,334	16,384
Courtroom Technology Maint.	4	56,708	56,708	-	56,708	-	56,708
Ass't Judge #2 to .85 FTE	5	32,751	-	32,751	-	32,751	-
Administrative Assistant	6	56,246	-	56,246	-	56,246	-
Court Carpet/Chair Cleaning	7	1,900	-	1,900	1,900	-	-
Master Jail Diversion Plan Work Activity	8	653,413	-	653,413	653,413	-	-
<b>Sub-total</b>		<b>894,119</b>	<b>144,859</b>	<b>749,260</b>	<b>745,724</b>	<b>148,395</b>	<b>144,859</b>
<b>Central Services Department:</b>							
Zero Waste Baseline Study	1	20,000	20,000	-	20,000	-	20,000
Energy Conservation Spec. I	2	51,434	-	51,434	-	51,434	-
Zero Waste Branding	3	7,500	-	7,500	5,000	2,500	-
Cable Franchise Agreement	4	20,000	20,000	-	20,000	-	20,000
City Hall Growth Policy	5	60,000	-	60,000	60,000	-	-
<b>Sub-total</b>		<b>158,934</b>	<b>40,000</b>	<b>118,934</b>	<b>105,000</b>	<b>53,934</b>	<b>40,000</b>
<b>Facilities Maintenance Department:</b>							
101 N. Catlin Services	1	21,258	21,258	-	-	21,258	21,258
HVAC Tech	2	22,579	22,579	-	-	22,579	22,579
Building Maintenance Worker	3	53,423	-	53,423	-	53,423	-
Vehicle Maintenance	4	4,300	-	4,300	-	4,300	-
CMMS	5	3,200	3,200	-	-	3,200	3,200
Maintenance Materials	6	10,000	10,000	-	-	10,000	10,000
<b>Sub-total</b>		<b>114,760</b>	<b>57,037</b>	<b>57,723</b>	<b>-</b>	<b>114,760</b>	<b>57,037</b>
<b>Development Services</b>							
Staff Engineer - Engineering	1	67,030	37,030	30,000	3,913	63,117	37,030
Engineering Tech - Permit & Land Use	2	67,015	67,015	-	3,913	63,102	67,015
Higgins Ave. Study	3	40,000	-	40,000	40,000	-	-
<b>Sub-total</b>		<b>174,045</b>	<b>104,045</b>	<b>70,000</b>	<b>47,826</b>	<b>126,219</b>	<b>104,045</b>
<b>Housing &amp; Community Development</b>							
Econ. Dev. Coordinator (0.5 FTE)	1	31,210	-	31,210	-	31,210	-
Workforce study	2	12,500	-	12,500	-	12,500	-
MEP/BREDD Big Sky Trust Fund Grant Adm	3	60,000	-	60,000	-	60,000	-
<b>Sub-total</b>		<b>103,710</b>	<b>-</b>	<b>103,710</b>	<b>-</b>	<b>103,710</b>	<b>-</b>
<b>Attorney:</b>							
Victim Witness Assistant	1	59,552	59,552	-	4,289	55,263	59,552
<b>Sub-total</b>		<b>59,552</b>	<b>59,552</b>	<b>-</b>	<b>4,289</b>	<b>55,263</b>	<b>59,552</b>
<b>Fleet Maintenance:</b>							
1/4 FTE Admin Asst.	1	10,836	10,836	-	-	10,836	10,836
Vehicle AC Repair Machine	2	8,000	-	8,000	8,000	-	-
<b>Sub-total</b>		<b>18,836</b>	<b>10,836</b>	<b>8,000</b>	<b>8,000</b>	<b>10,836</b>	<b>10,836</b>

<b>REQUESTED AND FUNDED OPERATING BUDGET INCREASES (Cont'd)</b>							
<b>Department</b>	<b>Ranking</b>	<b>Amount</b>	<b>High-Funded</b>	<b>Low-Not Funded</b>	<b>One-Time Costs</b>	<b>Ongoing Costs</b>	<b>Non-Budgeted Revenues Funded</b>
<b>General Fund (Cont'd)</b>							
<b>Police:</b>							
Catlin property Computers	1	12,042	12,042	-	7,137	4,905	12,042
Equipment Replacement (vests)	2	40,950	40,950	-	40,950	-	40,950
Equipment Replacement-con't	3	103,825	-	103,825	-	103,825	-
Community Service Specialists	4	165,873	111,652	54,221	54,221	111,652	111,652
Motorcycle Maintenance	5	7,000	7,000	-	-	7,000	7,000
Video Storage	6	14,000	-	14,000	14,000	-	-
CIT Training	7	4,950	4,950	-	-	4,950	4,950
Crash Investigator	8	112,756	-	112,756	46,471	66,285	-
Digital Forensic Mapping System	9	8,730	-	8,730	5,200	3,530	-
<b>Sub-total</b>		<b>470,126</b>	<b>176,594</b>	<b>293,532</b>	<b>167,979</b>	<b>302,147</b>	<b>176,594</b>
<b>Fire:</b>							
Assistant Mechanic	1	103,490	-	103,490	-	103,490	-
Assistant Mechanic-con't	2	27,840	-	27,840	-	27,840	-
ROCCO Training	3	22,121	22,121	-	22,121	-	22,121
Facility Projects	4	10,000	-	10,000	-	10,000	-
Station 5 internet	5	879	-	879	99	780	-
Recycling Program	6	1,620	-	1,620	-	1,620	-
Fire Master Plan Update	7	40,000	-	40,000	40,000	-	-
<b>Sub-total</b>		<b>205,950</b>	<b>22,121</b>	<b>183,829</b>	<b>62,220</b>	<b>143,730</b>	<b>22,121</b>
<b>Parks:</b>							
Sports Wellness Outdoor Rec	1	59,307	59,307	-	-	59,307	59,307
<b>Sub-total</b>		<b>59,307</b>	<b>59,307</b>	<b>-</b>	<b>-</b>	<b>59,307</b>	<b>59,307</b>
<b>City/County Health Department</b>							
Health Dept. - COLA	1	54,426	54,426	-	-	54,426	54,426
Animal Control - COLA	2	19,061	19,061	-	-	19,061	19,061
Suicide Prevention	3	49,263	49,263	-	-	49,263	49,263
Mountain Line Fare Subsidy	4	50,000	50,000	-	-	50,000	50,000
Missoula Aging Services	5	71,000	-	71,000	-	71,000	-
<b>Sub-total</b>		<b>243,750</b>	<b>172,750</b>	<b>71,000</b>	<b>-</b>	<b>243,750</b>	<b>172,750</b>
<b>General Fund Special</b>							
<b>1219 Fort Missoula Regional Park:</b>							
County Reimbursement	1	162,883	162,883	-	-	162,883	162,883
Operations	2	53,064	53,064	-	53,064	-	53,064
<b>Sub-total</b>		<b>215,947</b>	<b>215,947</b>	<b>-</b>	<b>53,064</b>	<b>162,883</b>	<b>215,947</b>
<b>General Fund &amp; General Fund Special Total</b>		<b>2,868,108</b>	<b>1,158,848</b>	<b>1,709,260</b>	<b>1,292,060</b>	<b>1,576,048</b>	<b>1,158,848</b>
<b>NON-GENERAL FUND REQUESTS</b>							
<b>Planning</b>							
Planner III	1	71,255	71,255	-	2,913	68,342	71,255
<b>Sub-total</b>		<b>71,255</b>	<b>71,255</b>	<b>-</b>	<b>2,913</b>	<b>68,342</b>	<b>71,255</b>
<b>Street Lighting District</b>							
LED Street Lighting Rebate Program	1	26,275	-	26,275	26,275	-	-
<b>Sub-total</b>		<b>26,275</b>	<b>-</b>	<b>26,275</b>	<b>26,275</b>	<b>-</b>	<b>-</b>
<b>Street Maintenance District</b>							
BID Garbage collection increase	1	39,627	39,627	-	-	39,627	39,627
<b>Sub-total</b>		<b>39,627</b>	<b>39,627</b>	<b>-</b>	<b>-</b>	<b>39,627</b>	<b>39,627</b>

REQUESTED AND FUNDED OPERATING BUDGET INCREASES (Cont'd)							
Department	Ranking	Amount	High-Funded	Low-Not Funded	One-Time Costs	Ongoing Costs	Non-Budgeted Revenues Funded
<b>NON-GENERAL FUND REQUESTS (Cont'd)</b>							
<b>Road District 1:</b>							
Sidewalk Subsidy + ADA Increase	1	60,000	-	60,000	-	60,000	-
Labor/Operators Inc. to Full Time	2	9,912	9,912	-	-	9,912	9,912
PW Assistant Director	3	37,712	-	37,712	-	37,712	-
Electronic Tech - Comm Shop	4	78,216	-	78,216	2,192	76,024	-
Sidewalk Maint Agreement	5	80,244	-	80,244	45,000	35,244	-
Traffic Marking Paint	6	20,885	-	20,885	-	20,885	-
Pavement Condition Eval	7	75,000	75,000	-	-	75,000	75,000
Street Light Repairs	8	11,100	-	11,100	-	11,100	-
Vehicle Replacement	9	7,500	-	7,500	7,500	-	-
PW Assistant Director	1	83,138	-	83,138	36,557	46,581	-
PW Reimbursable Services	2	5,000	-	5,000	-	5,000	-
<b>Sub-total</b>		<b>468,707</b>	<b>84,912</b>	<b>383,795</b>	<b>91,249</b>	<b>377,458</b>	<b>84,912</b>
<b>Park District 1:</b>							
FMRP Ops-con't	1	28,400	28,400	-	-	28,400	28,400
Vehicle Maintenance	2	6,000	-	6,000	-	6,000	-
New G&H Staff	3	82,036	-	82,036	-	82,036	-
Hard Costs	4	39,530	-	39,530	-	39,530	-
Urban Forestry Specialist	5	64,851	-	64,851	900	63,951	-
PAM - Cyclical Maintenance	6	76,450	-	76,450	-	76,450	-
CLM increase	7	91,115	-	91,115	-	91,115	-
Moon Randolph	8	8,000	-	8,000	-	8,000	-
CLM Trails and Restoration	9	19,310	-	19,310	-	19,310	-
Park Asset Mgmt. Staffing	10	38,267	-	38,267	-	38,267	-
G&H Staff increase	11	9,871	-	9,871	-	9,871	-
Urban Forestry New staff	12	25,918	-	25,918	-	25,918	-
Jeffery Park	13	23,460	-	23,460	-	23,460	-
CLM Research and outreach	14	8,385	-	8,385	-	8,385	-
Pleasantview & Skyview	15	19,530	-	19,530	14,000	5,530	-
Commuter Trail trash	16	5,000	-	5,000	-	5,000	-
<b>Sub-total</b>		<b>546,123</b>	<b>28,400</b>	<b>517,723</b>	<b>14,900</b>	<b>531,223</b>	<b>28,400</b>
<b>Gas Tax</b>							
Materials Increase	1	17,300	17,300	-	-	17,300	17,300
<b>Sub-total</b>		<b>17,300</b>	<b>17,300</b>	<b>-</b>	<b>-</b>	<b>17,300</b>	<b>17,300</b>
<b>Water</b>							
Computer Replacements & Maintenance	1	34,210	34,210	-	25,140	9,070	34,210
<b>Sub-total</b>		<b>34,210</b>	<b>34,210</b>	<b>-</b>	<b>25,140</b>	<b>9,070</b>	<b>34,210</b>
<b>Wastewater:</b>							
Green Waste Inspector	1	38,906	38,906	-	-	38,906	38,906
Chemist	2	84,540	-	84,540	-	84,540	-
Admin Asst. II	3	48,126	-	48,126	-	48,126	-
Wastewater Facilities Plan Update	4	280,000	280,000	-	280,000	-	280,000
Rate Study	5	50,000	50,000	-	50,000	-	50,000
<b>Sub-total</b>		<b>501,572</b>	<b>368,906</b>	<b>132,666</b>	<b>330,000</b>	<b>171,572</b>	<b>368,906</b>
<b>Storm Water</b>							
Storm Water Techs	1	197,236	197,236	-	83,951	113,285	197,236
GIS Tech	2	67,939	-	67,939	9,126	58,813	-
<b>Sub-total</b>		<b>265,175</b>	<b>197,236</b>	<b>67,939</b>	<b>93,077</b>	<b>172,098</b>	<b>197,236</b>
<b>EBP</b>							
RHP Mommy Trax Program	1	5,600	-	5,600	-	5,600	-
<b>Sub-total</b>		<b>5,600</b>	<b>-</b>	<b>5,600</b>	<b>-</b>	<b>5,600</b>	<b>-</b>
<b>Parking Commission:</b>							
New Maintenance Staff	1	47,739	47,739	-	-	47,739	47,739
APO Certification	2	9,000	9,000	-	-	9,000	9,000
Parking Consultant	3	30,000	30,000	-	-	30,000	30,000
Travel & Training	4	11,500	11,500	-	-	11,500	11,500
Increase Office Supplies	5	3,000	3,000	-	-	3,000	3,000
<b>Sub-total</b>		<b>101,239</b>	<b>101,239</b>	<b>-</b>	<b>-</b>	<b>101,239</b>	<b>101,239</b>
<b>Non-General Fund Total</b>		<b>2,077,083</b>	<b>943,085</b>	<b>1,133,998</b>	<b>583,554</b>	<b>1,493,529</b>	<b>943,085</b>
<b>Grand Total - All Funds</b>		<b>4,945,191</b>	<b>2,101,933</b>	<b>2,843,258</b>	<b>1,875,614</b>	<b>3,069,577</b>	<b>2,101,933</b>

**PROJECTED CHANGES IN FUND AND WORKING CAPITAL BALANCES  
DETAIL OF ALL FUNDS  
Fiscal Year 2017-2018**

Fund #	Fund Name	Projected Beginning Balances 7-1-2017	FY 2018			Projected Ending Balances 6-30-2018
			Estimated Revenues		Budgeted Expenditures	
			Non-Tax	Tax or Assessment		
<b>1000</b>	<b>General Fund</b>	\$ 3,928,309	\$ 29,723,050	\$ 26,065,128	\$ 57,363,915	\$ 2,352,572
1211	Park Acquisition and Development Fund	356,638	40,000	-	274,959	121,679
1212	Park Enterprise Fund	466,613	68,200	-	332,360	202,453
1216	Parks Recreation Trails Forestry Land Memorial	569,211	722,200	-	858,200	433,211
1217	Parks City Life Gym	22,743	50,500	-	50,500	22,743
1219	Parks Fort Missoula Regional Park	99,236	765,412	-	769,725	94,923
1241	Cemetery Cremain Wall & Memorials Fund	16,982	10,000	-	10,000	16,982
1242	Cemetery Capital Fund Reserve	274,307	55,000	-	140,000	189,307
1243	Cemetery Cremain Memorial Fund	8,605	1,500	-	8,000	2,105
1265	Title 1 Projects	148,816	146,924	-	146,924	148,816
1396	Program Income Revolving	86,382	62,439	-	62,439	86,382
1397	State Home Program	81,652	-	-	20,112	61,540
<b>Total General Fund</b>		<b>6,059,494</b>	<b>31,645,225</b>	<b>26,065,128</b>	<b>60,037,134</b>	<b>3,732,713</b>
<b>SPECIAL REVENUE FUNDS</b>						
2250	Planning	90,104	451,558	-	541,662	-
2310	Public Safety Information Systems	41,985	24,000	-	-	65,985
2321	Impact Fee	4,971,546	1,800,000	-	2,400,000	4,371,546
2322	George Elmer - Cattle Dr.	1	15,000	-	15,000	1
2365	Public Art	24,958	15,943	-	15,943	24,958
2371	Employee Helath Insurance Levy	-	-	-	-	-
2372	Employee Permissive Health Insurance Levy	-	-	5,101,004	5,101,004	-
2389	Cable Franchise Fee	(3,273)	726,856	-	721,288	2,295
2390	Drug Forfeiture Fund	3,618	15,000	-	17,800	818
2394	Building Inspection	2,088,588	1,800,000	-	1,627,837	2,260,751
2395	City Grants & Program Income	3,882	-	-	-	3,882
2396	Energy Efficiency & Conservation Loan	-	-	-	-	-
2399	Dangerous Building	-	15,000	-	15,000	-
2400	Street Lighting Districts	121,901	365,014	-	365,014	121,901
2500	Street Maintenance Fund	49,980	102,854	-	102,854	49,980
2512	Road District #1	1,406,952	-	2,115,064	2,011,007	1,511,009
2513	Parks District #1	982,734	-	1,591,562	1,441,566	1,132,730
2820	Gas Tax Fund	323,001	2,027,267	-	955,200	1,395,068
2918	Law Enforcement Grants	36,185	60,373	-	60,373	36,185
2919	HIDTA	287,390	140,600	-	140,600	287,390
2939	CDBG Program	42,384	29,463	-	29,463	42,384
2940	Community Development Block Grant Fund	1,079	517,790	-	517,790	1,079
2941	HOME Grant	7,903	320,000	-	320,000	7,903
2943	City Home Program	66,912	25,000	-	25,000	66,912
2944	Neighborhood Stabilization Program	(599)	599	-	-	-
2955	Transportation Department	216,026	1,446,208	-	1,325,991	336,243
2987	Transportation Grants	(81,964)	290,343	-	208,379	-
2988	Grants & Donations	427,061	716,099	-	716,099	427,061
2989	Police Grants & Donations	(70,603)	567,351	-	496,748	1
<b>Total Special Revenue Funds</b>		<b>11,037,794</b>	<b>11,472,318</b>	<b>8,807,630</b>	<b>19,171,618</b>	<b>12,146,124</b>

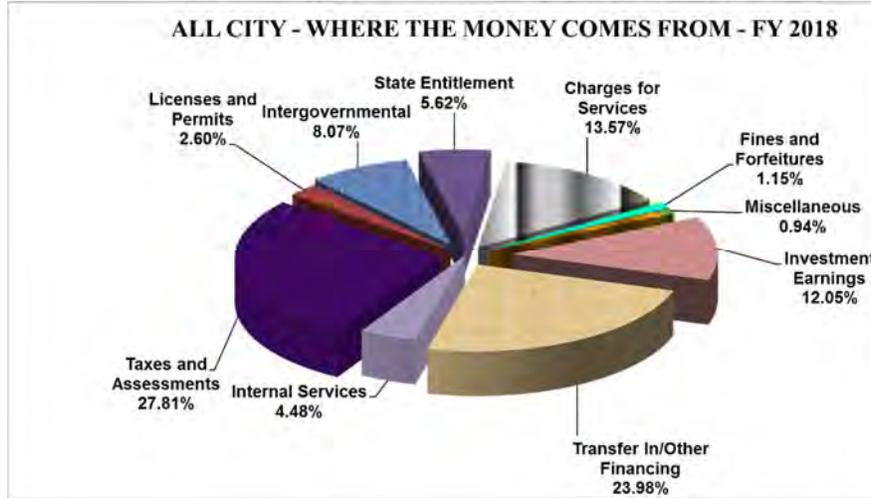
**PROJECTED CHANGES IN FUND AND WORKING CAPITAL BALANCES  
DETAIL OF ALL FUNDS (Cont'd)  
Fiscal Year 2017-2018**

Fund #	Fund Name	Projected Beginning Balances 7-1-2017	FY 2018		Projected Ending Balances 6-30-2018	
			Estimated Revenues			
			Non-Tax	Tax or Assessment		Budgeted Expenditures
<b>DEBT SERVICE FUNDS:</b>						
3000	SID Revolving	595,166	-	-	100,000	495,166
3091	Series 2012A Aquatics Refunding Bond	(6,730)	6,730	591,848	591,848	-
3092	Series 2013 GO Refunding Bond	(186,834)	186,834	546,780	546,780	-
3095	2004 Refunding Bonds	(1,498)	1,498	-	-	-
3096	New Fire Station GO Bonds	(154,527)	154,527	-	-	-
3430	FY 04 Sidewalk & Curb Fund	(525)	525	-	-	-
3450	FY 06 Sidewalk & Curb Fund	111,472	27,731	-	26,413	112,790
3460	FY 07 Sidewalk & Curb Fund	49,863	53,852	-	49,850	53,865
3461	Series 2008A Sidewalk & Curb Fund	27,381	26,452	-	26,888	26,945
3462	Series 2009 Sidewalk & Curb Fund	76,503	41,178	-	36,018	81,664
3463	Series 2010 Sidewalk & Curb Fund	93,712	96,389	-	92,938	97,164
3464	FY 12 Sidewalk & Curb Fund	6,721	68,230	-	64,560	10,391
3465	FY 13 Sidewalk & Curb Fund	4,939	38,968	-	38,113	5,794
3466	FY 15 Sidewalk & Curb Fund	965	88,796	-	88,796	965
3467	FY 16 Sidewalk & Curb Fund	33,237	33,878	-	32,970	34,146
3512	SID 512	112,311	15,614	-	15,614	112,311
3520	SID 520	177,281	159,560	-	159,560	177,281
3521	SID 521	1,157	71	-	71	1,157
3522	SID 522	(414)	517	-	103	-
3524	SID 524	661,899	305,160	-	305,160	661,899
3525	SID 525	242,086	33,300	-	33,300	242,086
3526	SID 526	179,057	192,640	-	192,640	179,057
3530	SID 530	(1,350)	1,350	-	-	-
3532	SID 532	24,945	39,777	-	39,238	25,485
3533	Gilbert St Sewer SID	23,528	17,425	-	17,425	23,528
3534	Lincolnwood Sewer Phase 1	47,472	19,044	-	19,044	47,472
3536	Lincolnwood Sewer Phase 2	69,974	30,719	-	30,719	69,974
3540	SID 540	324,505	129,381	-	118,065	335,821
3541	SID 541	66,762	61,918	-	61,918	66,763
3544	SID 544	223,113	141,508	-	141,508	223,113
3548	SID 548	14,394	109,750	-	110,250	13,894
3549	SID 549	125,851	117,122	-	172,825	70,148
<b>Total Debt Service Funds</b>		<b>3,250,463</b>	<b>2,200,445</b>	<b>1,138,628</b>	<b>3,112,961</b>	<b>3,476,576</b>
<b>CAPITAL PROJECT FUNDS:</b>						
4060	Capital Improvement Program Fund	(9,792,097)	11,196,100	-	1,404,003	-
4130	1997 GO Bond Open Space Purchase	389,534	-	-	-	389,534
4196	New Fire Station GO Bond	-	1	-	-	1
<b>Total Capital Project Funds</b>		<b>(8,897,084)</b>	<b>11,196,101</b>	<b>-</b>	<b>1,404,003</b>	<b>895,014</b>

PROJECTED CHANGES IN FUND AND WORKING CAPITAL BALANCES  
 DETAIL OF ALL FUNDS (Cont'd)  
 Fiscal Year 2017-2018

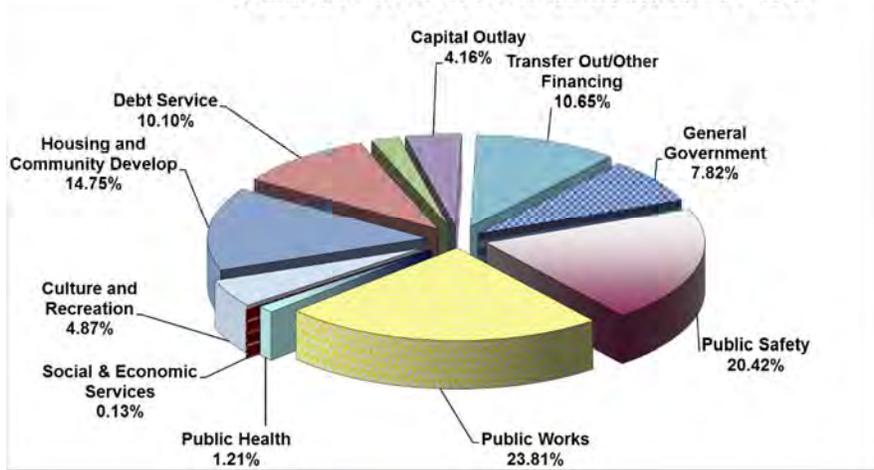
Fund #	Fund Name	Projected Beginning Balances 7-1-2017	FY 2018			Projected Ending Balances 6-30-2018
			Estimated Revenues		Budgeted Expenditures	
			Non-Tax	Tax or Assessment		
<b>ENTERPRISE FUNDS:</b>						
5020	Civic Stadium	19,483	120,000	-	120,000	19,483
5210	Water Fund	3,800,000	18,932,605	-	19,511,210	3,221,395
	<i>Water fund expenditures do not show capital expenditures funded out of acquisition proceeds</i>					
5311	Wastewater Utility	4,482,174	10,778,620	-	11,431,586	3,829,208
	<i>Total Wastewater Utility</i>	<i>4,163,560</i>	<i>10,778,620</i>		<i>11,431,586</i>	<i>4,163,560</i>
5450	Storm Water	34,706	387,500	-	385,684	36,522
5711	Aquatics	176,226	1,371,225	-	1,380,017	167,434
<b>Total Enterprise Funds</b>		<b>13,591,853</b>	<b>31,589,950</b>	<b>-</b>	<b>32,828,497</b>	<b>12,353,306</b>
<b>INTERNAL SERVICE FUND</b>						
6050	Employee Benefit Plan Fund	1,387,174	7,606,732	-	7,498,009	1,495,897
<b>Total Internal Service Funds</b>		<b>1,387,174</b>	<b>7,606,732</b>	<b>-</b>	<b>7,498,009</b>	<b>1,495,897</b>
<b>COMPONENT UNITS</b>						
7370	Parking Commission Fund	321,179	2,006,313	-	2,133,889	193,603
7371	Parking Commission - Interest Funds 2014 Bonds	-	257,500	-	257,500	-
7372	Parking Commission Sinking Fund Series 2014 Bonds	-	255,000	-	255,000	-
7375	Parking Commission TIF Series 2014 Bonds	-	204,860	-	204,860	-
	<i>Total Parking Commission</i>	<i>321,179</i>	<i>2,723,673</i>	<i>-</i>	<i>2,851,249</i>	<i>193,603</i>
7380	Downtown Business Improvement District of Missoula	180,733	457,737	-	457,737	180,733
7381	Tourism Business Improvement District	-	837,644	-	837,644	-
7383	MRA Riverfront Triangle URD	36,961	1,521,421	-	1,558,382	-
7384	MRA Riverfront Triangle URD	-	60,183	-	60,183	-
7385	MRA Front St URD	785,147	3,279,635	-	4,064,782	-
7386	MRA Tax Increment Debt Service - Safeway	57,552	115,103	-	115,103	57,552
7387	MRA URD II Brownsfields Revolving Loan Fund	-	58,092	-	58,092	-
7389	MRA Tax Increment Debt Service	-	675,282	-	675,282	-
7390	MRA Tax Increment Debt Interest Fund	-	2,274,167	-	2,274,167	-
7391	Urban Renewal District I Fund	-	-	-	-	-
7392	Urban Renewal District II Fund	1,774,401	1,279,532	-	3,053,933	-
7393	Urban Renewal District III Fund	6,407,584	8,402,943	-	14,510,527	300,000
7394	MRA URD III Debt Clearing	-	1,975,456	-	1,975,456	-
7395	MRA Tax Increment Debt Service	-	1,184,513	-	1,184,513	-
7396	NRSS Debt Service Sinking	1,488	86,336	-	87,824	-
7397	North Reserve/Scott St URD	125,777	936,008	-	1,061,785	-
7399	Intermountain Bond	-	146,158	-	146,158	-
7400	Front St Bond Clearing	-	411,730	-	411,730	-
7401	Front St Parking Structure	214,656	206,390	-	204,860	216,186
7402	Front St Subordinate Lien Note	-	125,717	-	125,717	-
	<i>Total Redevelopment Agency</i>	<i>9,403,566</i>	<i>22,738,666</i>	<i>-</i>	<i>31,568,494</i>	<i>573,738</i>
<b>Total Component Units</b>		<b>9,905,478</b>	<b>26,757,720</b>	<b>-</b>	<b>35,715,124</b>	<b>948,074</b>
<b>Total All Funds</b>		<b>\$ 36,335,172</b>	<b>\$ 122,468,492</b>	<b>\$ 36,011,386</b>	<b>\$ 159,767,345</b>	<b>\$ 35,047,704</b>

ALL CITY - WHERE THE MONEY COMES FROM - FY 2018

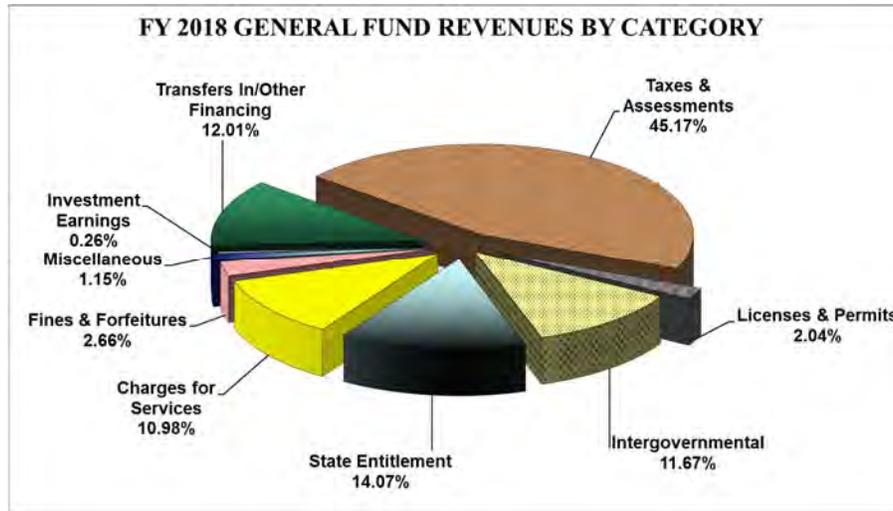


	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	Budget Increase (Decr)
Taxes and Assessments	\$ 38,005,830	\$ 39,883,732	\$ 44,068,258	\$ 4,184,526
Licenses and Permits	3,858,904	4,453,436	3,701,146	(752,290)
Intergovernmental	11,777,048	10,872,334	12,791,281	1,918,947
State Entitlement	8,986,238	9,291,246	8,901,334	(389,912)
Charges for Services	17,606,403	20,543,819	21,501,923	958,104
Fines and Forfeitures	1,777,718	1,847,460	1,817,500	(29,960)
Miscellaneous	2,376,028	1,979,104	1,491,692	(487,412)
Investment Earnings	125,633	131,715	19,102,529	18,970,814
Transfer In/Other Financing	32,322,873	29,987,253	38,010,883	8,023,630
Internal Services	4,974,491	5,315,706	7,092,732	1,777,026
<b>Total City Revenues</b>	<b>\$ 121,811,166</b>	<b>\$ 124,305,806</b>	<b>\$ 158,479,278</b>	<b>\$ 34,173,472</b>

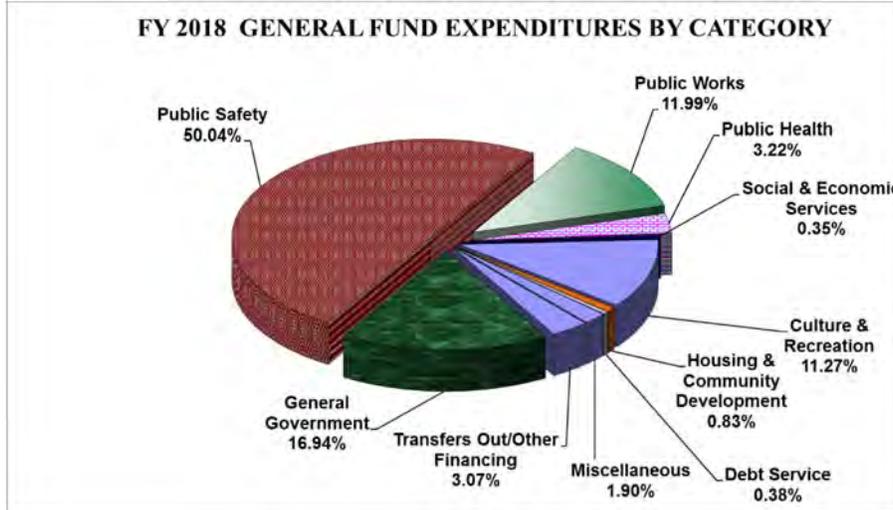
ALL CITY - WHERE THE MONEY GOES - FY 2018



	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	Budget Increase (Decr)
General Government	\$ 14,059,603	\$ 11,453,428	\$ 12,486,853	\$ 1,033,424
Public Safety	29,021,076	32,911,305	32,629,949	(281,356)
Public Works	18,717,975	24,283,798	38,036,308	13,752,510
Public Health	1,716,200	1,806,129	1,933,801	127,672
Social & Economic Services	175,000	210,000	210,000	-
Culture and Recreation	6,215,989	8,130,578	7,778,981	(351,598)
Housing and Community Develop	7,625,747	13,848,712	23,571,916	9,723,204
Debt Service	8,544,774	9,101,047	16,140,732	7,039,685
Internal Service	14,653,486	18,134,390	3,316,067	(14,818,323)
Capital Outlay	6,366,171	6,929,510	6,647,841	(281,670)
Transfer Out/Other Financing	22,759,680	17,197,842	17,014,903	(182,939)
<b>Total City Expenditures</b>	<b>\$ 129,855,701</b>	<b>\$ 144,006,740</b>	<b>\$ 159,767,349</b>	<b>\$ 14,280,652</b>

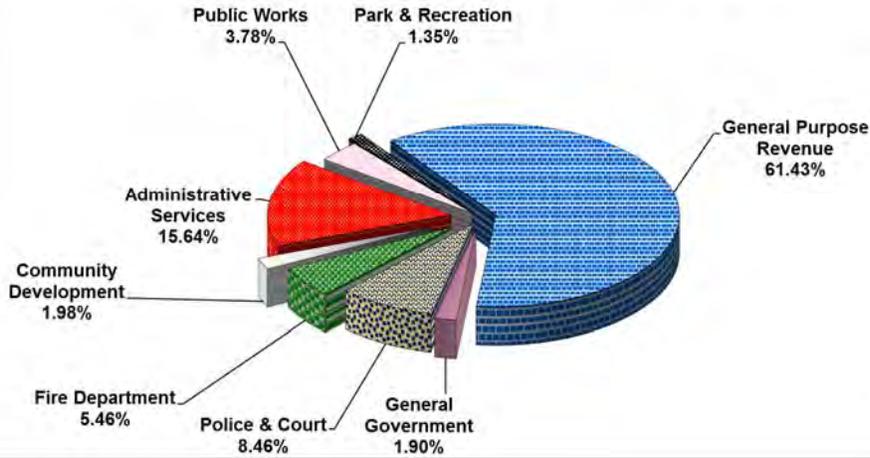


	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	Budget Increase (Decr)
Taxes & Assessments	\$ 23,553,599	24,544,854	\$ 26,065,128	\$ 1,520,274
Licenses & Permits	1,444,113	1,559,844	1,175,100	(384,744)
Intergovernmental	6,453,044	6,034,528	6,735,233	700,705
State Entitlement	8,202,506	8,507,515	8,117,602	(389,913)
Charges for Services	5,464,693	6,036,333	6,337,789	301,456
Fines & Forfeitures	1,531,422	1,609,079	1,532,500	(76,579)
Miscellaneous	253,374	201,152	665,539	464,387
Investment Earnings	-	10,617	149,924	139,307
Transfers In/Other Financing	5,771,573	6,351,942	6,931,538	579,596
<b>Total Sources</b>	<b>\$ 52,674,324</b>	<b>\$ 54,855,864</b>	<b>\$ 57,710,353</b>	<b>\$ 2,854,489</b>



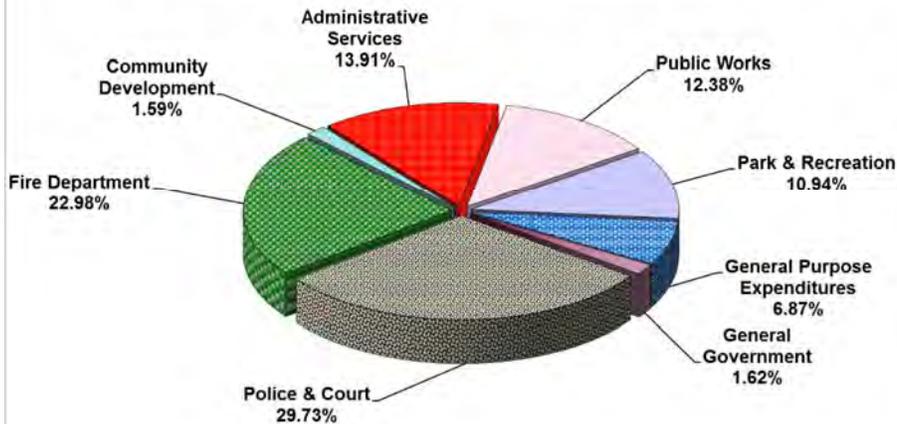
	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	Budget Increase (Decr)
General Government	\$ 9,118,374	\$ 9,090,758	\$ 10,171,432	\$ 1,080,674
Public Safety	27,170,400	27,902,118	30,043,308	2,141,190
Public Works	6,324,698	6,927,504	7,200,672	273,168
Public Health	1,706,945	1,797,051	1,933,801	136,750
Social & Economic Services	175,000	210,000	210,000	-
Culture & Recreation	5,243,476	5,293,706	6,764,687	1,470,981
Housing & Community Development	35,014	585,818	500,333	(85,485)
Debt Service	579,660	590,350	227,887	(362,463)
Miscellaneous	827,492	543,560	1,141,511	597,951
Transfers Out/Other Financing	1,609,442	1,842,427	1,843,503	1,076
<b>Total Uses</b>	<b>\$ 52,790,500</b>	<b>\$ 54,783,292</b>	<b>\$ 60,037,134</b>	<b>\$ 5,253,842</b>

**FY 2018 GENERAL FUND REVENUES BY SUB-FUND**



	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	Budget Increase (Decr)
General Purpose Revenue	\$ 32,381,171	\$ 33,675,875	\$ 35,452,636	\$ 1,776,761
General Government	1,006,402	1,037,360	1,096,980	59,620
Police & Court	4,470,056	4,628,772	4,883,530	254,758
Fire Department	2,890,099	2,976,205	3,148,744	172,539
Community Development	1,019,836	1,110,828	1,142,985	32,157
Administrative Services	8,169,478	8,651,727	9,026,233	374,506
Public Works	2,003,712	2,063,378	2,183,014	119,636
Park & Recreation	733,572	711,720	776,231	64,511
<b>Total</b>	<b>\$ 52,674,324</b>	<b>\$ 54,855,864</b>	<b>\$ 57,710,353</b>	<b>\$ 2,854,489</b>

**FY 2018 GENERAL FUND EXPENDITURES BY SUB-FUND**



	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	Budget Increase (Decr)
General Purpose Expenditures	\$ 4,358,619	\$ 4,920,972	\$ 4,122,942	\$ (798,030)
General Government	849,914	893,519	971,822	78,303
Police & Court	15,821,105	16,453,898	17,846,649	1,392,751
Fire Department	12,702,810	12,904,465	13,794,187	889,722
Community Development	170,030	886,350	952,789	66,439
Administrative Services	6,968,904	6,397,011	8,350,279	1,953,268
Public Works	6,877,751	7,281,902	7,432,339	150,437
Park & Recreation	5,041,370	5,045,175	6,566,127	1,520,952
<b>Total</b>	<b>\$ 52,790,502</b>	<b>\$ 54,783,292</b>	<b>\$ 60,037,134</b>	<b>\$ 5,253,842</b>

## FINANCIAL POLICIES

The City of Missoula has an important responsibility to its citizens to carefully account for public funds, manage city finances wisely, manage growth, and plan for the adequate funding of services desired by the public, including the provision and maintenance of public facilities. As Missoula continues to grow at a record pace, its government needs to insure that it is capable of adequately funding and providing those local government services the citizens require. The following fiscal and budgetary policies are designed to meet these goals.

The overall goal of the city's fiscal policy is to establish and maintain effective management of the city's financial resources. Formal policy statements and major objectives provide the foundation for achieving this goal. Accordingly, this section outlines the policies used in guiding the preparation and management of the city's overall budget and the major objectives to be accomplished.

Financial policies are guidelines for operational and strategic decision making related to financial matters. Financial policies identify acceptable and unacceptable courses of action, establish parameters in which the government can operate, and provide a standard against which the government's fiscal performance can be judged.

The following City financial policies, endorsed by the City Council, establish the framework for the City of Missoula's overall fiscal planning and management. They set forth guidelines against which current budgetary performance can be measured. The City of Missoula's financial policies show the credit rating industry and prospective investors (bond buyers) the City's commitment to sound financial management and fiscal integrity. The financial policies also improve the City's fiscal stability by helping City officials plan fiscal strategy with a consistent approach. Adherence to adopted financial policies promotes sound financial management, which can lead to improvement in City bond ratings and lower cost of capital. The City is in compliance with the comprehensive financial policies in this budget.

## OPERATING BUDGET POLICIES

### Links to Financial Plans

- 1) **Five-Year Plan.** The City of Missoula's annual budget will be developed in accordance with the policies and priorities set forth in the five year strategic financial plan, Council goals, the needs of the city, and state and federal laws. Program/project priorities and service levels will be established by the aforementioned plans.

### Scope.

- 1) **Comprehensive Budget.** A comprehensive annual budget will be prepared for all funds expended by the city. State law (7-6-4005), states that "Local government officials may not make a disbursement or an expenditure or incur an obligation in excess of the total appropriations for a fund." Inclusion of all funds in the budget enables the council, the administration, and the public to consider all financial aspects of city government when preparing, modifying, and monitoring the budget, rather than deal with the city's finances on a "piece meal" basis.
- 2) **Competing Requests.** The budget process is intended to weigh all competing requests for City resources, within expected fiscal constraints. Requests for new, ongoing

programs made outside the budget process will be discouraged.

- 3) **Understandable.** The budget will be prepared in such a manner as to facilitate its understanding by citizens and elected officials. One of the stated purposes of the budget is to present a picture of the city government operations and intentions for the year to the citizens of the City of Missoula. Presenting a budget document that is understandable to the citizens furthers the goal of effectively communicating local government finance issues to both elected officials and the public.
- 4) **Budgetary Emphasis.** Budgetary emphasis will focus on providing those basic government services which provide the maximum level of services, to the most citizens, in the most cost effective manner, with due consideration being given to all costs--economic, fiscal, and social. Adherence to this basic philosophy provides the citizens of the City of Missoula assurance that its government and elected officials are responsive to the basic needs of the citizens and that its government is operated in an economical and efficient manner.

**Budgeting Control System.**

- 1) **Budgetary Control.** The City will exercise budgetary control (maximum spending authority) through City Council approval of appropriation authority for each program. The budgetary control system enables the Council to monitor current year operations and acts as an early warning mechanism when departments deviate in any substantive way from the original budget.
- 2) **Budget to Actual Reports.** Reports comparing actual revenues and expenditures to budgeted amounts will be prepared monthly and posted to the City's web-site. Monthly reports comparing actual revenues and expenditures to budget amounts provide the mechanism for the Council and the administration to regularly monitor compliance with the adopted budget. Quarterly reports will also be prepared that summarize the monthly detailed reports.

**Balanced Budget Definition and Requirement.**

- 1) **Balanced Budget.** The city will maintain a balanced budget. This means that:
  - Operating revenues must fully cover operating expenditures, including debt service.
  - Ending fund balance (or working capital in proprietary funds) must meet minimum policy levels.
  - Under this policy, it is allowable for total expenditures to exceed revenues in a given year as long as the projected ending fund balance meets minimum policy levels.

**Performance Measurement Integration.**

- 1) **Program Objectives.** The annual budget will establish measurable program objectives and allow reasonable time to accomplish those objectives.

**REVENUE POLICIES**

**Diversification and Stabilization.**

- 1) **Diversification.** The city will seek to maintain a diversified and stable revenue base to protect it from short-term fluctuations in any one revenue source.
- 2) **Aggressive Collection.** The city will pursue an aggressive policy of collecting revenues. An aggressive policy of collecting revenues will help to insure the city's revenue estimates are met, all taxpayers are treated fairly and consistently, and delinquencies are kept to a minimum.
- 3) **Grant Opportunities.** The city will aggressively pursue opportunities for Federal or State grant funding. An aggressive policy of pursuing opportunities for Federal or State grant funding provides citizens assurance that the city is striving to obtain all state and federal funds to which it is entitled--thereby reducing dependence upon local taxpayers for the support of local public services.
- 4) **Current Revenues for Current Uses.** The city will make all current expenditures with current revenues.
- 5) **Enterprise Funds.** The city will set fees and rates at levels which fully recover the total direct and indirect costs—including operations, depreciation of capital assets, and debt service.
- 6) **Earmarking.** The City recognizes that generally accepted accounting principles for state and local governments discourage the "earmarking" of General Fund revenues, and accordingly, the practice of designating General Fund revenues for specific programs should be minimized in the City's management of its fiscal affairs.
- 7) **Realistic and Conservative.** The city will estimate revenues in a realistic and conservative manner. Aggressive revenue estimates significantly increase the chances of budgetary shortfalls occurring during the year--resulting in either deficit spending or required spending reductions. Realistic and conservative revenue estimates, on the other hand, will serve to minimize the adverse impact of revenue shortfalls and will also reduce the need for mid-year spending reductions.
- 8) **One-Time Revenues.** The city will give highest priority in the use of one-time revenues to the funding of capital assets or other non-recurring expenditures. Utilizing one-time revenues to fund on-going expenditures results in incurring annual

## FINANCIAL POLICIES

expenditure obligations which may be unfunded in future years. Using one-time revenues to fund capital assets or other non-recurring expenditures better enables future administrations and council's to cope with the financial problems when these revenue sources are discontinued, since these types of expenditures can more easily be eliminated.

### User Fees.

- 1) **Cost-Effective.** User fees will be collected only if the city finds it cost-effective and administratively feasible to do so. User fees are often costly to administer. Prior to establishing user fees, the costs to establish and administer the fees will be considered in order to provide assurance that the city's collection mechanisms are being operated in an efficient manner.
- 2) **Beneficiary Populations.** User fees and charges will be used, as opposed to general taxes, when distinct beneficiary populations or interest groups can be identified. User fees and charges are preferable to general taxes because user charges can provide clear demand signals which assist in determining what services to offer, their quantity, and their quality. User charges are also more equitable, since only those who use and benefit from the service must pay--thereby eliminating the subsidy provided by nonusers to users, which is inherent in general tax financing.
- 3) **Community-Wide Versus Special Benefit.** The level of user fee cost recovery should consider the community-wide versus special service nature of the program or activity. The use of general-purpose revenues is appropriate for community-wide services, while other user fees are appropriate for services that are of special benefit to identified individuals or groups.
- 4) **General.** The following general concepts will be used in developing and implementing service charges and user fees:
  - Revenues should not exceed the reasonable cost of providing the service.
  - Cost recovery goals should be based on the total cost of delivering the service, including direct costs, departmental administration costs and organization-wide support costs such as accounting, personnel, information technology, legal services, fleet maintenance, and insurance.

- The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.
- Rate structures should be sensitive to the "market" for similar services as well as to smaller, infrequent users of the service.
- A unified approach should be used in determining cost recovery levels for various programs based on the factors discussed above.

## EXPENDITURE POLICIES

### Maintenance of Capital Assets.

**Capital Assets.** The budget will provide for adequate maintenance of capital, plant, and equipment and for their orderly replacement. All governments experience prosperous times as well as periods of economic decline. In periods of economic decline, proper maintenance and replacement of capital, plant, and equipment is generally postponed or eliminated as a first means of balancing the budget. Recognition of the need for adequate maintenance and replacement of capital, plant, and equipment, regardless of the economic conditions, will assist in maintaining the government's equipment and infrastructure in good operating condition.

## RESERVE POLICIES

### Unreserved Fund Balance.

- 1) **General Fund.** An undesignated general fund reserve will be maintained by the city. The undesignated reserve will be used for: cash flow purposes, equipment acquisition and replacement, and to enable the city to meet unexpected expenditure demands or revenue shortfalls. The City will focus on attaining and maintaining a fund balance equal to 7% of the General Fund's budget.
- 2) **Enterprise Funds.** Enterprise Fund Reserves will be maintained to meet four objectives: (1) ensure adequate funding for operations; (2) to ensure infrastructure repair

and replacement; (3) to provide working capital to provide level rate change for customers; and, (4) to maintain the legally required coverage for outstanding revenue bond debt.

- 3) **Insurance Funds.** Self-Insurance Reserves will be maintained at a level, which, together with purchased insurance policies, will adequately indemnify the City's property, liability, and health benefit risk. The City will focus on attaining and maintaining a fund balance equal to three months of claims experience for the City's health plan insurance budget.
- 4) **Required Reserves.** Reserves will be established for funds which are not available for expenditure or are legally segregated for a specific use, in accordance with Governmental Accounting and Financial Reporting Standards (GAFR). The City's policy is to manage and account for its financial activity in accordance with Generally Accepted Accounting Principles (GAAP), as set forth by the Governmental Accounting Standards Board (GASB). This policy is consistent with GASB requirements.

### Utilizing Unreserved Fund Balances.

- 1) **Spending Reserves.** On-going expenditures will be limited to levels which can be supported by current revenues. Utilization of reserves to fund on-going expenditures will produce a balanced budget, however, this practice will eventually cause severe financial problems. Once reserve levels are depleted, the city would face elimination of on-going costs in order to balance the budget. Therefore, the funding of on-going expenditures will be limited to current revenues.

## CAPITAL IMPROVEMENT POLICIES

### CIP Formulation.

- 1) **CIP Purpose.** The purpose of the CIP is to systematically plan, schedule, and finance capital projects to ensure cost-effectiveness as well as conformance with established policies. The CIP is a five-year plan organized into the same functional groupings used for the operating programs. The CIP will reflect a balance between capital replacement projects that repair, replace or enhance existing facilities, equipment or

infrastructure; and capital facility projects that significantly expand or add to the City's existing fixed assets.

- 2) **CIP Criteria.** Construction projects and capital purchases of \$5,000 or more will be included in the Capital Improvement Plan (CIP) as long as the useful life of the asset exceeds five years; minor capital outlays of less than \$5,000 will be included in the regular operating budget. Vehicles intended for use on streets and highways, costing less than \$35,000, are not included in the CIP. The Capital Improvement Plan (CIP) differentiates the financing of high cost long-lived physical improvements from low cost "consumable" equipment items contained in the operating budget. CIP items may be funded through debt financing or current revenues while operating budget items are annual or routine in nature and should only be financed from current revenues.
- 3) **Deteriorating Infrastructure.** The capital improvement plan will include, in addition to current operating maintenance expenditures, adequate funding to support repair and replacement of deteriorating infrastructure and avoidance of a significant unfunded liability.

### Project Financing.

- 1) **Minor Capital Projects.** Minor capital projects or recurring capital projects, which primarily benefit current residents, will be financed from current revenues. Minor capital projects or recurring capital projects represent relatively small costs of an on-going nature, and therefore, should be financed with current revenues rather than utilizing debt financing. This policy also reflects the view that those who benefit from a capital project should pay for the project.
- 2) **Major Capital Projects.** Major capital projects, which benefit future residents, will be financed with other financing sources (e.g. debt financing). Major capital projects represent large expenditures of a non-recurring nature which primarily benefit future residents. Debt financing provides a means of generating sufficient funds to pay for the costs of major projects. Debt financing also enables the costs of the project to be supported by those who benefit from the project, since debt service payments will be funded through charges to future residents.

**DEBT MANAGEMENT POLICIES**

**Restrictions on Debt Issuance.**

1) **Repayment of Borrowed Funds.** The city will repay borrowed funds, used for capital projects, within a period not to exceed the expected useful life of the project. This policy reflects the view that those residents who benefit from a project should pay for the project. Adherence to this policy will also help prevent the government from over-extending itself with regard to the incurrence of future debt.

**Limitations on Outstanding Debt**

1) **Reliance on Long-Term Debt.** The City will limit long-term debt to capital improvements which cannot be financed from current revenues. Incurring long-term debt serves to obligate future taxpayers. Excess reliance on long-term can cause debt levels to reach or exceed the government's ability to pay. Therefore, conscientious use of long-term debt will provide assurance that future residents will be able service the debt obligations left by former residents.

2) **Debt Not Used for Current Operations.** The city will not use long-term debt for financing current operations. This policy reflects the view that those residents who benefit from a service should pay for the service. Utilization of long-term debt to support current operations would result in future residents supporting services provided to current residents.

**Debt Refinancing**

1) **General Refinancing Guidelines.** Periodic reviews of all outstanding debt will be undertaken to determine refinancing opportunities. Refinancings will be considered (within federal tax law constraints) under the following conditions:

- There is a net economic benefit.
- It is needed to modernize covenants that are adversely affecting the City's financial position or operations.
- The City wants to reduce the principal outstanding in order to achieve future working capital to do so from other sources.

2) **Standards for Economic Savings.** The federal government has placed significant conditions on the tax-exempt refunding of outstanding issues. Refundings have two general categories:

- Current refundings, where the refunding bonds are settled within 90 days of an optional prepayment date; and
- Advance refundings, where refundings are settled more than 90 days in advance of an optional prepayment date. The federal restrictions are that any issue can only be advance refunded once on a tax-exempt basis.

On advance refundings the City will seek to obtain a minimum present value savings level of 3% of the present value of refunded debt service. State law requires a demonstration of savings of 0.5% reduction in the average coupon interest rate between the refunding and refunded bonds.

The complete debt management policy for the City of Missoula can be found in the appendix to this budget document.

**ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES**

**GAAP.** The City will manage and account for its financial activity in accordance with Generally Accepted Accounting Principles (GAAP), as set forth by the Governmental Accounting Standards Board (GASB). GASB is recognized as the authority with respect to governmental accounting. Managing the city's finances in accordance with GAAP and in accordance with the rules set forth by GASB, provides the citizens of the City of Missoula assurance that their public funds are being accounted for in a proper manner.

**Basis of Accounting.** The city will maintain its accounting records for general governmental operations on a modified accrual basis, with revenues recorded when available and measurable, and expenditures recorded when services or goods are received and liabilities incurred. Accounting records for proprietary fund types and similar trust funds will be maintained on an accrual basis, with all revenues recorded when earned and expenses recorded at the time liabilities are incurred, without regard to receipt or payment of cash. Adherence to this policy

## FINANCIAL POLICIES

will enable the city to prepare its financial statements in accordance with Generally Accepted Accounting Principles as set forth by the Governmental Accounting Standards Board. The basis of accounting is the same for both the budget and the financial statements. It is worth noting that depreciation is not budgeted. Likewise, debt principle is budgeted for but is reported as a reduction of liability for the proprietary funds on the financial statements at year end.

**Financial Report.** The City of Missoula will prepare an Annual Financial Report (AFR) in conformity with Generally Accepted Accounting Principles (GAAP). The report will be made available to the general public.

**Audits.** An annual audit will be performed by an independent public accounting firm, with an audit opinion to be included with the City's published Annual Financial Report (AFR). Audits of the city's financial records provide the public assurance that its funds are being expended in accordance with Local, State, and Federal law and in accordance with Generally Accepted Accounting Principles. Audits also provide management and the Council with suggestions for improvement in its financial operations from independent experts in the accounting field.

## INVESTMENT POLICIES

### Scope

This policy applies to the investment of short-term operating funds. Proceeds from certain bond issues will be covered by a separate policy.

**Pooling of Funds.** Except for cash in certain restricted and special funds, the City of Missoula will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

**General Objectives.** The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

**Safety.** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

### a. Credit Risk

The City of Missoula will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- i. Limiting investments to the safest types of securities
- ii. Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City of Missoula will do business
- iii. Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

### b. Interest Rate Risk

The City of Missoula will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

**Liquidity.** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds or local government investment pools, which offer same-day liquidity for short-term funds.

**Yield.** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of

## FINANCIAL POLICIES

earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- a. A security with declining credit may be sold early to minimize loss of principal.
- b. A security swap would improve the quality, yield, or target duration in the portfolio.
- c. Liquidity needs of the portfolio require that the security be sold.

**Other areas.** The complete investment policy, which is provided in detail in the appendix, also addresses standards of care, ethics and conflicts of interest, delegation of authority, safekeeping and custody, suitable and authorized investments, investment parameters, maximum maturities, and policy considerations.

### FUND ACCOUNTING

The City of Missoula maintains accounts in accordance to the principle of fund accounting to ensure that limitations and restrictions on the City's available resources are observed and adhered to. Fund accounting classifies resources into funds or account groups with respect to the intended activities or objectives specified by those resources for accounting controls and financial reporting purposes. Each fund is an independent fiscal and accounting entity, and its operations are accounted for in a separate set of self-balancing accounts that comprise of assets, liabilities, fund equity, revenues, and expenditures or expenses. Account groups are reporting mechanisms used to compile certain assets and liabilities of the governmental funds that are not directly recorded in those funds.

A **FUND** is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The most common reason for establishing a fund is to separately account for restricted-use revenue or to comply with state or federal law.

There is no limit to the number of funds that a government may establish and maintain for accounting and financial reporting. A generally practiced governmental accounting guideline is that a government should use the smallest number of individual funds as possible, consistent with its particular circumstances, and that individual funds are closed when its intended purpose no longer exists.

An **ACCOUNT** is an organizational or budgetary breakdown which is found within city funds. Each department serves a specific function as a distinct organizational unit of government within the given fund. Its primary purpose is organizational and budgetary accountability.

An **OBJECT OF EXPENDITURE** refers to specific, detailed expenditure classification. It relates to a specific type of item purchased or service obtained. Examples of objects of expenditure include salaries, supplies, contracted services, travel, etc.

The City's financial operations and fund structure conform to generally accepted accounting principles. The funds are grouped under governmental funds, proprietary funds, and fiduciary fund types. The City's fund structure is comprised of the following funds, all of which are budgeted.

### GOVERNMENTAL FUND TYPES

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the City's governmental fund types:

**General Fund** — accounts for all financial resources except those required to be accounted for in another fund. The General Fund is the City's primary operating fund.

**Special Revenue Funds** — account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes (other than for major capital projects). Examples include: Building Inspection, Impact Fees, Health Insurance Levy and the Cable Franchise Fee Fund.

**Debt Service Funds** — account for the accumulation of resources for, and the payment of, principal and interest on general long-term debt.

**Capital Project Funds** — account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds.) Examples include: Open Space Acquisition, 2006 Fire Station General Obligation Bond Construction Fund and the Capital Improvement Program Fund.

### PROPRIETARY FUND TYPES

Proprietary Funds are used to account for ongoing organizations or activities which are similar to those often found in the private sector. The following proprietary funds are used by the City.

**Enterprise Funds** — account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including

## FINANCIAL STRUCTURE

depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Examples include: Wastewater Treatment Plant Fund.

**Internal Service Funds** — account for the financing of goods or services provided by one department to other departments of the City, or to other governmental units, on a cost-reimbursement basis. Examples include: Employee Health Insurance.

## COMPONENT UNITS

Component Units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations of which the nature and significance of their relationship with the primary government is such that exclusion of these organizations from the primary government's financial statements would be misleading or where there is a financial benefit/burden relationship.

Component Units are either blended or discrete. Blended component units funding sources and uses are "blended" in with the primary government's basic financial statements while discretely presented component units are shown only in Government-wide financial statements: Statement of Net Position and Statement of Activities. The City of Missoula includes four discretely presented component units:

1. Missoula Parking Commission
2. Business Improvement District
3. Tourism Business Improvement District
4. Missoula Redevelopment Agency

## FIDUCIARY FUND TYPES

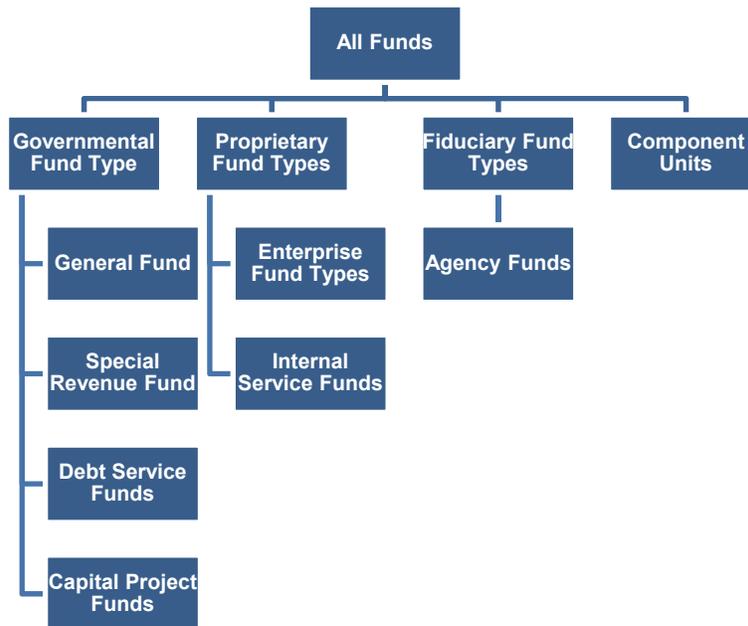
Trust and Agency Funds: Trust and agency funds are used to account for assets held by a Governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

## CONSISTENCY WITH AUDITED FINANCIAL STATEMENTS

The City of Missoula's budgeted funds are consistent with the City's audited financial statements.

## FINANCIAL STRUCTURE

Shown below is a graphic summary of the City's Fund Structure.



Below is the detail to the graph of the City's Fund Structure.

1. Governmental Fund Types
  - a. General Fund
    - i. City Council
    - ii. Mayor
    - iii. Human Resources
    - iv. City Clerk
    - v. Information Technologies
    - vi. Municipal Court
    - vii. Finance
    - viii. Central Services
    - ix. Facility Maintenance
    - x. Development Services
    - xi. Housing and Community Development
    - xii. Attorney
    - xiii. Public Works – Administration
    - xiv. Public Works- Streets
    - xv. Fleet Maintenance
    - xvi. Police
    - xvii. Fire
    - xviii. Cemetery
    - xix. Parks and Recreation
    - xx. Non-Departmental
  - b. General Fund - Special Purpose Funds
    - i. Park Acquisition and Development
    - ii. Park Enterprise
    - iii. Parks and Recreation Trails and Development
    - iv. Parks and Recreation – City Life Gym
    - v. Parks and Recreation – Fort Missoula Regional Park
    - vi. Cemetery Cremain Wall and Cemetery Donations
    - vii. Cemetery Capital Fund Reserve

## FINANCIAL STRUCTURE

- viii. Cemetery Memorial
      - ix. Title I Projects
      - x. Program Income Revolving Loan Program
    - c. Special Revenue Funds
      - i. Planning Department Fund
      - ii. Public Safety Information Systems
      - iii. Impact Fee
      - iv. George Elmer-Cattle Drive
      - v. Public Art
      - vi. Employee Health Insurance Levy
      - vii. Cable Television Franchise
      - viii. Drug Forfeiture
      - ix. Building Inspection
      - x. Dangerous Building Demolition Repair
      - xi. Street Lighting Assessment
      - xii. Street Maintenance Assessment
      - xiii. Road District # 1
      - xiv. Parks District # 1
      - xv. State Gas Tax
      - xvi. Law Enforcement Block Grant
      - xvii. HIDTA
      - xviii. CDBG Program Income
      - xix. CDBG
      - xx. HOME
      - xxi. City Home program income
      - xxii. Transportation Department
      - xxiii. Transportation Grants
      - xxiv. Grants and Donations
      - xxv. Police Grants and Donations
    - d. Debt Service
      - i. General Obligation
        - 1. 2012A Aquatics Refunding
        - 2. 2013A refunding
      - ii. Special Improvement
        - 1. SID Revolving Fund
        - 2. Sidewalk and Curb Bonded Debt Service
        - 3. SID Bonded Debt Service
    - e. Capital Projects
      - i. Capital Improvement Program (CIP)
      - ii. 1997 GO Open Space Purchase
- 2. Proprietary Funds
  - a. Enterprise Funds
    - i. Civic Stadium
    - ii. Water Utility
    - iii. Wastewater Utility
    - iv. Storm Water Utility
    - v. Aquatics
  - b. Internal Service
    - i. Employee Benefit Plan
- 3. Fiduciary Funds
  - a. Agency Funds
- 4. Component Units
  - a. Parking Commission (MPC)
  - b. Business Improvement District (BID)
  - c. Tourism Business Improvement District (TBID)
  - d. Missoula Redevelopment Agency (MRA)

# OVERVIEW OF BUDGETED RESOURCES

## OVERVIEW OF BUDGETED RESOURCES

### SUMMARY OF MAJOR REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES/USES BUDGETED JULY 01, 2017 THROUGH JUNE 30, 2018 (FY 18)

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Component Units	Total All Funds
	General & General Special	Special Revenue	Debt Service	Capital Project	Enterprise	Internal Service	Trust & Agency		
Assigned/Restricted	\$ 3,382,924	\$ 12,233,263	\$ 3,629,934	\$ 766,886	\$ 18,138,240	\$ -	\$ 419,152	\$ 11,059,980	\$ 49,630,379
Unassigned	2,676,570	(1,195,469)	(379,471)	(9,663,970)	(4,546,387)	1,387,174	-	(1,154,502)	(12,876,055)
Fund Balance/Net assets-July 1, 2017	6,059,494	11,037,794	3,250,463	(8,897,084)	13,591,853	1,387,174	419,152	9,905,478	36,754,324
<b>Estimated Revenues</b>									
Taxes & Assessments	26,065,128	5,101,004	1,138,628	-	-	-	-	4,919,013	37,223,773
Licenses & Permits	1,175,100	2,524,856	-	-	1,190	-	-	-	3,701,146
Intergovernmental	14,852,835	6,055,406	-	-	315,224	-	-	469,749	21,693,214
Charges for Services	6,337,789	1,947,600	-	-	30,470,139	-	-	2,511,644	41,267,172
Fines & Forfeitures	1,532,500	15,000	-	-	-	-	-	270,000	1,817,500
Miscellaneous	665,539	4,415,268	2,200,445	1	175,280	-	-	47,000	7,503,533
Investment Earnings	149,924	-	-	-	-	-	-	20,000	169,924
Long Term Debt proceeds	369,193	-	-	9,792,097	55,265	-	-	13,010,125	23,226,680
Transfers In/Other Financing	6,562,345	220,814	-	1,404,003	572,852	514,000	-	5,510,189	14,784,203
Internal Service	-	-	-	-	-	7,092,732	-	-	7,092,732
Total Estimated Revenues	57,710,353	20,279,948	3,339,073	11,196,101	31,589,950	7,606,732	-	26,757,720	158,479,877
<b>Budgeted Expenditures</b>									
General Government	10,139,810	2,222,657	-	-	-	-	-	-	12,362,467
Public Safety	30,002,358	2,429,868	-	-	-	-	-	-	32,432,226
Public Works	6,947,858	1,277,446	-	-	15,704,501	-	-	2,208,926	26,138,731
Public Health	1,933,801	-	-	-	-	-	-	-	1,933,801
Social and Economic Services	210,000	-	-	-	-	-	-	-	210,000
Culture and Recreation	5,864,518	850,381	-	-	1,336,292	-	-	-	8,051,191
Housing & Community Devel.	496,333	1,325,851	-	-	-	-	-	11,699,254	13,521,438
Debt Service	255,220	857,144	3,012,961	1,401,503	7,396,557	-	-	3,320,777	16,244,162
Internal Service	-	-	-	-	-	7,498,009	-	-	7,498,009
Capital Outlay	1,202,222	3,576,968	-	2,500	8,291,950	-	-	9,491,382	22,565,022
Transfers Out/Other Financing	2,985,014	6,631,303	100,000	-	99,197	-	-	8,994,785	18,810,299
Total Budgeted Expenditures	60,037,134	19,171,618	3,112,961	1,404,003	32,828,497	7,498,009	-	35,715,124	159,767,346
<b>Projected Change in</b>									
Fund Balance/Net Assets	(2,326,781)	1,108,330	226,112	9,792,098	(1,238,547)	108,723	-	(8,957,404)	(1,287,469)
Anticipated Expenditure Savings	1,554,412	-	-	-	-	-	-	-	1,554,412
<b>Projected Ending</b>									
Fund Balance/Net assets-June 30, 2018									
Assigned/Restricted	2,594,445	13,124,229	3,833,550	895,014	12,353,306	-	419,152	948,074	34,167,770
Unassigned	1,138,268	(978,105)	(356,975)	-	-	1,495,897	-	-	1,299,085
Total Fund Balance - June 30, 2018	\$ 3,732,713	\$ 12,146,124	\$ 3,476,575	\$ 895,014	\$ 12,353,306	\$ 1,495,897	\$ 419,152	\$ 948,074	\$ 35,466,855

# OVERVIEW OF BUDGETED RESOURCES

## OVERVIEW OF BUDGETED RESOURCES

### SUMMARY OF MAJOR REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES/USES ACTUAL JULY 01, 2016 THROUGH JUNE 30, 2017 (FY 17)

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Component Units	Total All Funds
	General & General Special	Special Revenue	Debt Service	Capital Project	Enterprise	Internal Service	Trust & Agency		
<b>Revenues</b>									
Taxes & Assessments	24,544,854	7,946,063	3,205,830	-	-	-	-	4,184,306	39,881,053
Licenses & Permits	1,559,844	2,883,016	-	-	1,046	-	-	-	4,443,906
Intergovernmental	14,542,043	4,242,237	-	355,631	1,718	-	5,347	785,554	19,932,530
Charges for Services	6,036,333	1,951,475	-	-	10,535,246	-	92,027	2,046,191	20,661,272
Fines & Forfeitures	1,609,079	15,843	-	-	-	-	-	222,438	1,847,360
Miscellaneous	201,152	70,640	15,531	463,101	326,372	-	-	874,974	1,951,770
Investment Earnings	10,617	-	8,673	-	-	-	-	2,358	21,648
Internal Service	-	-	-	-	-	5,322,681	-	-	5,322,681
<b>Total Revenues</b>	<b>48,503,922</b>	<b>17,109,274</b>	<b>3,230,034</b>	<b>818,732</b>	<b>10,864,382</b>	<b>5,322,681</b>	<b>97,374</b>	<b>8,115,821</b>	<b>94,062,220</b>
<b>Expenditures</b>									
General Government	9,445,752	1,683,473	614	366,825	-	-	-	-	11,496,664
Public Safety	27,866,210	1,993,599	-	3,045,500	-	-	144,238	-	33,049,547
Public Works	6,542,516	1,123,546	-	1,516,679	10,232,762	-	-	2,048,943	21,464,446
Public Health	1,797,051	-	-	-	-	-	-	-	1,797,051
Social and economic services	210,000	-	-	-	-	-	-	-	210,000
Culture and recreation	4,274,094	772,722	-	1,329,084	1,805,060	-	-	-	8,180,960
Housing & Community Development	585,818	687,824	-	-	-	-	-	10,404,151	11,677,793
Miscellaneous	75,181	58,886	-	41,449	-	-	-	-	175,516
Debt Service	590,350	850,641	3,207,204	1,125,937	-	-	-	4,351,964	10,126,096
Capital Outlay	1,148,875	2,301,503	-	3,479,133	-	-	-	2,996,064	9,925,575
Business-type	-	-	-	-	-	6,015,400	-	-	6,015,400
<b>Total Expenditures</b>	<b>52,535,847</b>	<b>9,472,194</b>	<b>3,207,818</b>	<b>10,904,607</b>	<b>12,037,822</b>	<b>6,015,400</b>	<b>144,238</b>	<b>19,801,122</b>	<b>114,119,048</b>
<b>Other Financing Sources (Uses)</b>									
Transfers In	6,337,497	247,208	144,634	2,837,883	203,000	514,085	-	9,456,570	19,740,877
Transfers Out	(2,247,457)	(7,801,583)	(90,454)	(144,812)	-	-	-	(3,784,482)	(14,068,788)
Payments - Refunded Bond Escrow	-	-	-	-	-	-	-	-	-
Proceeds from Refunding Bond	-	-	-	-	-	-	-	-	-
Proceeds from LT Debt/Capital Leases	-	-	-	4,651,112	-	-	-	4,937,826	9,588,938
Acquisition expenses	-	-	-	-	(3,931,747)	-	-	-	(3,931,747)
Sale of Fixed Assets	14,445	-	-	-	43,547	-	-	-	57,992
Property Taxes	-	-	-	-	-	-	-	-	-
Contributions from Property owners	-	-	-	-	795,791	-	-	-	795,791
Contributions-government activities	-	-	-	-	-	-	-	-	-
IRS interest reimbursement revenues	-	-	-	-	233,816	-	-	-	233,816
Interest revenue	-	-	-	-	75	-	-	105,376	105,451
Debt Service Interest Expense	-	-	-	-	(901,076)	-	-	-	(901,076)
<b>Total Other Financing Sources (Uses)</b>	<b>4,104,485</b>	<b>(7,554,375)</b>	<b>54,180</b>	<b>7,344,183</b>	<b>(3,556,594)</b>	<b>514,085</b>	<b>-</b>	<b>10,715,290</b>	<b>11,621,254</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>72,560</b>	<b>82,705</b>	<b>76,396</b>	<b>(2,741,692)</b>	<b>(4,730,034)</b>	<b>(178,634)</b>	<b>(46,864)</b>	<b>(970,011)</b>	<b>(8,435,574)</b>
<b>Fund Balance/Net assets - July 1, 2016</b>		<b>8,573,908</b>	<b>2,910,638</b>	<b>(8,996,392)</b>	<b>77,302,983</b>	<b>957,564</b>	<b>466,016</b>	<b>(184,491)</b>	<b>86,523,024</b>
Nonspendable/Assigned/Restricted	3,693,353								
Unassigned	1,799,445								
<b>Restatement</b>	<b>(1,729,577)</b>	<b>(2,586,837)</b>	<b>-</b>	<b>4,763,648</b>	<b>(438,381)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,853</b>
<b>Fund Balance/Net assets - June 30, 2017</b>		<b>6,069,776</b>	<b>2,987,034</b>	<b>(6,974,436)</b>	<b>72,134,568</b>	<b>778,930</b>	<b>419,152</b>	<b>(1,154,502)</b>	<b>78,096,303</b>
Nonspendable/Assigned/Restricted	3,382,924								
Unassigned	452,861								
<b>Total Fund Balance - June 30, 2017</b>	<b>3,835,785</b>								

# OVERVIEW OF BUDGETED RESOURCES

## OVERVIEW OF BUDGETED RESOURCES

### SUMMARY OF MAJOR REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES/USES ACTUAL JULY 01, 2015 THROUGH JUNE 30, 2016 (FY 16)

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Component Units	Total All Funds
	General & General Special	Special Revenue	Debt Service	Capital Project	Enterprise	Internal Service	Trust & Agency		
<b>Revenues</b>									
Taxes & Assessments	23,553,599	7,263,866	3,366,758	-	-	-	-	3,890,927	38,075,150
Licenses & Permits	1,444,113	2,403,980	-	-	1,541	-	-	-	3,849,634
Intergovernmental	14,655,550	4,709,492	-	58,792	35,256	-	6,999	784,085	20,250,174
Charges for Services	5,464,693	1,582,495	-	-	9,237,130	-	123,002	1,885,502	18,292,822
Fines & Forfeitures	1,531,422	15,310	-	-	-	-	-	-	1,546,732
Miscellaneous	253,374	27,416	-	452,711	761,463	-	-	1,066,273	2,561,237
Interest income	-	-	13,251	-	-	-	-	125,043	138,294
Internal Service	-	-	-	-	-	4,974,491	-	-	4,974,491
<b>Total Revenues</b>	<b>46,902,751</b>	<b>16,002,559</b>	<b>3,380,009</b>	<b>511,503</b>	<b>10,035,390</b>	<b>4,974,491</b>	<b>130,001</b>	<b>7,751,830</b>	<b>89,688,534</b>
<b>Expenditures</b>									
General Government	8,998,483	1,846,783	25,823	-	-	-	-	-	10,871,089
Public Safety	27,177,294	1,839,978	-	10,696	-	-	94,368	-	29,122,336
Public Works	6,196,341	1,401,299	-	206,359	11,178,748	-	-	2,071,968	21,054,715
Public Health	1,706,945	-	-	-	-	-	-	-	1,706,945
Social and economic services	175,000	-	-	-	-	-	-	-	175,000
Culture and recreation	4,014,830	754,412	-	-	1,666,722	-	-	-	6,435,964
Housing & Community Development	35,014	1,301,240	-	-	-	-	-	6,712,427	8,048,681
Miscellaneous	818,567	-	-	-	-	-	-	-	818,567
Debt Service	579,660	667,399	3,398,523	1,000,960	-	-	-	-	5,646,542
Capital Outlay	1,095,839	2,409,878	-	2,860,454	-	-	-	-	6,366,171
Business-type	-	-	-	-	-	5,220,417	-	-	5,220,417
<b>Total Expenditures</b>	<b>50,797,973</b>	<b>10,220,989</b>	<b>3,424,346</b>	<b>4,078,469</b>	<b>12,845,470</b>	<b>5,220,417</b>	<b>94,368</b>	<b>8,784,395</b>	<b>95,466,427</b>
<b>Other Financing Sources (Uses)</b>									
Transfers In	5,510,698	225,325	282,700	1,315,440	7,946,923	518,877	-	-	15,799,963
Transfers Out	(1,992,528)	(5,382,904)	(445,971)	(234,640)	(7,743,923)	-	-	-	(15,799,966)
Payments - Refunded Bond Escrow	-	-	-	(2,679,436)	-	-	-	-	(2,679,436)
Proceeds from Refunding Bond	-	-	-	-	-	-	-	-	-
Proceeds from LT Debt	260,875	911,116	-	5,300,892	-	-	-	-	6,472,883
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-
Contributions from Property owners	-	-	-	-	542,866	-	-	-	542,866
Contributions-government activities	-	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-	-
IRS interest reimbursement	-	-	-	-	235,961	-	-	-	235,961
Interest Revenue	-	-	-	-	2,684	-	-	-	2,684
Debt Service Interest Expense	-	-	-	-	(894,949)	-	-	-	(894,949)
<b>Total Other Financing Sources (Uses)</b>	<b>3,779,045</b>	<b>(4,246,463)</b>	<b>(163,271)</b>	<b>3,702,256</b>	<b>89,562</b>	<b>518,877</b>	<b>-</b>	<b>-</b>	<b>3,680,006</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Use</b>									
	(116,177)	1,535,107	(207,608)	135,290	(2,720,518)	272,951	35,633	(1,032,565)	(2,097,887)
<b>Fund Balance/Net assets - July 1, 2015</b>									
Nonspendable/Assigned/Restricted	3,452,570	7,027,755	3,118,248	(9,131,685)	80,045,683	822,645	430,383	850,903	88,777,225
Unassigned	2,160,723	-	-	-	-	-	-	-	-
Restatement	(4,318)	11,046	-	-	(22,182)	(138,031)	-	(2,829)	(156,314)
<b>Fund Balance/Net assets - June 30, 2016</b>									
Nonspendable/Assigned/Restricted	3,693,353	8,573,908	2,910,640	(8,996,395)	77,302,983	957,565	466,016	(184,491)	86,523,024
Unassigned	1,799,445	-	-	-	-	-	-	-	-
<b>Total Fund Balance - June 30, 2016</b>	<b>5,492,798</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Assumptions, Estimates, & Trends

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#### Overview

Funding for services provided to City of Missoula residents comes from a variety of sources. The City strives to maintain a diversified and stable revenue system that will provide shelter from short-term fluctuations in any one revenue source and ensure the ability to provide ongoing services, within the confines of Montana Law. The City of Missoula is heavily reliant upon a property tax levy for its General Fund, which is explained in greater detail on the following pages. The City will continue its policy of seeking alternative revenue sources to lower the tax burden for City services, charging users for specific services where feasible, and aggressively collecting all revenues due the City. Enterprise fund revenues are generated through direct fees for service.

City revenues are divided into nine basic categories: Taxes and Assessments; Licenses and Permits; Intergovernmental Revenue; Charges for Services; Fines and Forfeitures; Miscellaneous Revenue; Investment Earnings; Bond Proceeds and Other Financing Sources; and Inter-fund Transfers.

**Taxes and Assessments:** This revenue is derived from the levy of taxes on real property and personal tangible property. Examples of taxes are property taxes and local option motor vehicle taxes.

**Licenses and Permits:** Revenues derived from the issuance of local licenses and permits.

**Intergovernmental Revenue:** Revenues received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes (PILT). State entitlement, grants, and PILT are examples of Intergovernmental Revenue.

**Charges for Services:** All revenues stemming from charges for current services—primarily revenues of Enterprise and Internal Service Funds. Examples of charges for services are the monthly/semi-annual sewer use charge, building permits, and engineering fees.

**Fines and Forfeitures:** Revenues received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations, and for neglect of official duty. Examples include: traffic fines, court fines, victim witness fines and bonds forfeited.

**Miscellaneous Revenue:** Revenue from sources not otherwise provided in other categories. Rent is an example of a miscellaneous revenue.

**Investment Earnings:** Revenue derived from the investment of available cash balances. Interest income is allocated proportionately to funds authorized by law to accrue interest, based on their respective cash balances.

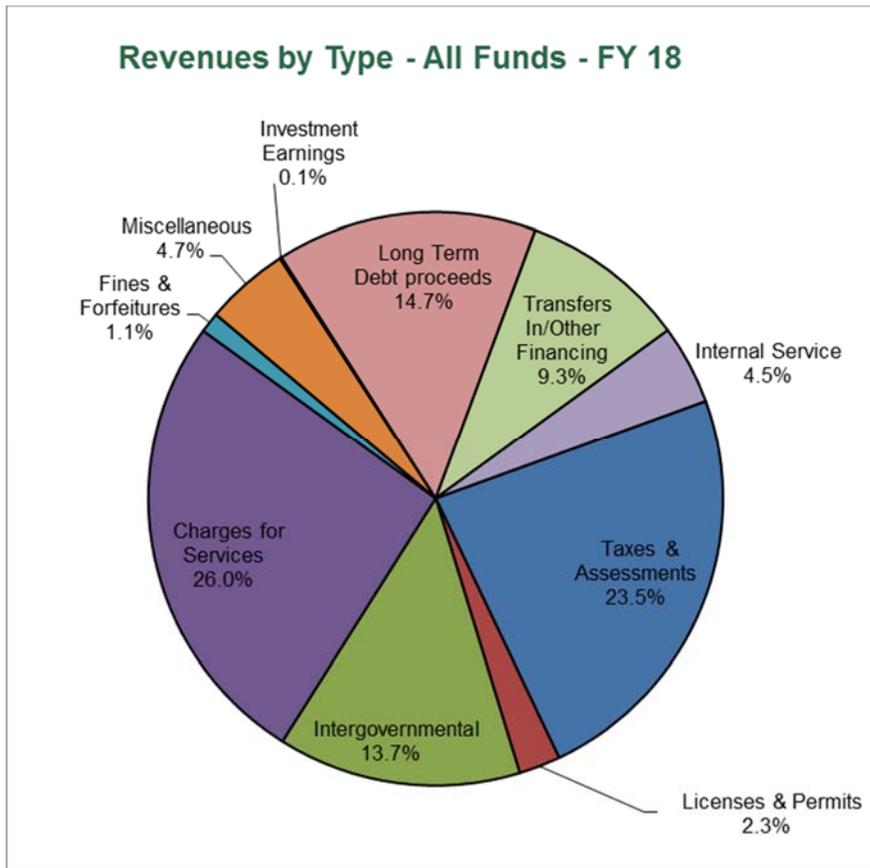
**Bond Proceeds and Other Financing Sources:** These revenues consist of the debt proceeds received by the City to finance various types of capital improvements.

**Interfund Transfers:** Transfers between individual funds of a governmental unit are not repayable and are not considered charges for goods or services. An example is matching funds transferred from the General Fund and other special revenue funds to the Capital Improvement Fund for the funding of capital projects.

# MAJOR REVENUE SOURCES

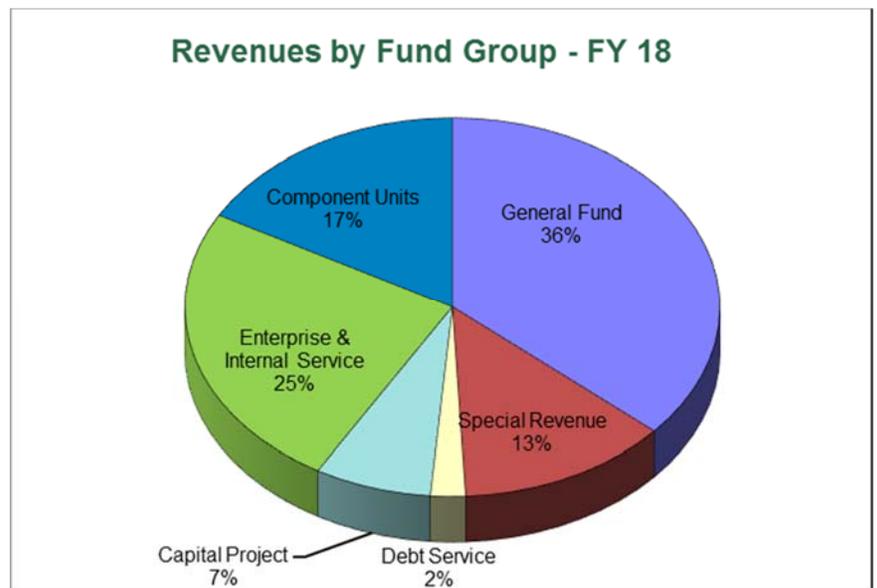
## Assumptions, Estimates, & Trends

The two pie charts (on the left and below) give a graphic overview of total City revenues —one by the sources described on the previous page and the other by major fund group.



As depicted by the graph of revenues “by type”, the Taxes and Assessments category and Charges for Services make up the two largest categories of City revenues for FY 2018 (49.5%). Long Term Debt Proceeds make up the next largest category (14.7%). Finally, Intergovernmental Revenues (13.7%) and Transfers In/Other Financing Sources (9.3%) make up the fourth and fifth largest categories. These revenue categories make up 87.2% of all City revenues.

Revenues by Fund Group also help give the reader a look at the “Big Picture” of City revenues. As shown by the graph on the right, the General Fund (36%), Enterprise & Internal Service Funds (25%), Component Units (17%), and Special Revenue Funds (13%), make up 91% of the City’s revenues.



### Assumptions, Estimates, & Trends

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#### Revenue Forecast Assumptions & Methodology

Forecasting as used in the budget refers to estimating future changes in revenues. It provides an estimate of how much revenue will be available and the resources required to meet current service levels and programs over the forecast period. The value of forecasts is in estimating whether, given assumptions about local financial policies and economic trends, the City will have sufficient resources to meet requirements of ongoing, planned, or mandated programs. Forecast models have the added value of providing a planning tool for capital projects and/or indicate when bonded indebtedness will be required for capital funding. In short, forecasting provides an estimate of the financial flexibility of the City, as well as insight into tax, revenue, and service options the City Council must address. Our forecasting methodology reflects a combination of internal analysis and locally generated consensus forecasts covering such factors as population growth, revenue trends, and inflation. Specifically, for the revenue forecasts, we begin with models that include prior year actual collections and project the balance of the current fiscal year based on prior year patterns. In general, we seek to match revenue sources with the economic and/ or demographic variables that most directly affect year-to-year changes in those revenues.

Methods to project the revenues suggested in the budget vary depending upon the type of revenue examined. However, the most common method used is **Trend Analysis** and especially a year-to date approach. Examination of a variety of revenue sources on a monthly basis, have revealed consistent patterns in monthly collections. Trends are identified, along with an analysis of whether or not the trend is likely to continue. These have been good indicators of revenue collections during the course of a year and help to set a basis for future projections. Forecast variances are analyzed and used to improve forecasting in future periods. **Expert Judgment** is a projection methodology that relies upon individual department directors and financial managers to make projections for the revenues that affect their operations.

#### Revenue Estimates

The National Advisory Council on State and Local Budgeting prepared a set of recommended practices relating to governmental revenue estimates. Stated below are some excerpts from their recommended practices, along with the City of Missoula's revenue estimate practices.

Projection of revenues and other resources is critical in order to understand the level of funding available for services and capital acquisition. Projections for future budget periods help determine the likelihood that services can be sustained and highlight future financial issues to be addressed. Preparing revenue projections also enhances our understanding of revenue sensitivity to changes in assumptions and to controllable factors such as changes to tax rates or fees.

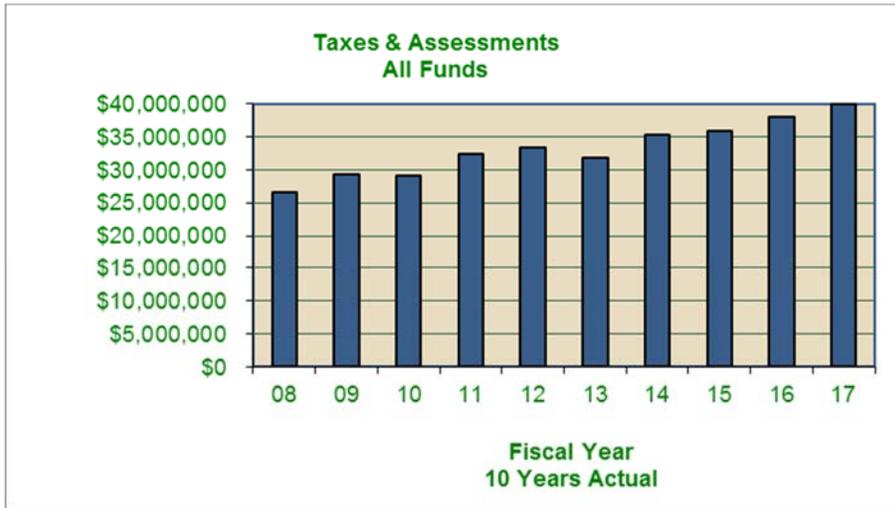
One of the key analytical tools, to assist in the development of revenue estimates, is the comprehensive five year financial forecast. This forecast considered key revenue and expenditure projection factors such as population, increases in the consumer price index (CPI) and other growth factors. The trending of these key factors and their effect on revenues and expenditures for the past ten years provided a historical basis for the five year financial forecast. The first City of Missoula forecast was prepared in 2003 and it has been updated annually since then. Overall, the City's practice is to budget revenues conservatively and to use as much information as possible to enhance the accuracy of revenue estimates. By identifying and utilizing as many revenue-related variables as possible in forecasting, we hope to minimize the risks of overstating or understating revenues that could arise from using only a few variables. The approach to forecasting, in general, is to apply a conservative philosophy that will produce the long-term goal of not overstating revenues. Most estimates involve two projections: an estimate for the amount to be collected in the current year based on year-to-date activity; and an estimate for the increase or decrease in receipts anticipated for a future budget year. As part of the mid-year budget review process, the revenue assumptions included in the forecast are comprehensively reexamined based on actual results for 2013-15 as well as emerging trends at the mid-point of the year.

Individual revenue categories, their trends, and estimates follow. The revenue estimates described below represent 87% of total City revenues.

# MAJOR REVENUE SOURCES

## Assumptions, Estimates, & Trends

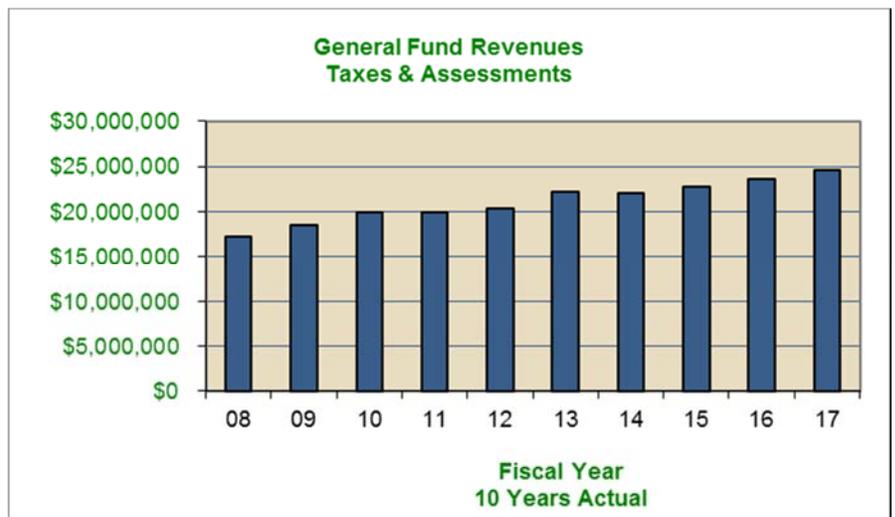
### Key Revenue Estimates & Trends



Shown by the graph to the left are **Taxes and Assessments** for all City funds, over a 10-year period (10 years actual from FY 2008 – FY 2017). The graph reflects the steady growth the City of Missoula is experiencing. Certain debt service levies and assessments go down in some years as the debt is paid

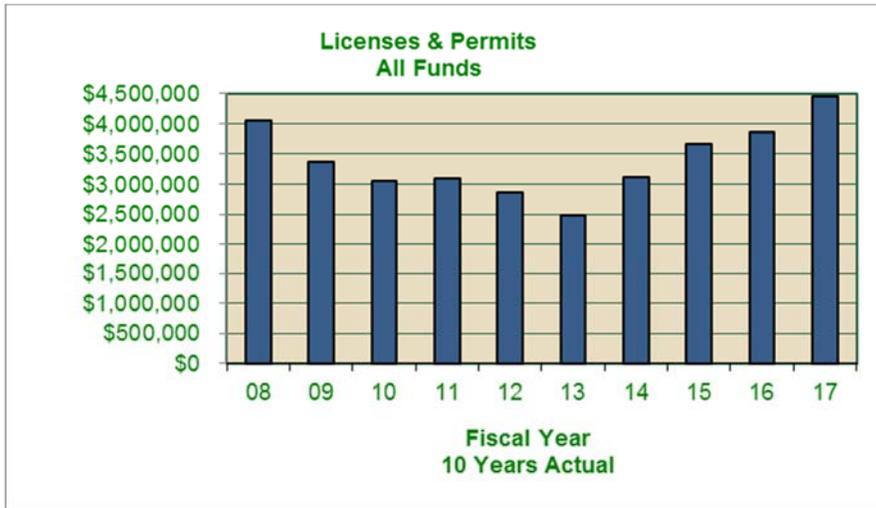
off. Property taxes, which comprise the majority of this revenue category, are dependent upon a combination of taxable values and mill levies. A modest decrease of 3.83% was budgeted for FY 2017.

The graph on the right shows actual **General Fund Taxes & Assessments** for the last 10 years. Although not displayed on the graph, there was very little growth in General Fund taxes from FY 2001 – FY 2002 due to the slow economy and the lack of annexations. As the economy accelerated so did the number of annexations and actual growth until the recession beginning in FY 2009 until FY 2012. After FY 2012 the growth again continued in the taxes and assessments categories.



## MAJOR REVENUE SOURCES

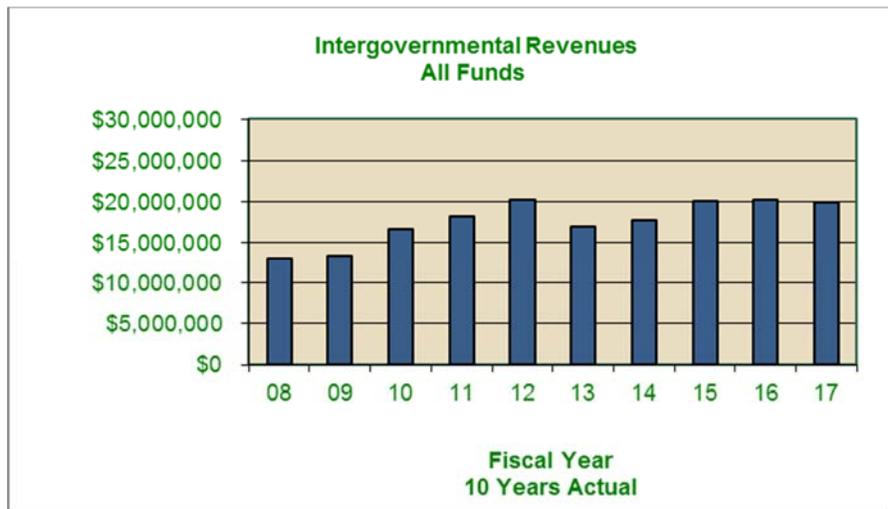
### Assumptions, Estimates, & Trends



**Licenses & Permits** for all City funds are shown on the right. A decline occurred between FY 2001 (not shown) and FY 2002 due to the State Legislature's elimination of several revenue sources (categorized as Licenses & Permits) which the Legislature replaced with entitlement revenues (HB124 revenue). The decline from FY

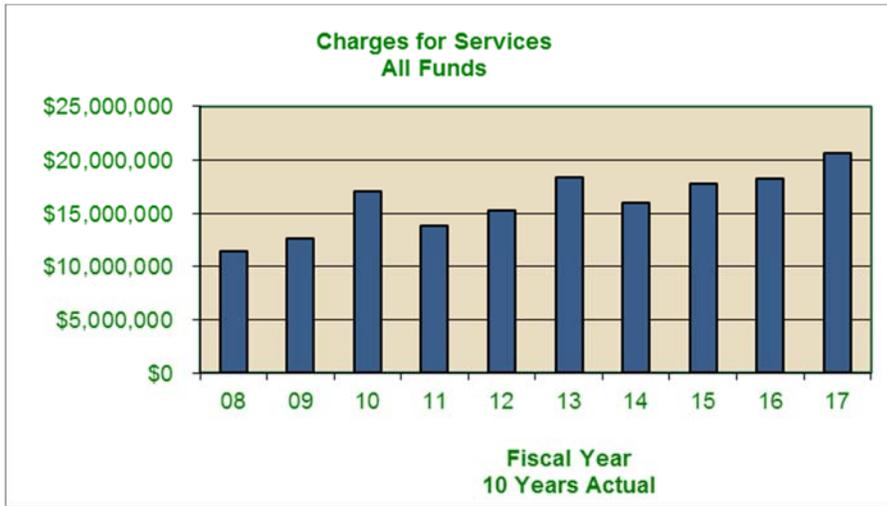
2008 to FY 2013 was due to the economic slowdown experienced by the nation and the City of Missoula.

The increases in **intergovernmental revenues** (not shown but especially from FY 2001 through FY 2003) reflect the State Legislature's distribution of entitlement revenues to City governments. Since the increase in FY 2003, these revenues have remained relatively stable although the level of grant receipts has fluctuated significantly from year to year. In addition to the entitlement revenues, this category also includes grants and State reimbursement for services provided by the City.



## MAJOR REVENUE SOURCES

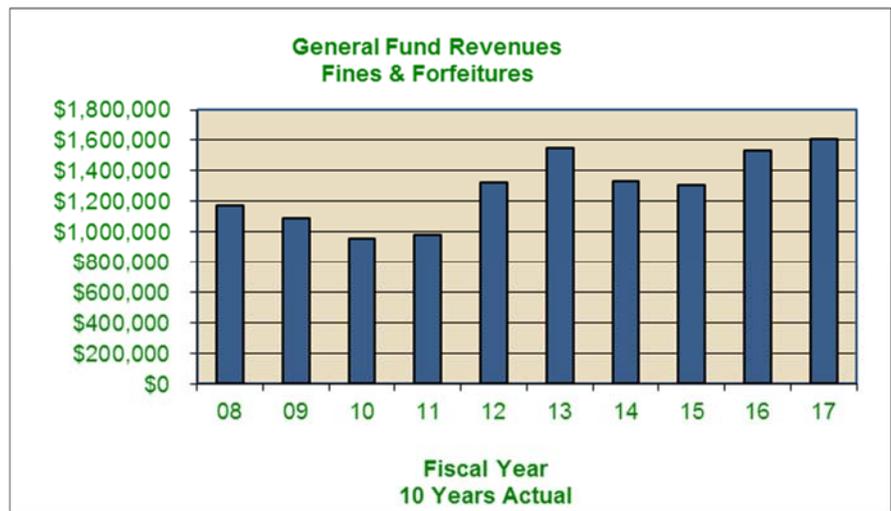
### Assumptions, Estimates, & Trends



**Charges for services**, for all funds, represent 26% of total City revenues. This category is dominated by revenues in the City's Enterprise Funds, which include the sewer charges and City Health Plan premiums. Many of these revenues are growth related such as engineering fees, zoning fees,

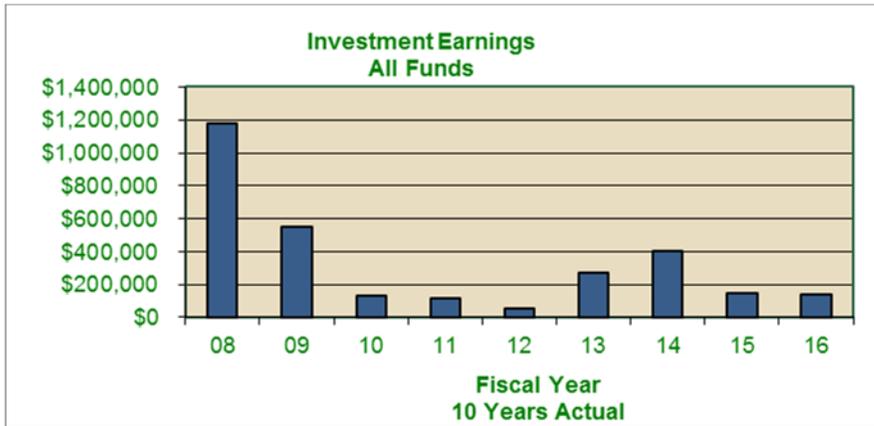
subdivision fees, building permits, impact fees and similar revenues. This source is anticipated to be maintained at the FY 2013 level or greater for the foreseeable future.

To a large extent, **Fines and Forfeitures**, within the General Fund, reflect the growth in the City of Missoula. As shown by the graph, fines and forfeitures have increased from \$1,172,962 in FY 2008 to \$1,609,079 in FY 2017. The decrease in FY 2008 and FY 2010 was the result of staffing shortages in Police due to officers being called up to active duty in the armed forces and a significant number of workers compensation injuries that temporarily reduced staffing. This revenue stream is dependent on being fully staffed in the Police Department.



## MAJOR REVENUE SOURCES

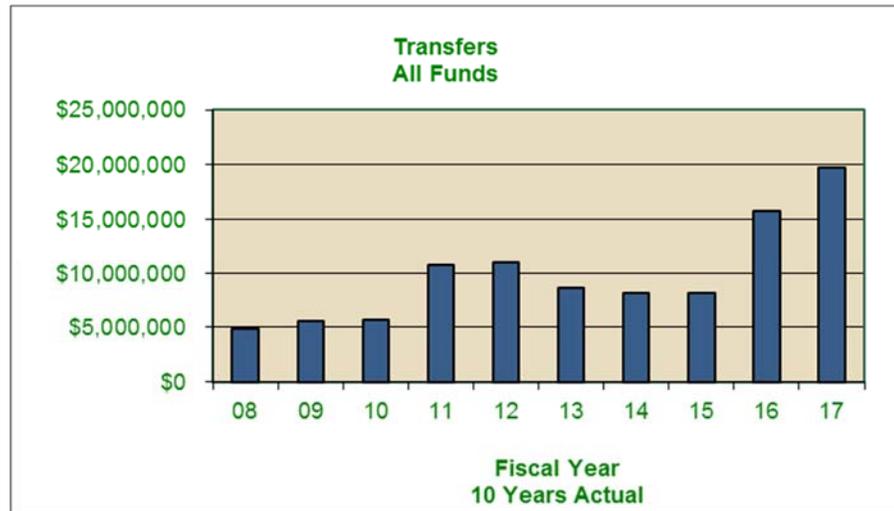
### Assumptions, Estimates, & Trends



**Investment earnings** reflect a combination of available cash balances together with the interest rate the City is able to obtain. As shown by the graph, investment earnings have been quite volatile, with sharp declines occurring in FY 2009 and FY 2010 through FY 2014 which

correspond to the decline in interest rates nationally in those years. Interest earnings in FY 2018 are expected to be similar to FY 2017, as interest rates are near 50-year lows nationally.

**Transfers** that occur between various City funds will fluctuate significantly from year to year, as can be seen from the following graph on the right.



## ORGANIZATIONAL UNITS

### FUNCTIONS, DEPARTMENTS, PROGRAMS/ACTIVITIES

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#### PURPOSE

The organizational units set forth in this section of the Budget represent the City's system of delivery of services and allows the City to accomplish the following:

- Establish policies and goals that define the nature and level of service to be provided.
- Identify activities performed in delivering program services.
- Set objectives for improving delivery of services.
- Appropriate the resources required to perform activities and accomplish objectives.

#### ORGANIZATION

The city's operating expenditures are organized into the following hierarchical categories:

- Function
- Department
- Program/Activity

#### FUNCTION

Function represents the highest level of summarization used in the City's operating structure. Functions are a grouping of relating operations and programs that may cross organizational (departmental) boundaries. Functions are aimed at accomplishing a broad goal or delivering a major service. The five functions in the city's operating structure are:

- General Government
- Public Safety
- Public Works
- Public Health
- Social & Economic Services
- Culture & Recreation
- Housing & Community Development
- Conservation of Natural Resources
- Miscellaneous

#### DEPARTMENTS

Departments represent a grouping of related programs within a functional area such as Police Department within the broad functional area of Public Safety.

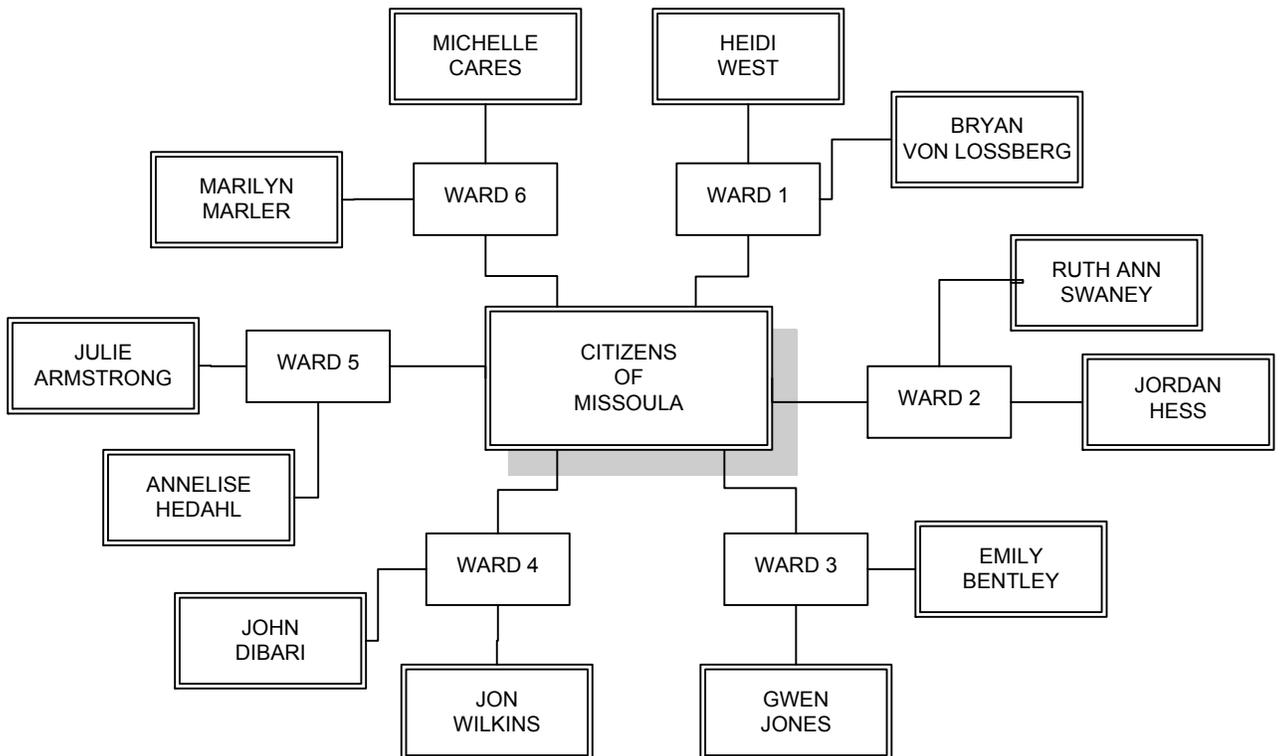
#### PROGRAM/ACTIVITY

Programs/Activities of a Department are the specific services and task performed in the pursuit of its objectives and goals.



# City Council

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### Program Description

As the elected, policy making body for the City of Missoula, it is the City Council's duty to set policies that will assist all City departments in promoting the general health, safety and welfare of city residents.

### City Strategic Plan & Department's Implementation Strategy

Goal #1: Quality of Life for All People in All Places

- Strategy: The City Council, with continued public involvement, will continue to support and enact resolutions and ordinances that reflect the goals and objectives identified in the City's Strategic Plan.
  - Strive to improve public facilities and the quality of services delivered, in order to meet the needs of the citizenry and to assure revenues necessary to support these facilities and services.
  - Cooperate with other governmental bodies in order to provide services efficiently and effectively and in a manner resulting in the most equitable distribution of tax burden attainable.
  - Continue to create, review and implement methods of developing and reviewing municipal policies and procedures.
  - Develop a broadly-based City-wide support for economic development and foster coordination of public and private resources as a means of enhancing economic prosperity and environmental quality.
  - Continue to promote two-way communication with the public on City issues.
  - Work closely with the administration, and other government officials in lobbying for state legislation which will benefit cities.

### 2018 Budget Highlights

#### FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 287,933	\$ 349,637	\$ 301,245	\$ 363,420	\$ 13,783	4%
Supplies	2,915	1,850	3,713	1,850	-	0%
Purchased Services	26,228	35,222	48,715	35,222	-	0%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 317,076</b>	<b>\$ 386,709</b>	<b>\$ 353,673</b>	<b>\$ 400,492</b>	<b>\$ 13,783</b>	<b>4%</b>

\* Un-audited numbers

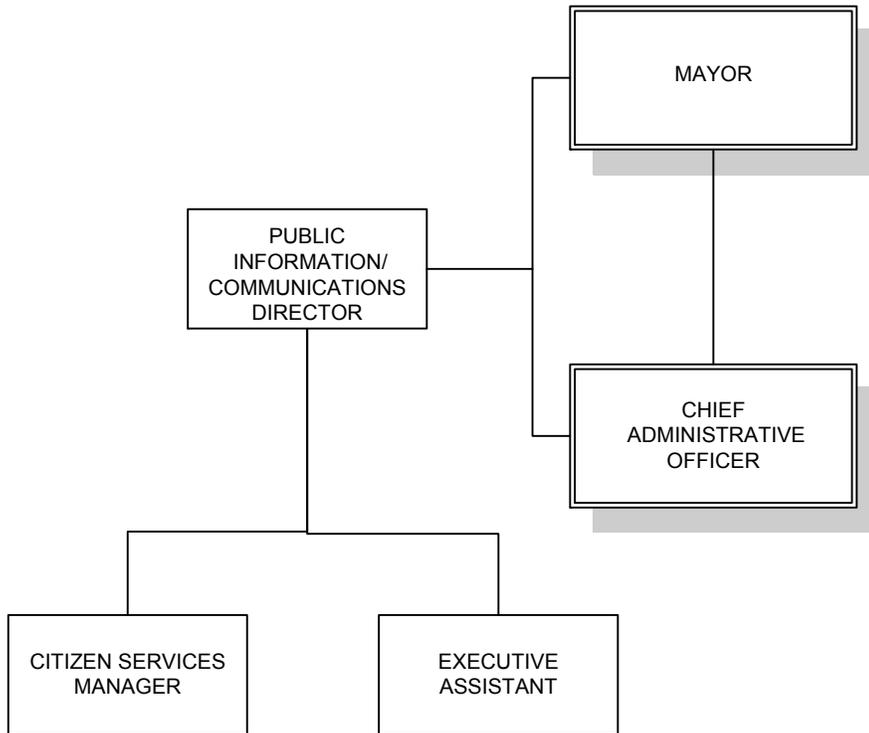
STAFFING SUMMARY

Title	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
WARD 1 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 1 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 2 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 2 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 3 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 3 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 4 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 4 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 5 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 5 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 6 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
WARD 6 - COUNCIL MEMBER	1.00	1.00	1.00	1.00
<b>Total</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>



# Mayor's Office

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## Program Description

The mayor is the chief executive for City government and is responsible for oversight and supervision of all departments in a line of authority running through the chief administrative officer to assure that all City services are delivered to the citizens of Missoula in an effective, efficient and equitable manner. The mayor serves as a catalyst for developing community-wide goals and works to establish public and private partnerships with citizens, governmental and quasi-governmental entities for the benefit of achieving community objectives. The mayor makes appearances at various activities and functions in his official capacity.

The Public Information and Communications program serves as the media and public information liaison for the mayor and the City and provides information about City affairs to its citizens. This activity provides direct and indirect services that enhance communication and relationships among employees, administrators, City Council, the boards and commissions and the public. The Communications Office also guides programming for the contracted government programming hours on Missoula Community Access Television (MCAT).

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## City Strategic Goals & Department's Implementation Strategy

### Goal #1: Fiscal Sustainability

- Strategy: We will maintain or improve the level of service to citizens.
  - The Mayor's Office will acquire and implement software to provide dashboard-style metrics for management and public needs to improve performance in all City departments.
  - The Mayor's Office will retain a consultant to update a facilities plan to determine necessary City space for the next 20 years.

### Goal #2: Harmonious Natural and Built Environment

- Strategy: We will make sure that our natural and built environments continue to represent Missoula's values of clean water and clean air.
  - During this year, the Mayor's Office will integrate the water system into the City of Missoula as a healthy, sustainable municipal utility.

### Goal #3: Quality of Life for All People in All Places

- Strategy: We will work to provide affordable housing for the work force of Missoula.
  - The mayor's housing initiative will include the work of a newly hired housing director who, under the guidance of the Missoula Redevelopment Agency director, the Chief Administrative Officer and the mayor, will execute a transition plan for CDBG, HOME and brownfield grant programs to the City of Missoula, work to develop a housing policy and will assimilate the implementation of the 10-year Plan to End Homelessness.

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 504,657	\$ 517,426	\$ 517,348	\$ 537,969	\$ 20,543	4%
Supplies	2,119	2,731	1,384	2,732	1	0%
Purchased Services	26,062	30,208	21,113	30,629	421	1%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 532,838</b>	<b>\$ 550,365</b>	<b>\$ 539,846</b>	<b>\$ 571,330</b>	<b>\$ 20,965</b>	<b>4%</b>

\* Un-audited numbers

**STAFFING SUMMARY**

Title	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
MAYOR***	1.00	1.00	1.00	1.00
CHIEF ADMINISTRATIVE OFFICER	1.00	1.00	1.00	1.00
CITIZEN SERVICES MANAGER	1.00	1.00	1.00	1.00
EXECUTIVE ASSISTANT	1.00	1.00	1.00	1.00
PUBLIC INFORMATION/COMMUNICATIONS DIRECTOR	1.00	1.00	1.00	1.00
<b>Total</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>

\*\*\* Denotes: Elected Official

**2018 Budget Highlights**

**Capital Outlay**

- There is no capital outlay proposed for FY 2018.

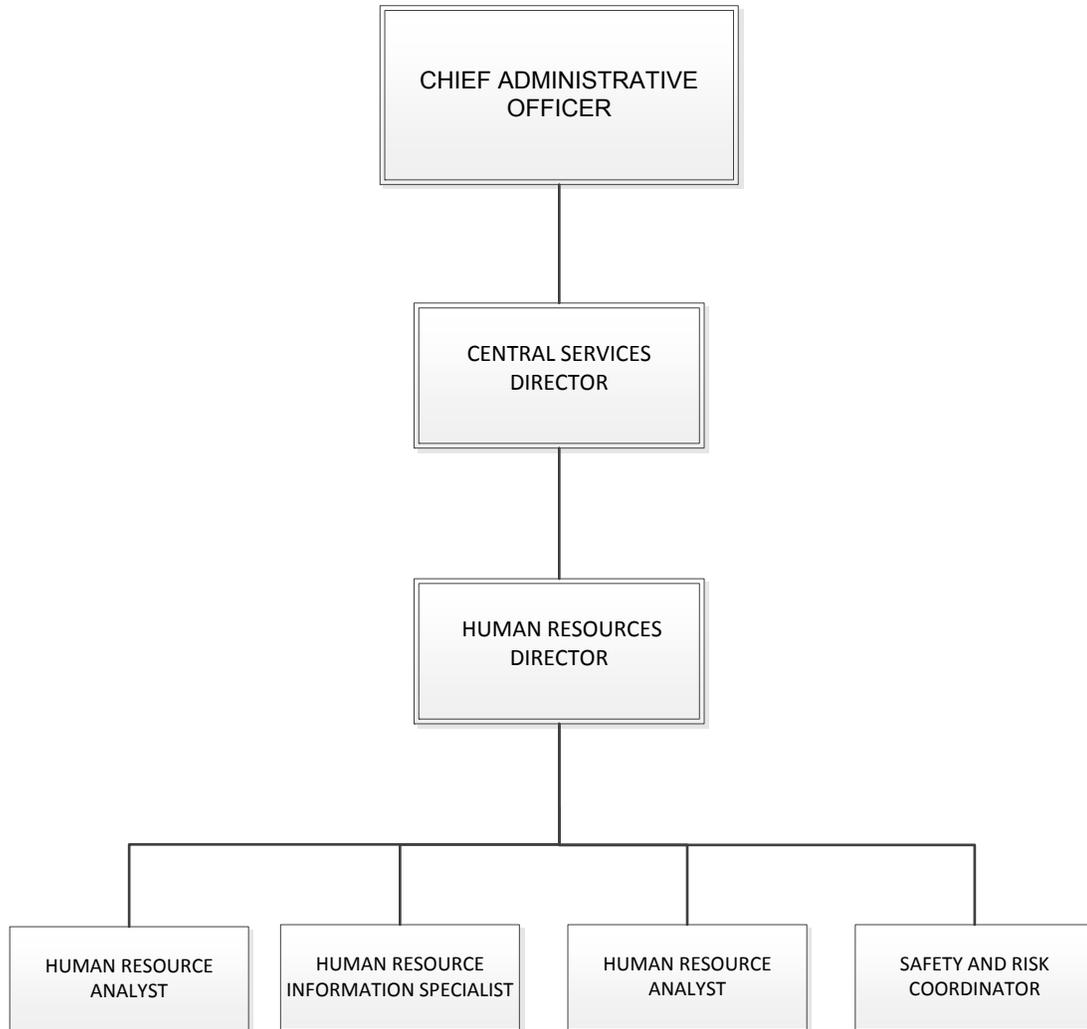
**Budget**

- Manage a balanced budget and maintain services.



# Human Resources

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## Program Description

The primary purpose of the Human Resources department is to develop and maintain the programs and policies necessary for the equitable treatment and development of City employees. The major activities of the department are: human resources program administration, EEO/AA/ADA compliance, labor and personnel relations, recruitment and selection, compensation, benefits and training.

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## City Strategic Plan & Department's Implementation Strategy

### Goal #1 Fiscal Sustainability

- Strategy: Provide Human Resource services to department leaders supporting their efforts to provide services to the citizens of Missoula.
- Strategy: Develop creative approaches to enable the City of Missoula to recruit and retain qualified employees at a time when Baby Boomers are exiting the workforce and competition for talented employees is increasing.
  - Succession planning.
  - Retention of experienced workers through flexible scheduling, benefits, work/life balance and mentoring programs.
  - Training and development.
  - Evaluate compensation policy.
- Strategy: Work with department leaders to manage employment risk.
  - Revise, update and implement personnel policies and procedures.

---

## FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 273,939	\$ 284,330	\$ 285,482	\$ 362,450	\$ 78,120	27%
Supplies	716	3,115	2,495	3,787	672	22%
Purchased Services	29,285	42,983	30,619	43,478	495	1%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 303,940</b>	<b>\$ 330,428</b>	<b>\$ 318,595</b>	<b>\$ 409,715</b>	<b>\$ 79,287</b>	<b>24%</b>

\* Un-audited numbers

## STAFFING SUMMARY

Title	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
HUMAN RESOURCES DIRECTOR	1.00	1.00	1.00	1.00
HUMAN RESOURCES ANALYST	2.00	2.00	2.00	2.00
HUMAN RESOURCES INFO SPEC	1.00	1.00	1.00	1.00
RISK & SAFETY ANALYST	-	-	-	1.00
<b>Total</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>5.00</b>

## 2018 Budget Highlights

**Professional Services**

- Research and develop more efficient and effective methods of training and staff development for all employees. Continue to develop skill and training programs to match requirements of skill based pay.
- Develop innovative ways for reducing health care costs while maintaining employee satisfaction.
- Work with vendors and providers to implement the effects of health care reform on the City of Missoula Health Benefit Plan.

## Performance Measures &amp; Workload Indicators

## Performance Measures

Measure	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Number of recruitments.	55	123	106	100
2 . Average number of applications per recruitment.	47	33	75	65
5 . New cases with work days lost due to work related injuries.	4	12	19	10
6 . Number of employee complaints filed with the Human Rights Commission.	-	-	-	-
7 . Number of employee complaints filed in District Court.	-	-	-	-
8 . Number of arbitration hearings settled and/or resolved	-	-	-	-

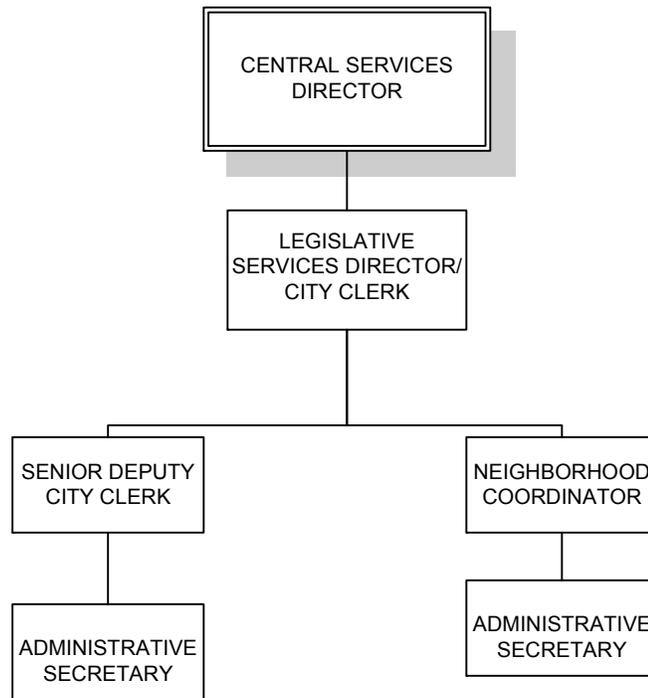
## Workload Indicators

Indicator	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Number of applications for recruitments.	2,601	4,111	4,963	4,000
2 . Workers' compensation claims	47	60	84	50
3 . New Hires	172	244	222	175
4 . Terminations	149	261	153	200
4 . Union grievances settled and/or resolved	-	5	11	5
5 . Non-union grievances settled and/or resolved	-	2	-	-
5 . Employment related complaints	-	-	2	-
6 . Health Plan changes and amendments	2	1	3	-
7 . Reclassification requests	6	23	35	-
8 . Collective Bargaining Agreements to negotiate	10	4	1	2
9 . Health insurance appeals	7	5	5	-
10 . Formal employee disciplinary issues and terminations	8	6	5	-
11 . Employee pay, benefit and status changes	1,250	1,700	1,800	-
12 . Accommodations under the ADA	2	1	3	-
13 . Requests for Family Medical Leave	51	42	51	40



# City Clerk's Office

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## Program Description

It is the mission of the City Clerk Office staff to efficiently and courteously communicate and provide information, advice and services to Missoula's citizens, elected officials, neighborhood councils, and city employees. The City's neighborhood office is part of the City Clerk Office providing community outreach, volunteer coordination, training and grant administration services to Missoula's neighborhoods.

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### City Strategic Plan & Department's Implementation Strategy

#### Goal #1: Fiscal Sustainability

- Strategy: We will work with public and private sector partners in greater numbers to find new ways to enhance and diversify Missoula's economy.
  - Continue to research business processes that can be automated in order to improve efficiency and access to information.
  - Contract with an Enterprise Content Management software solution and begin migrating city records currently stored in the city vault to a paperless, electronic storage system.
  - Contract with an agenda management software solution to replace the current SIRE solution and TermTracker board and commission management software for which technological development is no longer supported.
  - Continue with the migration of the established Missoula Municipal Code to the MuniCode online platform.

#### Goal #2: Quality of Life for All citizens

- Strategy: We will continue to support plans and programs that promote a healthy lifestyle for Missoula's citizens.
  - Continue to work with neighborhood councils to serve Missoula citizens.

The City Clerk's office is also responsible for the following Community Based Organizations:

#### **VOLUNTEER MISSOULA PROGRAM – Activity budget equals \$ 10,000**

This program strives to see volunteers, nonprofits and businesses work together to implement solutions to critical needs in the community created by service gaps that result from a lack of communication and collaboration between the different entities.

#### **NEIGHBORHOOD AMBASSADOR PROGRAM – Activity budget equals \$ 10,000**

This program works to mitigate the unique issues that affect the quality of life of residents in the University District due to impacts from The University of Montana's students living and parking in the area.

#### **CITY BAND - Activity budget equals \$ 5,880**

This program provides financial support for the City Band which performs seven outdoor concerts in Bonner Park.

---

## FINANCIAL SUMMARY

Budget by Object of	Actual	Amended	Actual	Adopted	Increase	Percent
Expenditure Category	FY 2016	FY 2017	FY 2017*	FY 2018	(Decrease)	Change
Personal Services	\$ 301,107	\$ 318,741	\$ 317,978	\$ 340,874	\$ 22,133	7%
Supplies	2,103	6,026	2,382	3,435	(2,591)	-43%
Purchased Services	51,638	57,399	42,489	153,388	95,989	167%
Miscellaneous	42,823	64,580	50,333	64,580	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	17,931	-	-	-	-	
<b>Total</b>	<b>\$ 415,602</b>	<b>\$ 446,746</b>	<b>\$ 413,181</b>	<b>\$ 562,277</b>	<b>\$ 115,531</b>	<b>26%</b>

\* Un-audited numbers

## FY 2018 BUDGET HIGHLIGHTS

The FY 2018 City Clerk office budget includes \$19,000 for a potential primary election in one ward and \$76,800 for the municipal general election. Both are budgeted for mail ballot elections.

## STAFFING SUMMARY

Title	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
LEGISLATIVE SERVICES DIRECTOR/CITY CLERK	1.00	1.00	1.00	1.00
SENIOR DEPUTY CITY CLERK	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT II	1.00	1.00	1.00	1.00
NEIGHBORHOOD COORDINATOR	1.00	1.00	1.00	1.00
PROGRAM ASSISTANT	1.00	1.00	1.00	1.00
<b>Total</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>

## Performance Measures &amp; Workload Indicators

## Performance Measures

Measure	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Customer Requests Served in Less than 10 Minutes	90%	90%	90%	90%
2 . Council Meeting Minutes Ready By Next Meeting	81%	79%	84%	79%
3 . Council Minutes Approved With No Corrections	98%	100%	98%	97%

Historical data has been estimated.

## Workload Indicators

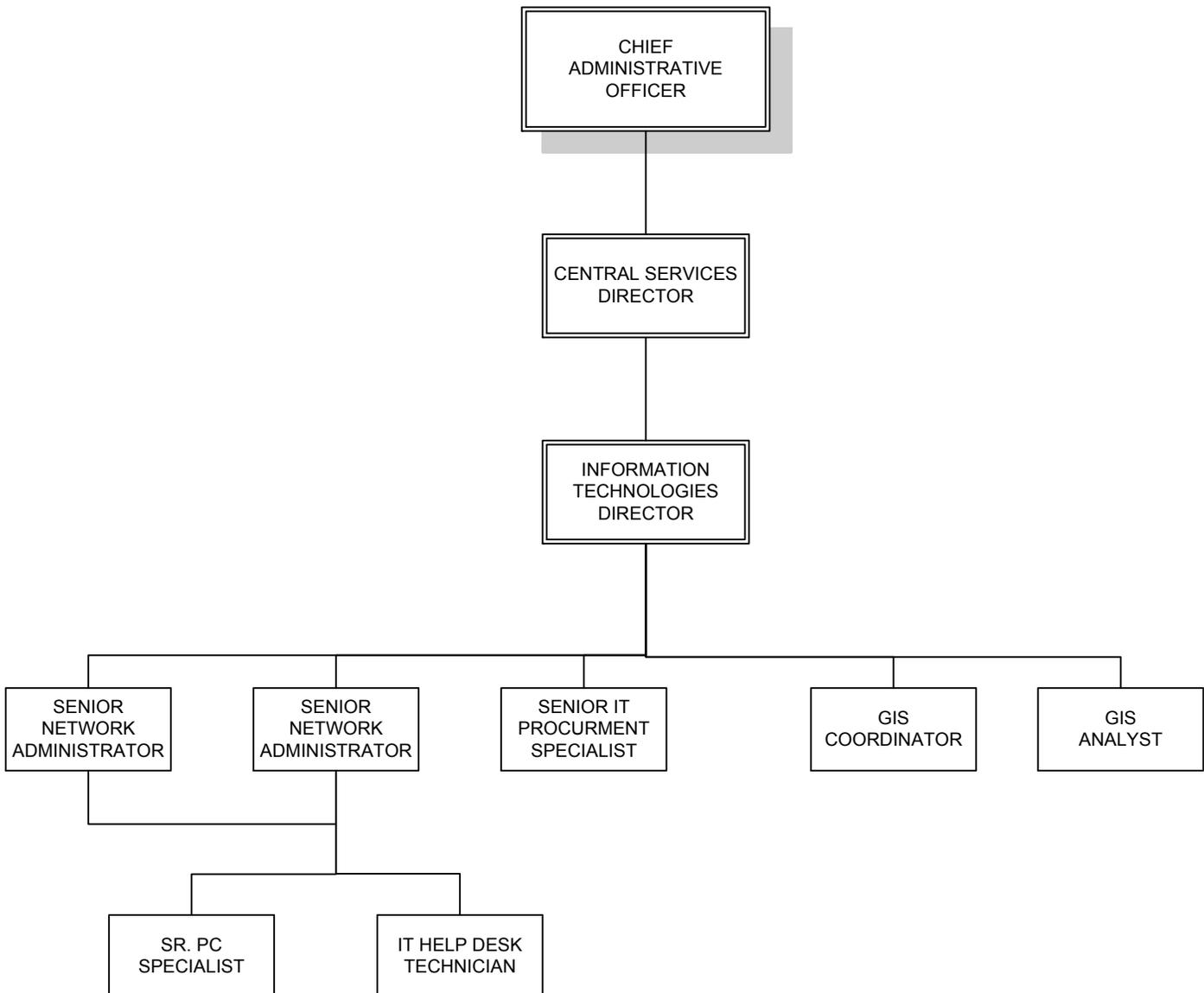
Indicator	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Agreements Processed	247	255	302	239
2 . Deeds Processed	18	21	23	20
3 . Easements Processed	31	67	81	50
4 . Miscellaneous Documents Processed	34	25	16	24
5 . Sew er Agreements Processed	44	62	62	54
6 . Ordinances Processed	18	31	14	21
7 . Petitions Processed	33	45	53	37
8 . Resolutions	80	106	101	89
9 . Average Length of Council Meetings (in hours)	1:01	1:23	1:31	1:24

Historical data has been estimated.



# Information Technologies

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## Program Description

It is the mission of Information Technologies (IT) to deliver network services critical to the achievement of citywide goals and objectives. We also have built and will continue to build a Quality, Sustainable IT infrastructure. Technology is a key element of the citywide infrastructure and is current, secure and reliable – ensuring employee confidence. This is accomplished by:

- Supporting the decision making process through easy access to city information.
- Providing customer service and support for the core computer systems.
- Assisting with the purchase, installation and management of over 500 computers and servers on a City-wide local and wide area network
- Lending our Technology expertise, and offering consulting support services to City Departments.
- Provide Enterprise security measures for mission-critical applications that require high availability through our custom built cloud system.

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## City Strategic Plan & Department's Implementation Strategy

### Goal #1: Fiscal Sustainability

- Strategy: We will sustain and enhance our ability to be an efficient, effective, accountable, responsive and respected City Organization
  - Install new city wide wireless project starting in 2018
  - Electronic Plan Review for Automation
  - Expand on Automation Asset Management
  - Phone system replacement project start up in January 2018
  - Continue expandable storage project
  - Core hardware upgrade project
  - Unified commuting platform project
  - Continue to enhance the Automation Platform
  - Continue 100% software license compliance.
  - Long range planning for disaster recovery and business continuity.
- Responsibilities:
  - We provide financial management, help-desk services, and administration of the telecommunications fund, IT operating account, which includes centralized purchasing of all computer related equipment and software.
  - Continue to keep user desktops up to date with the latest software
  - Continue to provide network security, reliability and performance
  - We support 550 employees, 500 telephones, 500 workstations, 100 mobile devices and 205 physical and virtual servers.
  - Take a leadership role in the research, selection and implementation of new technologies that will help improve city services.
  - April 1, 2014 the IT department assumed the responsibility of the City and County Wide Public Safety Network administration. This includes hosting and maintaining all hardware and software for 911, Missoula Jail, Missoula County Sherriff, Missoula County Fire agencies, Missoula City Fire and the Missoula City Police Department. This Public Safety Network interfaces with City and County Attorney offices, as well as City Municipal Court. This strategic centralized administration of the County Wide Public Safety Network will consolidate many applications and provide a single platform for co-operative interactions with all City and County Public Safety agencies. There are over 400 city and county employees on this new platform.

## FINANCIAL SUMMARY

Budget by Object of	Actual	Amended	Actual	Adopted	Increase	Percent
Expenditure Category	FY 2016	FY 2017	FY 2017*	FY 2018	(Decrease)	Change
Personal Services	\$ 594,561	\$ 609,258	\$ 610,298	\$ 612,470	\$ 3,212	1%
Supplies	10,777	27,234	14,712	27,234	-	0%
Purchased Services	534,729	584,189	510,779	611,781	27,592	5%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 1,140,067</b>	<b>\$ 1,220,681</b>	<b>\$ 1,135,788</b>	<b>\$ 1,251,485</b>	<b>\$ 30,804</b>	<b>3%</b>

\* Un-audited numbers

## STAFFING SUMMARY

Title	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
INFORMATION TECHNOLOGIES DIRECTOR	1.00	1.00	1.00	1.00
SENIOR NETWORK SYSTEM ADMINISTRATOR	1.00	2.00	2.00	2.00
NETWORK SYSTEMS ADMINISTRATOR	1.00	-	-	-
SENIOR PC SPECIALIST	-	1.00	1.00	1.00
HELPDESK TECHNICIAN	1.00	-	-	-
SOFTWARE SUPPORT SPECIALIST	1.00	1.00	1.00	1.00
PROCUREMENT SPECIALIST	1.00	1.00	1.00	1.00
SENIOR GIS TECHNICIAN *	-	1.00	1.00	1.00
GIS TECHNICIAN *	-	1.00	1.00	1.00
<b>Total</b>	<b>6.00</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>

\* GIS integrated into IT in FY16

## 2018 Budget Highlights

**New Operating Requests Funded:**

- Server Virtualization Consolidation and Maintenance Program \$67,000

Total \$67,000

## Performance Measures &amp; Workload Indicators

## Performance Measures

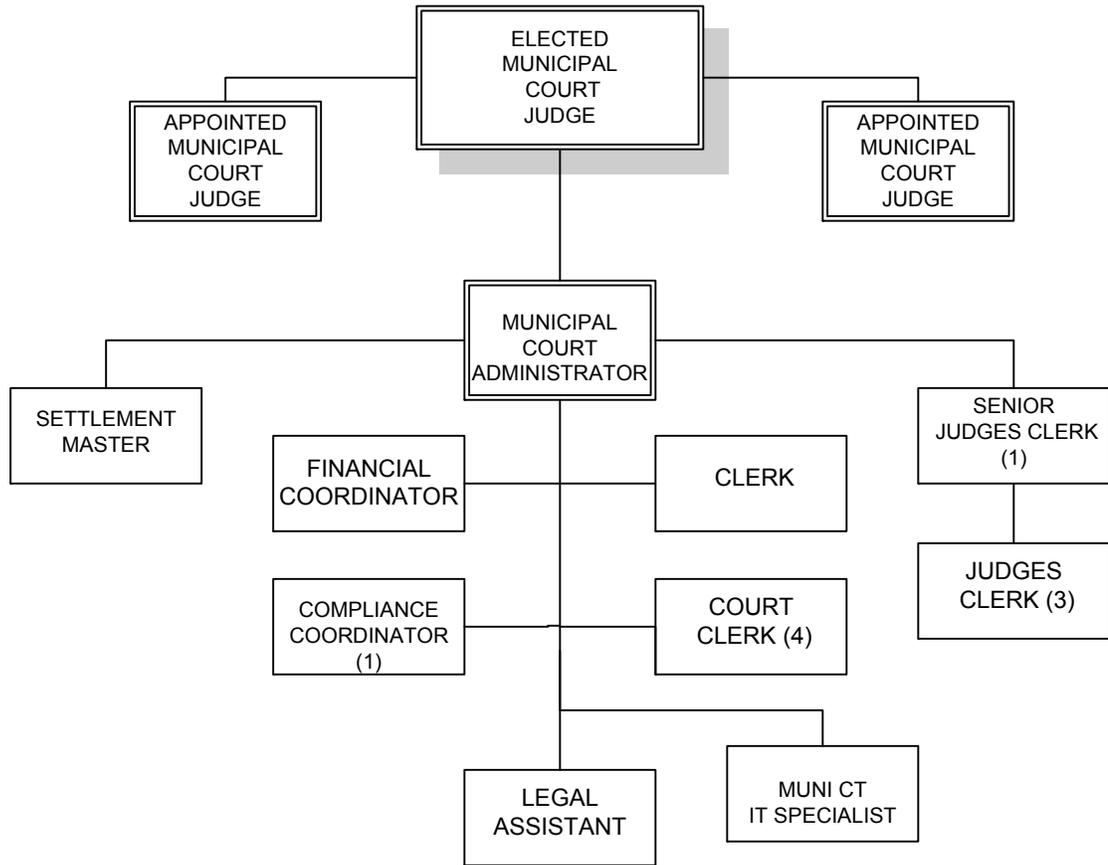
Measure	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Percent of requests that met service level agreements	100.00%	99.00%	90.00%	100.00%
2 . Average ratio of open to complete incidents per month	180/180	166/166	162/162	150/150
3 . Percent of network service availability	99.90%	99.90%	99.80%	99.90%
4 . Customer satisfaction rating based on Customer Survey. Percent rating of good to excellent.	100.00%	100.00%	100.00%	100.00%
5 . Average percent of computers with current updates.	90.00%	75.00%	81.40%	95.00%

## Workload Indicators

Indicator	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Users supported	497	495	495	557
2 . Average number of Helpdesk requests per month	180	166	155	225
3 . Computers and laptops supported	202	205	233	334
4 . Thin Clients supported	261	256	245	235
5 . Servers supported	125	117	145	140
6 . Virtual desktops			56	65
7 . Tier 1 software applications supported	49	51	51	54
8 . Tier 2 software applications supported	27	28	33	33
9 . Tier 3 software applications supported	48	50	53	53
10 . Phones supported	445	462	465	495
11 . Easement/Conveyance reviewed or created	60	40	60	65
12 . Released for construction and as-built drawings	38	54	48	45
13 . Number of Sewer Connection Cards Drawn	400	250	500	500
14 . Number of GIS users	46	46	47	46
15 . Business license renewal via Automation	109	566	423	800
16 . Permits issued through Accela Citizen Access	243	2148	1686	2000
17 . Purchase Orders per year	135	212	220	200



# Municipal Court



## Program Description

Municipal Court is the Judicial Branch of the City of Missoula. The Court processes all misdemeanor criminal citations, which includes DUIs and Partner Family Member Assaults, traffic violations, and City Ordinance violations issued by the City of Missoula, University of Montana Police, the City/County Health Department and Animal Control. The Court also handles the issuance of Temporary Restraining Orders and Protective Orders in domestic violence and stalking situations, and processes search warrant requests and returns.

Municipal Court is a Limited Jurisdiction Court of Record and has the same powers and duties as a District Judge in matters within its jurisdiction. The Court makes and alters rules for the conduct of its business and prescribes form of process. The Court establishes rules for appeal to District Court, which are subject to the Montana Supreme Courts rulemaking and supervisory authority.

The purpose of the Municipal Court is to impartially interpret the law. The Court enforces private rights and attempts to prevent conduct that unjustifiably inflicts or threatens harm to individuals or public interests.

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## City Strategic Plan & Department's Implementation Strategy

### Goal #1: Funding and Service

- Strategy: We will maintain or improve the level of service to citizens.
  - The Court will provide for expanded hours for walk in traffic for members of the public wishing to appear before a Judge.

### Goal #2: Funding and Service

- Strategy: We will maintain or improve the level of service to citizens.
  - The Court is adding technology to meet the needs of all individuals coming to court who speak languages other than English. This includes on-demand audio to text for individuals who have deafness and foreign language speakers.

### Goal #3: Quality of Life for All Citizens

- Strategy: We will work together to meet basic human needs with dignity for all.
  - Utilize statutory authority to quash outstanding warrants on cases charged prior to January 1, 2002 that are not DUI or Partner Family Member Assault cases. The Order to Quash Warrants and Dismiss Cases is made in the interests of justice and for reasons of efficiency.
  - Utilize statutory authority to follow a reasonable accounting method proposed by City of Missoula to Order Dismissal of Outstanding Surcharges and Fines for cases sentenced prior to the date of January 1, 2002.

The Municipal Court also administers the following Community Based Organization:

### **COMMUNITY SERVICES (MCS) - Activity budget equals \$78,932**

This program provides a sentencing and sanction alternative to the Missoula Municipal Court. The payment is made to Missoula Correctional Services who coordinates and supervises persons who are sentenced to perform community services. These community services are performed for the City of Missoula and other community service sites.

## FINANCIAL SUMMARY

Budget by Object of	Actual	Amended	Actual	Adopted	Increase	Percent
Expenditure Category	FY 2016	FY 2017	FY 2017*	FY 2018	(Decrease)	Change
Personal Services	\$ 976,463	\$ 1,197,201	1,101,874	1,198,453	\$ 1,252	0%
Supplies	21,556	17,649	27,748	18,422	773	4%
Purchased Services	323,471	306,474	294,233	286,399	(20,075)	-7%
Miscellaneous	-	2,500	32,389	81,432	78,932	3157%
Debt Service	-	-	-	27,333	27,333	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 1,321,490</b>	<b>\$ 1,523,824</b>	<b>\$ 1,456,245</b>	<b>\$ 1,612,039</b>	<b>\$ 88,215</b>	<b>6%</b>

\* Un-audited numbers

## STAFFING SUMMARY

Title	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017
MUNICIPAL JUDGE	1.00	1.00	1.00	1.00
JUDGE	0.85	0.85	0.85	0.85
JUDGE				0.50
MUNICIPAL COURT ADMINISTRATOR	1.00	1.00	1.00	1.00
SENIOR JUDGES CLERK				1.00
JUDGES CLERK	3.00	4.00	4.00	3.00
COURT CLERK	8.00	8.00	8.00	4.00
FILE CLERK	1.00	1.00	1.00	1.00
COMPLIANCE COORDINATOR				1.00
LEGAL ASSISTANT	1.00	1.00	1.00	1.00
FINANCIAL COORDIANTOR	1.00	1.00	1.00	1.00
MUNI COURT IT SPECIALIST			1.00	1.00
SETTLEMENT MASTER				1.00
<b>Total</b>	<b>16.85</b>	<b>17.85</b>	<b>18.85</b>	<b>17.35</b>

## 2018 Budget Highlights

- The Court is installing a new web-based software program that will provide for enhanced record keeping, electronic filing, expanded record access and document management and real-time data.
- The Court will integrate audio/video presentation systems in the courtrooms to better serve the public, other City departments, other partner agencies and private attorneys.
- The Court will install audio/visual equipment in the courtrooms to meet the needs of individuals who have hearing impairment or have deafness.
- The Court will install audio language translation equipment and software to provide more immediate service to individuals coming to the court who do not speak English as their primary language.
- Court requests funding to increase the .5 FTE appointed Assistant Judge to .85 FTE to better serve the needs of the public by providing a more consistent and trained Judge pool and expanded hours for public walk ins.
- Court will add an Administrative Assistant to better meet the administrative needs of a growing and changing court.

- Through additional staff and programmatic changes supported by City of Missoula taxpayers, the court will work to meet the recommendations proposed and adopted by City Council in the Missoula County Master Jail Diversion Plan.

## Performance Measures & Workload Indicators

### Performance Measures

Measure	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Monies collected that stay w ith the City w hich include fines, city surcharge, atty fees, NSF fees, crime victim surcharges, and time payment fees.	\$ 1,253,903	\$ 1,964,314	1,933,554	1,350,000
2 . Monies collected that go to other agencies w hich include state tech surcharges and police academy surcharges.	\$ 172,145	\$ 145,724	128,249	150,000
3 . Monies collected as restitution for victims.	\$ 93,521	\$ 140,126	139,926	70,000

### Workload Indicators

Indicator	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Citations processed	14,042	20,810	18,086	18,000
2 . Judge Trials Set	315	686	572	700
3 . Jury Trials Set	1351	1345	2080	2600
4 Hearings Held	NA	NA	15239	17752
5 Jury Trials Held	-	-	24	52
6 . Warrants issued	2218	3526	4203	3600
7 . Programs monitored *	2293	2713	1508	2000
8 . Bonds entered	2233	1232~	1078	1500
9 . Jail time served in days ‡	^	^	6343	5502
10 . Orders of Protection filed	267	351	245	400
11 . Accounts turned to collecitons ?	0	0	98	600
12 . Alcohol Monitoring *	374	155	172	540
13 . GPS Tracking	15	19	20	30
14 . Work Release ***	^	348	355	340
15 . Misdemeanor Probation +	194	209	75	206

\* Eff. FY17 report by Case. Past year Actuals reflect same defendant, same program, sentenced multiple times

\*\*\* Work Release used in lieu of jail due to jail space constraints. 88 failed to complete, 267 completed.

? Court did not turn accounts to collections in FY15 and FY16

^ Tracking methods not comparable to current tracking method.

# Proposed new program, FY15

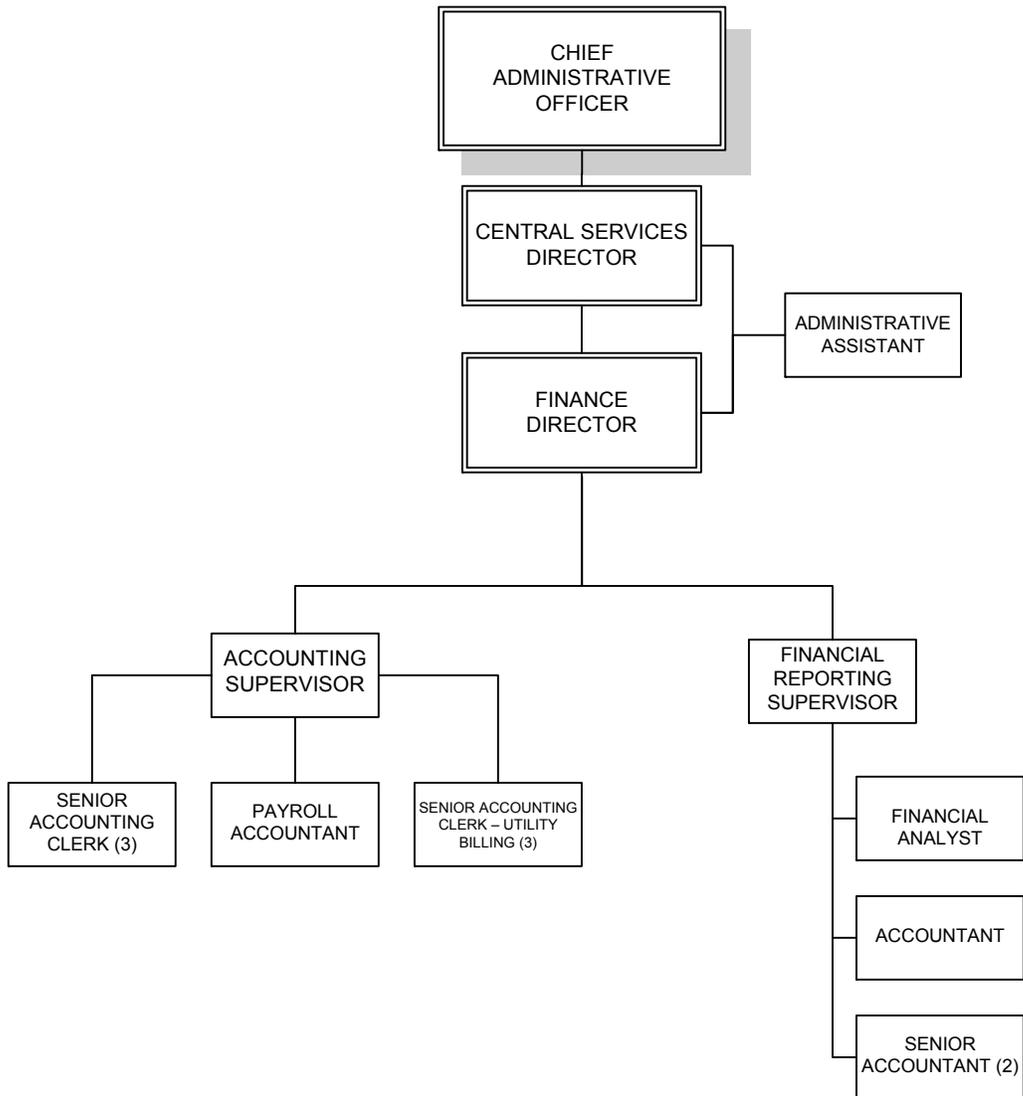
#1 Program not approved at budget process

~ Data converted to new tracking format

+ Reported number does not include Absconded w hile on Misd Prob



# Finance



### Program Description

The mission of the Finance/Budget division is to ensure that City’s financial resources are protected through sound financial management, including allocation of resources consistent with community goals and providing timely, accurate, and reliable information that will assist in making informed decisions.

The Finance Division provides a variety of financial services to the Council and City staff. Services include accounting and financial reporting, budgeting, payroll, accounts payable, special improvement district file maintenance and billing, project accounting, fixed asset management, grant management, utility billing and debt service record keeping and payments.

### City Strategic Plan & Department’s Implementation Strategy

Goal #1: Fiscal Sustainability

- Strategy: We will maintain or improve the level of service to citizens.
  - Completion of summarization of revenues, expenses, assets and liabilities in monthly, quarterly and annual reports – this is then reported to Mayor’s office, departments, council, citizens and creditors.
  - Completion and implementation of metered, flow based sewer rates for current and future sewer utility customers by the end of FY2018. This will be accomplished by using the results of the flow based utility study.
- Strategy: We will work toward sustaining and diversifying fiscal resources.
  - Balance budget within state law with minimal employee cuts while maintaining current services during time of economic stress.

### FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 852,393	\$ 1,022,990	\$ 957,522	\$ 1,020,168	\$ (2,822)	0%
Supplies	7,472	7,999	10,159	8,950	951	12%
Purchased Services	223,966	384,494	240,482	249,063	(135,431)	-35%
Miscellaneous	-	500	-	500	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 1,083,831</b>	<b>\$ 1,415,983</b>	<b>\$ 1,208,163</b>	<b>\$ 1,278,681</b>	<b>\$ (137,302)</b>	<b>-10%</b>

\* Un-audited numbers

## STAFFING SUMMARY

Title	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
FINANCE DIRECTOR	1.00	1.00	1.00	1.00
CHIEF ACCOUNTANT	1.00	1.00	1.00	-
SENIOR ACCOUNTANT	1.00	1.00	1.00	2.00
ACCOUNTING SUPERVISOR	2.00	1.00	-	-
FINANCIAL REPORTING SUPERVISOR	-	-	1.00	1.00
FINANCIAL SERVICES SUPERVISOR	-	-	1.00	1.00
PROJECT ACCOUNTANT	1.00	1.00	1.00	-
ACCOUNTING COORDINATOR	2.00	2.00	2.00	2.00
ACCOUNTANT	-	-	1.00	1.00
FISCAL ANALYST	1.00	1.00	-	-
PAYROLL ACCOUNTANT	1.00	1.00	1.00	1.00
SENIOR ACCOUNTING CLERK	3.00	4.00	5.00	5.00
ADMINISTRATIVE SECRETARY	0.50	1.00	1.00	1.00
BUSINESS LICENSE SPECIALIST	2.00	1.00	-	-
<b>Total</b>	<b>15.50</b>	<b>15.00</b>	<b>16.00</b>	<b>15.00</b>

## 2018 Budget Highlights

The City received its eighth Distinguished Budget Award from the Government Finance Office Association (GFOA) for its FY2017 published budget document. The City also received its seventeenth Certificate of Achievement from the GFOA for its FY2016 Comprehensive Annual Financial Report (CAFR).

## Performance Measures &amp; Workload Indicators

## Performance Measures

Measure	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . The Finance Department will produce a clean "unqualified" audit opinion.	100%	100%	100%	100%
2 . The Finance Department will produce client prepared work papers which are delivered to the auditors by the agreed delivery date.	100%	100%	100%	100%
3 . The Finance Department will receive the Government Finance Officer's Association's Certificate of Excellence in Financial Reporting award for the Comprehensive Annual Financial Report.	100%	100%	100%	100%
4 . The Finance Department will deliver the preliminary and final budget to the council by agreed delivery dates.	100%	100%	100%	100%

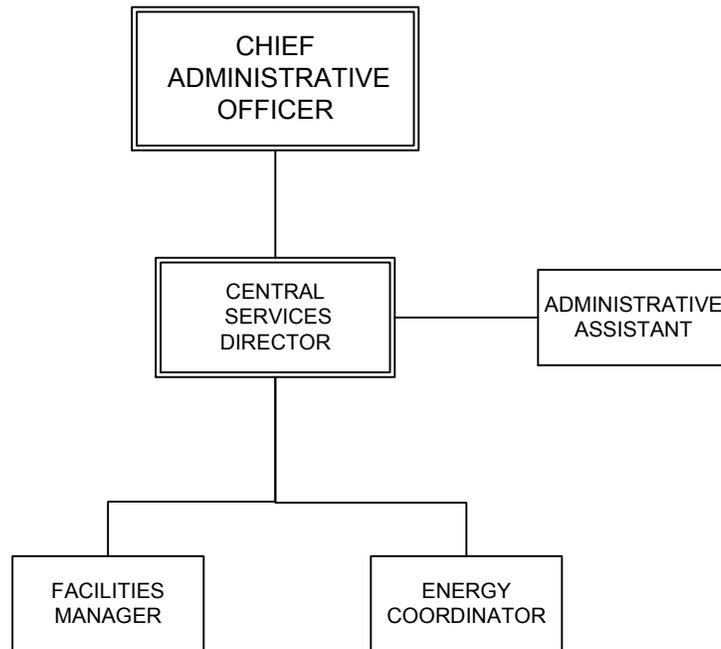
## Workload Indicators

Indicator	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Accounts Payable (Total claims paid)	\$ 41,639,953	\$ 41,345,102	\$ 53,534,932	\$ 86,371,073
2 . Sewer/Utility Billing (Total billed)	7,247,814	7,718,508	8,592,738	9,052,603
3 . Special Improvement District (Total billed)	2,221,813	2,221,810	2,516,030	2,293,148
4 . Payroll (Total salary wages paid)	44,352,974	45,951,641	49,044,332	56,548,942



# Central Services

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## Program Description

The Central Services Administration manages and/or oversees the functions of Labor Relations and Collective Bargaining, Energy Conservation, Finance, Human Resources, Information Technology (including Geographic Information Services), City Clerk, Fleet Management and Facilities Maintenance.

### City Strategic Plan & Division's Implementation Strategy

#### Goal #1: Harmonious Natural and Built Environment

- Strategy: We will make sure that our natural and built environment continue to represent Missoula's values of clean water and clean air.
  - Complete Zero Waste Baseline study in partnership with Republic Services.

#### Goal #2: Fiscal Sustainability

- Strategy: We will work towards sustaining and diversifying fiscal resources
  - Complete the impact fee study awarded to TischlerBise and update and present the results and any proposed recommendations to City Council.
  - Facilitate negotiations between Charter Communications and Moss & Barnett to renew franchise fee agreement that expires on January 1, 2018.
- Strategy: We will maintain or improve the level of service to citizens.
  - Develop a space needs assessment plan by coordinating administration, Facility Maintenance Supervisor and MMW Architecture to determine the current and ongoing space needs for the City of Missoula for the next 20 – 25 years.

## FINANCIAL SUMMARY

Budget by Object of	Actual	Amended	Actual	Adopted	Increase	Percent
Expenditure Category	FY 2016	FY 2017	FY 2017*	FY 2018	(Decrease)	Change
Personal Services	\$ 340,780	\$ 320,940	\$ 338,409	\$ 239,626	\$ (81,314)	-25%
Supplies	1,375	2,722	496	2,050	(672)	-25%
Purchased Services	14,493	58,845	44,778	58,350	(495)	-1%
Miscellaneous	-	5,000	-	-	(5,000)	-100%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 356,648</b>	<b>\$ 387,507</b>	<b>\$ 383,684</b>	<b>\$ 300,026</b>	<b>\$ (87,481)</b>	<b>-23%</b>

\* Un-audited numbers

## STAFFING SUMMARY

Title	Actual	Actual	Actual	Adopted
	FY 2015	FY 2016	FY 2017	FY 2018
CENTRAL SERVICES DIRECTOR	1.00	1.00	1.00	1.00
RISK MANAGER	1.00	1.00	1.00	-
ENERGY COORDINATOR	1.00	1.00	1.00	1.00
<b>Total</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>2.00</b>

## FY 2018 Budget Highlights

In FY 2017, the position of Risk Manager was vacated due to retirement. The decision was made not to fill the position, thus, it was removed from the Central Services budget, and the funding was transferred to the Human Resources Department for a newly established risk and safety position. This position will assume responsibility for the workers compensation-related performance measures and workload indicators listed below, as well as various other safety-related items, as soon as it is filled.

## Performance Measures &amp; Workload Indicators

## Performance Measures

Measure	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Increase safety awareness and practices reduce number of medical claims filed through MMA	48	37	45	45
2 . Through safety awareness reduce number of days lost due to work related injuries.	472	182	400	400
3 . Work with department personnel to lower Worker's Compensation mod factor to 1	1.12	1.10	1.07	1.07
4 . Develop and consult on Energy Conservation and Greenhouse Gas Reduction Activities with department heads (number of projects & policies).	24	19	15	10
5 . Comprehensively track energy consumption, costs and operational emissions (number of tracking systems)	1	2	2	2

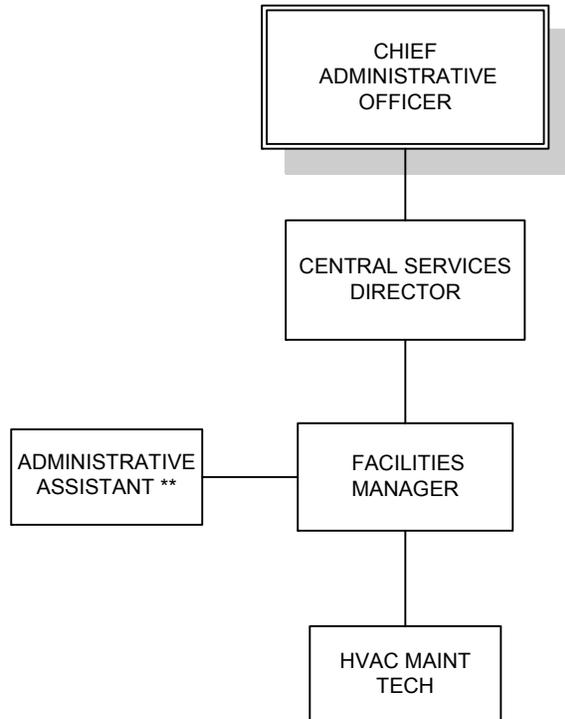
## Workload Indicators

Indicator	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Workers' compensation claims	69	47	84	60
2 . Number of energy conservation projects initiated	14	19	15	5
3 . Reduce operational greenhouse gas emissions by 5% below 2008 baseline.	100%	100%	100%	100%



# Central Services Facility Maintenance

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\*\* Administrative Assistant is shared between Fleet Maintenance & Facility Maintenance

### Program Description

The Facility Maintenance Department of Central Services is responsible for the management and maintenance of facilities owned by the City of Missoula: City Hall, City Council Chambers, City Shop Complex, Street Department, and the Missoula Art Museum at 209,173 total square feet. The Facility Maintenance Department, which was formerly combined with the City's Fleet Management function in Central Services, was established at the end of FY2017. FY 2018 is the first full budget year.

### City Strategic Plan & Department's Implementation Strategy

Goal #1:

- Strategy: Provide a safe, comfortable, productive building environment for City staff and the public.
  - Develop and implement a comprehensive building maintenance program.
  - Work to modernize City of Missoula facilities to conserve energy and resources through proactive maintenance, technology, and conservation

Goal #2

- Strategy: Be proactive with the City Facility Maintenance Department
  - Develop a current and future space needs plan for the City of Missoula facilities.
  - With the addition of our HVAC/Facility Maintenance Tech position (hired November FY 2018) look to reduce the cost of current maintenance contract by over 40-50%. Bring a larger percentage of maintenance in-house.
  - Work to complete the PD Evidence Building project in a timely fashion.

### FINANCIAL SUMMARY^

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ 163,728	\$ 163,728	
Supplies	-	-	-	19,585	19,585	
Purchased Services	-	-	-	458,139	458,139	
Miscellaneous	-	-	-	45,862	45,862	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 687,314</b>	<b>\$ 687,314</b>	

\* Un-audited numbers

^Department created in FY18

### 2017 Budget Highlights

NOTE: As stated above, Facility Maintenance was established as a separate and distinct division of Central Services in late FY 2017, thus, FY 2018 is the first full budget year for Facility Maintenance.

## STAFFING SUMMARY

Title	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
FACILITIES MANAGER	-	-	1.00	1.00
HVAC/MAINTENANCE TECH.	-	-	-	1.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1.00</b>	<b>2.00</b>

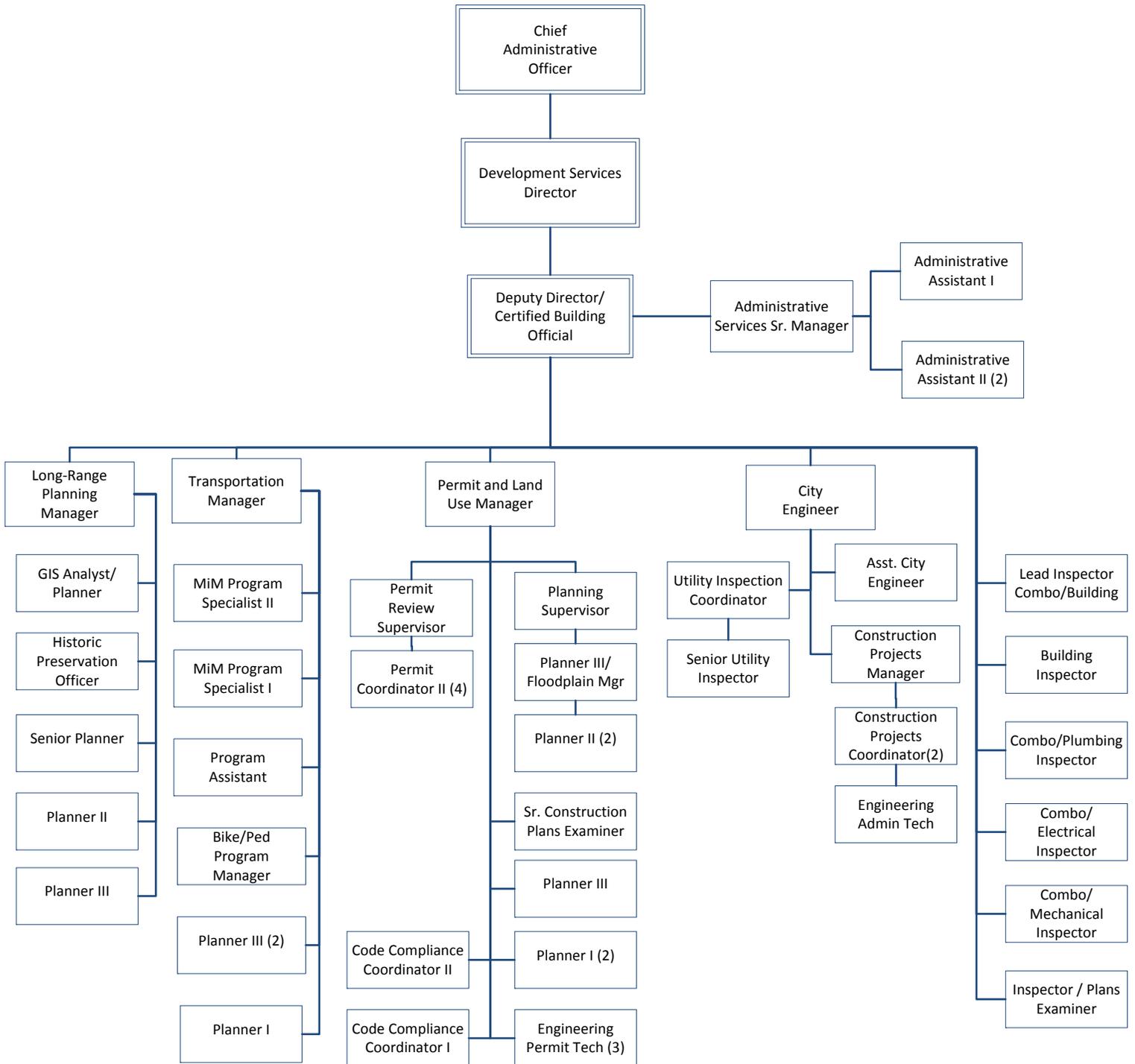
## Performance Measures &amp; Workload Indicators

## Workload Indicators

Indicator	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Total number of facility repair jobs completed.	1,214	1,261	2,730	1,420
2 . Total available facility labor hours budgeted.	2,080	2,080	2,080	2,080
3 Total number of direct facility labor hours on work order	1,587	1,768	1,825	1,725



# Development Services



## Program Description

Development Services combines land use planning, transportation planning, building and engineering services to create a “one-stop shopping” environment for the development community and the citizens of Missoula.

The Permits and Land Use Division is responsible for planning and zoning including taking planning applications to the City-County Planning Board, Design Review Board & Board of Adjustment. Division staff conduct plans review, issue permits, conduct site inspections and issue final approvals or Certificates of Occupancy for completed projects. Over 7,000 permits are issued and over 5,000 business licenses issued or renewed annually. The division is also responsible for floodplain administration and compliance with city codes and business license regulations. Building related permit revenues and expenses go to the Building Fund (Fund 2394). All other revenues and expenses go to the General Fund.

The Building Division is responsible for building plan review and inspecting and approving all new buildings, building additions and interior improvements as well as providing supplemental plans review assistance for major projects. It is funded entirely through the Building Fund (Fund 2394).

The City Engineering Division manages infrastructure capital projects including roads, sidewalks, trails and sewer projects as well as conducting utility locates and inspections. City Engineering Division staff also review and approve engineering plans for private development and review, approve and inspect infrastructure that will become publicly owned. Revenues and expenses for locates and inspections go to the General Fund. Administration fees charged to projects cover project management expenses.

The Planning Division is primarily funded by the Planning Mil through inter-local agreement with Missoula County (Fund 2250). The Division engages in long-range planning initiatives, data and information gathering, GIS mapping, maintenance of the city's Zoning Code and neighborhood outreach. The Historic Preservation Office is in the Planning Division. Historic Preservation is funded through the Planning Fund and a State Historic Preservation Office (SHPO) grant.

The Transportation Division is divided into staff working for the Missoula Metropolitan Planning Organization (MPO) and staff working in the City Bike/Ped and Missoula in Motion programs. The MPO is federally funded (Fund 2955) and Transportation Division staff work in support of regional transportation efforts (through inter-local agreement) with partners including Missoula County, Montana Department of Transportation and Mountain Line. The Bike/Ped and Missoula in Motion programs are supported by the Transportation Fund, CMAQ grants and private donations.

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## City Strategic Goals & Department's Implementation Strategy

### Goal #1: Funding and Service

- Strategy: We will maintain or improve the level of service to citizens.
  - Continue to refine the ACCELA Automation permitting system and continue to expand online services, mapping tools and easy access to helpful information
  - Streamline plan review, reduce costs and increase convenience to customers through implementation of Electronic Plan Review
  - Continue to expand resources on the website

### Goal #2: Harmonious Natural and Built Environment

- Strategy: We will reflect values of sustainability in transportation and building design.
  - Implement the strategies of the recently approved 2035 *Our Missoula* Growth Policy and updated Future Land Use Map and the *Activate Missoula* Long-Range Transportation Plan
  - Continue to streamline and implement Transportation Demand Management (TDM) programs that support sustainable transportation options and improve air quality through internal coordination between planning, engineering and transportation functions and leadership of the TDM Consortium with our outside TDM partners

- Expand upon the recently adopted commercial design standards to improve the visual appearance of the built-environment

**Goal #3: Quality of Life for all Citizens**

- Strategy: We will encourage sustainable development and redevelopment.
  - Continue to implement the “focus inwards” policy that was a cornerstone of the Growth Policy and continue to direct development toward areas that have the infrastructure and services to support it
- Strategy: We will support plans and programs that promote a healthy lifestyle for Missoula’s citizens
  - Focus on land use/transportation links that promote healthy lifestyles and continue to participate in active living and healthy communities initiatives
- Strategy: We will work to provide affordable housing for the workforce of Missoula
  - Investigate housing needs and work proactively to support and encourage the provision of affordable housing opportunities for the citizens of Missoula

Development Services is also responsible for the administration of the following Community Based Organizations:

**MISSOULA / RAVALLI TRANSPORTATION - Activity budget equals \$ 10,780**

This contribution is being provided to the Missoula Ravalli Transportation Management Association on the condition it raises three dollars in matching funds for every dollar the City of Missoula contributes up to a maximum of \$10,000. The use of the moneys will be dedicated to operating a commuter vanpool service, educating and promoting transportation demand management strategies to reduce energy consumption, improve air quality while mitigating traffic and parking congestion resulting from single occupancy vehicles. Matching funds will most likely come from the Montana Department of Transportation.

**MOUNTAIN LINE FARE SUBSIDY – Activity budget equals \$ 100,000**

The City of Missoula joins other major community agencies and organizations to fund a three-year zero-fare demonstration project for the Mountain Line bus system beginning Jan. 5, 2015, with the goal of significantly increasing ridership.

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 1,673,260	\$ 1,706,741	\$ 1,678,003	\$ 1,883,059	\$ 176,318	10%
Supplies	38,837	33,507	28,834	41,184	7,677	23%
Purchased Services	398,998	464,419	374,561	254,229	(210,190)	-45%
Miscellaneous	191,732	286,500	286,500	324,755	38,255	13%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 2,302,827</b>	<b>\$ 2,491,167</b>	<b>\$ 2,367,898</b>	<b>\$ 2,503,227</b>	<b>\$ 12,060</b>	<b>0%</b>

\* Un-audited numbers

**2018 Budget Highlights**

In FY 2017, through a budget amendment and re-allocation of funds, the Permits and Land Use Division completed a small re-organization that allowed the hiring of a Planner I and the creation of a Planner III / Floodplain Manager position to fulfill statutory obligations with in-house expertise. Minor changes are proposed in the FY 2018 operational budget to more accurately reflect spending habits and to capture increases in professional services fees/rates.

**New Requests**

- Development Services provided three new funding requests for personnel including a Planner III for the Long Term Planning Division, an Engineering Permit Tech I for Permits and Land Use Division, and a Staff Engineer for Engineering Division.

## STAFFING SUMMARY

Title	Actual	Actual	Actual	Adopted
	FY 2015	FY2016	FY2017	FY2018
DEVELOPMENT SERVICES DIRECTOR*	0.80	0.80	0.80	0.80
ASST. DIRECTOR DEV. SVCS./BUILDING OFFICIAL*	0.10	0.10	0.10	0.10
PERMIT REVIEW SUPERVISOR*	0.30	0.30	0.30	0.30
PERMIT COORDINATOR II*	0.30	0.30	-	-
PERMIT COORDINATOR II*	0.60	0.60	0.90	0.90
ADMIN. SVCS MANAGER/PROJECTS COOR.*	0.80	0.80	0.80	0.80
PERMIT/LICENSE COORDINATOR II	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT II	2.10	2.10	2.10	1.40
ADMINISTRATIVE ASSISTANT I				0.70
CITY ENGINEER	1.00	1.00	1.00	1.00
ASSISTANT CITY ENGINEER				1.00
CONSTRUCTION PROJECT MANAGER	1.00	1.00	1.00	
ENGINEERING PERMIT TECHNICIAN I	1.00	1.00	2.00	2.00
ENGINEERING PERMIT TECHNICIAN II	1.00	1.00	-	1.00
CONSTRUCTION PROJECT COORDINATOR	2.00	2.00	2.00	2.00
SENIOR CONSTRUCTION PROJECT COORDINATOR	1.00	1.00	1.00	1.00
STAFF ENGINEER				1.00
CODE COMPLIANCE MANAGER	1.00	1.00	-	-
SENIOR UTILITY INSPECTOR	1.00	1.00	1.00	1.00
UTILITY INSPECTOR COORDINATOR	1.00	1.00	1.00	1.00
CODE COMPLIANCE COORDINATOR I	0.50	1.00	1.00	1.00
CODE COMPLIANCE COORDINATOR II		1.00	1.00	1.00
PERMIT & LAND USE MANAGER	1.00	1.00	1.00	1.00
PLANNER I	2.00	2.00	-	2.00
PLANNER II**	1.00	0.75	3.75	1.75
PLANNER III	1.00	1.00	1.00	1.00
PLANNER III / FLOODPLAIN MANAGER			1.00	1.00
GIS/PLANNER II**	-	-	-	-
PLANNING SUPERVISOR	1.00	1.00	1.00	1.00
<b>Total</b>	<b>22.50</b>	<b>23.75</b>	<b>24.75</b>	<b>26.75</b>

\*Some positions are partially funded in 2934, Building Inspection

\*\*Position was moved to new funding code for FY2015 - 2250 Planning

FY17 second Compliance Coordinator added - Planner III/Floodplain Mgr position created - Planner I added  
FY18 Construction Project Manager retires and 2 new FTE proposed

## Performance Measures &amp; Workload Indicators

## Performance Measures

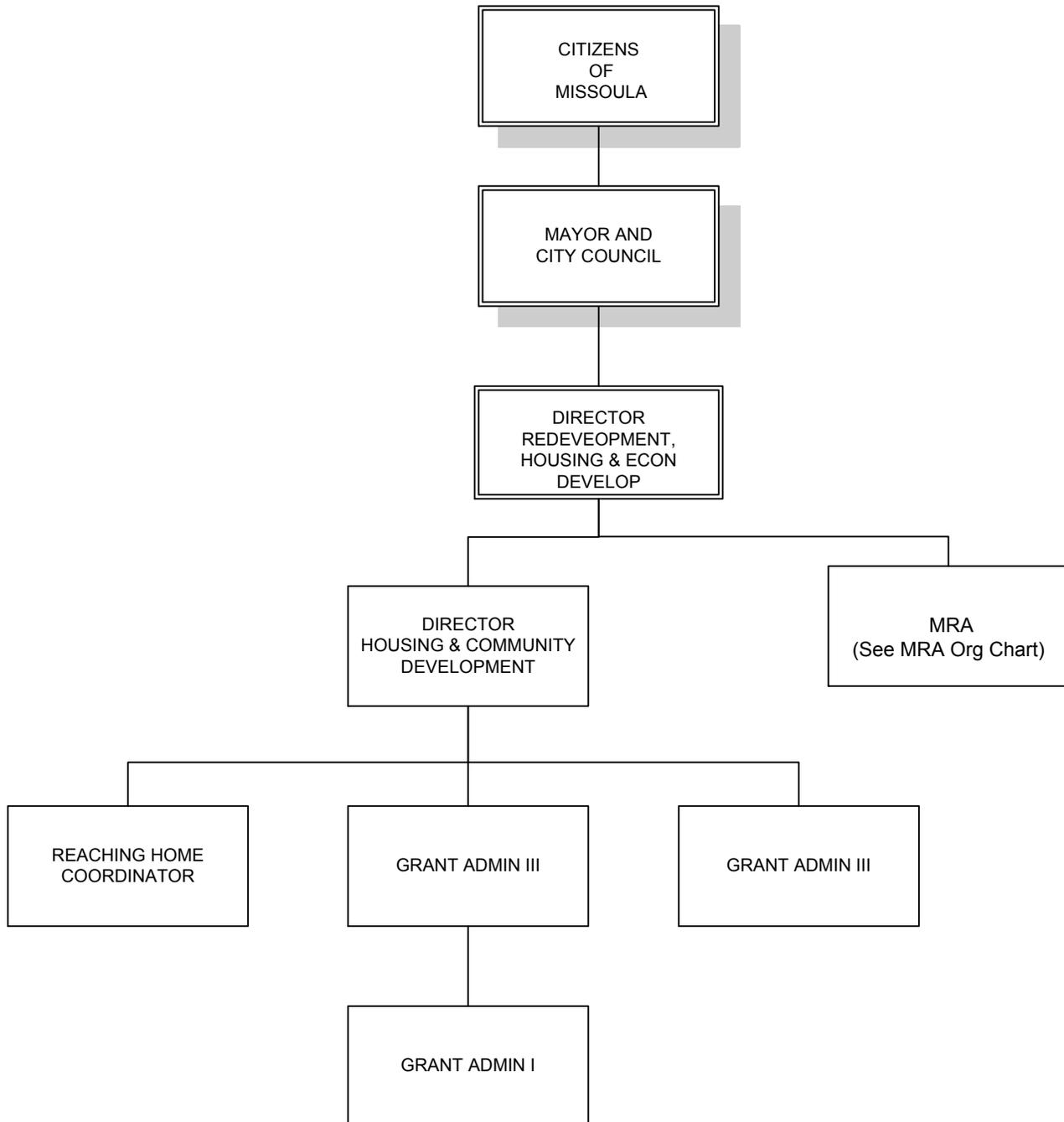
Measure	Actual FY2015	Actual FY2016	Actual FY2017	Adopted FY2018
1 . Development Services' multi-dw elling and commercial building permit review should be completed in three w eeks or less.	99%	99%	99%	99%
2 . Development Services' residential building permit review should be completed in tw o weeks or less.	99%	99%	99%	99%
3 . Fulfilled the programmatic requirements of the Unified Planning and Work Program (UPWP) and completed specific planning projects and processes on time.	100%	100%	100%	100%
4 . City Planning Division maintenance of Zoning code and Subdivision regulations	100%	100%	100%	100%
5 . City Planning Division annual Urban Fringe Development Area Yearbook provides comprehensive tracking of community services and natural resource impacts along w ith new development patterns.	100%	100%	100%	100%

## Workload Indicators

Indicator	Actual FY2015	Actual FY2016	Actual FY2017	Adopted FY2018
1 Miles of new & RR sidewalk installed annually	2.84	3	4	4
2 Miles of new & RR curb		3	4	3
3 Lineal feet of sanitary sewer main installed	7,263	16,610	15,132	15,000
4 New /Repairs of Sewer Services	556	712	456	600
5 Right-of-way permits issued	299	327	212	300
6 Excavation permits issued	716	742	626	600
7 Sewer utility locates completed	1,216	664	1,070	700
8 Building permits reviewed	1,427	1,515	1,082	1,500
9 Sign Permits	141	157	83	120
10 Zoning Compliance Permits			34	35
11 Acres/Number of new annexations of property	156	181	6	5
12 Rezones		3	4	3
13 Subdivision Phasing Plan Amendments	-	3	2	1
14 Subdivision Final Plats		5	3	3
15 Suddivision Minor Adjustments		1	4	4
16 Subdivision - New Request			2	1
17 Subdivision exemption review s	22	38	24	15
18 Board of Adjustment Applications	5	14	7	5
19 Design Review Board	15	11	8	9
20 Conditional Use Applications	12	8	13	15
21 Complaints assessed for violations			417	425
22 Community Presentations Given*	10	5	3	5



# Redevelopment, Housing & Economic Development



## Program Description

In order to create and implement effective housing policy and programs for our community, the city established the office of Housing and Community Development (HCD) in 2017. HCD is responsible for creating and implementing housing policy that will put Missoula on the right track to meet our present and growing housing demand for all income levels and specialized needs.

The Housing and Community Development office also administers Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME) federal entitlement grant programs. In addition to these grant programs, HCD supports the redevelopment of contaminated properties through the administration of federal Brownfields grants, as awarded by the Environmental Protection Agency. HCD is responsible for ensuring these federal funds are used to maximize and leverage local dollars to meet shared objectives in the areas of housing and economic development for Missoula's citizens.

In addition to policy development and grant management, HCD administers Reaching Home: Missoula's 10 Year Plan to End Homelessness. This includes the direct administration of the At Risk Housing Coalition (ARHC), oversight of Missoula's Coordinated Entry System, and facilitation of Project Homeless Connect.

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## City Strategic Plan & Division's Implementation Strategy

### Goal #1: Funding and Service

- Strategy: We will work with public and private sector partners in greater numbers to find new ways to enhance and diversify Missoula's economy.
  - The Office of Housing and Community Development will employ the use of Brownfields Assessment and Cleanup grants and loans to support redevelopment and economic development initiatives within the city of Missoula. In FY2018 the Brownfields program will directly fund over \$700,000 in hazardous cleanup, spurring millions of dollars in redevelopment work.
  - The Office of Housing and Community Development will make available through competitive application the use of CDBG funds to support eligible economic development initiatives that benefit low to moderate income citizens and that support job growth, including broadband initiatives.

### Goal #2: Harmonious Natural and Built Environment

- Strategy: We will work to provide citizens access to parks, open spaces and the natural environment.
  - The Office of Housing and Community Development will identify community priorities that support access to parks and the natural environment through our annual Community Needs Assessment process. HCD will make available through competitive application the use of CDBG funds to support park creation, repair, and enhancement in areas serving low to moderate income citizens.

### Goal #3: Quality of Life for all Citizens

- Strategy: We will work to provide affordable housing for the work force of Missoula.
  - The Office of Housing and Community Development will continue to support new construction, rehabilitation, and acquisition of housing dedicated to low to moderate income citizens of Missoula through the strategic use of CDBG and HOME funds. Pending federal allocation, over \$700,000 will be allocated to these activities. HCD will also continue to provide rental assistance to families making below 60% of the area median income. In FY2018, \$75,000 has been allocated to Tenant Based Rental Assistance. In addition to housing activities, CDBG funds will be used to provide basic services to people living in poverty and homelessness. Pending federal allocation, approximately \$77,000 will be dedicated to the provision of social services for citizens making below 50% of the area median income. These funds will be granted to area non-profits in alignment with our approved Consolidated Action Plan.
  - The Office of Housing and Community Development will work with public and private partners to create and implement comprehensive city-wide housing policy that will put Missoula on the right track to meet our present and growing housing demand for all income levels and specialized needs.

- o The Office of Housing and Community Development will facilitate Reaching Home: Missoula's 10 Year Plan to End Homelessness, to ensure progress is made on the benchmarks outlined in the adopted plan. Additionally, the office will facilitate the work of the At Risk Housing Coalition and the Missoula Continuum of Care, to provide ongoing support to our non-profit community that serves at-risk and homeless citizens and to ensure compliance with federal mandates regarding Coordinated Entry Systems.

The Office of Housing and Community Development is also responsible for oversight and management of general fund allocations to the following Community Based Organizations:

**MISSOULA ECONOMIC PARTNERSHIP - Activity budget equals \$ 100,000**

The Missoula Economic Partnership was launched in 2011 to assist local businesses and startups as they grow, to attract best-fit companies to our area and to help businesses with relocation to the Missoula area. Our expertise includes securing capital through public funding sources, business planning, and real estate/relocation, facility siting, local and county processes, connecting with The University of Montana and tapping the local workforce.

**PARTNERSHIP HEALTH CENTER CONTRIBUTION - Activity budget equals \$ 42,532**

This program represents the City's share of a community health center, known as the Partnership Health Center, founded and funded by the City of Missoula, Missoula County, City/County Health Department, local physicians, St. Patrick's Hospital and Community Medical Center. The program objectives are provided in the Health Department's section of this budget.

**CULTURAL COUNCIL CONTRIBUTION - Activity budget equals \$ 116,000**

Missoula Cultural Council is the designated arts and cultural agency for the city of Missoula. As such we provide services that in other cities are maintained by a cultural commission in city hall. Those services include: Maintaining the sister-city program for the city of Missoula with Neckargemünd, Germany and Palmerston, New Zealand; Promoting art and culture as economic development with periodic economic impact studies and providing citizen education on the economic importance of art and culture; Developing a central community event planning calendar which is linked to the city website; Developing a website that is a resource for the community's galleries, museums, artists, organizations and venues; Providing information of arts and cultural events and activities through weekly e-mails and monthly First Friday Gallery Night information.

**INTERNATIONAL CHORAL FESTIVAL - Activity budget equals \$ 12,000**

This contribution will assist this non-profit in the difficult task of raising enough funds to produce this event once every three years.

**FINANCIAL SUMMARY^**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ 208,055	\$ 102,027	\$ 324,587	\$ 116,532	56%
Supplies	-	3,666	10,291	10,666	7,000	191%
Purchased Services	-	133,856	63,704	32,529	(101,327)	-76%
Miscellaneous	-	319,032	322,303	351,532	32,500	10%
Debt Service	-	-	-	-	-	
Capital Outlay	-	8,500	-	4,000	(4,500)	-53%
<b>Total</b>	<b>\$ -</b>	<b>\$ 673,109</b>	<b>\$ 498,325</b>	<b>\$ 723,314</b>	<b>\$ 50,205</b>	<b>7%</b>

\* Un-audited numbers

^New Department for FY17

STAFFING SUMMARY

Title	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
HOUSING DIRECTOR	-	-	1.00	1.00
GRANTS ADMINISTRATOR III	-	-	1.00	1.00
GRANTS ADMINISTRATOR III	-	-	1.00	1.00
GRANTS ADMINISTRATOR I	-	-	-	1.00
REACHING HOME COORDINATOR	-	-	-	1.00
<b>Total</b>	-	-	<b>3.00</b>	<b>5.00</b>

\* Dept created in FY17

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Establish monitoring and reporting compliance for all federal funds (to include the CAPER, Action Plan, and ConPlan).			100%	100%
2 . Execute grant contracts for projects in alignment with local and federal initiatives.			100%	100%
3 . Draft and present to council a comprehensive housing policy to meet the current and growing demand for affordable housing.				100%
4 . Provide predevelopment consultation and support to both non-profit and for profit developers to encourage construction of mixed income housing.			75%	75%
5 . Meet benchmarks outlined in Reaching Home: Missoula's 10 Year Plan to End Homelessness through increased oversight and alignment of goals.			75%	75%

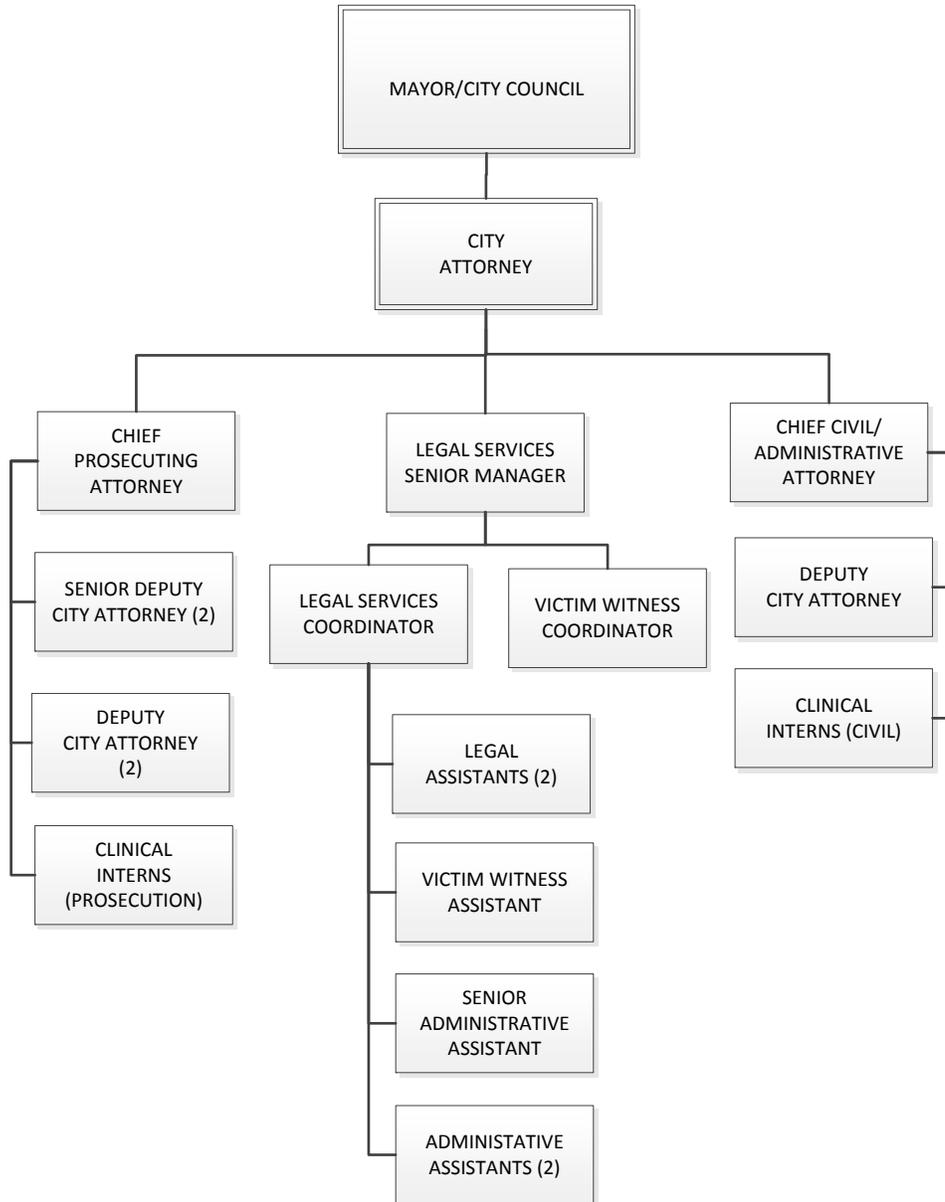
Workload Indicators

Indicator	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Provide predevelopment consultation and support to developers.			4	6
2 . Subsidize affordable housing construction, acquisition, or rehab projects.			2	3
3 . Subsidize redevelopment of hazardous or contaminated properties through assessment and/or cleanup.			5	4
4 . Contract with non-profits to provide basic services for 50% AMI households.			6	4

\* Dept created in FY2017



# City Attorney's Office



## Program Description

The City Attorney is the chief legal advisor for the Mayor, City Council, and all City departments. The City Attorney's Office also provides limited legal services to the Missoula Housing Authority and Missoula Urban Transportation District. The City Attorney's Office prosecutes misdemeanor violations of state and city law as well as city ordinance civil infractions filed in Missoula Municipal Court.

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## City Strategic Plan & Department's Implementation Strategy

### Goal #1: Funding and Service

- Deliver high quality, cost effective legal services to the City administration, City Council, City officials, and City employees that are responsive to the City's adopted policies, goals and objectives to position the City to deliver services and improve the community in a changing economy and society.
  - Strive to timely keep abreast of legislative and judicial changes in the law as well as effectively and competently represent the City in all legal proceedings and forums involving the City.
- Provide risk management guidance to assist the City in minimizing its financial vulnerability to claims and lawsuits.
  - Assist the City Administration in attempting to attain liability and workers' compensation reduced experience modification factors from the preceding year and most importantly strive to attain experience modification factors significantly less than 1.0.

### Goal #2: Quality of Life for All Citizens

- Increase the safety of victims of personal crimes and the community as a whole by working to increase convictions and accountability of offenders in compliance with sentencing mandates such as counseling and substance monitoring.
- Implement and comply with Constitutional Initiative 116, the Montana Crime Victims' Rights Initiative (commonly referred to as Marsy's Law).
- Enhance the public's sense of safety in their communities.
  - Aggressively prosecute high misdemeanor crimes that occur in the City with a focus on sexual assault, domestic violence, DUI, criminal mischief and theft.

The Attorney's Office is also responsible for the following Community Based Organizations:

#### **ALTERNATIVE DISPUTE RESOLUTION** - Activity budget equals **\$ 7,200**

This is for a donation to the Community Dispute Resolution Center (CDRC). The CDRC provides low-cost or free mediation services and conflict resolution education to the Police Department and for the Neighborhood Councils.

#### **HEALTHY RELATIONSHIP PROGRAM** – Activity budget equals **\$160,618**

This is the amount of money that is transferred to the Missoula County Crime Victim Advocates Program. The Healthy Relationships Project Coordinator builds, coordinates, and provides training and support for coalitions of community members working to prevent teen dating violence and intimate partner violence (IPV) for the Missoula County Department of Grants and Community Programs.

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## FINANCIAL SUMMARY

Budget by Object of	Actual	Amended	Actual	Adopted	Increase	Percent
Expenditure Category	FY 2016	FY 2017	FY 2017*	FY 2018	(Decrease)	Change
Personal Services	\$ 1,220,754	\$ 1,290,548	\$ 1,280,294	\$ 1,403,021	\$ 112,473	9%
Supplies	7,187	7,631	6,889	7,631	-	0%
Purchased Services	47,570	52,861	40,346	53,344	483	1%
Miscellaneous	155,535	167,818	167,818	167,818	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	4,289	4,289	
<b>Total</b>	<b>\$ 1,431,046</b>	<b>\$ 1,518,858</b>	<b>\$ 1,495,347</b>	<b>\$ 1,636,103</b>	<b>\$ 117,245</b>	<b>8%</b>

\* Un-audited numbers

## STAFFING SUMMARY

Title	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
City Attorney	1.00	1.00	1.00	1.00
Prosecution Services Lead Prosecutor	-	-	-	1.00
Chief Civil/Admin Attorney	1.00	1.00	1.00	1.00
Chief Prosecuting Attorney	1.00	1.00	1.00	-
Senior Deputy City Attorney	3.00	3.00	2.00	2.00
Deputy City Attorney	1.70	2.00	3.00	3.00
Deputy City Attorney (Grant)	0.30	-	-	-
Legal Services Administrative Senior Man	-	-	-	1.00
Legal Services Administrative Manager	1.00	1.00	1.00	-
Legal Services Coordinator	-	-	-	1.00
Legal Services Technology Specialist	-	1.00	1.00	-
Victim Witness Coordinator	-	-	-	1.00
Senior Legal Assistant	1.00	1.00	1.00	-
Victim Witness Legal Assistant	-	-	-	1.00
Legal Assistant	3.00	2.00	2.00	2.00
Senior Legal Administrative Assistant	1.00	1.00	1.00	1.00
Legal Administrative Assistant	2.00	2.00	2.00	2.00
<b>Total</b>	<b>16.00</b>	<b>16.00</b>	<b>16.00</b>	<b>17.00</b>

## 2018 Budget Highlights

The Attorney's Office applied for and received a grant earmarked for victim services under Marsy's Law. While Marsy's Law was struck down by the Montana Supreme Court, the monies were distributed and earmarked for improving services to victims in the City Attorney's Office. The grant has a duration of two years and funds 80% of a new victim/witness assistant position in the office. Many improvements to standard processes are being instituted in victim services including initial notifications, more frequent contact and notice to victims throughout the proceedings, and implementation of electronic resources to check the progress of the case, fill out and submit forms to the City Attorney's Office online and check the status at any time. The 2017 Legislature also passed a law allowing an offender to petition the district court to expunge prior misdemeanor criminal offense convictions. The law requires victim contact to determine the victim's position on the expungement. These cases are typically five or more years old

and finding the victim can be difficult and time consuming. Locating victims will be accomplished with assistance from the grant-funded employee.

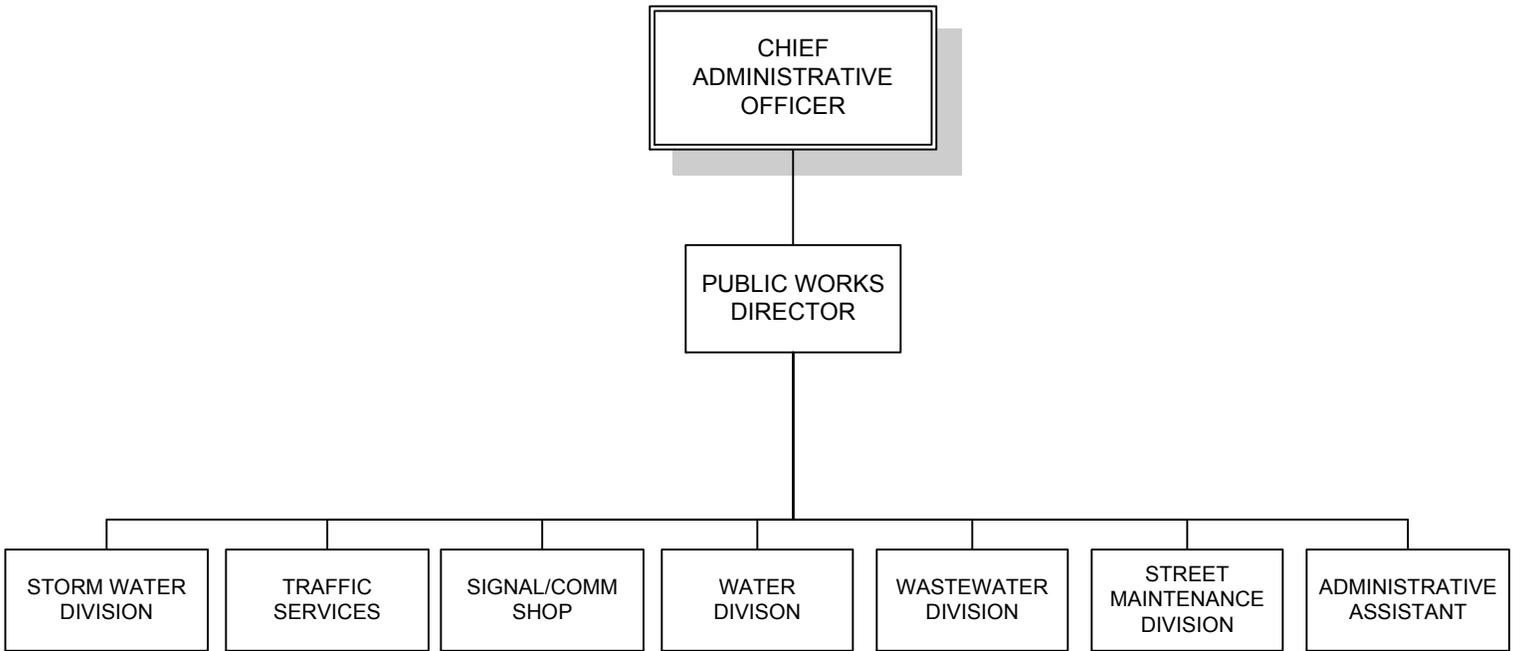
### Workload Indicators

Indicator	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
<b>CIVIL DIVISION</b>				
1 . Contracts/agreements review ed	121	374	533	374
2 . Subdivisions/amended plats/certificates of survey review ed	35	35	34	35
3 . Confidential Criminal Justice Information requests review ed	32	13	36	13
3 . Legal opinions issued	35	35	46	35
<b>CRIMINAL DIVISION</b>				
1 . New Cases	3,018	3,777	4,238	3,777
1a . Misdemeanor	2,712	3,610	3,807	3,610
1b . PTR*	200	17	N/A	-
1c . Charging Review s	46	50	79	50
1d . Driver's License Reinstatement District Court	45	50	48	50
1e . Investigative Subpoena	12	8	15	8
1f . Code Violation	3	12	3	12
1g . Restitution			281	
2 . Partner Family Member Assault new cases	175	168	190	168
3 . Order of Protection and No Contact Violation new cases	66	66	49	66
4 . Sexual Assault new cases	14	17	7	17
5 . DUI (§ 61-8-401 / § 61-8-411 / § 61-8-465 MCA) new cases	335	282	324	282
6 . Unlaw ful Refusal of Breath or Blood Alcohol/Drug Test new cases	203	157	158	157
7 . Charges added (may have multiple charges in one case)	7,735	7,598	8,935	7,598
8 . PTRs prepared (multiple petitions often needed for compliance)	452	318	266	318
*PTRs are no longer a separate case				



# Public Works Administration

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## Program Description

The Public Works Administration Department oversees the divisions that promote, manage, and maintain the City's public infrastructure, including the street system, street signs and lights, traffic signals, wastewater treatment plant and sewer system, storm water system, and water system—all of which are essential for a thriving local economy and a high quality of life for Missoula's citizens.

The Department's Sign Shop installs and maintains street signs, lane striping, and curb painting. The Communications and Signals Shop installs and repairs traffic signals and City-owned street lights. Communications staff also install and maintain communications equipment in all City-owned vehicles, from snow plows to police cruisers.

The Storm Water Division manages and monitors storm water system infrastructure, monitors discharge of rain and snow runoff into local waterways, monitors and maintains storm drains and outfalls, provides education in an effort to prevent pollutant discharge into the storm water system, monitors and maintains the levees, and ensures the City's storm water system complies with state and federal water quality standards.

For a detailed description of the Street Maintenance Division, see the General Fund—Street Maintenance Division section, for the Wastewater Division, see the Wastewater Fund—Wastewater Division portion, and for the Water Division, see the Missoula Water Fund—Water Division portion of this document.

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## City Strategic Goals & Department's Implementation Strategy

### Goal #1: Fiscal sustainability

- Strategies: We will maintain or improve the level of service to citizens.
  - Engage and encourage staff to develop creative solutions for delivering services and achieving productivity goals using current funding levels. Implement selected solutions.
  - Establish alternative funding sources for essential Public Works services, and research potential new sources annually.
  - Effectively communicate with the City Council and other citizens to improve their understanding of Public Works programs and services.
  - Continue to address citizen-reported traffic service concerns regarding system maintenance and improvement.

### Goal # 2: Harmonious natural and built environment

- Strategies: We will make sure that our natural and built environments continue to represent Missoula's values of clean water and clean air.
    - Continue to research and apply for all grant programs supporting clean air and water as well as energy conservation programs supporting the natural environment.
    - Continue to provide high-quality street and traffic services and maintenance so that citizens can safely navigate city streets.
    - Advance the storm water management program to better protect the natural environment by further preventing contaminants from entering local waterways.
    - Continue to work with the Montana Department of Environmental Quality to comply with state and federal regulations for Municipal Separate Storm Sewer Systems.
    - Proactively protect Missoula's waterways by partnering with Missoula County in the operation of a Household Hazardous Waste collection site that will regularly collect certain household hazardous waste materials to prevent them from ending up in the rivers or storm sewer system.
-

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 697,200	\$ 759,463	\$ 727,135	\$ 752,867	\$ (6,596)	-1%
Supplies	107,239	103,315	108,646	103,315	-	0%
Purchased Services	193,196	165,495	208,191	173,749	8,254	5%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 997,635</b>	<b>\$ 1,028,273</b>	<b>\$ 1,043,972</b>	<b>\$ 1,029,931</b>	<b>\$ 1,658</b>	<b>0%</b>

\* Un-audited numbers

**STAFFING SUMMARY**

Title	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
PUBLIC WORKS DIRECTOR	1.00	1.00	1.00	1.00
TRAFFIC SERVICES COORDINATOR	1.00	1.00	1.00	1.00
TRAFFIC MAINTENANCE WORKER II	2.00	2.00	2.00	2.00
SEASONAL LABOR	1.42	1.42	1.53	1.53
COMMUNICATION SHOP SUPERVISOR	1.00	1.00	1.00	1.00
ELECTRONIC TECHNICIAN	2.00	2.00	2.00	2.00
<b>Total</b>	<b>8.42</b>	<b>8.42</b>	<b>8.53</b>	<b>8.53</b>

**Workload Indicators**

**Workload Indicators**

Indicator	Actual FY2015	Actual FY2016	Actual FY2017	Adopted FY2018
1 . Miles of streets/alleys in the City limits	380	380	383	383
2 . Hours of traffic signal maintenance annually	2,440	2,440	2,440	2,230
3 . Hours of street/traffic sign maintenance annually	2,000	2,000	2,000	2,000
4 . Hours of street painting and striping annually	1,500	2,600	2,600	2,600
5 . Hours to install fleet radios/electronics annually	1,020	1,020	1,020	1,000
6 . Hours to repair/maintain fleet radios/electronics annually	1,680	1,680	1,680	2,122

## 2018 Budget Highlights

In FY2018, Public Works Administration welcomes its new Missoula Water Division employees and is prepared to support the Division's activities that provide water services to the citizens and businesses of Missoula. Efforts to replace older water mains that have reached the end of service life will continue. Some essential projects planned for FY2018 include water infrastructure improvements on West Kent Ave., Gerald Ave., South 2<sup>nd</sup> St., and Scott St.

Missoula Water will also coordinate construction projects with the Wastewater, Storm Water, and Street Maintenance divisions so that repair or replacement work on City utilities can be completed all at the same time. This will allow the City to consolidate engineering, planning, and other tasks on each project, as well as avoid the need to excavate and repair roadways on multiple occasions over a few years' time.

Additionally, Public Works Administration continues to support the Storm Water Division's efforts to comply with the 2017-2021 Storm Water Discharge Permit in accordance with Department of Environmental Quality (DEQ) regulations. The Division has a rate study and facility plan underway that will provide the background information and guidance necessary to address stringent mandates for preventing pollutants from entering local waterways.

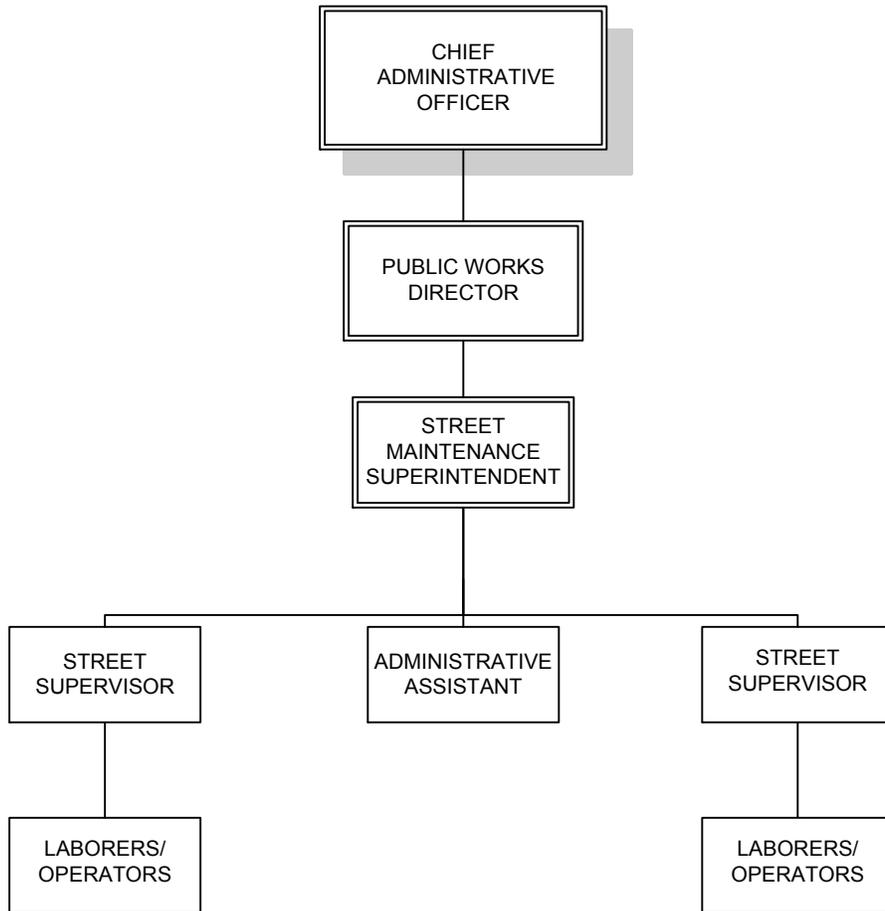
### **New Requests**

- Funding to evaluate street pavement conditions and create a database of these conditions so that a systematic plan for pavement maintenance can be developed. This plan will optimize how street pavement dollars are expended by prioritizing pavement maintenance according to pavement condition, traffic level, and cost.
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# Street Maintenance Division

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## Program Description

The Street Maintenance Division has the responsibility for maintaining the convenience and insuring the safety of the public streets, alleys, and public rights-of-way for the use by the public. The Division provides for this responsibility by implementing programs for street cleaning; leaf pickup and removal; street patching and major maintenance; snow and ice control; storm water drainage facility maintenance; alley grading; reconstruction of streets; maintenance of state routes within the City; major street construction projects; and other projects for other departments and the community in general.

### City Strategic Plan & Department's Implementation Strategy

#### Goal #1: Funding and Service

- Strategy: We will maintain or improve the level of service to citizens.
  - Upgrade Asset Management System as part of implementation of Accela Automation, resulting in improved mapping functionality for Street Division.
- Strategy: We will work toward sustaining and diversifying fiscal resources.
  - Negotiate continuance of contract with MDT for providing services on MDT routes.
- Modify winter shifts to improve snow plowing operations and achieve higher levels of service on residential streets.

#### Goal #2: Harmonious Natural & Built Environment

- Strategy: We will make sure that our natural and built environments continue to represent Missoula's values of clean water and clean air.
  - Implement utilization of asphalt recycler to reduce waste in the landfill and improve service to community by having hot asphalt available for patching in winter.

## FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 2,168,780	\$ 2,260,577	\$ 2,092,631	\$ 2,332,844	\$ 72,267	3%
Supplies	571,355	474,736	631,994	474,736	-	0%
Purchased Services	53,065	56,342	44,261	56,569	227	0%
Miscellaneous	30,086	92,763	68,840	92,763	-	0%
Debt Service	-	-	-	-	-	-
Capital Outlay	50,835	104,814	293,387	104,814	-	0%
<b>Total</b>	<b>\$ 2,874,121</b>	<b>\$ 2,989,232</b>	<b>\$ 3,131,113</b>	<b>\$ 3,061,726</b>	<b>\$ 72,494</b>	<b>2%</b>

\* Un-audited numbers

**STAFFING SUMMARY**

<b>Title</b>	<b>Actual FY 2015</b>	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Adopted FY 2018</b>
STREET SUPERINTENDENT	1.00	1.00	1.00	1.00
ADMINISTRATIVE SECRETARY	1.00	1.00	1.00	1.00
STREET SUPERVISOR	1.00	1.00	1.00	1.00
STREET SUPERVISOR	1.00	1.00	1.00	1.00
FINISH BLADE OPERATOR	1.00	1.00	1.00	1.00
SECOND BLADE OPERATOR	1.00	1.00	1.00	1.00
LABORER/OPERATOR	6.00	6.00	6.00	6.00
SEASONAL OPERATOR	0.50	0.50	0.50	0.50
SEASONAL OPERATOR	0.50	0.50	0.50	0.50
SEASONAL OPERATOR	0.50	0.50	0.50	0.50
SEASONAL OPERATOR	0.50	0.50	0.50	0.50
SEASONAL OPERATOR	0.25	0.25	0.75	0.25
SEASONAL OPERATOR	0.25	0.25	0.75	0.25
OPERATOR	9.00	9.00	9.00	9.00
TANDEM TRUCK OPERATOR	1.00	1.00	1.00	1.00
TANDEM TRUCK OPERATOR	1.00	1.00	1.00	1.00
TANDEM TRUCK OPERATOR	1.00	1.00	1.00	1.00
TANDEM TRUCK OPERATOR	1.00	1.00	1.00	1.00
LABORER/OPERATOR	1.00	1.00	1.00	1.00
<b>Total</b>	<b>28.50</b>	<b>28.50</b>	<b>29.50</b>	<b>28.50</b>

## Performance Measures &amp; Workload Indicators

## Performance Measures

Measure	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Percentage of planned City blocks reconstructed.	100%	100%	90%	100%
2 . Percentage of planned City blocks chip and sealed.	100%	88%	90%	100%
3 . Percentage of planned City blocks reclaimed.	0%	0%	0%	0%
4 . Percentage of City blocks overlayed w ith asphalt.	100%	100%	90%	100%
5 . Operate Roscoe patch truck 400 hours per year, depending on oil availability	90%	86%	68%	100%
6 . Crack seal pavement of City streets 2000 hours	3%	11%	6%	100%
7 . Clean 25% of drainage sumps.	31%	51% n/a		100%
8 . Install 15 new sumps.	100%	33%	120%	100%
9 . Re-dig 15 existng sumps	100%	86%	140%	100%
10 . Sw eep all commercial areas and state routes once per month	100%	100%	100%	100%
11 . Sw eep the dow ntown business district once per week.	100%	100%	100%	100%
12 . Sw eep sand during w inter priority sw eeping schedule.	100%	100%	100%	100%
13 . Sw eep Allied Waste landfill once per week in exchange for sw eeping disposal.	100%	100%	100%	100%
14 . Pick up all leaves that fall on boulevard/street and recycle through EKO Compost.	90%	90%	90%	90%

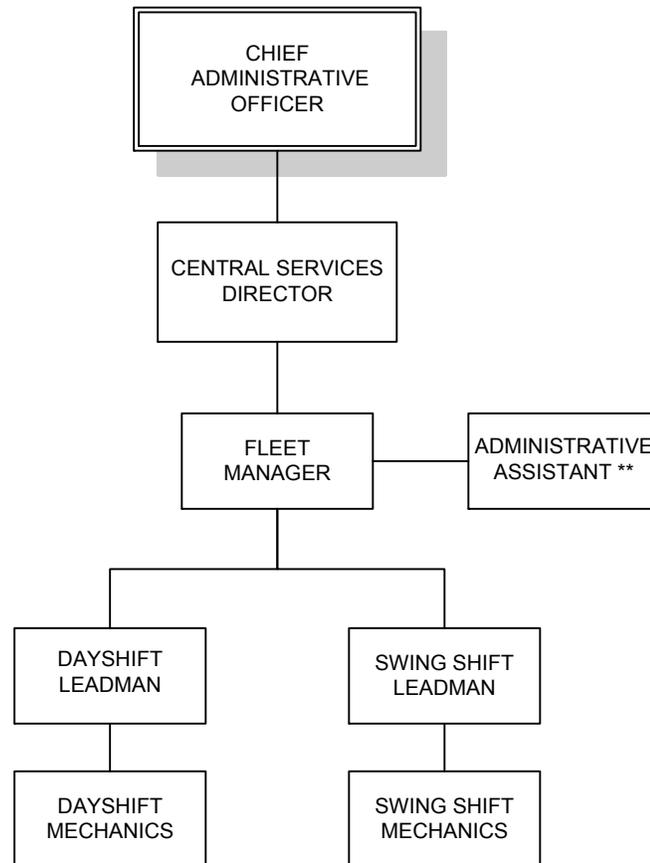
## Workload Indicators

Indicator	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Hours spent Pothole Patching	2,873	3,590	3,353	3,800
2 . Hours spent on Alley Maintenance	466	790	463	600
3 . Miles of Alleys Graded	95	219	191	200
4 . Hours spent Cleaning Streets	5,086	6,055	4,760	6,100
5 . Loads of Sw eepings Hauled to Allied Waste	400	1,314	1,561	1,600
6 . Miles Sw ept Per Day	15	16	14	16
7 . PM <sub>10</sub> Levels	22	17	n/a	n/a
8 . Loads of Sand Used	389	562	572	550
9 . Tons of Sand Collected	3,118	2,655	4,374	2,800
10 . Gallons of Deicer Used	325,048	389,852	397,541	320,000
11 . Hours spent on Leaf Removal	2,231	2,715	2,704	2,700
12 . Material Loads Hauled to EKO Compost	839	995	931	1,000



# Central Services Fleet Maintenance

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\*\* Administrative Assistant is shared between Fleet Maintenance & Facility Maintenance

### Program Description

The Fleet Maintenance Division of the Central Services Department is responsible for providing fleet management services to vehicles and equipment, owned by the City of Missoula. The vehicles and equipment managed by this division include all of the City vehicles and equipment with the exception of the emergency Fire Department vehicles. This division of Central Services also provides welding and fabrication services. Most if not all of City Vehicles and Equipment are procured through this division as well.

### City Strategic Plan & Department's Implementation Strategy

**Goal #1: Funding and Service**

- Strategy: We will maintain the level of service to citizens.
  - Continue to upgrade equipment to enhance City staffs response and efficiency.
  - Continue to update staff training to better service vehicles and equipment.
  - Continue to build strong working relationships with all departments to help understand and fulfill their needs.

**Goal #2: Harmonious Natural and Built Environment**

- Strategy: We will reflect values of sustainability in transportation.
  - Continue to search for and apply efficient and sustainable alternatives to traditional energy applications in equipment.

### FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 846,615	\$ 945,960	\$ 879,313	\$ 977,763	\$ 31,803	3%
Supplies	70,275	89,503	70,321	81,781	(7,722)	-9%
Purchased Services	428,318	527,055	410,638	23,625	(503,430)	-96%
Miscellaneous	-	-	48,540	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 1,345,208</b>	<b>\$ 1,562,518</b>	<b>\$ 1,408,812</b>	<b>\$ 1,083,169</b>	<b>\$ (479,349)</b>	<b>-31%</b>

\* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
FLEET MANAGER	1.00	1.00	1.00	1.00
WELDER/MECHANIC	1.00	1.00	1.00	1.00
LEAD MECHANIC	1.00	1.00	1.00	1.00
LEAD MECHANIC	1.00	1.00	1.00	1.00
MECHANIC	1.00	1.00	1.00	1.00
MECHANIC	1.00	1.00	1.00	1.00
MECHANIC	1.00	1.00	1.00	1.00
MECHANIC	1.00	1.00	1.00	1.00
MECHANIC	1.00	1.00	1.00	1.00
ADMINISTRATIVE SECRETARY	0.50	0.50	0.50	0.75
<b>Total</b>	<b>9.50</b>	<b>9.50</b>	<b>9.50</b>	<b>9.75</b>

2018 Budget Highlights

No budget Highlights for 2018

Performance Measures & Workload Indicators

Performance Measures

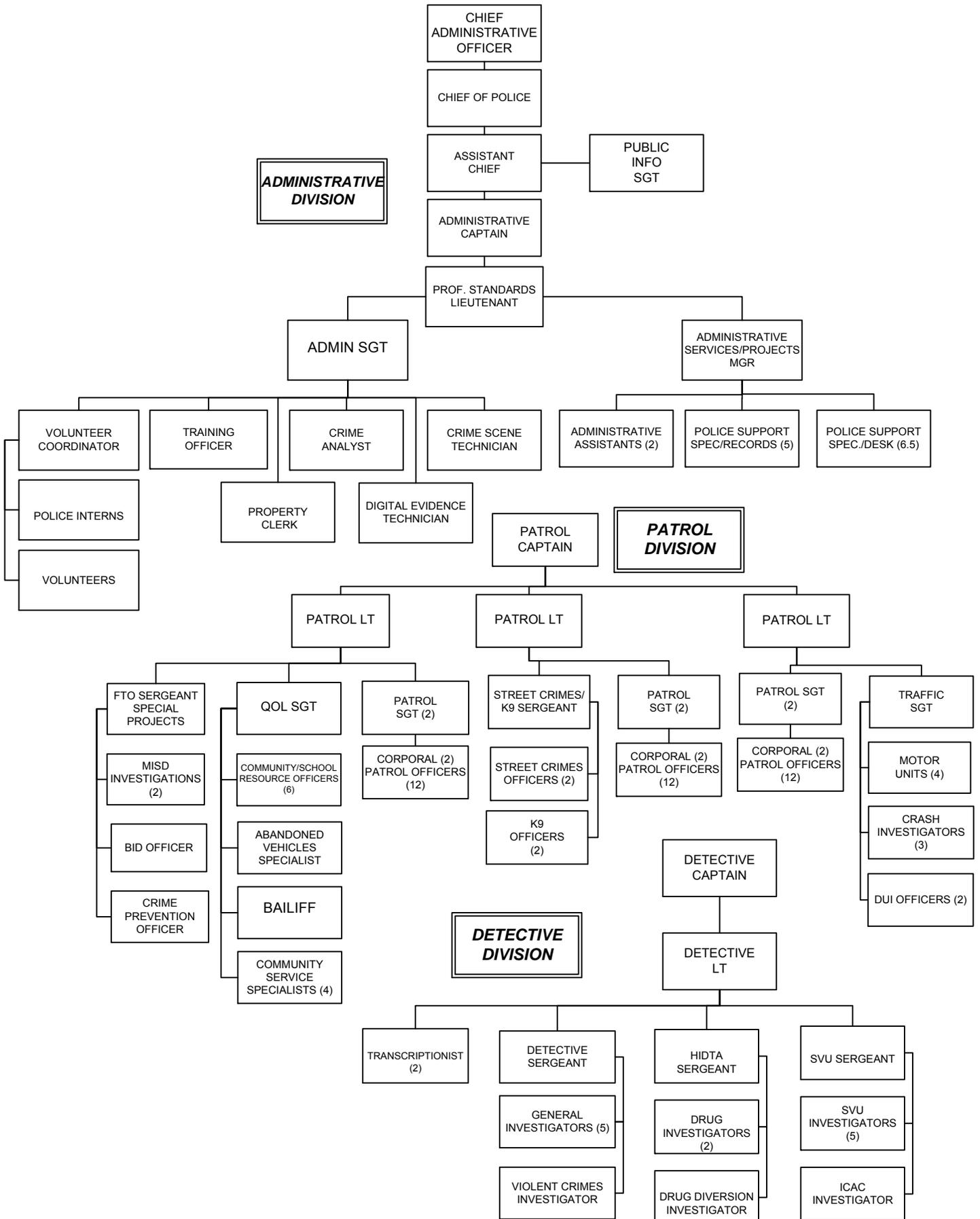
Measure	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Scheduled repair work is an indication of proactive maintenance. Scheduled work cost less and results in far less downtime than unscheduled work. Unscheduled work costs 50% more and results in higher downtime rates. The goal is 70% scheduled repair work.	98.76%	99.16%	97.77%	70%
2 . Preventive Maintenance (PM) promotes a safer, more efficient, fleet of vehicles. Additionally PM will extend the useful life of City Equipment. The goal is set at 60% direct PM work. <u>Note, indirect time was factored out in FY 2012.</u>	67.00%	61.51%	74.85%	60%
3 . The average age of the fleet reveals how effectively the equipment replacement program is being funded. An average age of 5-7 years is considered ideal in many APWA fleets. The goal set is a fleet with an average age of <u>7 years.</u>	9.97	10.38	9.15	7.00
4 The total percent of "breakdown" repairs. The goal is less than 5% of the total number of repair jobs.	1.24%	1.23%	2.23%	5.00%

## Workload Indicators

Indicator	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Total number of equipment repair jobs completed.	6,111	5,850	4,916	6,100
2 . Total number of mechanic labor hours budgeted.	16,640	16,640	16,640	16,640
3 . Total number of mechanic labor hours on work orders	15,013	15,076	12,195	16,640
4 . Total vehicle, trailers, and equipment count <u>excluding small</u> equipment and emergency fire equipment. *Added Gen Sets in fiscal year 2016.	*382	408	497	>450
8 . Total number of repair jobs resulting from accidents.	37	39	32	<45
9 . Total parts and labor dollars spent on accident repairs.	\$34,257	\$39,008	\$44,910	<35,000
10 . Total gallons of diesel fuel used. (CFA Records)	80,761	82,009	88,488	90,000
11 . Total gallons of unleaded fuel used. (CFA Records)	111,102	111,516	127,464	130,000
12 . Total gallons of fuel used. (CFA Records)	191,863	193,525	215,952	220,000



# Police Department



## Program Description

The Mission of the Police Department is to serve the community of Missoula in a collaborative effort to enhance the quality of life through crime prevention, enforcement of laws, promotion of safety, and reduction of fear. We promote respect and protection of human rights and embrace diversity and the dignity of every person by providing responsive, professional police services with compassion and concern. The Department manages its objectives through collaborative partnerships and the efforts of three major Divisions:

- **Administrative Division**
- **Detective Division**
- **Uniform Patrol Division**

## Policing Priorities

As a policing organization, our priority is maintaining a healthy and safe community through measured response to the following issues:

- **Reduce sexual violence and abuse of victims**
- **Quality of Life**
- **Prescription Drug Abuse**
- **Crisis Intervention**
- **Underage Drinking**
- **Driving Under the Influence**
- **Drug Trafficking**
- **Traffic Enforcement**

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## City Strategic Plan & Department's Implementation Strategy

### Goal #1: Fiscal Sustainability

- Strategy: We will maintain or improve the level of service to citizens.
  - Identify state and federal partners to obtain funding to enhance department's delivery of service.

### Goal #2: Harmonious Natural & Built Environment

- Strategy: We will support plans and programs that promote a healthy lifestyle for Missoula's citizens
  - Continue efforts in providing policing plans to address criminal acts and implement misdemeanor follow-up efforts.

### Goal #3 – Quality of Life for all citizens

- Strategy: Work together to meet basic human needs with dignity for all.
    - Continue with department's outreach to community organizations to provide them with information and resources available through the Missoula Police Department
    - Continue efforts in educating and communicating with the community and the University of Montana in an effort to identify and reduce sexual violence and partner family member violence incidents in the community.
    - Maintain our Quality of Life program.
    - Participate in public engagement opportunities to share information about significant health and safety issues of the community.
    - Collaborate with community organizations to provide resources for individuals in crisis.
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**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 13,782,046	\$ 14,783,160	\$ 14,202,995	\$ 15,368,046	\$ 584,886	4%
Supplies	302,149	359,167	326,651	358,635	(532)	0%
Purchased Services	302,686	348,270	369,065	385,115	36,845	11%
Miscellaneous	75,109	81,864	80,606	81,864	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	18,336	40,950	40,950	
<b>Total</b>	<b>\$ 14,461,990</b>	<b>\$ 15,572,461</b>	<b>\$ 14,997,653</b>	<b>\$ 16,234,610</b>	<b>\$ 662,149</b>	<b>4%</b>

\* Un-audited numbers

**STAFFING SUMMARY**

Title	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
CHIEF OF POLICE	1.00	1.00	1.00	1.00
ASSISTANT CHIEF	1.00	1.00	1.00	1.00
CAPTAINS	3.00	3.00	3.00	3.00
LIEUTENANTS	5.00	5.00	5.00	5.00
SERGEANTS	15.00	15.00	15.00	15.00
CORPORAL	6.00	6.00	6.00	6.00
POLICE OFFICERS	73.00	73.00	75.00	75.00
Sr. ADMIN SERVICES MANAGER	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT	2.00	2.00	2.00	2.00
SUPPORT SPECIALIST	10.00	10.00	10.00	10.00
RECORDS SPECIALIST	-	-	-	-
CALL-IN SUPPORT SPECIALIST	1.50	1.50	1.50	1.50
EVIDENCE TECHNICIAN	1.00	1.00	1.00	1.00
PROPERTY CLERK	1.00	1.00	1.00	1.00
CRIME SCENE TECHNICIAN	1.00	1.00	1.00	1.00
SPECIAL SERVICES ASSISTANT	1.00	1.00	1.00	1.00
TRANSCRIPTIONIST	1.00	1.00	1.00	1.00
VOLUNTEER COORDINATOR	0.50	0.50	1.00	1.00
CRASH INVESTIGATORS	3.00	3.00	3.00	3.00
ABANDONED VEHICLE SPECIALIST	1.00	1.00	1.00	1.00
COMMUNITY SERVICE SPECIALIST	2.00	2.00	2.00	4.00
CSO - renamed CommunityService Spec.	-	-	-	-
<b>Total</b>	<b>130.00</b>	<b>130.00</b>	<b>132.50</b>	<b>134.50</b>

## Performance Measures &amp; Workload Indicators

## Performance Measures

Measure	Actual CY 2014	Actual CY 2015	Actual CY 2016	Adopted CY 2017
<b>1 . Quality of Life for all citizens</b>				
- Reduce property and violent crime	8,807	8,556	9,335	9,194
- Reduce fear and blight, enhance personal safety by increasing safety in public places, including downtown				
> Downtown Disorderly Conduct and Disturbances	1,145	1,102	1,089	1,377
> Downtown Assaults, except domestic	132	135	95	103
- Maintain abandoned vehicle program				
> Abandoned vehicles complaints	905	918	1,022	1,314
> Abandoned vehicles towed		120	117	139
<b>2 . Enhance department's delivery of service</b>				
- Ratio of citizen complaints sustained: not sustained *	10/33	15/40	6/33	7/31
- Reduce Use of Force incidents	223	191	192	181
- Assaults of Officers	5	20	21	13
- Increase Professionalism with				
> Advanced Training hours per officer (avg.)	99	64	83	80
> Crisis Intervention Training for officers (hours)				240
<b>3 . Reduce sexual violence thru offender accountability</b>				
- Percentage of sexual assault cases referred for prosecution		35%	46%	48%

\* - indicates complaints against all department employees

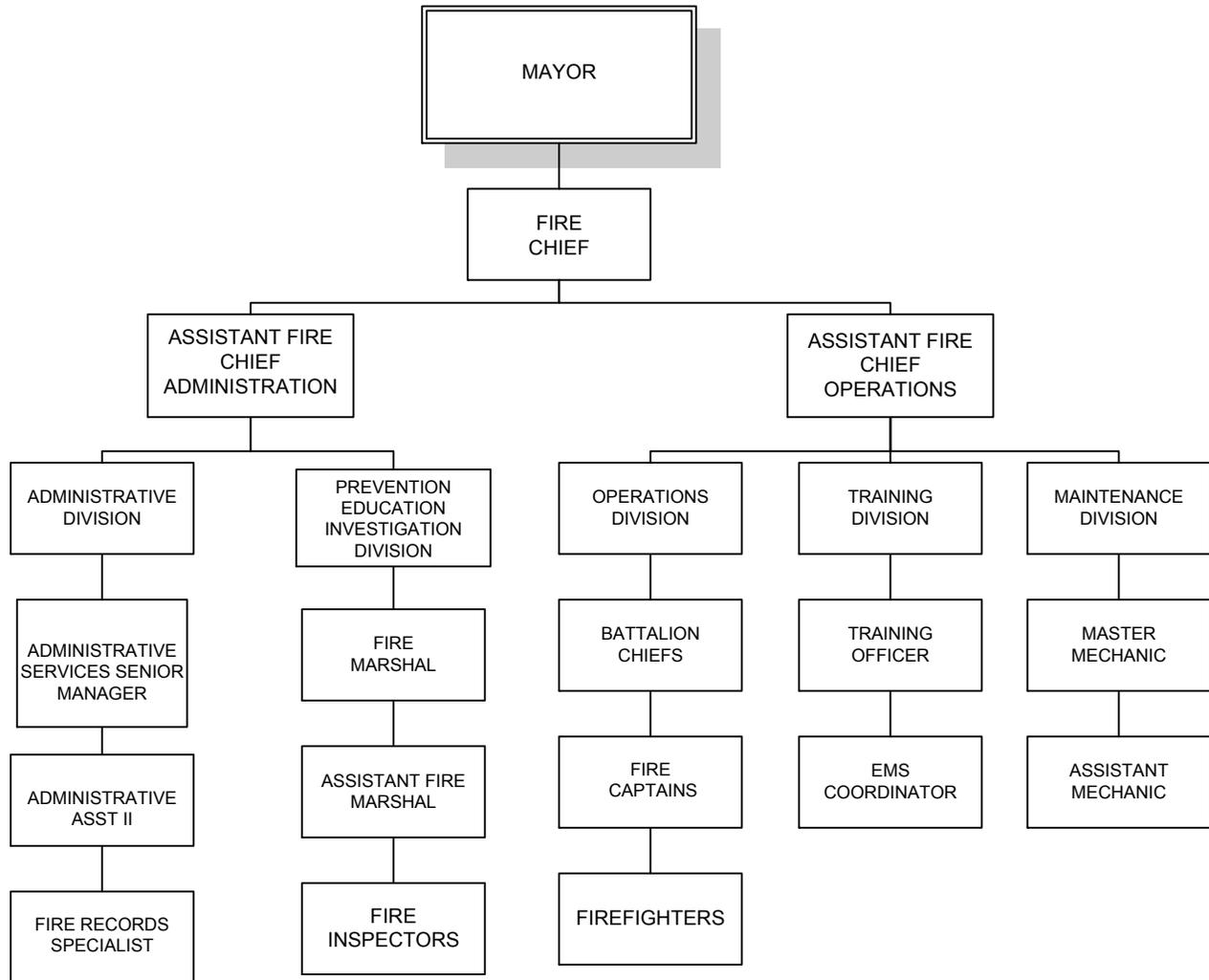
## Workload Indicators

Indicator	Actual CY 2014	Actual CY 2015	Actual CY 2016	Adopted CY 2017
1 . Calls for Service	41,728	***40,770	42,791	53,206
2 . Traffic Citations Issued	15,420	13,475	13,442	13,903
3 . Criminal Citations and Arrests	7,477	6,220	6,539	6,888
4 . Felony Investigations	1,008	793	920	1,246
5 . Misdemeanor Investigations - NEW		***814	1,361	1,571
6 . Mental Health Related Offenses - NEW		***342	467	460
7 . Traffic Follow Up Investigations - NEW		***91	115	106
8 . DUI Arrests	661	590	503	460
9 . Injury Crashes	293	261	266	276
10 . Injury Crashes related to DUI	15	10	41	32
11 . Injury Crashes - Bike/Ped	26	36	89	77
12 . Quality of Life Complaints	2,441	2,381	1,970	2,331
13 . Partner/Family Member Assaults (Domestic)	318	368	389	364
14 . Vandalism	1,137	828	871	1,049
15 . Square Miles of Patrol Area in City Limits	29.2	29.2	29.2	29.6

\*\*\* - New RMS put online March 31, 2014. Only 9 months of data available.



# Fire Department



## Program Description

The Fire Department's purpose is to maintain and improve the quality of life and commerce in Missoula by saving lives, protecting property, and easing suffering through the efficient and effective delivery of emergency services, code enforcement, public education, and ongoing training.

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### City Strategic Plan & Department's Implementation Strategy

#### Goal #1: Fiscal Sustainability

- Strategy: We will continue to strive to improve the level of services we provide to citizens.
  - Monitor & improve response times for emergency incidents, with a goal of meeting NFPA standards.
  - Monitor & reduce apparatus down time & repair costs; continue to evaluate & refine our apparatus & facility maintenance & replacement schedule.
  - Monitor & increase total training hours; continue to increase number of ALS certified firefighters.
  - Continue update of bureau occupancy records and increase fire & life safety inspections; continue expansion of public education library & maintain involvement in MCFPA fire prevention programs in Missoula County schools.
- Strategy: We will work to identify, investigate and develop additional revenue sources.
  - Annual review of service fees.
  - Continue to apply for available grant funding.
- Strategy: We will continue to strengthen and expand partnerships with our cooperator agencies and seek new opportunities for developing additional relationships.
  - Review & update as necessary automatic & mutual aid agreements and contracts with cooperator agencies (MRFD, EMSLA, DNRC, USFS, MESI, Montana State EMS).
  - Continue involvement in local & state-wide associations (MCFPA, LEPC/DPC, MFFTC, and MSFCA).

#### Goal #2: Harmonious Natural and Built Environment

- Strategy: We will continue to work with the Missoula City-County Health Department and as part of the Missoula Regional Hazardous Materials Team to provide rapid response to threats to the environment.
  - Renew operations level hazardous materials training for all MFD personnel & technician level hazardous materials training for MFD personnel certified as HM Technicians. Maintain & inventory Missoula Regional HM Trailer & equipment.
- Strategy: We will continue to evaluate expansion of renewable energy systems at MFD facilities.

#### Goal #3: Quality of Life for All Citizens

- Strategy: We will work with MESI and Missoula's medical community to provide basic emergency medical services and advanced life support services to citizens.
  - Renew EMS certifications (Basic, Intermediate, Paramedic) for all EMTs; document & report on EMS services provided.
- Strategy: We will strive to ensure a safe community by enforcing fire codes and providing public education programs to citizens.
  - Document & report on code inspections & public education programs provided.

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 12,169,756	\$ 12,645,659	\$ 12,353,644	\$ 13,129,341	\$ 483,682	4%
Supplies	317,771	356,868	284,440	356,868	-	0%
Purchased Services	221,880	260,685	254,497	314,481	53,796	21%
Miscellaneous	(6,598)	2,926	308	3,008	82	3%
Debt Service	-	-	-	-	-	-
Capital Outlay	-	14,000	11,576	-	(14,000)	-100%
<b>Total</b>	<b>\$ 12,702,809</b>	<b>\$ 13,280,138</b>	<b>\$ 12,904,465</b>	<b>\$ 13,803,698</b>	<b>\$ 523,560</b>	<b>4%</b>

\* Un-audited numbers

**STAFFING SUMMARY**

Title	Actual FY2015	Actual FY2016	Actual FY2017	Adopted FY2018
FIRE CHIEF	1.00	1.00	1.00	1.00
A ASSISTANT CHIEF	2.00	2.00	2.00	2.00
TRAINING OFFICER	1.00	1.00	1.00	1.00
FIRE MARSHAL	1.00	1.00	1.00	1.00
A ASSISTANT FIRE MARSHAL	1.00	1.00	1.00	1.00
INSPECTORS	3.00	3.00	3.00	3.00
FIRE BATTALION CHIEFS	4.00	4.00	4.00	4.00
CAPTAINS	20.00	20.00	20.00	20.00
EMS COORDINATOR	1.00	1.00	1.00	1.00
15 YEAR FIREFIGHTERS	6.00	7.00	8.00	9.00
SENIOR FIREFIGHTERS	11.00	10.00	13.00	20.00
FIREFIGHTERS FIRST CLASS	22.00	23.00	24.00	21.00
3 YEAR FIREFIGHTERS	10.00	14.00	6.00	5.00
FIREFIGHTERS	6.00	2.00	5.00	1.00
TRAINEE FIREFIGHTERS	1.00	-	-	-
PROBATIONARY FIREFIGHTERS	-	-	-	-
MASTER MECHANIC	1.00	1.00	1.00	1.00
A ASSISTANT MECHANIC	1.00	1.00	1.00	1.00
ADMINISTRATIVE SERVICES MANAGER	1.00	1.00	1.00	1.00
ADMIN ASSISTANT II	1.00	1.00	1.00	1.00
FIRE RECORDS SPECIALIST	1.00	1.00	1.00	1.00
<b>Total</b>	<b>95.00</b>	<b>95.00</b>	<b>95.00</b>	<b>95.00</b>

## 2017 Budget Highlights

- During FY2017 we had only one retirement. Assistant Chief Chad Nicholson retired in February after more than 25 years of service with MFD. We plan to fill Chad's vacant Assistant Chief position in early FY2018. In March of 2017, we hired Emily Garlough and Mark Hermann as probationary firefighters. Emily and Mark should complete their initial training period and be placed on shift in June of 2017.
  - Our CY2016 response records indicate that emergency responses for that year were up over 300 calls from the previous year. MFD responded to 8,169 calls for service in CY2016.
  - During FY2017 we purchased and placed into service a new trench rescue trailer and ordered two new Type I fire engines. We expect to take delivery of the new engines around August of 2017.
  - In FY2016 we began the design and permitting phase for extension of the fire department boat ramp at McCormick Park. In FY2017 we completed the actual construction phase of the ramp extension and river bank stabilization project.
  - In FY2017 Assistant Chief Chad Nicholson, secured an AFG grant to purchase a new breathing air compressor and SCBA bottle fill-station.
  - Work to develop a Missoula County All Hazard Type III Incident Management Team (IMT) progressed substantially again in FY2017. This team predominantly consists of MFD personnel who took the initiative to undergo extensive training and gain valuable work experience in their particular IMT roles.
  - We anticipate increased general fund revenues through wildland fire contracting and the implementation of the increases to fire department fees for plans review and inspection.
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## Performance Measures &amp; Workload Indicators

## Performance Measures

Measure	Actual CY 2014	Actual CY 2015	Actual CY 2016	Adopted CY 2017
1 . Total Inspections Completed	1418	1439	1171	1500
- Liquor License Inspections (Goal = 100%)	100%	94%	99%	100%
- Schools Inspected (Goal = 100%)	100%	100%	100%	100%
- New Business License Inspections (Goal = 100%)	98%	100%	100%	100%
- Occupancies Past Due for 5 year Inspection (Goal < 100)	332	309	437	<100
2 . System Response Time 90th Percentile (1 min added for 911 to process call) (Goal= 6 min or less)	NA*	8:32	8:34	7:00
3 System Response Percentage at 6 Minutes or Less (Goal = 90%) (=MFD response of 5 min or less)	NA*	62%	62%	90%
4 MFD Average Response Time - Code 3 First Due	NA*	4:49	4:51	4:00
5 . Fires Extinguished at Room of Origin (Goal = 75%)	78%	79%	76%	75%
6 . Level One Training - Operations Attendance (Goal = 100%)	59%	69%**	72%	100%
7 . Apparatus Down-Time Percentage (Goal < 2%)	<1%	NA*	<1%	<2%

\* Some data not accurate or available due to transition to new RMS system

\*\*Drivers training included as level one in CY2015.

## Workload Indicators

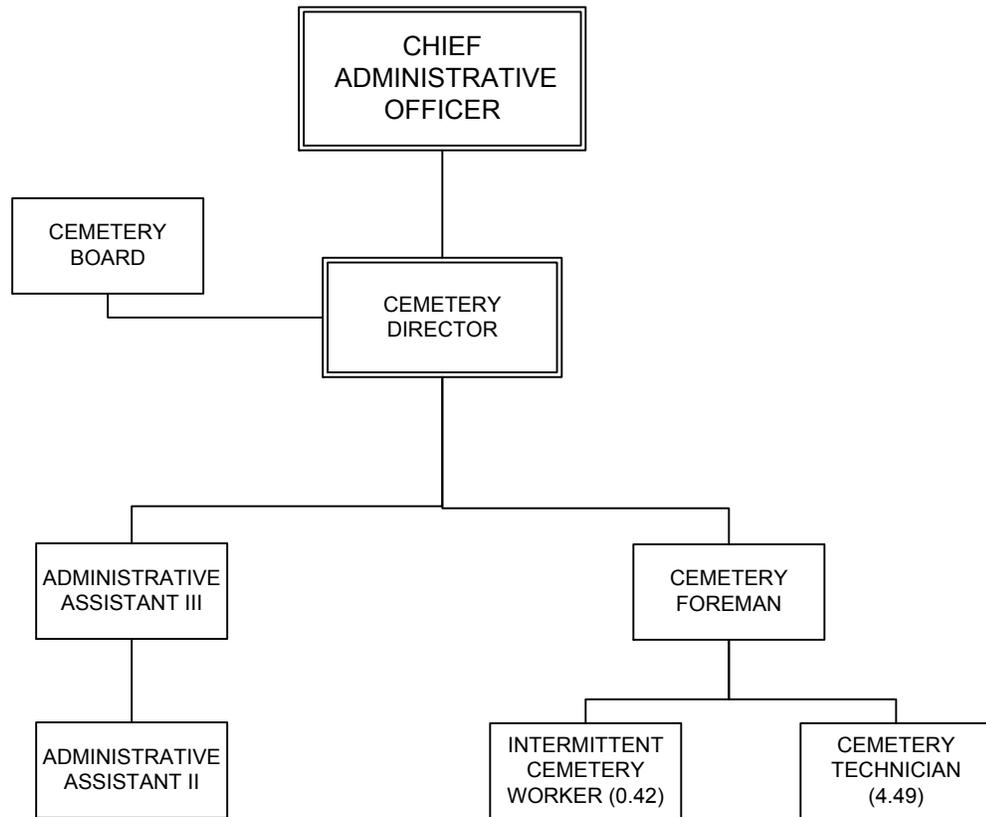
Indicator	Actual CY 2014	Actual CY 2015	Actual CY 2016	Adopted CY 2017
1 . Total Call Volume	7,140	7,865	8,169	8,500
- Structure Fires	57	68	71	70
- Vehicle Fires	20	24	25	25
- Grass, Wildland Fires	29	65	61	30
- Medical Aid	4,697	5,268	5,746	6,000
- Technical Rescue	16	14	19	20
- Other	2,321	2,426	2,247	2,355
2 . Fire Investigations	66	68	44	50
3 . Plan Reviews	302	359	325	400
4 . Public Education Events/Drills	151	116	194	175
5 . Station Tours	98	33	57	60
6 . Total Training Hours Delivered	3409*	3,506	3,452	3,500
7 . Total Training Hours Received	15654*	17,148	17,243	17,500

\*Some training hours not recorded due to transition to new RMS system.



# Cemetery

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## Program Description

It is the mission of the Missoula City Cemetery and the Missoula City Cemetery Board of Trustees to:

- Provide excellence in maintaining a beautiful, tranquil, and pristine interment setting
- Extend compassionate guidance with interment needs
- Persevere in fiscal responsibility to the public by offering affordable costs associated with interments
- Conduct interments with utmost dignity, integrity, and respect
- Remain attentive and pro-active to evolving interment trends
- Promote the active services, benefits, and development of the cemetery
- Endorse the historical significance of the cemetery

*Historical Note:* A group of prominent local citizens founded the cemetery in December 1884, consisting of 16 acres and named the 'Garden City Cemetery.' The City of Missoula purchased the cemetery in May 1901 for \$1 and re-named it the 'Missoula City Cemetery.' The Missoula City Cemetery Board of Trustees is one of the longest serving boards in the history of the City of Missoula and continues oversight of the management, preservation, and improvements of the cemetery.

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## City Strategic Plan & Department's Implementation Strategy

### Goal #1: Fiscal Sustainability

- Strategy: We will maintain or improve the level of service to citizens.
  - Continue pro-active awareness of evolving interment trends.
  - Implement new services keeping affordability for all citizens a priority.
  - Persist in responsible management, care, and improvement of the cemetery.
- Strategy: We will work toward sustaining and diversifying fiscal resources.
  - Develop new revenue sources through new services keeping with burial trends and affordability.
  - Utilize resources within the department to meet and service the needs of the cemetery.
  - Maximize use and capability of equipment for diverse functionality.
  - Continue fiscal responsibility and purpose of designated reserve funds for the care, maintenance, and improvement of the cemetery.

### Goal #2: Harmonious Natural and Built Environment

- Strategy: We will make sure that our natural and built environments continue to represent Missoula's values.
  - Plan and adapt the cemetery master plan to meet evolving needs of the cemetery and the public we serve.
  - Continue vegetative management plan that promotes the natural environment through controlling weeds, composting recycled materials, and maintaining a sod farm on-site.

### Goal #3: Quality of Life for All Citizens in All Places

- Strategy: We will work together to meet basic human needs for all.
    - Continue to provide affordable interment alternatives for all citizens.
    - Expand interment options and cemetery services.
    - Provide public access to information via an easily accessible website.
-

## FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 525,180	\$ 531,923	\$ 530,775	\$ 563,710	\$ 31,787	6%
Supplies	66,002	73,090	69,495	74,590	1,500	2%
Purchased Services	28,582	41,417	36,541	38,510	(2,907)	-7%
Miscellaneous	5,883	8,685	7,811	8,685	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 625,647</b>	<b>\$ 655,115</b>	<b>\$ 644,622</b>	<b>\$ 685,495</b>	<b>\$ 30,380</b>	<b>5%</b>

\* Un-audited numbers

## STAFFING SUMMARY

Title	Actual FY 2015	Adopted FY 2016	Adopted FY 2017	Adopted FY 2018
CEMETERY DIRECTOR	1.00	1.00	1.00	1.00
MAINTENANCE MANAGER	1.00	-	-	-
CEMETERY MAINTENANCE FOREMAN	-	1.00	1.00	1.00
CEMETERY SEXTON	1.00	1.00	-	-
ADMINISTRATIVE MANAGER	-	-	1.00	-
ADMINISTRATIVE ASSISTANT III	-	-	-	1.00
INTERMITTENT LABORERS	0.26	0.42	0.42	0.42
ADMINISTRATIVE ASSISTANT IV	1.00	1.00	1.00	-
ADMINISTRATIVE ASSISTANT II	-	-	-	1.00
SEASONAL MAINT TECH. ASSIST.	1.66	2.49	0.83	-
CEMETERY MAINTENANCE TECHNICIAN	2.00	2.00	3.66	4.49
<b>Total</b>	<b>7.92</b>	<b>8.91</b>	<b>8.91</b>	<b>8.91</b>

## 2018 Budget Highlights

- **SOD CUTTER PURCHASED:** A new 18" Honda GX160 sod cutter replaced a 1983 sod cutter that finally fell apart. Sod replacement is used on new burial sites and general grounds maintenance repair.
- **PLOTTER PURCHASED:** An AllenDatagraph 536GTS plotter was purchased and training attended. Equipment and software allow new public services of niche wall inscriptions, signs for Stories and Stones, and information signs for use throughout the cemetery.
- **AUTOMATION:** All cemetery block maps verified for owner or decedent information and posted onto the cemetery web page. The public can access individual block maps to find exact location of a grave.
- **HISTORIC PRESERVATION AWARD:** Stories and Stones historical tour received the Dorothy Ogg historic preservation award for its role in local history awareness and preservation. Tour is held annually, individual histories and guidebooks are preserved on the cemetery website, and video presentations are recorded by MCAT.

### Projects ongoing:

- **ADMINISTRATIVE MANAGEMENT:**
    - **Cemetery Board of Trustees:** The Missoula City Cemetery Board of Trustees since 1901 continues to oversee the cemetery and has authority to make rules, policies, and regulations for the care, management, presentation, and improvement of the cemetery grounds, places of interment, and property including improvements to the cemetery master plan.
    - **Cemetery Records:** The cemetery maintains permanent records for decedent information through interment registry, plat maps, and pre-need purchases. .
  - **GROUNDS MAINTENANCE:** Maintenance staff continue to improve maintenance efficiency and the overall appearance of the cemetery.
    - **Vegetative Management:** A vegetative management plan consisting of vegetation control, fertilization, aeration, and irrigation has proven to be highly successful. The Missoula City Council reviewed and approved this plan with continued irrigation improvements as budget allows.
    - **Composting:** The cemetery mowers allow for recycling of grass clippings and leaves with no additional staff time requirements. The current composting piles have been valued at several thousand dollars and are used for flower beds and landscaping. Parks and Recreation have also used this compost in some of the flower beds throughout the City of Missoula.
    - **Grave Restoration:** The cemetery continues to regularly fill sunken graves, seed or sod those sites, and re-level monuments.
  - **CEMETERY LAND:** Develop new sections to meet the future demand for burial sites and improve the master plan for all cemetery land. Continue the re-organization of cemetery land currently utilized as storage for various City of Missoula departments. The goal is to maintain a positive public appearance while meeting storage needs.
  - **REVENUE:** The Missoula City Cemetery Board of Trustees and staff continue developing promotional concepts and new services in a coordinated effort to increase revenue productivity.
  - **POLICE DEPARTMENT:** The cemetery continues to work closely with the Missoula City Police Department by allowing access to cemetery grounds for training and certification needs. Examples of training held on cemetery grounds are: motorcycle certification, SWAT training track, and canine training exercises.
  - **PUBLIC OUTREACH**
    - **Website:** Public access to cemetery interment registry, plat maps, ordinance, fees, interment options, decoration times and allowances, and history stories continues through information placed onto an easily accessible website.
    - **Stories and Stones:** Missoula City Cemetery continues to offer a popular annual historic tour called Stories and Stones. Access to individual histories, guidebooks, photos, and video presentations are available on the cemetery website.
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## Performance Measures &amp; Workload Indicators

## Performance Measures

Measure	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Operates a City office that is efficient, courteous and responsive to the public while upholding Chapter 12.44 of the Missoula Municipal Code.	100%	100%	100%	100%
2 . Coordinates scheduling of burials with funeral homes and families. Coordinates pre-need planning with families.	100%	100%	100%	100%
3 . Coordinates the sale of graves and niches to the public.	100%	100%	100%	100%
4 . Promotes the cemetery through an information website, public tours, and during the Memorial holiday weeks where extra staff are on hand to assist the public.	100%	100%	100%	100%

## Workload Indicators

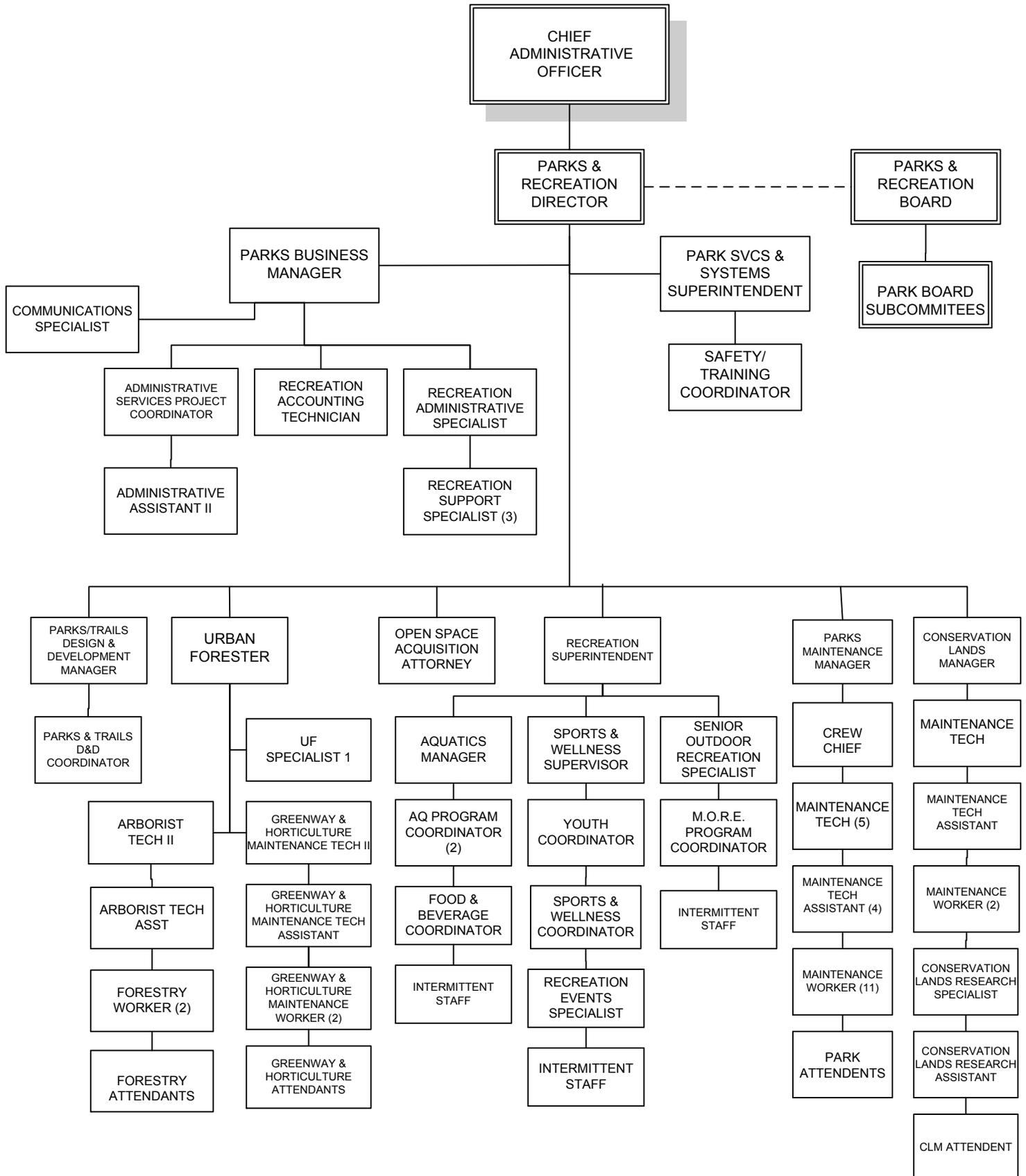
Indicator	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Grave sales	27	40	39	35
2 . Niche sales	36	26	12	25
3 . Interments	64	73	79	72
4 . Disinterment	-	1	-	1
5 . Foundations	60	39	39	46
6 . Mowing/leaf removal	2,125	2,125	2,125	2,125
7 . Trimming/weeding	1,450	1,450	1,450	1,450
8 . Irrigation	1,600	1,600	1,600	1,600
9 . Equipment/vehicle repair	680	450	450	450
10 . Vegetation control	550	550	550	550
11 . Facility maintenance	1,875	1,875	1,875	1,875
12 . Flower boxes/beds	415	250	250	250

Note: 1-5 equal actual numbers

Note: 6-11 equal actual hours



# Parks & Recreation



### Program Description

Missoula Parks and Recreation is inclusive, serving all, with lands to steward and protect as well as lands and facilities open for use. We build and grow loyal constituents through appropriate communication, quality services, and demonstrated belief in the power of community. We promote quality of life, pride in community, and community engagement in a variety of forms and ways. For everyone, "Parks and Recreation is me"!

### City Strategic Plan & Department's Implementation Strategy

**Goal #1: Fiscal Sustainability**

- Strategy: We will maintain or improve the level of service to citizens.
  - Implement playground inspection schedules utilizing Playground Guardian software and portable tablets.

**Goal #2: Harmonious Natural and Built Environment**

- Strategy: We will work to provide citizens access to parks, open spaces and the natural environment.
  - Complete Phase I of Jeffrey Park: Installation of utilities, irrigation, interior walks, trees, drinking fountain, trash cans, mutt mitt stations and a plaza.
  - Complete Phase I of Syringa Park Bike Skills Feature: Design and construction of trails and bike features.
  - In conjunction with the Bellevue Neighborhood, complete phase I and II of the Bellevue Bike Skills Park: Phase I: Construction/installation of the Pump track by the Bellevue neighborhood and Phase II is the construction/installation of a Skills Loop.
  - In conjunction with MRA, design and construct the Montana Rail Link Park and connect the Bitterroot branch trail between South Ave and North Ave.

**Goal #3: Quality of life for all people in all places**

- Strategy: We will make sure that our natural and built environments continue to represent Missoula's values of clean water and clear air.
  - Increase the use of non-motorized transportation by completing the Bitterroot Branch Trail connections from central Missoula to Lolo.
  - Plant/replace 220 trees within the Missoula urban forest by leveraging volunteers and existing park staff.

### FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 2,897,335	\$ 3,052,946	\$ 3,007,813	\$ 3,202,555	\$ 149,609	5%
Supplies	207,392	256,551	246,587	293,077	36,526	14%
Purchased Services	486,447	503,590	415,537	516,625	13,035	3%
Miscellaneous	10,000	17,810	22,810	19,110	1,300	7%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 3,601,174</b>	<b>\$ 3,830,897</b>	<b>\$ 3,692,748</b>	<b>\$ 4,031,367</b>	<b>\$ 200,470</b>	<b>5%</b>

\* Un-audited numbers

STAFFING SUMMARY

Title	Actual	Actual	Actual	Adopted
	FY 2015	FY 2016	FY 2017	FY 2018
DIRECTOR	1.00	1.00	1.00	1.00
PARK SERVICES AND SYSTEMS MANAGER	1.00	1.00	1.00	1.00
PARK MAINTENANCE MANAGER	1.00	1.00	1.00	1.00
OPEN SPACE ACQUISITION & GRANTS MANAGER	1.00	1.00	1.00	1.00
PARKS & TRAILS DESIGN & DEVELOPMENT MANAGER	1.00	1.00	1.00	1.00
RECREATION MANAGER	1.00	1.00	1.00	1.00
RECREATION SUPPORT SPECIALIST	1.00	1.00	1.00	1.00
RECREATION SPECIALIST-M.O.R.E.	1.00	1.00	1.00	1.00
SPORTS AND WELLNESS SUPERVISOR	1.00	1.00	1.00	1.00
ADMIN SERVICE MGR/PROJECT COORDINATOR	1.00	1.00	0.90	0.90
CONSTRUCTION PROJECT COORDINATOR	1.00	1.00	1.00	1.00
URBAN FORESTER	1.00	1.00	1.00	1.00
CONSERVATION LAND MANAGER	1.00	1.00	1.00	1.00
ADMIN SERVICE MGR/PROJECT COORDINATOR	1.00	1.00	1.00	1.00
ADMIN III - 100 HICKORY	1.00	1.00	1.00	1.00
RECREATION SUPPORT SPECIALIST	1.00	1.00	1.00	1.00
COMMUNICATION SPECIALIST	0.75	0.75	0.75	0.75
SAFETY/TRAINING COORDINATOR	0.83	0.83	0.83	0.83
MORE COORDINATOR	0.89	0.89	0.89	0.89
YOUTH COORDINATOR	0.83	0.83	0.83	0.83
SPORTS AND WELLNESS COORDINATOR	-	-	0.25	0.25
RECREATION SUPPORT SPECIALIST	-	-	-	0.25
ARBORIST	1.00	1.00	1.00	1.00
ARBORIST ASSISTANTS	1.66	1.66	1.66	0.83
MAINTENANCE TECHNICIAN ASST	4.17	4.15	4.15	4.15
MAINTENANCE WORKERS	7.25	7.20	7.50	7.50
MAINTENANCE TECHNICIAN	8.00	8.00	7.00	7.00
CREW CHIEF	-	-	1.00	1.00
PARK ATTENDANT	5.58	6.41	6.49	6.49
FORESTRY WORKER	0.83	-	-	-
INTERMITTENT POSITIONS (RECEIVE NO BENEFITS)				
OFFICIALS	0.81	0.81	0.81	0.81
LEVEL 1 INTERMITTENT RECREATION	0.38	0.38	0.38	0.38
LEVEL 2 INTERMITTENT RECREATION	2.84	2.83	2.84	2.84
LEVEL 3 INTERMITTENT RECREATION	1.32	1.32	1.32	1.32
LEVEL 4 INTERMITTENT RECREATION	2.69	2.76	4.55	5.09
LEVEL 5 INTERMITTENT RECREATION	1.10	1.10	1.03	1.16
LEVEL 5 SPECIALTY INSTRUCTOR - KIA	0.01	0.01	0.01	0.31
PHONE RECEPTIONIST	0.41	0.41	0.41	-
<b>Total</b>	<b>57.35</b>	<b>57.34</b>	<b>59.60</b>	<b>59.58</b>

## Performance Measures &amp; Workload Indicators

## Performance Measures

Measure	Actual FY2015	Actual FY2016	Actual FY2017	Adopted FY2018
1 . Expansion of Recreation services				
Increase # of participants in Rec programs	13,187	13,846	19,213	20,000
Increase amount of funding for Scholarships	\$ 18,401	\$ 32,000	\$ 34,531	\$ 35,000
Increase # of Volunteer Hours	1,309	8,500	10,896	12,000
2 . Increase Number of Shelter reservations				
Number of Shelter/permits	437	538	518	525
Number of People Served	19,503	22,596	20,333	22,000
3 . Develop Park and Trail Standards	55%	75%	100%	100%
4 . Amount of external funds leveraged *	\$ 149,570	\$ 27,037,000	\$ 13,750,000	\$ 150,000

\* Funds include but not limited to: Grants; Donations; Bonds; etc..

## Workload Indicators

Indicator	Actual FY2015	Actual FY2016	Actual FY2017	Adopted FY2018
<b>MAINTENANCE</b>				
1 . Number of lights maintained	427	427	496	550
2 . Number of restrooms maintained	32	32	35	38
3 . Number of athletic fields maintained	37	37	43	49
4 . Number of playgrounds maintained	33	34	38	39
5 . Number of irrigation systems maintained	114	114	116	118
6 . Number of dog parks maintained	3	3	3	4
7 . Number of benches maintained	234	235	235	240
8 . Number of signs maintained	72	72	72	72
9 . Acres of turf irrigated	387	399	452	475
<b>URBAN FORESTRY</b>				
1 . Number of trees planted by staff	150	150	160	160
2 . Number of trees planted by Volunteers in Planting (TFM)	^	^	58	60
3 . Number of mature trees pruned by staff	250	250	1,157	750
4 . Number of young trees pruned by Volunteers in Pruning (TFM)	^	^	1,638	1,500
5 . Number of high risk trees removed	79	30	222	200
6 . Miles of paved commuter trails maintained	22	23	28	29
7 . Number of annual flow ers planted	260	5,220	3,184	3,000
8 . Number of plants grow n in-house	^	^	975	975
9 . Number of shrubs and perennials planted	^	^	216	216
10 . Number of bridges maintained	^	^	8	16*
11 . Miles of greenw ay maintaned	^	^	48	48
12 . Number of landscape acres maintained	^	^	54	54
13 . Number of Plazas maintained	^	^	2	2
<b>CONSERVATION LANDS</b>				
1 . Number of acres thinned on CL for fuel reduction	104	120	120	120
2 . Number of acres surveyed on w hich w eed w ere sprayed	500	500	500	500
3 . Number of acres grazed for w eed control on CL	900	1,180	1,180	1,180
4 . Number of trailheads maintained	49	49	49	49
5 . Miles of conservation trail maintained	48	48	48	52
6 . Number of acres reseeded on CL	130	128	128	128
7 . Number of trailheads maintained CL	35	35	35	35
8 . Number of access points maintained CL	31	31	31	31
9 . Number of kiosks	6	5	5	5
10 . Number of signs maintained	199	199	199	199
11 . Number of native plants planted on CL	992	992	992	992
12 . Number of acres of w eeds hand pulled CL	9	20	20	20
13 . Number of benches maintained	14	14	14	14
14 . Number of bridges	5	5	5	5

^ Historical information unavailable

\* Updated with actual number for FY 2018

## 2018 Budget Highlights

The Department is thankful the Fiscal Year 2018 budget process provides opportunities to submit funding requests for Capital Improvements and Service Enhancements to better serve the residents of our community.

The Department continues to examine itself and initiate changes to improve the way in which we do business and deliver services to the community. Changing maintenance practices; providing new tools like the Urban Forestry Management Plan, Park Design Standards; developing and sustaining partnerships; leveraging funds; promoting volunteer opportunities; seeking sponsors for events; soliciting donations and grants are just some of the ways the Department is working to meet City goals.

In addition to City Strategic Goals, the Parks & Recreation Department's FY2018 requests were developed around, and prioritized, using foundational guidelines: Ensure Public Safety; Meet Legal Mandates; Address Preventative Maintenance, Maintain Existing Infrastructure, Leverage Funds; and, Add Capacity or Services. Projects and enhancements that meet all or most of these guidelines were prioritized above those that did not.

The Department's highest priorities in the proposed FY2018 budget requests places emphasis on providing programming and opportunities for all Missoula citizens; seeking adequate funds to sustainably maintain facilities to meet user demands; and, secure resources to maximize the life of existing park resources and infrastructure.

The Department's top goals for FY2018 include:

- To ensure continued growth and success it will be necessary to look at the overall department to determine what level of staffing is needed to maximize efficiency and productivity
- Implement playground inspection schedules using Playground Guardian software and tablets
- Complete two year review of the 2015 Urban Forest Master Management Plan
- Finalize and adopt recreation use plans for the recently acquired South Hills Spur Property.
- Park Master Plan Implementation as funds permit for Hellgate, Syringa, Bess Reed/East Caras, Parks
- Streamline Development Review Process
- Update the 2006 Open Space Plan and the 2004 Master Park Plan.
- Implementation of Park Asset Management and Turf Management Plans
- Streamline Special Use permitting process and revise scholarship program procedure
- Expand outdoor and sports and wellness program offerings
- Continue to develop department wide capacity and enhance relationship with intra-departmental efforts
- Continue to grow partnerships with user groups, agencies, business and neighborhoods related to initiatives and pending projects

## Program Description

The purpose of Non-Departmental accounts is for expenditures which are of a general nature and not accurately assignable to any individual department. Rather than spreading the costs among departments, all expenditures are consolidated into separate, non-departmental accounts.

## Goals & Objectives

### **AGING SERVICES** - Activity Budget equals \$ 175,000

The City agreed to pay 1 mill to Missoula Aging Services in FY 01. This amount has grown steadily in the past years as the value of a City mill increased. However, now that the "Big Bill – HB 124" has been enacted by the Legislature, the value of a mill and its trailing revenues has changed substantially. The formula for providing support to Missoula Aging Services will need to be changed for future years.

### **ANIMAL CONTROL TRANSFER** - Activity budget equals \$ 334,186

This program consists of a transfer of funds to the City/County Health Department for animal control activities. The program objectives are provided in the Health Department's section of this budget

### **ACCELA AUTOMATION DEBT SERVICE** – Activity budget equals \$ 100,426

### **AQUATICS SUBSIDY** - Activity budget equals \$ 203,000

### **COMPREHENSIVE INSURANCE** - Activity budget equals \$ 907,563

This program is used to fund the City's automobile, general liability, property fire and other insurance premiums, insurance claim deductibles, sewer backup claims paid under the City's Goodwill Policy, and certain claims defense or administration costs.

### **CONTINGENCY** - Activity budget equals \$ 104,248

The City formerly levied and appropriated a \$10,000 contingency account in the Finance Office budget to be used for unanticipated expenditures. This amount has often not been sufficient, so the City Council agreed in FY 88 to raise the contingency to \$50,000. The City Council directed that this account be funded from the year end cash balance (cash reserves) so as not to levy for an expenditure that will most likely not be used. It was raised to \$100,000 in FY 91, but had to be lowered to \$66,000 in FY 92. It has remained at \$100,000 since FY 93.

### **DEBT SERVICE OPERATING EQUIPMENT** – Activity budget equals \$127,461

Projected annual debt service for the master lease vehicles purchased in preceding fiscal years.

### **EMERGENCY RESPONSE CONTINGENCY** - Activity budget equals \$ 50,000

This activity was established in FY 97 for the purpose of recording the City's expenditures that it frequently incurs related to responding to emergency disaster events which will be reimbursed. Recent events that fall into this category are the responses to the 1996 Montana Rail Link chlorine spill, forest fire fighting assistance to the Montana Department of Natural Resources and the 1996 winter floods.

### **HEALTH INSURANCE RESERVE & TRANS TO EMPLOYEE BENEFIT FUND** - Activity budget equals \$ 442,000

This contribution is for a subsidy to pay for a portion of the retirees' premiums to the Employee Benefit Fund and also reserves the City's share of health insurance contribution for eligible employees.

### **MERCHANT FEES** – Activity budget equals \$29,700

This is a fee that the City incurs from providing the service of accepting credit cards for multiple types of transactions including, but not limited to business licenses, police reports, fingerprints, Parks registration fee, etc.. This amount is the annual fee that is payable to the different credit card merchants the City utilizes for taking such payments.

### **PROTECTIVE INSPECTION** – Activity budget equals \$ 5,000

These are costs charged to the General Fund by the city's Building Inspectors for time that they spend doing safety inspections. By State law, our building inspectors can only charge time to the Building Inspection fund for their time involved in issuing building permits (as well as mechanical, electrical & plumbing permits too.

**REIMBURSABLE LOSSES** - Activity budget equals \$ 50,000

This account is for expenditures made pursuant to insurance claims for damaged, destroyed, or missing City property. The expenditures in this account are completely reimbursed by the City's insurance carriers.

**SALARY RESERVE 2% NON-UNION INCREASE** – Activity budget equals \$ 7,783

This is for a salary reserve for the salary increase for all the non-union employees.

**SID ASSESSMENTS** - Activity budget equals \$ 116,000

This program provides the funding of the City's at large share of special assessments, such as curbs and sidewalks construction and street maintenance and street sweeping, on properties owned by the City such as City parks, City offices and the City art museum building.

**TERMINATION PAY** – Activity budget equals \$ 25,000**TRANSFER TO C.I.P. FUND** - Activity budget equals \$ 1,401,503

This is a transfer to the Capital Improvement Program (C.I.P.) Fund for general fund financed capital improvements.

**HEALTH DEPARTMENT CONTRIBUTION** - Activity budget equals \$ 1,524,022

This program represents the City's contribution to the City/County Health Department pursuant to inter-local agreement. The scope of the Health Departments' activities include health services to improve the health of the entire community through health promotion, health maintenance and disease prevention, and monitoring and regulation of air quality, waste disposal, underground storage tanks, food handling, water quality and junk vehicles. The program goals are provided in the Health Department's section of this budget.

*Please note: Goals of the Health Department FY2016-18 strategic plan are listed below. The department's full plan can be reviewed [here](#).*

**Goal Area One: Funding and Service**

- Adopt a revised performance management (PM) policy and procedures that integrate PM indicators, Community Health Improvement Plan, increase reliance on data, uses all types of performance measures (input, output, quality, and outcomes), and improves population surveillance for demographic information of the populations that we serve directly.
- By June 2018, the billing process for immunization services will receive 80% of collectible charges.
- By June 2018, there will be a detailed outreach campaign to increase community awareness about the public health impact of vaccine-preventable diseases and immunization services provided by MCCHD.
- Sustain and increase home visiting services that demonstrate effectiveness in reducing child maltreatment (abuse and neglect); (Safe Care, Nurse-Family Partnership, Foster Child Health, Targeted Case Management)
- Participate in a collaborative pilot project (University of Montana, Community Medical Center, MCCHD) for Universal Post-Natal Nurse Home visiting by June, 2018.
- Health fund tax support from city and county-only taxing jurisdictions will be aligned with service costs by end of FY 2018.
- Increase the percent of WIC-eligible families that are enrolled in Missoula County WIC to 50%.
- Increase information technology capacity for engaging the public, stakeholders, and partners and for branding the department by adding and using specific tools for: 1) new website; 2) file sharing; 3) agenda management; 4) GIS mapping for public health factors; and 5) social media.

**Goal area Two: Harmonious Natural and Built Environment**

- Decrease death and serious injury related to driving under the influence in Missoula County.
- Bring air quality in Seeley Lake closer to compliance with current Federal PM-2.5 standards by having no more than nine exceedance days per year by the end of 2018.

- Ensure that connections to public sewer systems inside the Water Quality District occur at a rate such that the total number of septic systems in the District does not increase over time.
- Increase the methods, frequency and efficiency with which the department provides information to property owners about their septic system(s) by June, 30, 2018.
- Encourage public water system connection for new residential and commercial growth in urban areas of the County.
- The majority of new homes built in Missoula County will incorporate radon-resistant construction techniques by 2018.
- By 2018, develop and implement a program in conjunction with three or more high schools to teach food safety to teenagers (potential food service workers).

#### Goal Area Three: Quality of Life for All Citizens

- Decrease number of completed suicides in Missoula County.
- Build capacity to support health equity and decrease health disparity in the community by taking specific actions: 1) adopt a department health equity policy and plan; 2) become a trauma-informed organization; 3) decrease the rate of uninsured among clients we serve; 4) build partnerships with the Native American population/community; and 5) Build capacity to serve populations living with disabilities.
- By June, 2018, reduce the number of dog bites requiring medical care to less than 60% of the national average of 129.3 per 100,000 population (CDC); by calculation the target goal is less than 86 dog bites needing medical attention in Missoula County per year.
- Improve the school nutrition environment in Missoula County through collaborative relationships with community stakeholders.

### FINANCIAL SUMMARY

Budget by Object of	Actual	Amended	Actual	Adopted	Increase	Percent
Expenditure Category	FY 2016	FY 2017	FY 2017*	FY 2018	(Decrease)	Change
Personal Services	(926) \$	199,983	(1,548)	(29,070) \$	(229,053)	-115%
Supplies	137,429	115,000	(87,242)	50,000	(65,000)	-57%
Purchased Services	5,062	55,023	37,000	22,023	(33,000)	-60%
Miscellaneous	4,954,734	4,955,919	4,618,852	5,303,260	347,341	7%
Debt Service	579,660	590,325	590,350	227,887	(362,438)	-61%
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 5,675,959</b>	<b>\$ 5,916,250</b>	<b>\$ 5,157,412</b>	<b>\$ 5,574,100</b>	<b>\$ (342,150)</b>	<b>-6%</b>

\* Un-audited numbers

**Fund Description**

This fund accounts for the revenues and expenditures of money received from developers as "Payment in Lieu of" park land dedications. Pursuant to Section 76-3-606 MCA, developers may make cash contributions instead of dedicating part of the area being developed as park land.

This money is then earmarked for park acquisition, development and/or capital improvements. The allocation of funds is dependent on the adopted community parks plan; Master Parks Plan for the Greater Missoula Area adopted May 2004 as an amendment to Missoula Growth Policy.

**Activities & Objectives**

Potential projects for the use of these funds in FY2018 are listed below. It should be noted that the City's Parks and Recreation Department provides much of the labor for many of these projects.

1. Development shall be determined per the Master Parks & Recreation Plan for the Greater Missoula Area as adopted May 2004 as an amendment to Growth Policy.
2. Per the Master Park Plan, funds received will be spent within a 1.5 mile radius of where the new development is located that contributed the cash-in-lieu.
3. CIP Park Development projects. See Park CIP program for details on proposed projects.
4. Using cash-in-lieu funds for maintenance of parks is not to exceed the percentage as outlined in 76-3-606 MCA. (50%)
5. Other funding sources for park acquisition and development include:
  - A. Per Ordinance #3270 sale of parkland revenue
  - B. Fees assessed for park encroachments and easements
  - C. Fees assessed as agreed upon through development

**FINANCIAL SUMMARY**

<b>Budget by Object of Expenditure Category</b>	<b>Actual FY 2016</b>	<b>Amended FY 2017</b>	<b>Actual FY 2017*</b>	<b>Adopted FY 2018</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	10,000	-	10,000	-	0%
Purchased Services	-	35,000	-	35,000	-	0%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	198,228	-	229,959	31,731	16%
<b>Total</b>	<b>\$ -</b>	<b>\$ 243,228</b>	<b>\$ -</b>	<b>\$ 274,959</b>	<b>\$ 31,731</b>	<b>13%</b>

\* Un-audited numbers

### Fund Description

The Park Enterprise Fund was established to earmark fees from many recreation programs and facility rentals for purchases and improvements to benefit those programs directly. The revenue sources are from organized recreation leagues, and user groups, with a portion or percent of their fee going to that program specifically.

### Activities & Objectives

The operating supplies purchased from this fund include bases, goals, nets, turf, seed, field liners, specialized turf aerators, specialized soils, lights, fixtures, and irrigation repair parts. The purchased services account is for any major repairs that might need to be done by an electrician or other contractor.

The capital outlay projects are geared towards the needs of the individual programs, but potential projects for FY 18 are listed below. Supplies, equipment, and labor for installation or construction of these projects is often provided by the Parks and Recreation Department to leverage these funds.

1. Tennis Court Resurfacing, tennis supplies and materials
2. Soccer field construction, improvements, repair, maintenance and goals
3. Softball field construction, improvements, repair, maintenance and lights
4. Volleyball court construction, improvements, repair and maintenance
5. Basketball facilities construction, improvements, repair and maintenance
6. Athletic field construction, improvements, repair and maintenance, equipment
7. Improvements to parks
8. Aquatics and spray deck improvements
9. Recreation facility and equipment improvements
10. Ropes Course improvements and inspections

### FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	1,264	35,000	31,208	35,000	-	0%
Purchased Services	3,312	30,000	4,302	30,000	-	0%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	265,565	-	267,360	1,795	1%
<b>Total</b>	<b>\$ 4,576</b>	<b>\$ 330,565</b>	<b>\$ 35,510</b>	<b>\$ 332,360</b>	<b>\$ 1,795</b>	<b>1%</b>

\* Un-audited numbers

## Fund Description

Donated and/or earmarked funds gifted and allocated for specific causes, areas, projects issues, or programs.

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### Activities & Objectives

#### **Missoula Trails Planning, Development & Improvement - \$121,100**

This fund was started in FY 1992 with the acquisition of the RS Greenway and development of a community trail plan.

The fund shall be used for general or specific earmarked trail projects to include all facets of trail planning, acquisition, design, construction, improvements, amenities and maintenance.

#### **Park Memorial and Partners in Parks - \$150,000**

This includes donations from individuals, businesses, service groups and non-profits. Donations are earmarked for supplies, purchased services, improvements at specified facility and may include park benches, trash cans, playground equipment, and other improvements as needed.

#### **Recreation Program Special Events Donations - \$70,000**

This includes donations from individuals, businesses, service groups and non-profits. Donations are earmarked and may include youth scholarships, program supplies, participant t-shirts, awards, volunteer shirts and incentives, advertising, purchased services, such as professional musicians and artists, program grant matches, survey fees, educational tools, safety equipment and supplies.

#### **Urban Forestry - \$75,000**

Includes donations and special fundraisers with funds earmarked to be used for purchase of trees, planting materials, memorial plaques, advertising, special equipment and contract services that are specifically for the advancement of the City's Urban Forestry program. Activities and projects include Christmas Evergreen, Memorial Trees, Cost Share, and Run for the Trees and various grant programs. Includes new grant received for Silva – Missoula Art Museum project.

#### **DNRC/Forest Health Grant - \$67,450**

Money received for tree thinning project on Mount Jumbo. This is the balance left from the original grant.

#### **Special Events Revolving Account - \$25,000**

This activity is for any special event held by Parks & Recreation to raise funds for a specific purpose or cause. The balance of the fundraising effort will be assigned to the cause for which the event was held.

#### **Kiwanis Park - \$69,650**

Money received for the construction of new playground at Kiwanis Park. This is funding from CDBG and includes funding for a playground and replacement of the restroom.

#### **Open Space Acquisition Donations - \$10,000**

Donations, gifts, fundraisers and memorials dedicated to general or specific parks, projects, or lands which may include acquisitions, design, construction, improvements amenities and maintenance of open space lands.

#### **Conservation Lands Management Donations and Grants - \$65,000**

Donations, gifts and fundraisers held and funds earmarked specifically for acquisitions, maintenance and management of Open Space and Conservation lands. Funds may be used for acquisition including all related acquisition costs, signs, trail construction, herbicide treatment, vegetation management practices, volunteer projects and incentives, fencing, and professional services related to land acquisition and management.

**Recreation MORE - \$30,000**

Financial or in kind support for events or program organized for the MORE program which includes volunteer events.

**Recreation Adult Sports and Wellness - \$5,000**

Financial or in-kind support for events or programs for Adult programs

**Recreation Scholarship - \$5,000**

Financial or in-kind support for events or programs for Youth or Family Scholarships

**County Weed Program - \$15,000**

Money received for Vegetation management on Conservation Lands.

RTP Grant Syringa – Recreational Trails Program Grant received from Montana Fish Wildlife and Parks. Funds may be used for approved expenses related to the construction of Syringa Bike Skills Park

**FINANCIAL SUMMARY**

<b>Budget by Object of Expenditure Category</b>	<b>Actual FY 2016</b>	<b>Amended FY 2017</b>	<b>Actual FY 2017*</b>	<b>Adopted FY 2018</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
Personal Services	\$ 17,513	\$ 13,200	\$ 6,359	\$ 13,200	\$ -	0%
Supplies	45,072	108,100	100,903	96,100	(12,000)	-11%
Purchased Services	125,017	265,000	3,635	267,450	2,450	1%
Miscellaneous	1,260	25,000	-	125,000	100,000	400%
Debt Service	-	-	-	-	-	
Capital Outlay	9,690	424,700	179,746	356,450	(68,250)	-16%
<b>Total</b>	<b>\$ 198,553</b>	<b>\$ 836,000</b>	<b>\$ 290,643</b>	<b>\$ 858,200</b>	<b>\$ 22,200</b>	<b>3%</b>

\* Un-audited numbers

### Fund Description

Enhance the quality of life in our community by promoting public sports and wellness programs and recreational opportunities at an indoor facility. .

### Activities & Objectives

- Implement improvements to various recreation programs based on customer evaluations, trends and staff expertise.
- Provide comprehensive recreation program opportunities for all ages and interests, including special events, tournaments, non-traditional recreation and partnership programming.
- Continue building on collaborative efforts with agencies, organizations and businesses to further the mission of Active Kids by providing programs and promoting the Daily Dose concept to enhance physical health and combat childhood obesity among Missoula citizens.
- Continue to work toward providing adequate recreational programming in the winter and shoulder seasons due to a lack of community gym space.
- Promote the Lets Move, Missoula initiative by providing year round access to safe places and programs for residents to increase their activity levels.

Local gyms in our community have very limited access for sports and wellness programs, therefore we will continue to partner with other organizations to provide rental time for partner programs.

### FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 12,012	\$ 12,000	\$ -	\$ 17,000	\$ 5,000	42%
Supplies	5,030	6,000	352	2,500	(3,500)	-58%
Purchased Services	-	2,000	-	2,000	-	0%
Miscellaneous	24,000	24,000	14,000	24,000	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	4,992	5,000	5,000	
<b>Total</b>	<b>\$ 41,042</b>	<b>\$ 44,000</b>	<b>\$ 19,344</b>	<b>\$ 50,500</b>	<b>\$ 6,500</b>	<b>15%</b>

\* Un-audited numbers

### Fund Description

The Fort Missoula Regional Park, (FMRP) General Fund-Special Fund was established to track all expenditures and revenues generated from the day to day operations of the park including scheduled maintenance of the park and its facilities, organized sporting events and social gatherings. Revenue sources for General Fund, Special Funds are received through donations, user fees, such as organized recreation leagues, programs and social event sponsorships. The citizens of Missoula and the surrounding communities benefit from the creation of the Fort Missoula Regional Park through promoting sports, recreation, science, historical, and cultural opportunities. The City of Missoula in collaboration with Missoula County ensure the annual ongoing maintenance and minimum basic services required to operate the park are adequately addressed and funded.

### Activities & Objectives

- Implement improvements to various recreation programs based on customer evaluations, trends and staff expertise.
- Provide comprehensive recreation program opportunities for all ages and interests, including special events, tournaments, non-traditional recreation and partnership programming.
- Continue building on collaborative efforts with agencies, organizations and businesses to further the goals of FMRP of providing a park, facilities and programs for all residents, guests and tourists.
- A regional park has a positive economic impact, bringing in revenue from sports tournaments, vendors, and facility reservations as well as throughout the community's hotel, restaurants, and shopping industries.
- The equipment and capital outlay projects are geared towards the needs of the individual programs and potential of revenue production to increase net profits from program services.
- Provide baseline maintenance services needed to operate the park as a state of the art regional park destination.

### FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 20,678	\$ 217,830	\$ 64,018	\$ 360,637	\$ 142,807	66%
Supplies	2,621	79,635	1,876	247,546	167,911	211%
Purchased Services	10,272	61,739	254	115,142	53,403	86%
Miscellaneous	-	-	-	5,000	5,000	
Debt Service	-	-	-	-	-	
Capital Outlay	939,861	-	396,390	41,400	41,400	
<b>Total</b>	<b>\$ 973,432</b>	<b>\$ 359,204</b>	<b>\$ 462,538</b>	<b>\$ 769,725</b>	<b>\$ 410,521</b>	<b>114%</b>

\* Un-audited numbers

**STAFFING SUMMARY**

<b>Title</b>	<b>Actual FY 2015</b>	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Adopted FY 2018</b>
RECREATION EVENTS SPECIALIST	-	-	1.00	1.00
ADULT PROGRAM COORDINATOR	-	-	0.75	0.75
FOOD & BEVERAGE COORDINATOR	-	-	-	0.40
EVENT PARK ATTENDANT	-	-	-	1.16
MAINTENANCE TECHNICIAN ASSISTANT	-	-	-	0.83
MAINTENANCE WORKERS	-	-	-	0.77
PARK ATTENDANTS	-	-	-	0.42
RECREATION SPECIAL EVENTS	-	-	-	0.51
SOFTBALL CONCESSIONS	-	-	-	0.88
OFFICIALS	-	-	-	0.73
<b>Total</b>	-	-	<b>1.75</b>	<b>7.45</b>

Fund Description

**Cemetery Cremain Wall Reserve.** All revenue generated from niche or memorial wall sales and services at the Missoula City Cemetery are deposited into the Cemetery Cremain Wall Reserve.

Activities & Objectives

This fund is to remain intact and grow for the future development of new sections designated for niche or memorial walls, purchase of new walls, costs associated with inscriptions or nameplates, and repair and maintenance to existing structures.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	1,273	2,500	878	10,000	7,500	300%
<b>Total</b>	<b>\$ 1,273</b>	<b>\$ 2,500</b>	<b>\$ 878</b>	<b>\$ 10,000</b>	<b>\$ 7,500</b>	<b>300%</b>

\* Un-audited numbers

FY2017 Highlights

**New Projects or Services**

- **Columbarium Walls Purchased:** Three 120-niche columbarium walls were purchased in FY2017. Each wall consists of 40 single niches and 40 double niches. Cost in FY2017 from the Cemetery Cremain Wall Fund was \$74,185 which resulted in a savings of \$15,815 from the budgeted amount. Walls were installed in June.

**Ongoing Projects or Services**

- **Plaza Development:** Site improvements follow a completed architectural design that includes ADA accessibility, benches, solar pond, and memorials.
- **Inscriptions:** Inscription equipment and training provide in-house servicing and maintenance of walls.

## Fund Description

**Cemetery Capital Fund Reserve** Fifty percent of all revenue generated from sales and services at the Missoula City Cemetery must be deposited into the Care Fund Reserve. The only cemetery revenue exceptions are for niche or memorial wall sales and services which are deposited into the Niche Reserve Fund and memorial monetary donations which are deposited into the Memorial Reserve Fund.

## Activities & Objectives

The Cemetery Capital Fund Reserve is intended to provide for the care, equipment, maintenance, and improvement of the Missoula City Cemetery. Equipment is purchased following the City of Missoula Growth Replacement Schedule. All revenues placed into the Care Fund Reserve must be designated and used for the long-term care of the cemetery until further review between Missoula City Council and Missoula Cemetery Board of Trustees.

## FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	1,658	-	-	
Miscellaneous	-	10,000	-	10,000	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	73,251	60,000	16,091	130,000	70,000	117%
<b>Total</b>	<b>\$ 73,251</b>	<b>\$ 70,000</b>	<b>\$ 17,750</b>	<b>\$ 140,000</b>	<b>\$ 70,000</b>	<b>100%</b>

\* Un-audited numbers

## FY2017 Highlights

### New Projects or Services

- **Sod Cutter Purchased:** A new 18" Honda GX160 sod cutter replaced a 1983 sod cutter that finally fell apart. Sod replacement is used on new burial sites and general grounds maintenance repair.
- **Plotter Purchased:** An AllenDatagraph 536GTS plotter purchased and training attended. Equipment and software allow new public services of niche wall inscriptions, signs for Stories and Stones, and information signs for use throughout the cemetery.

## Fund Description

**Memorial Fund Reserve:** All donations received by the Missoula City Cemetery must be deposited to the Memorial Fund Reserve. A record of designated and undesignated funds is maintained by the Missoula City Cemetery office.

## Activities & Objectives

The Cemetery Board of Trustees and City Administration allow these funds to fulfill donor's wishes provided the requests fit within the scope of the master plan development for the cemetery.

## FINANCIAL SUMMARY

Budget by Object of	Actual	Amended	Actual	Adopted	Increase	Percent
Expenditure Category	FY 2016	FY 2017	FY 2017*	FY 2018	(Decrease)	Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	-
Supplies	-	-	-	-	-	-
Purchased Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	2,998	500	164	8,000	7,500	1500%
<b>Total</b>	<b>\$ 2,998</b>	<b>\$ 500</b>	<b>\$ 164</b>	<b>\$ 8,000</b>	<b>\$ 7,500</b>	<b>1500%</b>

\* Un-audited numbers

## FY2017 Highlights

### New Projects or Services

- **Historic Preservation Award:** Stories and Stones historical tour received the Dorothy Ogg historical preservation award for its role in local history awareness and preservation. This tour is held annually, individual histories and guidebooks are preserved on the cemetery website, and video presentations are recorded by MCAT.

## Fund Description

The City began receiving revenues in FY86 from projects done in the Central Business District which used the U.S. Department of Housing and Urban Development's Urban Development Action Grants. The revenues will be loan repayments from the Central Square office building and from the Sheraton Hotel project.

All expenditures have to be for eligible projects of the Housing and Community Development Act of 1974 as amended.

## Activities & Objectives

The City has been receiving lease payments and loan repayments from the Central Square Office Building since FY1986. During FY1988, the City reached an agreement on a payoff of the Sheraton Hotel promissory note with the existing owners and the new partnership that bought out the old partnership. As part of that agreement, the City received \$600,000 at the closing of the deal as the payoff of the promissory note.

In May of 1996, the City passed Resolution #5867 which establishes the funding level and priorities for community based organization grants for the Title I Program Income Fund. The City has established a minimum fund balance of \$500,000 through FY1998 or until entitlement status is obtained. At that time, the City agreed to the following: Up to one-half of the Title I funds in excess of a \$500,000 fund balance will be available for internal City projects and up to half of the Title I funds in excess of a \$500,000 fund balance will be available to Community Based Organizations (CBO). Resolution #6538, approved in August, 2002, authorized internal City projects and CBO grants from the Title I Program Income fund in a total amount of approximately \$100,000 per year (beginning in FY2004), with the realization that this level of funding may eventually result in the exhaustion of the fund.

Projects identified to date:

1. FY 2018 Contributions administered by GCP – To be determined, based on applications received. Estimated amount available is \$146,924.

## FINANCIAL SUMMARY

Budget by Object of	Actual	Amended	Actual	Adopted	Increase	Percent
Expenditure Category	FY 2016	FY 2017	FY 2017*	FY 2018	(Decrease)	Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	14	146,924	-	146,924	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 14</b>	<b>\$ 146,924</b>	<b>\$ -</b>	<b>\$ 146,924</b>	<b>\$ -</b>	<b>0%</b>

\* Un-audited numbers

Fund Description

This program derives its funding from sewer assistance grants that have been repaid to the City of Missoula in addition to a Water Quality District appropriation.

Activities & Objectives

This fund is used to provide sewer connection assistance to limited income persons within Missoula County.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	14	62,439	-	62,439	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 14</b>	<b>\$ 62,439</b>	<b>\$ -</b>	<b>\$ 62,439</b>	<b>\$ -</b>	<b>0%</b>

\* Un-audited numbers

## Fund Description

This program derives its funding from the repayment of loans provided to low- and moderate-income homebuyers for down payment, homebuyer education and closing cost assistance through a grant awarded to the City by the State HOME program.

**FUND CLOSED DURING FY2017 END OF YEAR ADJUSTMENTS AND BALANCE TRANSFERRED TO FUND 2943 – HOME PROGRAM INCOME.**

- Transaction occurred after budget adoption.

## FINANCIAL SUMMARY^

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	600,000	-	-	(600,000)	-100%
Miscellaneous	-	-	113,782	20,112	20,112	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ -</b>	<b>\$ 600,000</b>	<b>\$ 113,782</b>	<b>\$ 20,112</b>	<b>\$ (579,888)</b>	<b>-97%</b>

\* Un-audited numbers

^Fund closed in FY18

**Fund Description**

As part of the inter-local for the new Public Safety Software a special fund was to be created and maintained by the City of Missoula. The Missoula County 911 center, Missoula County Sherriff Office, City of Missoula Police Department, City Fire and Missoula Rural Fire Districts combined, are each required to deposit \$6,000 per year in this fund. This account should be accumulating \$24,000 per year.

**Activities & Objectives**

This fund will be used to replace hardware as needed but the majority of the money will be used in FY 2019 to replace all the server hardware for the Public Safety project at a cost of approximately \$100,000.

- Replace four production New World servers – approximately \$60,000
- Replace production Storage Area Network – approximately \$40,000

**FINANCIAL SUMMARY**

<b>Budget by Object of Expenditure Category</b>	<b>Actual FY 2016</b>	<b>Amended FY 2017</b>	<b>Actual FY 2017*</b>	<b>Adopted FY 2018</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	-
Supplies	-	-	-	-	-	-
Purchased Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	26,720	-	-	-	-	-
<b>Total</b>	<b>\$ 26,720</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

\* Un-audited numbers

**Fund Description**

The City of Missoula enacted general impact fees for the first time with the adoption of Ordinance # 3250 on May 10, 2004. This ordinance was effective on October 1, 2004.

**Activities & Objectives**

The purpose and intent of the Impact Fee ordinance is as follows:

- 1) To establish uniform procedures for the imposition, calculation, collection, expenditure, and administration of development impact fees imposed on new development;
- 2) To assure that new development contributes its fair and proportionate share towards the costs of public facilities reasonably necessitated by such new development;
- 3) To ensure that new development benefits from the provision of the public facilities provided with the proceeds of development impact fees;
- 4) To ensure that impact fees collected pursuant to this Chapter are expended only on public facilities the demand for which is generated by the new development against which the fees are assessed;
- 5) To ensure that impact fees assessed pursuant to this Chapter are proportionate in amount to the degree of impact new development has on public facilities; and
- 6) To ensure that all applicable legal standards and criteria are properly incorporated in these procedures.

The City of Missoula chose not to implement development impact fees at the maximum level identified in the impact fee study adopted in 2004, conducted by Tischler and Associates. A Request for Proposal to analyze the current fee structure and make recommendations for updating the fees will be issued early in FY 2018. Award of the contract to review and propose recommendations to the Impact Fee structure are anticipated to be completed within FY 2018 and adoption and implementation of the proposed changes in FY 2019.

The use of Impact Fees on projects are approved by the Impact Fee Advisory Committee (IFAC). IFAC meets quarterly to review the status of approved projects, review and vote on proposals, make recommendations on use of the Impact Fee fund.

**FINANCIAL SUMMARY**

<b>Budget by Object of Expenditure Category</b>	<b>Actual FY 2016</b>	<b>Amended FY 2017</b>	<b>Actual FY 2017*</b>	<b>Adopted FY 2018</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	12,763	-	10,629	-	-	
Miscellaneous	30,000	76,265	1,692,801	-	(76,265)	-100%
Debt Service	-	-	-	-	-	
Capital Outlay	711,716	2,326,000	968,384	2,400,000	74,000	3%
<b>Total</b>	<b>\$ 754,479</b>	<b>\$ 2,402,265</b>	<b>\$ 2,671,814</b>	<b>\$ 2,400,000</b>	<b>\$ (2,265)</b>	<b>0%</b>

\* Un-audited numbers

**Fund Description**

This fund is to contract for the construction of the intersection improvements (roundabout) at George Elmer Drive and Cattle Drive. The area developers (44 Ranch and Flynn Ranch) were unable to come to agreement between themselves in order to fulfill both of their respective subdivision conditions.

**Activities & Objectives**

A funding agreement for design and construction is planned to be executed with the 44 Ranch developer prior to the beginning of FY2019. The construction will most likely be completed in phases with phase 1 constructing the center or splitter islands for the pedestrian crossing of George Elmer Drive in construction season 2020 and the phase 2 or remainder of the roundabout with appurtenances construction being planned for construction by 2021. Phase 1 construction is estimated at \$15,000 and phase 2 estimated at \$50,000.

**FINANCIAL SUMMARY**

<b>Budget by Object of</b>	<b>Actual</b>	<b>Amended</b>	<b>Actual</b>	<b>Adopted</b>	<b>Increase</b>	<b>Percent</b>
<b>Expenditure Category</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2017*</b>	<b>FY 2018</b>	<b>(Decrease)</b>	<b>Change</b>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	15,000	-	15,000	-	0%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ -</b>	<b>\$ 15,000</b>	<b>\$ -</b>	<b>\$ 15,000</b>	<b>\$ -</b>	<b>0%</b>

\* Un-audited numbers

### Fund Description

The goals of the public art fund are to develop a formal structure through which the creation, development and maintenance of public art may be realized. To further public accessibility to the arts through educational programs, dissemination of information, development of public art projects, development of public art funding sources and by serving an advisory/advocacy role with public art sponsors and media.

### Activities & Objectives

On July 1, 2003 the Public Art Ordinance #3221 went into effect. This Ordinance established a mechanism to fund and maintain public art within the City of Missoula. The Mayor has established a Public Art Committee that provides advice and recommendations on public art to the City Council. The Missoula Cultural Council has been tasked with providing administrative oversight of the Public Art Committee. The ordinance established a Percent for Art Program based off of capital expenditures expended by the city. The Percent for Art Program focuses on both the outside and the inside of new and remodeled City owned public spaces. The art may serve a function, express a theme, or commemorate an important person. It may underscore or provide a counterpoint to the architecture and surrounding site. It may serve as a landmark that adds definition to the City of Missoula.

The Public Art Fund receives one and one half percent (1.5%) of eligible construction costs of City capital improvement projects, paid wholly or in part by the City of Missoula to construct or remodel any public or city building, structure, park or any portion thereof, to be allocated for public art. No less than eighty percent (80%) of one percent (1%) of this allocation will be used for on-site artwork; up to twenty percent (20%) of this one percent (1%) may be used for program administration necessary to carry out the provisions of this chapter. A half percent (0.5%) of this allocation will be deposited in a public art trust fund used to provide maintenance for existing artworks. If the public art trust fund exceeds \$200,000, the Public Art Committee has the discretion to put the half percent (0.5%) toward artwork. When the eligible construction costs of a City capital improvement project are less than \$100,000, the Public Art Committee has discretion to determine that a particular piece of on-site art is not required and may designate one hundred percent (100%) of the one and one half percent (1.5%) allocation for art to be deposited in a public art trust fund for maintenance of artworks and/or to fund additional projects.

The following are considered exemptions from the Percent for Art Program:

- a) Projects for water, storm-water or wastewater facility, except for office buildings;
- b) Street construction and repair, inclusive of the public right of way improvements, such as curb, sidewalk and traffic control facilities and landscaping; and maintenance projects.

These exemptions do not preclude the department from proposing and including funding for art in any of their projects. City departments are encouraged to include art to some degree in any of these exempted categories.

### FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	-
Supplies	-	-	-	-	-	-
Purchased Services	6,695	26,320	362	15,943	(10,377)	-39%
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	20,400	-	5,000	-	-	-
<b>Total</b>	<b>\$ 27,095</b>	<b>\$ 26,320</b>	<b>\$ 5,362</b>	<b>\$ 15,943</b>	<b>\$ (10,377)</b>	<b>-39%</b>

\* Un-audited numbers

**Restricted Funds for future projects:**

**Fund Description**

The City has the authority to levy a special levy in addition to the All Purpose Levy for the costs of an employee health insurance plan. The City's health insurance plan is a self-insurance with the City paying claims costs up to a certain level. This fund received the tax revenues from the levy and transfers the funds to the general fund to offset the cost of health insurance.

**Activities & Objectives**

The levy in FY2018 is 41.9 mills which is a decrease of 0.72% when compared with the FY2017 levy of 42.2 mills.

**FINANCIAL SUMMARY**

<b>Budget by Object of Expenditure Category</b>	<b>Actual FY 2016</b>	<b>Amended FY 2017</b>	<b>Actual FY 2017*</b>	<b>Adopted FY 2018</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	4,405,446	4,774,150	4,774,150	5,101,004	326,854	7%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 4,405,446</b>	<b>\$ 4,774,150</b>	<b>\$ 4,774,150</b>	<b>\$ 5,101,004</b>	<b>\$ 326,854</b>	<b>7%</b>

\* Un-audited numbers

**Fund Description**

The City adopted a 15 year non-exclusive franchise ordinance, Ordinance #3237, beginning on December 1, 2003 with Bresnan Communications covering the cable system in the Missoula Valley. Bresnan Communications sold to Cable Vision and Cable Vision was sold to Charter in the spring of 2013. The City will receive 5% of the gross revenues of Charter Communications plus twenty nine cents per month per customer for capital equipment replacement.

**Activities & Objectives**

\$726,856 of franchise fees from Charter are projected and budgeted. The decrease in Charter’s remittances in the past was related primarily to market decreases. The FY 2018 budget assumes little to no growth. City is in the process of negotiating the Franchise Fee agreement with Charter Communications. The negotiations are anticipated to be completed and presented to City Council for implemented in FY 2018.

Pursuant to an approved contract with the City, Missoula Community Access Television (MCAT) is budgeted to receive \$440,000 in FY 2018.

		<u>FY 2018</u>	<u>FY 2017</u>
350 - Professional Services	Cable TV Negotiator/SIRE Maintenance	\$20,288	\$20,288
370 - Travel	Travel to training workshops	1,000	1,000
380 - Training	Training on new regulations	1,000	1,000
700 - Contributions	MCAT Operations Contribution	440,000	390,000
820 - Transfers Out	Transfer to General Fund	221,433	301,433
940 - Machinery & Equipment	Capital-Replacement & Second Channel	<u>37,567</u>	<u>37,567</u>
	<b>Total</b>	<b>\$ 721,288</b>	<b>\$ 751,288</b>

**OBJECTIVES:**

1. Monitor and take appropriate actions to implement any legislative changes to cable television regulations

**FINANCIAL SUMMARY**

<b>Budget by Object of Expenditure Category</b>	<b>Actual FY 2016</b>	<b>Amended FY 2017</b>	<b>Actual FY 2017*</b>	<b>Adopted FY 2018</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	13,102	22,288	12,900	22,288	-	0%
Miscellaneous	727,169	691,433	742,723	661,433	(30,000)	-4%
Debt Service	-	-	-	-	-	
Capital Outlay	37,246	37,567	18,671	37,567	-	0%
<b>Total</b>	<b>\$ 777,517</b>	<b>\$ 751,288</b>	<b>\$ 774,293</b>	<b>\$ 721,288</b>	<b>\$ (30,000)</b>	<b>-4%</b>

\* Un-audited numbers

**Fund Description**

Pursuant to Section 44-12-213 Montana Codes Annotated the City is entitled to receive property, money from sales of seized property, cash payments resulting from Justice of the Peace verdicts, and seized cash from drug related crimes provided that it has a Drug Forfeiture Fund. Money received in this fund has to be spent on drug related expenditures.

**Activities & Objectives**

1. To support enforcement of drug laws within the Missoula community as well as providing drug-related training to department personnel.
2. Possible Equipment and Capital purchase could include:

Supplies	\$ 6,500
Purchased Services	\$ 5,300
Miscellaneous	\$1,000
Capital Outlay	\$ 5,000
Total	\$17,800

**FINANCIAL SUMMARY**

Budget by Object of	Actual	Amended	Actual	Adopted	Increase	Percent
Expenditure Category	FY 2016	FY 2017	FY 2017*	FY 2018	(Decrease)	Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	-
Supplies	12,405	6,500	10,670	6,500	-	0%
Purchased Services	7,984	5,300	6,866	5,300	-	0%
Miscellaneous	-	1,000	-	1,000	-	0%
Debt Service	-	-	-	-	-	-
Capital Outlay	-	5,000	-	5,000	-	0%
<b>Total</b>	<b>\$ 20,390</b>	<b>\$ 17,800</b>	<b>\$ 17,536</b>	<b>\$ 17,800</b>	<b>\$ -</b>	<b>0%</b>

\* Un-audited numbers

**Fund Description**

The City, through the Uniform Building Code (UBC) has the authority to levy a special assessment on property where a building on the property has been declared a danger in need of abatement. The UBC requires that a separate fund be established to account for the costs of steps taken to abate a danger or demolish a building. The City Council may then levy a special assessment upon this property to recover its costs. This fund receives advances from the general fund to do the demolition, collects the lien assessment, and returns the money back to the general fund after collection of the assessment.

**Activities & Objectives**

\$15,000 is appropriated in possible abatements. Advances come from the general fund and after collection of assessments, the money will be returned to the general fund.

**FINANCIAL SUMMARY**

<b>Budget by Object of</b>	<b>Actual</b>	<b>Amended</b>	<b>Actual</b>	<b>Adopted</b>	<b>Increase</b>	<b>Percent</b>
<b>Expenditure Category</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2017*</b>	<b>FY 2018</b>	<b>(Decrease)</b>	<b>Change</b>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	15,000	-	15,000	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ -</b>	<b>\$ 15,000</b>	<b>\$ -</b>	<b>\$ 15,000</b>	<b>\$ -</b>	<b>0%</b>

\* Un-audited numbers

### Fund Description

The purpose of this fund is to pay 90% of the utility bills for the City's street lighting districts. The City assesses itself for 10% of this utility cost to handle the additional lighting needed at intersections.

### Activities & Objectives

Property owners in the City's street lighting districts are assessed each year for the cost of operating the lights in the districts. Included in the bill, is the electricity to operate the lights, annual maintenance for the light pole and ballast and rental of the lighting apparatus. A 6% increase is included in the budget in response to a Northwestern Energy statement indicating a proposed 6% rate increase approved by the Public Service Commission. Currently the City assesses for thirty eight Street Lighting Districts. Four districts were added in FY 2016 and one Street Lighting District, Lincoln Hills, opted to be removed from the district early in FY 2017.

### FINANCIAL SUMMARY

Budget by Object of	Actual	Amended	Actual	Adopted	Increase	Percent
Expenditure Category	FY 2016	FY 2017	FY 2017*	FY 2018	(Decrease)	Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	351,626	317,277	324,162	365,014	47,737	15%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 351,626</b>	<b>\$ 317,277</b>	<b>\$ 324,162</b>	<b>\$ 365,014</b>	<b>\$ 47,737</b>	<b>15%</b>

\* Un-audited numbers

### Fund Description

The purpose of this fund is to pay for the services associated with the maintenance and care of Street Maintenance District #1. These services include weekly flushing/sweeping of the row by the Street Department. The City has contracted with the Business Improvement District to maintain the garbage and recycle containers within the district and to dispose of any rubbish within the right-of-way of the district.

### Activities & Objectives

The costs associated with the flushing/sweeping are expended in the General Fund, Street Maintenance Department. Annually, the actual costs for weekly flushing/sweeping are calculated and are transferred to the General Fund to offset the costs. The Business Improvement District is charged with maintaining the cleanliness of the Street Maintenance district by picking up the rubbish discarded in the right-of-way and emptying the eighty-six recycling and garbage cans located throughout the district. This is an increase of sixty-two recycling and garbage cans from the original contract signed in FY 2009.

Garbage/Recycling contracted with Business Improvement District:	\$ 22,227
Request to increase garbage services:	<u>39,627</u>
Total Garbage/Recycling	\$ 61,854
Street Flushing/Sweeping reimbursement to General Fund:	\$ 41,000

### FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	20,745	21,580	20,745	61,854	40,274	187%
Miscellaneous	27,281	41,200	86,046	41,000	(200)	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 48,026</b>	<b>\$ 62,780</b>	<b>\$ 106,792</b>	<b>\$ 102,854</b>	<b>\$ 40,074</b>	<b>64%</b>

\* Un-audited numbers

## Program Description – Work Plan

This program encompasses a City-wide road district entitled “CITY OF MISSOULA ROAD DISTRICT NUMBER 1” designed to maintain the current level of service as provided to all city residents. The assessment is used for the purpose of funding the purchase of materials necessary for ongoing maintenance, repair, improvement, construction, and reconstruction of city streets, alleys, parking lots, storm water facilities, and other public facilities located in the public right-of-way and/or within public easements.

\$248,558 is assessed for purchase of the materials necessary to implement the City’s year-round street maintenance operations and transportation related Capital Improvements Program (CIP) projects, specifically CIP - Street Improvements Major Maintenance. The street improvements CIP encompass a combination of: 1) Reconstruction of completely deteriorated streets; 2) Overlays on the streets showing the most duress; and 3) Chip sealing to prolong the life of the streets that have only moderate deterioration.

The assessment includes funds to cover/assist with the cost of sidewalk improvements on city streets. Specific assistance is provided to residential owner occupied property that covers a portion of the costs of installing American with Disabilities Act (ADA) compliant curb ramps (\$60,000). \$370,000 is assessed as a result of completed projects from the CIP Annual Sidewalk Installation Replacement Program. This program systematically replaces hazardous and deteriorated sidewalks and installs curb ramps throughout the existing sidewalk system of Missoula, and installs new curbs and sidewalks where there are none. The replacement program is based on the Master Sidewalk Replacement program with the goal to install/replace all sidewalks within the City of Missoula in the next 25 years.

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## City Strategic Plan & Department’s Implementation Strategy

### Goal # 1 Fiscal Sustainability

- Strategy: We will maintain or improve the level of service to citizens.
  - The following streets will be chip sealed within FY 2018:
    - Orange/Stephens
    - Streets that run North to South between 6<sup>th</sup> and South Ave. & Arthur and Higgins Ave.
    - Hillview Way
    - Spring Court
    - Cloverdale
    - Old Highway 93
  - The following major streets will be constructed or receive overlays in FY 2018:
    - Margaret, Strand, Kensington
    - Maurice Ave
    - Mount Ave between Stephens and Brooks
    - Jaiden Drive
    - Turner St
    - VanBuren Phase III
    - Cregg Land Phase II
- Strategy: We will work toward sustaining and diversifying fiscal resources.
  - The Road District #1 will lend assistance via ADA sidewalk/ramp assistance and the sidewalk subsidy program to the following areas for replacing/installing sidewalk in FY 2018:
    - VanBuren Phase II
    - S Higgins Ave. from South Ave to Pattee St.

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 13,000	\$ 179,887	\$ 170,979	\$ 217,286	\$ 37,399	21%
Supplies	215,473	193,861	191,382	191,361	(2,500)	-1%
Purchased Services	44,508	41,300	13,326	133,800	92,500	224%
Miscellaneous	670,394	503,256	330,312	377,150	(126,106)	-25%
Debt Service	456,794	619,206	500,160	651,410	32,204	5%
Capital Outlay	524,369	555,480	485,908	440,000	(115,480)	-21%
<b>Total</b>	<b>\$ 1,924,537</b>	<b>\$ 2,092,990</b>	<b>\$ 1,692,068</b>	<b>\$ 2,011,007</b>	<b>\$ (81,983)</b>	<b>-4%</b>

\* Un-audited numbers

**2018 Budget Highlights**

**Approved new requests:**

- \$75,000 – Pavement condition evaluation. This study will allow the City to map problem areas to prioritize repairs and the City will use this database to plan future paving projects in order to optimize street maintenance funding.
- \$9,912 – This was provided to move two part-time laborers to one full-time laborer/operator to assist in pothole patching, crack sealing, snow removal, and sanding/ice control.

**STAFFING SUMMARY**

Title	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
Special Services Administrator	0.11	0.46	0.11	0.46
Administrative Assistant	-	0.50	0.50	0.50
Operator - PW	-	0.42	0.42	0.42
Operator - Streets	0.25	0.25	0.25	3.00
<b>Total</b>	<b>0.36</b>	<b>1.63</b>	<b>1.28</b>	<b>4.38</b>

## Program Description

This program encompasses a city-wide park district entitled "CITY OF MISSOULA PARK DISTRICT NUMBER 1" designed to maintain the base level of service (FY09) provided to all city residents. An annual assessment will be established for the purpose of funding and/or financing costs associated with providing services including but not limited to: (1) Maintenance, repair, replacement, upkeep, installation, improvement, operational enhancement, construction, reconstruction, acquisition of land and/or (2) Implementation of measures required to maintain public health safety or meet legal or regulatory requirements, and/or (3) Purchasing, replacing and/or maintaining equipment, tools or vehicles used to carry out the functions described herein, and/or (4) Any other functions, labor, supplies and/or materials necessary for management and maintenance of City-owned facilities, lands and equipment under the responsibility and care of the City of Missoula Parks and Recreation Department including but not limited to: Public Parks and Park areas (as described in the master Parks and Recreation plan for the greater Missoula area, Recreation facilities, trails, open space (as defined by the City of Missoula Urban Area Open Space Plan), urban forest, medians, boulevards, pathways, sidewalks, public easements and other facilities located in the City and/or owned by the City; and providing for other matters properly relating thereto.

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## City Strategic Plan & Department's Implementation Strategy

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### Goal #1: Fiscal Sustainability

We will work to continually inventory, evaluate and enhance the infrastructure and assets under the purview of Parks and Recreation and strive to develop interdepartmental efficiencies where the stewardship of infrastructure and assets overlap. We will continue to build relationships with key community institutions

1. Strategy:
  - Secure adequate ongoing funding to ensure Fort Missoula Regional Park can be maintained into the future as a state of the art regional park and recreation destination
  - Work to implement goals outlined in Park and Recreation plans
  - Adopt additions to Park and Recreation Design Manual

### Goal #2: Harmonious Natural and Built Environments

We will continue to invest in planning and execution of existing plans and that our plans and policies encourage development that reflects community values.

2. Strategy: Review and update Plans per recommendations
  - Update Master Park Plan and Urban Area Open Space Plan
  - Update Urban Forest Master Management Plan
3. Strategy: implementation of approved community plans:
  - Management Plans: Urban Forest Master Management Plan, Conservation Lands Management Plan, Park Asset Management Plan, Turf Management Plan, Mater Park Plan
  - Design standards – medians, boulevards, trees – adopted in FY 2016 and implemented in design review. Additional standards and updates occurred in FY17
4. Strategy: enhance the quality of our green infrastructure
  - Addition of South Hills Spur Trails to the City of Missoula Conservation Lands.
  - Adoption of Design Standards Manual

## FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 190,958	\$ 316,839	\$ 315,807	\$ 374,326	\$ 57,487	18%
Supplies	201,226	187,985	190,563	185,326	(2,659)	-1%
Purchased Services	353,210	268,116	259,044	272,286	4,170	2%
Miscellaneous	-	168,214	168,214	333,894	165,680	98%
Debt Service	210,605	301,546	350,480	205,734	(95,812)	-32%
Capital Outlay	93,020	70,000	64,128	70,000	-	0%
<b>Total</b>	<b>\$ 1,049,018</b>	<b>\$ 1,312,700</b>	<b>\$ 1,348,236</b>	<b>\$ 1,441,566</b>	<b>\$ 128,866</b>	<b>10%</b>

\* Un-audited numbers

## FY 2018 Budget Highlights

The approved increase in Park District #1 funding for FY 2018 will provide for improvement in core parks and greenways and maintenance services particularly where those services were reduced in past years. Priorities include but are not limited to:

**Conservation Lands Management - Funding for Trails/Trailhead**

- Allow for proactive trail and trailhead design, improvements, trail re-routes and long-term cyclical maintenance. Ensure trailheads are maintained at an acceptable level to ensure public safety, security and are consistent with adopted City laws. In 2014, citizens ranked "trail maintenance" as the number one recreational management priority on conservation lands. In 2015, CLM crews mapped 53.6 mi. of designated trails (18% growth since 2008), 19.8 mi. of user created trails (100% growth since 2008) and documented 351 individual problems on CL trails. This program easily has a 10 year backlog of trail maintenance & reroutes. Investing in our trails and trailheads now will ensure responsible recreation management as Missoula's population grows
- Develop internal standard operating procedures, more detailed work plans and new employee training materials for the CLM program.
- Finalize and adopt recreation use plans for the newly acquired South Hills Spur Property.

**Park Maintenance**

- Inventory all park assets according to Park Asset Management Plan
- Completion of Janette Rankin park restoration
- Procure and Install all items for Fort Missoula Regional Park
- Kiwanis Park – Install multi sports field and backstop
- Enhance/renovate restrooms in all parks
- Revise Herbicide spraying contract and solicit for bids for a three year term
- Focus on deferred turf care, proper irrigation, fertilization, aeration, weed control and top dressing of the Parks system turf areas. Areas which were cut to reallocate available funds to fuel & utilities or to adjust for reduced budget.
- Routine maintenance of playgrounds, asphalt, park infrastructure to ensure safety and proper upkeep of the systems assets.

**Urban Forestry, Greenways & Horticulture**

These funds will be utilized to perform maintenance on right of ways, medians and trails which have not been funded in previous years.

- Turf cares, plant bed vegetation, weed control and general upkeep of areas has been from funds tapped from other programs. Funds are needed to ensure maintenance resources are adequate to revitalize and sustain these existing community assets.

- Increased frequency of maintenance for landscaped rights-of-way to better keep up with weed growth, with an emphasis on Reserve Street Medians, Higgins Street Roundabout, and 39th Street medians. Pothole and minor pavement repairs and maintenance for asphalt commuter trails.
- Reorganize priorities and incorporate the following new sites: L2M section of the Bitterroot Trail, South Reserve Crossing, Missoula Art Park and Kim Williams undercrossing section of the Milwaukee Trail
- Implement a sign and signal clearance program
- Update the tree inventory
- Improve and expand the gravel bed nursery
- Continue risk tree analysis and risk tree removal
- Develop new avenues to recycle tree removal wood
- Continue pruning young trees with poor structural form through Volunteers in Pruning (VIP) program.
- Complete two year review of the forest master management plan
- Update MMC 12.28,12.32 and 12.48

**Parks Asset Management Program**

- Repair of damaged trails, damaged or vandalized playground, and/or the repair of shelters allows the Department to mitigate potential safety and liability concerns.
- Implementation Plan for Cyclical Maintenance of Infrastructure -Funds will be utilized in the development of a long-range plan to address developed park infrastructure and amenities that require major work or replacement due to: Public safety concerns, age, condition, code compliance, and to sustainably manage park maintenance costs.

A number of parks, trails, conservation lands, and ROW improvements have been added making the added park district funding critically important to maintaining a system that contributes significantly to Missoula resident's quality of life, as well as our community's economic and environmental sustainability.

**STAFFING SUMMARY**

<b>Title</b>	<b>Actual FY 2015</b>	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Adopted FY 2018</b>
COMMUNICATION SPECIALIST	-	-	0.25	0.25
MORE COORDINATOR	-	-	0.11	0.11
BUSINESS MANAGER	-	-	0.66	1.00
ARBORIST ASSISTANT	-	-	0.17	0.17
FORESTRY WORKER	-	-	2.17	3.00
RESEARCH SPECIALIST	-	0.75	0.89	0.89
MAINTENANCE WORKERS	0.60	-	1.11	1.21
INTERMITTENT POSITIONS (RECEIVE NO BENEFITS)				
LEVEL 4 INTERMITTENT PARK MNTC	0.46	0.46	1.78	0.46
LEVEL 4 INTERMITTENT CLM	0.46	1.06	-	0.86
LEVEL 4 INTERMITTENT URBAN FORESTRY	0.46	0.46	-	0.46
LEVEL 5 INTERMITTENT RECREATION	-	-	0.08	0.08
	-	-	-	-
<b>Total</b>	<b>1.98</b>	<b>2.73</b>	<b>7.22</b>	<b>8.49</b>

### Program Description

This fund is set up to receive and distribute gasoline tax revenues from the State. Pursuant to M.C.A. § 15-70-202, expenditures from this fund are restricted to labor and materials for street improvements and cannot be used for equipment purchases.

### Activities and Objectives

#### Direct Expenditures for FY 2018:

Asphalt for street paving	140,000	Account 930
Chip seal emulsified asphalt and distribution	122,700	Account 930
Sand (winter street sanding)	56,000	Account 930
Chip seal aggregate	72,500	Account 930
<b>Total Direct Expenditures:</b>	<b>391,200</b>	

#### Interfund transfers for FY 2018:

Transfer to 1000.320 fund for labor costs	\$564,000	Account 820
<b>Total Interfund Transfers:</b>	<b>\$ 564,000</b>	
<b>TOTAL FUND EXPENDITURES:</b>	<b>955,200</b>	

### FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	-
Supplies	-	-	-	-	-	-
Purchased Services	-	-	-	-	-	-
Miscellaneous	564,000	564,000	564,000	564,000	-	0%
Debt Service	-	-	-	-	-	-
Capital Outlay	322,111	391,200	314,710	391,200	-	0%
<b>Total</b>	<b>\$ 886,111</b>	<b>\$ 955,200</b>	<b>\$ 878,710</b>	<b>\$ 955,200</b>	<b>\$ -</b>	<b>0%</b>

\* Un-audited numbers

## Fund Description

Department of Justice, Bureau of Justice Assistance Edward Byrne Memorial Grants is awarded annually to the City of Missoula.

## Activities & Objectives

**Department of Justice Edward Byrne Memorial JAG Grant XIV**– Anticipated budget equals **\$60,373**

The Justice Assistance Grants provide a half-time property clerk and other programs for the Missoula County Sheriff Department as well as provide funding for numerous programs within the City of Missoula Police Department. The City of Missoula will reimburse the County of Missoula for their expenses as outlined in the grant award document.

The Edward Byrne Memorial Discretionary Grants Program furthers the Department's mission by assisting state and local jurisdictions in improving the criminal justice system and assisting communities in preventing drug abuse and crime.

## FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ 40,000	\$ -	\$ -	\$ (40,000)	-100%
Supplies	165	43,124	43,124	43,124	-	0%
Purchased Services	16,850	-	-	-	-	
Miscellaneous	-	17,249	17,253	17,249	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	53,830	-	-	-	-	
<b>Total</b>	<b>\$ 70,846</b>	<b>\$ 100,373</b>	<b>\$ 60,377</b>	<b>\$ 60,373</b>	<b>\$ (40,000)</b>	<b>-40%</b>

\* Un-audited numbers

**Fund Description**

The City of Missoula is the fiscal agent for a Federal, State, County and Municipal task force called the High Intensity Drug Trafficking Area Task Force. The 2019 fund is set up for forfeiture of assets and is a shared account pro-rated to Missoula County Attorney and Sheriff, City of Missoula and the HIDTA Task Force operations account.

Expenditure of these forfeiture funds is controlled by state and federal statutes restricting expenditures to drug-related investigations and training. Expenditures include lease expenses, equipment, training and supplies to support local drug task force office. This fund also provides grants to local substance abuse prevention programs as well as District Court Youth Drug Court.

**Activities & Objectives**

**HIDTA Forfeiture Fund** – Activity budget equals **\$140,600**

**TOTAL FUND EXPENDITURES EQUALS \$ 140,600**

**FINANCIAL SUMMARY**

<b>Budget by Object of Expenditure Category</b>	<b>Actual FY 2016</b>	<b>Amended FY 2017</b>	<b>Actual FY 2017*</b>	<b>Adopted FY 2018</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
Personal Services	\$ -	\$ 16,350	\$ -	\$ 14,671	\$ (1,679)	-10%
Supplies	18,915	1,000	4,619	7,000	6,000	600%
Purchased Services	4,615	13,250	19,919	29,850	16,600	125%
Miscellaneous	51,101	110,000	37,132	89,079	(20,921)	-19%
Debt Service	-	-	-	-	-	
Capital Outlay	8,918	-	16,432	-	-	
<b>Total</b>	<b>\$ 83,550</b>	<b>\$ 140,600</b>	<b>\$ 78,102</b>	<b>\$ 140,600</b>	<b>\$ -</b>	<b>0%</b>

\* Un-audited numbers

**Fund Description**

The purpose of the Community Development Block Grant (CDBG) Program Income account is to receive re-payment from CDBG-Entitlement assisted projects, and then use the funds collected to assist additional CDBG-eligible activities.

**Activities & Objectives**

Each year, the City of Missoula awards CDBG funding to community development projects. Program Income funds will be used to support one of the CDBG-eligible projects selected for funding as part of this process.

**FINANCIAL SUMMARY**

<b>Budget by Object of Expenditure Category</b>	<b>Actual FY 2016</b>	<b>Amended FY 2017</b>	<b>Actual FY 2017*</b>	<b>Adopted FY 2018</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	14,383	-	39,463	25,080	174%
Miscellaneous	19,239	-	29,370	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 19,239</b>	<b>\$ 14,383</b>	<b>\$ 29,370</b>	<b>\$ 39,463</b>	<b>\$ 25,080</b>	<b>174%</b>

\* Un-audited numbers

## Fund Description

The purpose of the Community Development Block Grant Fund is to handle transactions related to Community Development Block Grants that are awarded to the City.

## Activities &amp; Objectives

**2018 Grants and Community Programs Admin Fees** – Activity budget equals **\$104,130**

Grant support of administration fees.

**Projects** – Projects to be determined budget equals **\$413,660**

## FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ 31,205	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	128,536		19,059	-	-	
Miscellaneous	501,090	690,143	340,197	517,790	(172,353)	-25%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 629,626</b>	<b>\$ 690,143</b>	<b>\$ 390,461</b>	<b>\$ 517,790</b>	<b>\$ (172,353)</b>	<b>-25%</b>

\* Un-audited numbers

## Fund Description

The purpose of the Home Investment Partnership Program Fund is to handle transactions related to expanding the supply of decent, safe, sanitary and affordable housing for low-income households.

## Activities &amp; Objectives

**GCP Admin Fees** – Activity budget equals **\$32,000**

Grant support of administration fees.

**Projects** – Projects to be determined budget equals **\$288,000**

## FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ 16,468	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	78,635	-	15,538	-	-	
Miscellaneous	204,593	495,248	174,903	320,000	(175,248)	-35%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 283,228</b>	<b>\$ 495,248</b>	<b>\$ 206,909</b>	<b>\$ 320,000</b>	<b>\$ (175,248)</b>	<b>-35%</b>

\* Un-audited numbers

**Fund Description**

This program derives its funding from the repayment of loans provided to low- and moderate-income homebuyers for down payment, homebuyer education and closing cost assistance, as well as repayment of loans and the interest on those loans to organizations providing housing through funds provided by the City's HOME program.

**Activities & Objectives**

This fund is used to provide funds for any housing activities allowed by the federal HOME program, including but not limited to acquisition, construction or rehabilitation of housing, down payment assistance and other related costs or tenant-based rental assistance.

**FINANCIAL SUMMARY**

<b>Budget by Object of Expenditure Category</b>	<b>Actual FY 2016</b>	<b>Amended FY 2017</b>	<b>Actual FY 2017*</b>	<b>Adopted FY 2018</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
Personal Services	\$ -	\$ 25,000	\$ -	\$ -	\$ (25,000)	-100%
Supplies	-	-	-	-	-	-
Purchased Services	-	-	26,224	25,000	25,000	
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 26,224</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>0%</b>

\* Un-audited numbers

## Fund Description

Every six years, the United States Congress considers a transportation funding bill. This fund was created to accept Federal CMAQ, SNAP, and CTEP grant funds set aside for the City of Missoula along with any matching money from other City Funds. These funds are expended for projects identified by the City's Capital Improvement Program (CIP) and approved by the State.

## Activities & Objectives

### Bitterroot Bike Trail – Safe Crossings – Activity budget equals \$0 in FY 2018

Construction project along the Bitterroot Trail, providing safe crossing enhancements at eight identified intersections: North Ave. and Garfield; 14<sup>th</sup> St. one block west of Russell St; Ronan and Knowles; 6<sup>th</sup> St. and Ronan; 5<sup>th</sup> St. and IVY; 4<sup>th</sup> St. and half a block between Ivy and Oak; 3<sup>rd</sup> St. and Oak; 1<sup>st</sup> St. and Ash. This project was proposed and approved in FY 2015 with funding from a Federal TAP grant. The TAP (now SNAP) was awarded in FY 2018 and the project expenditures of \$275,000 being carried forward from prior year adopted budgets.

### Kim Williams – Bicycle Commuter Network – Activity budget equals \$208,379

The existing Kim Williams Trail is a Missoula icon that connects the University district to the natural resources and trails in Hellgate Canyon. It is currently the eastern most leg of the City's main east-west Primary Commuter Trail and will become a vital link for non-motorized transportation for residents of current or future subdivisions planned in the Deer Creek Road area. Acquisition of trail right-of-way on MRL property has been secured. This acquisition will allow for the expansion of the trail between its current eastern terminus and the existing public trail at Canyon River Golf Course – a significant connection. An encroachment permit on MDT right-of-way has been acquired. This project will complete the acquisition and design processes and construct the trail. CTEP is the major funding source for this project. Funds have been dedicated to this project in prior years.

## FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 731	\$ -	\$ 1	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	229,420	371,738	301,558	208,379	(163,359)	-44%
<b>Total</b>	<b>\$ 230,151</b>	<b>\$ 371,738</b>	<b>\$ 301,559</b>	<b>\$ 208,379</b>	<b>\$ (163,359)</b>	<b>-44%</b>

\* Un-audited numbers

**Fund Description**

This fund exists to receive and expend a variety of grant and donation funds.

**Activities & Objectives**

**Miscellaneous Grants and Donations - Activity budget equals \$ 20,000**

The \$ 20,000 is for an appropriation and spending authority for any donations that the City receives.

**Miscellaneous Fire Donations – Activity budget equals \$ 260**

**Fire Explorers Program - Activity budget equals \$1,650**

The Fire Explorer Program, in conjunction with the Boy Scouts of America, offers young adults real life experiences, training and exposure to the career opportunities available in the fire service.

**Fort Missoula Roads - Activity budget equals \$24,822**

As a condition of accepting responsibility for maintaining the infrastructure at Fort Missoula, the U.S. Army provided the City with these funds to improve the condition of the roads at Fort Missoula.

**Brownfield’s Assessment Grant – Activity budget equals \$300,000**

This Environmental Protection Agency grant enables the City to conduct assessments of potential Brownfields sites for eligible owners within the City of Missoula.

**Brownfield’s Cleanup RLF - Activity budget equals \$299,367**

This Environmental Protection Agency grant enables the City to make cleanup loans and a limited number of cleanup grants to eligible owners of Brownfield sites within the City of Missoula.

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 190,948	\$ -	\$ 3,346	\$ -	\$ -	
Supplies	26,104	-	-	-	-	
Purchased Services	71,678	-	36,754	-	-	
Miscellaneous	432,044	909,588	210,173	691,277	(218,311)	-24%
Debt Service	-	-	-	-	-	
Capital Outlay	379,311	84,822	62,307	24,822	(60,000)	-71%
<b>Total</b>	<b>\$ 1,100,085</b>	<b>\$ 994,410</b>	<b>\$ 312,579</b>	<b>\$ 716,099</b>	<b>\$ (278,311)</b>	<b>-28%</b>

\* Un-audited numbers

^ Split Police Grants into Fund 2989 in FY2017

## Fund Description

This fund exists to receive and expend a variety of grant and donation funds.

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### Activities & Objectives

**Miscellaneous Grants & Donations** – Activity budget equals **\$20,000**

**Anti-Graffiti** – Activity budget equals **\$5,000**

Funds provided by grants and donations provided to Missoula Police Department enable the volunteer program to purchase supplies needed to paint over graffiti.

**BIAS Crime Campaign** – Activity budget equals **\$10,903**

The Missoula Police Department and Communications Office formed partnerships with community organizations and businesses on a public campaign to encourage people who believe they are victims of crimes based in bias and discrimination to report those crimes. The first phase focused on sexual orientation. Subsequent phases of the campaign will focus on other minorities.

**ICAC Grant**- Activity budget equals **\$ 102,019**

Internet Crimes against Children (ICAC) provides funding to help local law enforcement agencies enhance their investigative response to offenders who use the Internet, online communication systems, or other computer technology to sexually exploit children.

**Bulletproof Vest Grant** - Activity budget equals **\$ 28,000**

This program provides for a fifty (50%) percent reimbursement of bullet proof vests for law enforcement officers through the Bulletproof Vest Grant Partnership Program.

**County DUI Task Force Grant** – Activity budget equals **\$5,000**

Funds provided by the Missoula County DUI Task Force enable officers to work overtime shifts in the enforcement of impaired driving laws. Funds also provide equipment and training to enhance the department's ability to enforce impaired driving laws.

**Traffic Safety Grants (Seat Belts and Capital Outlay)** - Activity budget equals **\$53,600**

The City has applied for a traffic safety grant to enforce seatbelt safety. This will also be used to cover overtime costs for seatbelt enforcement as well as fuel for vehicles. No Capital Outlay is anticipated in this fiscal year.

**Drug Task Force Grant (HIDTA)** - Activity budget equals **\$228,126**

The City of Missoula is the fiscal agent for a Federal, State, County and Municipal task force called the High Intensity Drug Trafficking Area Task Force. This task force has been in existence since FY 2003.

**State – Equipment Grant** – Activity budget equals **\$44,100**

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## FINANCIAL SUMMARY^

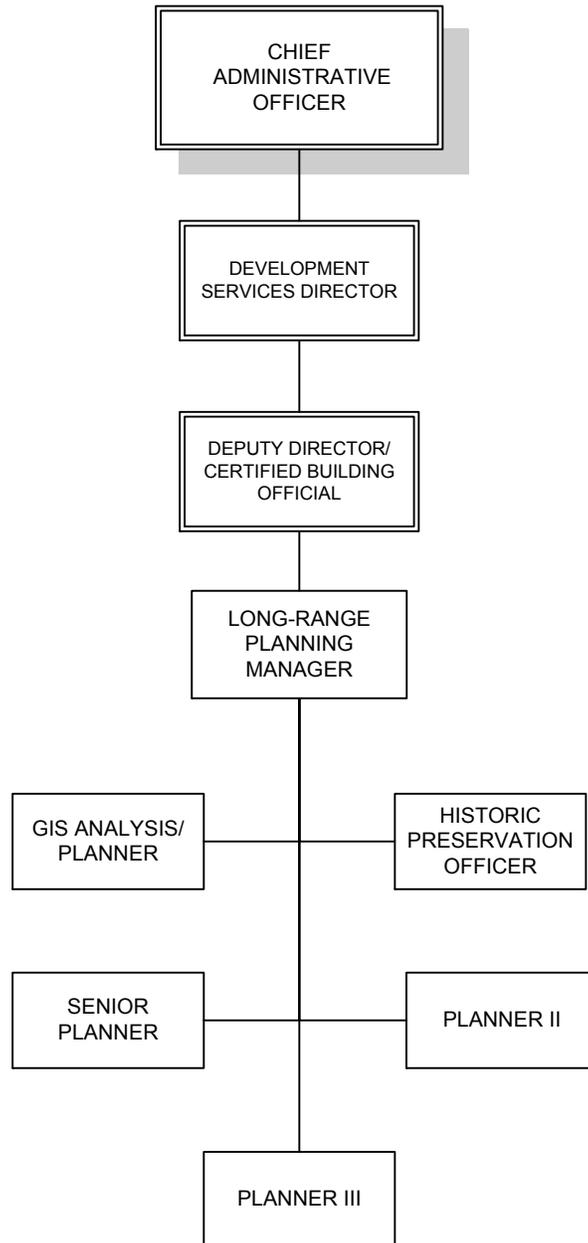
Budget by Object of	Actual	Amended	Actual	Adopted	Increase	Percent
Expenditure Category	FY 2016	FY 2017	FY 2017*	FY 2018	(Decrease)	Change
Personal Services	\$ -	\$ 212,971	\$ 172,277	\$ 172,079	\$ (40,892)	-19%
Supplies	-	108,026	27,583	83,832	(24,194)	-22%
Purchased Services	-	109,941	69,567	105,825	(4,116)	-4%
Miscellaneous	-	102,818	71,075	135,012	32,194	31%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ -</b>	<b>\$ 533,756</b>	<b>\$ 340,502</b>	<b>\$ 496,748</b>	<b>\$ (37,008)</b>	<b>-7%</b>

\* Un-audited numbers

^ New fund created for FY17



# Planning Division



## Fund Description

The City Planning section manages Growth Policy requirements and legislative initiatives of the City Council and Administration as they relate to that policy. The section facilitates a long-range vision for the community that is implemented through adopted plans, policies, code, the historic preservation program and partnerships.

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## Activities & Objectives

### Goal #1: Funding and Service

- Strategy: We will maintain or improve the level of service to citizens.
  - Enhance the methods of communication to improve the citizen's understanding of development and planning issues especially through internet information, additional UFDA analysis, UFDA reset, and UFDA yearbook
  - Participate in workshops and planning process aimed at community development and design excellence.
  - Developing an Annexation Policy through analysis and a coordinated process with agencies, governing body, and interested persons.
  - Continue to maintain and update the City zoning code and subdivision regulations.
  - Continue to consider ways to streamline certain zoning-related processes.
  - Provide assistance to area neighborhoods as needed.
  - Provide oversight regarding the historic preservation ordinance, assistance with historic resources and coordinate with the Historic Preservation Commission.
- Strategy: We will work with public and private sector partners in greater numbers to find new ways to enhance and diversify Missoula's economy.
  - Work with the Housing and Community Development Division to inform future housing strategies.
  - Explore partnerships with other organizations to gather information and provide recommendations about key community elements such as housing and community design.

### Goal #2: Harmonious Natural and Built Environment

- Strategy: We will reflect values of sustainability in transportation and building design.
- Strategy: We will make sure that our natural and built environments continue to represent Missoula's values of clean water and clean air.
  - Focus on sustainability through implementing actions from the growth policy including exploring node development potential; considering adaptive reuse concepts, participating in other organization efforts to address climate change; participating in the process to develop a zero-waste plan, and update climate change metrics.
  - Assist with sub-area planning efforts.

### Goal #3: Quality of Life for all Citizens

- Strategy: We will work to provide affordable housing for the work force of Missoula.
  - Coordinate with Housing and Community Development division.
  - Help to analyze needs and propose land use and zoning tools that enhance opportunities for affordable housing.
  - Review the Residential Allocation map.
  - Address new opportunities for residential and mixed use development within land use nodes.
- Strategy: We will support plans and programs that promote a healthy lifestyle for Missoula's citizens.
  - Enhance coordination between transportation and planning will be reflected in future community planning processes including Transit Planning, the Sidewalk Master Planning process, efforts to develop coordinated planning along Brooks Street and through design excellence guidelines.
  - Pursue new partnership with health interests to address health equity for low and moderate income households, pending a successful grant application.

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 341,907	\$ 345,525	\$ 350,122	\$ 431,362	\$ 85,837	25%
Supplies	2,905	3,850	3,222	9,263	5,413	141%
Purchased Services	16,586	80,310	10,651	76,037	(4,273)	-5%
Miscellaneous	24,720	24,000	60,573	25,000	1,000	4%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 386,118</b>	<b>\$ 453,685</b>	<b>\$ 424,568</b>	<b>\$ 541,662</b>	<b>\$ 87,977</b>	<b>19%</b>

\* Un-audited numbers

**STAFFING SUMMARY**

Title	Actual FY 2015	Actual FY 2016	Actual FY2017	Adopted FY2018
PLANNING MANAGER	1.00	1.00	1.00	1.00
HISTORIC PRESERVATION OFFICER	1.00	1.00	1.00	1.00
PLANNER II	0.50	0.50	0.50	0.50
GIS/PLANNER II	1.00	1.00	1.00	1.00
SENIOR PLANNER	1.00	1.00	1.00	1.00
PLANNER III				1.00
<b>Total</b>	<b>4.50</b>	<b>4.50</b>	<b>4.50</b>	<b>5.50</b>

**2018 Budget Highlights**

**Grant Program:**

The Historic Preservation Program is incorporated into the Planning section budget and the program expects continued “certified local government” funding through the State Historic Preservation Office to support implementation of the National Historic Preservation Act including outreach efforts, staffing of the Historic Preservation Commission and development of a comprehensive preservation plan. The funding cycle is from April 1 through March 31.

**Budget Changes:**

In FY 2014, the funding code for planning was 1000.250.411030, and in FY 2015/FY 2016 the code was 2250.250.411030. This budget also established fixed charges for use of other City Services.

There are no substantial changes to the FY 2018 budget. An adjustment was made to budget line 350 to reflect carry forward costs associated with approved expense for the Design Excellence Project. There is a new request pending for an additional full time Planner III. The new 1.0 FTE impacts our ability to develop more projects and to be more responsive to community needs. It also means some additional costs pertaining to more guided professional services for outside expertise, additional costs for community events, notifications, office equipment and professional certifications and memberships. Support for a portion of the FTE wage/benefits is possible through a fund balance associated with this account for a period of 3 years.

**Performance Measures**

**Performance Measures**

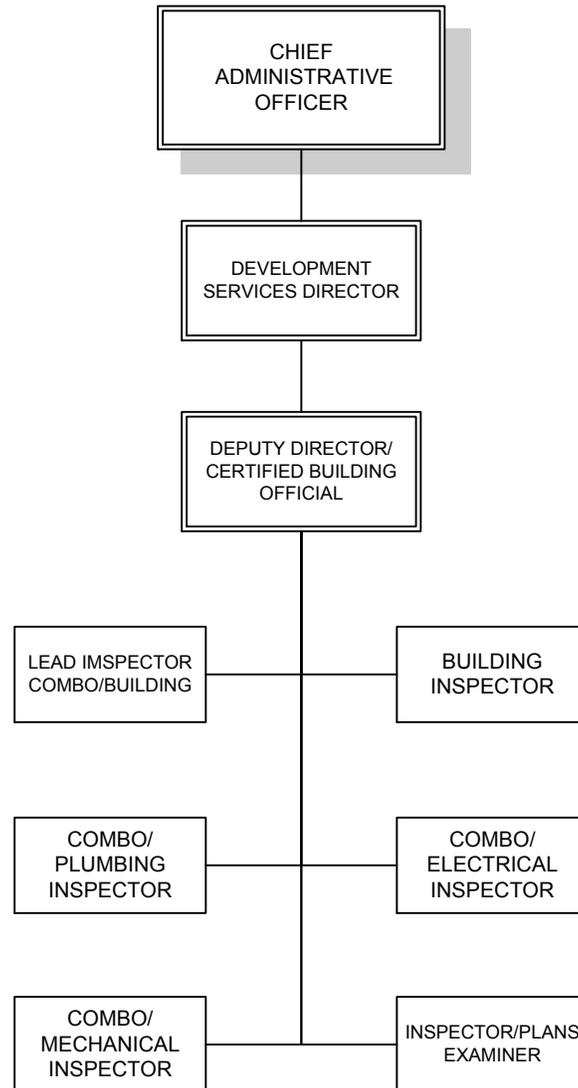
<b>Measure</b>	<b>Actual FY2015</b>	<b>Actual FY2016</b>	<b>Actual FY2017</b>	<b>Adopted FY2018</b>
1 . City Planning Division maintenance of Zoning code and Subdivision regulations	100%	100%	100%	100%
2 . City Planning Division provides annual comprehensive tracking of community services and natural resource impacts along with new development patterns.	100%	100%	100%	100%

**Workload Indicators**

<b>Indicator</b>	<b>Actual FY2016</b>	<b>Actual FY2017</b>	<b>Actual FY2017</b>	<b>Adopted FY2018</b>
1 City Title Amendment Packages *This does not account for the number and complexity of amendments for each package.		6	6	6
2 Mapping		44	55	65
3 Planning Education/Outreach Activities		15	26	30
4 Planning Board Meetings		8	8	9
5 Historic Preservation Permits		3	4	5
6 Staffing at Historic Preservation Commission Meetings		16	14	12
7 Historic Preservation Education/Outreach activities		3	10	5



# Building Division



**Program Description**

The Building Inspection Division of the Development Services Department is certified by the State for the purpose of administering and enforcing building regulations in the City of Missoula. The regulations used are the codes which are adopted by the State Department of Commerce and the Missoula City Council.

**City Strategic Plan &  
Department's Implementation Strategy**

**Goal #1: Funding and Service**

- Strategy: We will maintain or improve the level of service to citizens.
  - Continue implementation of web-based Accela Automation permitting system to increase convenience and accessibility to customers.
- Strategy: We will work toward sustaining and diversifying fiscal resources.
  - Annually perform fiscal balance review to ensure sustainability of revenue.

**FINANCIAL SUMMARY**

<b>Budget by Object of Expenditure Category</b>	<b>Actual FY 2016</b>	<b>Amended FY 2017</b>	<b>Actual FY 2017*</b>	<b>Adopted FY 2018</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
Personal Services	\$ 909,399	\$ 991,215	\$ 983,652	1,094,073	\$ 102,858	10%
Supplies	31,762	22,675	47,750	22,675	-	0%
Purchased Services	111,769	94,751	110,724	94,751	-	0%
Miscellaneous	340,629	379,260	408,864	416,338	37,078	10%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	64,404	-	-	
<b>Total</b>	<b>\$ 1,393,559</b>	<b>\$ 1,487,901</b>	<b>\$ 1,615,393</b>	<b>\$ 1,627,837</b>	<b>\$ 139,936</b>	<b>9%</b>

\* Un-audited numbers

## STAFFING SUMMARY

Title	Actual FY 2015	Actual FY 2016	Actual FY2017	Adopted FY2018
DIRECTOR OF DEVELOPMENT SERVICES	0.20	0.20	0.20	0.20
ASSIST. DIRECTOR/BUILDING OFFICIAL	0.90	0.90	0.90	0.90
SENIOR CONSTRUCTION PLANS EXAMINER	1.00	1.00	1.00	1.00
CONSTRUCTION PLANS EXAMINER	0.50	1.00	1.00	1.00
COMBO/ELECTRICAL INSPECTOR	1.00	1.00	1.00	1.00
COMBO/PLUMBING INSPECTOR	1.00	1.00	1.00	1.00
COMBO/BUILDING INSPECTOR	1.00	1.00	1.00	1.00
SENIOR COMBO/MECHANICAL INSPECTOR	1.00	1.00	1.00	1.00
SENIOR COMBO/BUILDING INSPECTOR	1.00	1.00	1.00	2.00
PERMIT COORDINATOR SUPERVISOR	0.70	0.70	0.70	0.70
PERMIT COORDINATOR I	0.60	0.70	-	0.70
PERMIT COORDINATOR II	1.20	1.40	2.08	1.40
ADMIN SRVS MGR/PROJECT COORDINATOR	0.20	0.20	0.10	0.10
ADMINISTRATIVE ASSISTANTS	0.80	0.90	0.90	1.40
<b>Total</b>	<b>11.10</b>	<b>12.00</b>	<b>11.88</b>	<b>13.40</b>

## 2018 Budget Highlights

No changes have been made to the FY 2018 budget, with the exception of updating personnel amounts per a specific union amendment for services by Aaron Bowman and adding a carry forward for purchased software maintenance.

## Performance Measures &amp; Workload Indicators

## Performance Measures

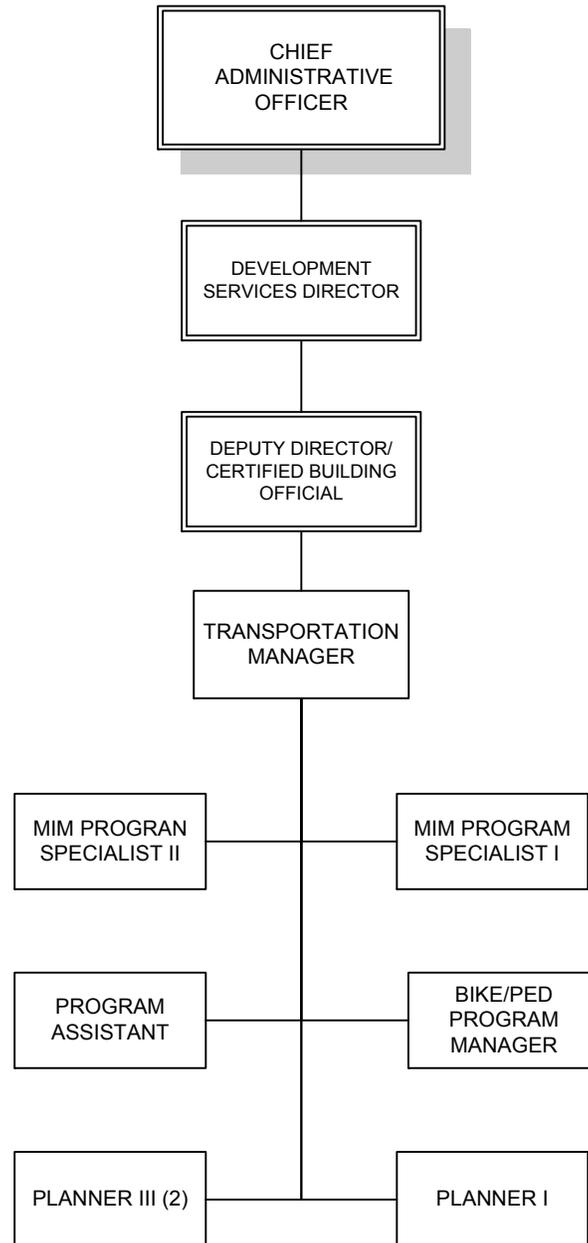
Measure	Actual FY 2015	Actual FY 2016	Adopted FY 2017	Adopted FY 2018
1 . Respond to all construction inspection requests (building, electrical, mechanical and plumbing) within one working day.	100%	100%	100%	100%
2 . Make inspections to ensure code compliance with approved plans and the requirements of the appropriate code.	100%	100%	100%	100%

## Workload Indicators

Indicator	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Number of building permits issued	1,427	1,515	1,576	1,600
2 . Review residential plans within two weeks	99.0%	99.0%	95.0%	99.0%
3 . Review multi-family, commercial & industrial within three weeks	99.0%	99.0%	95.0%	99.0%
4 . Number of plans withdrawn	16	11	29	16



# Transportation Division



## Program Description

The Transportation Planning Division provides transportation planning and transportation options services within three key areas and through various funding sources:

- Missoula Metropolitan Planning Organization (MPO) – The MPO is funded through Federal transportation planning funds (PL funds) and Federal Transit Authority funds (5303 funds) and performs transportation planning for the Missoula region, including the urbanized areas of the City and County of Missoula. Each year, the MPO staff manages and administers grant funds; completes the annual Unified Planning Work Program and Transportation Improvement Program; supports the ongoing functions of the Transportation Policy Coordinating Committee and the Transportation Technical Advisory Committee; and coordinates with other agencies and organizations to support transportation planning efforts in the urbanized area. The MPO will be focusing on developing a Pedestrian Master Plan and supporting other agency transportation planning efforts this fiscal year.
- Missoula In Motion (MIM) – MIM is funded primarily through federal Congestion Mitigation and Air Quality (CMAQ) funds, with matching funds provided by local partners, including the City General Fund and Missoula County. Each year, the staff manages and administers CMAQ grant funds; implements and supports a variety of projects and programs, including: Sunday Streets Missoula, Walk and Roll Week, the Way to Go! For Workplaces employer program, and offers a comprehensive and state-of-the-art website and trip-logging/planning platform available to the public. MIM also develops and deploys education and encouragement materials regarding sustainable transportation options; and collaborates with other Transportation Options providers to advance initiatives and programs. MIM anticipates significant expansion of the Way to Go! For Workplaces employer program this fiscal year as a result of the implementation of its new website and platform.
- Bicycle and Pedestrian Office – The Bike/Ped Office is funded primarily through CMAQ, as well as the City General Fund. The Bike/Ped Program Manager administers grant and General Funds to perform a variety of annual activities, including managing the Bicycle Ambassadors, Bike Racks for Businesses program, and Bicycle Registration. Ongoing activities include supporting the functions of the Bicycle and Pedestrian Advisory Board, participating in and supporting events that encourage utilizing active transportation, engaging with other agencies and organizations regarding safety education and policy matters affecting bicycling and walking, and working with other city departments to implement bicycle and pedestrian infrastructure projects. The Bike/Ped Manager anticipates focusing on planning, policy, and infrastructure implementation work this fiscal year.

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## City Strategic Goals & Department's Implementation Strategy

### Goal #1: Funding and Service

- Strategy: Maintain or improve the level of service to citizens.
  - Continue to serve as a resource for citizens and other agencies by providing transportation data and information; enhance methods of communication to improve citizen understanding and involvement in transportation issues.
  - Implement bicycle and pedestrian programs and outreach; develop progressive planning policies and documents to support bicycle and pedestrian projects that improve transportation system connectivity and safety.
  - Implement innovative Transportation Demand Management programs, events, and projects that improve citizen access to the transportation system and transportation system efficiency and convenience.
  - Continue to explore ways to diversify funding for transportation planning, outreach and encouragement, and infrastructure implementation.

### Goal #2: Harmonious Natural and Built Environment

- Strategy: We will integrate sustainability in transportation planning and services.

- o Review and update planning policies to ensure they adequately promote a sustainable balance between the natural and built environment and reflect community values.
- o Continue implementation of Transportation Options programs and multimodal transportation infrastructure that supports sustainable transportation options and improves air quality and traffic flow with the cooperation of other City Departments and outside agencies.

Goal #3: Quality of Life for all Citizens

- Strategy: We will support plans and programs that promote a healthy lifestyle for Missoula’s citizens.
  - o Enhance coordination between Transportation, Planning, and Engineering divisions to promote a healthy lifestyle for Missoula’s citizens.
  - o Continue to provide education and outreach programs that encourage the use of sustainable transportation options that supports public health, as well as transportation system efficiency.

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 546,094	\$ 626,383	\$ 554,787	\$ 640,093	\$ 13,710	2%
Supplies	50,929	44,660	26,967	35,660	(9,000)	-20%
Purchased Services	292,993	166,910	158,920	153,283	(13,627)	-8%
Miscellaneous	134,977	393,257	148,999	496,955	103,698	26%
Debt Service	-	-	-	-	-	
Capital Outlay	2,817	-	-	-	-	
<b>Total</b>	<b>\$ 1,027,811</b>	<b>\$ 1,231,210</b>	<b>\$ 889,674</b>	<b>\$ 1,325,991</b>	<b>\$ 94,781</b>	<b>8%</b>

\* Un-audited numbers

**STAFFING SUMMARY**

Title	Actual FY2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
BICYCLE/PEDESTRIAN PROGRAM MANAGER	1.00	1.00	1.00	1.00
PLANNER I	1.00	1.00	1.00	1.00
PLANNER III	2.00	2.00	2.00	2.00
PROGRAM SUPERVISOR	1.00	-	-	-
ADMIN SERVICES MGR			0.10	-
PROGRAM ASSISTANT	1.00	1.00	1.00	1.00
TRANSPORTATION MANAGER	1.00	1.00	1.00	1.00
PROGRAM SPECIALIST I	1.00	1.00	1.00	2.00
PROGRAM SPECIALIST II	-	1.00	1.00	0.20
BIKE AMBASSADOR	0.40	0.29	0.29	0.29
BIKE AMBASSADOR	-	0.28	0.28	0.28
PROGRAM VACANCY MIM	-	1	1	1
<b>Total</b>	<b>8.40</b>	<b>9.57</b>	<b>9.67</b>	<b>9.77</b>

## 2018 Budget Highlights

**New Requests**

- None.

**Budget changes**

- None.

At the end of FY 2017 and moving forward, the Transportation Division added .1 FTE of services from the Administrative Services Manager to perform grants management.

## Performance Measures &amp; Workload Indicators

**Performance Measures**

Measure	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Complete required annual Unified Planning Work Program Transportation Improvement Program and other transportation planning document updates on time.	100%	100%	100%	100%
2 . Fulfill the programmatic requirements of the Unified Annual Planning Work Program	100%	100%	100%	100%
3 . Maintain required MPO documents via amendments as required	100%	100%	100%	100%
4 . Fulfill programmatic requirements of Federal Grants including Congestion Mitigation Air Quality, PL, FTA5303	100%	100%	100%	100%

**Workload Indicators**

Indicator	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Bicycle parking spaces added	96	154	150	100
2 . Bicycle licenses (registrations) issued	300	428	379	350
3 . MIM participating Workplace employers	32	32	30	40
4 . MIM participating Way to Go! Missoula members	2,837	2,788	1,401	1,000
5 . MIM participating Commuter Challenge businesses	35	77	75	100
6 . MIM outreach events and presentations	37	49	51	40
7 . MIM website visits	23,740	21,981	*	
8 . Roadway projects evaluated for bicycle facilities	9	10	10	10
9 . Traffic model runs completed to support transportation planning		10	65*	10
10 . Active subcommittees staffed including TDM Consortium	4	6	8	6
11 . TTAC, TPCC and BPAB meetings held	30	40	27	30

\* MIM transitioned to new website module mid year - a complete data set is not available.

**Fund Description**

A separate fund has been set up for each general obligation bond issue. These funds include cash and taxes receivable. Bonds payable appear in the long-term debt accounts. Pursuant to Section 7-6-4232 (2), the City Council may anticipate for delinquencies in establishing for debt service levies. This authority is not present for other tax levies.

**General Obligation Voted Debt**

**2012A Aquatics GO Bond**      Refinanced in 2012. Originally issued in 2004 to construct the new aquatics facilities that were located at McCormick Park and Playfair Park as well as 4 splash decks around the city. Interest rate varies from 1.5% to 2.25%.

**TOTAL FUND EXPENDITURES = \$ 591,848**

**2013 GO Refunding Bond**      Issued in 2013 to provide funds for refunding on July 1, 2013 the City's outstanding General Obligation Bonds, Series 2006 and Series 2007. The interest rate varies from 1.5% to 2.25%.

**TOTAL FUND EXPENDITURES = \$ 546,780**

**Special improvement District (SID) Debt**

Special Assessment Debt with Government Commitment

Property owners are assessed for principal and interest to repay special assessment bonds. If sufficient funds are not received, loans are made from the SID Revolving fund. This fund is financed by fees paid by each new SID, by cash transferred from the general fund if needed and by any surplus remaining in completed SID's. The cash balance in the Revolving Fund must equal at least 5% of the principal amount of debt outstanding. If the cash balance is less than 5%, a levy is required to bring the cash balance to the required minimum.

**TOTAL FUND EXPENDITURES = \$1,874,336**

**FINANCIAL SUMMARY**

2012A Aquatics Refunding Bond

<b>Budget by Object of Expenditure Category</b>	<b>Actual FY 2016</b>	<b>Amended FY 2017</b>	<b>Actual FY 2017*</b>	<b>Adopted FY 2018</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	595,323	593,435	593,785	591,848	(1,587)	0%
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 595,323</b>	<b>\$ 593,435</b>	<b>\$ 593,785</b>	<b>\$ 591,848</b>	<b>\$ (1,587)</b>	<b>0%</b>

\* Un-audited numbers

## FINANCIAL SUMMARY

2013A Refunding Bond

Budget by Object of	Actual	Amended	Actual	Adopted	Increase	Percent
Expenditure Category	FY 2016	FY 2017	FY 2017*	FY 2018	(Decrease)	Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	350	59	-	(350)	-100%
Debt Service	688,926	670,120	670,470	546,780	(123,340)	-18%
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 688,926</b>	<b>\$ 670,470</b>	<b>\$ 670,529</b>	<b>\$ 546,780</b>	<b>\$ (123,690)</b>	<b>-18%</b>

\* Un-audited numbers

## FINANCIAL SUMMARY

Special Improvement District Debt 3100-3550

Budget by Object of	Actual	Amended	Actual	Adopted	Increase	Percent
Expenditure Category	FY 2016	FY 2017	FY 2017*	FY 2018	(Decrease)	Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	25,812	-	350	-	-	
Miscellaneous	115,605	3,400	47	-	(3,400)	-100%
Debt Service	1,828,495	1,752,829	1,946,322	1,874,336	121,507	7%
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 1,969,912</b>	<b>\$ 1,756,229</b>	<b>\$ 1,946,719</b>	<b>\$ 1,874,336</b>	<b>\$ 118,107</b>	<b>7%</b>

\* Un-audited numbers

### Fund Description

The Capital Improvement Program is a five-year planning program designed to guide decisions concerning capital expenditures. The first year of the plan is the current year's capital budget.

This fund accounts for the City's major capital projects, except those that are funded within special funds such as Sewer R&D, the Missoula Redevelopment Agency, or Community Development Block Grants.

### Activities & Objectives

The following descriptions are bond payments for completed projects. Revenues for the payments are transferred in from the General Fund. For additional information on active projects, please see the FY 2018-2023 Capital Improvement Program projects document.

**2016A Shop Remodel - Refunding – Debt payment equals \$ 404,550**

This request is to handle the debt service for the expansion of the City Shop buildings to meet the demands of space needs for expanding City departments.

**2010A White Pine - Refunding Bond – Debt payment equals \$ 127,775**

This request is to handle the debt service for the expansion of the City Shops and creation of White Pine Park on Scott Street. In addition, the proceeds handled the cleanup of the White Pine sash site from industrial contamination.

**2010C Energy Performance – Debt payment equals \$ 84,950**

This request is handle the debt service for the Johnson Control Energy Savings contract.

**Internally Financed Equipment – Prior Years - Debt payment equals \$ 159,676**

This is internal financing payment for prior year heavy equipment replacement.

**Core Vehicle and Equipment Replacement – Lease – Debt payment equals \$ 624,552**

This request will handle the lease debt service entered annually for the replacement of core vehicles and equipment for various City departments.

**Municipal Court Remodel – Debt payment equals \$2,500**

This request will handle the debt service for the cost to upgrade the Municipal Court reception space by adding security features.

**Total Fund Expenditures \$ 1,404,003**

### FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	100,427	-	42,224	-	-	
Miscellaneous	2,679,436	316,129	8,899	-	(316,129)	-100%
Debt Service	909,176	2,215,841	1,125,328	1,401,503	(814,338)	-37%
Capital Outlay	2,122,049	-	5,933,321	2,500	2,500	
<b>Total</b>	<b>\$ 5,811,087</b>	<b>\$ 2,531,970</b>	<b>\$ 7,109,772</b>	<b>\$ 1,404,003</b>	<b>\$ (1,127,967)</b>	<b>-45%</b>

\* Un-audited numbers

**Fund Description**

Missoula voters approved a \$5,000,000 general obligation bond referendum in November 1996 allowing the City to purchase open space land and conservation easements.

**Activities & Objectives**

The debt was issued in two series, one for \$3.5 million and one for \$1.5 million. The remaining bond sale of \$1,500,000 has been used to acquire open space parcels such as the front and back side of Mt. Sentinel, riparian corridors along the Clark Fork River, and a small pocket park in the River Road area and pay associated costs as determined by the Open Space Advisory Committee and the City Council. In FY 2009, \$200,000 was transferred as City match for the Bicycle Commuter Network projects. The remaining balance is targeted for purchasing parkland in neighborhoods with a low Level of Service in regards to parkland, such as the Franklin to the Fort neighborhood. All funds have been expended at this time and as such, consideration is being given to closing this fund.

**FINANCIAL SUMMARY**

<b>Budget by Object of</b>	<b>Actual</b>	<b>Amended</b>	<b>Actual</b>	<b>Adopted</b>	<b>Increase</b>	<b>Percent</b>
<b>Expenditure Category</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2017*</b>	<b>FY 2018</b>	<b>(Decrease)</b>	<b>Change</b>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	389,534	389,534	-	(389,534)	-100%
<b>Total</b>	<b>\$ -</b>	<b>\$ 389,534</b>	<b>\$ 389,534</b>	<b>\$ -</b>	<b>\$ (389,534)</b>	<b>-100%</b>

\* Un-audited numbers

## Program Description

This fund is set up for the issuance of \$1,555,000 Civic Stadium Revenue Bonds for the Civic Stadium Project; to purchase the interest of certain secured lenders in the Civic Stadium; Authorizing and directing the issuance; prescribing the form and terms thereof and the security thereof and the Ordinance declaring the purchase of the Civic Stadium an Urban Renewal Project in Urban Renewal District II and approval of the Missoula Civic Stadium Lease and Use Agreement and the Civic Stadium Agreement.

## Goals & Objectives

The City will receive lease payments in the amount of \$120,000 a year for 20 years from Mountain Baseball. The lease payments will be used to make the debt service payments to the creditors of the \$1,555,000 Civic Stadium Revenue Bonds.

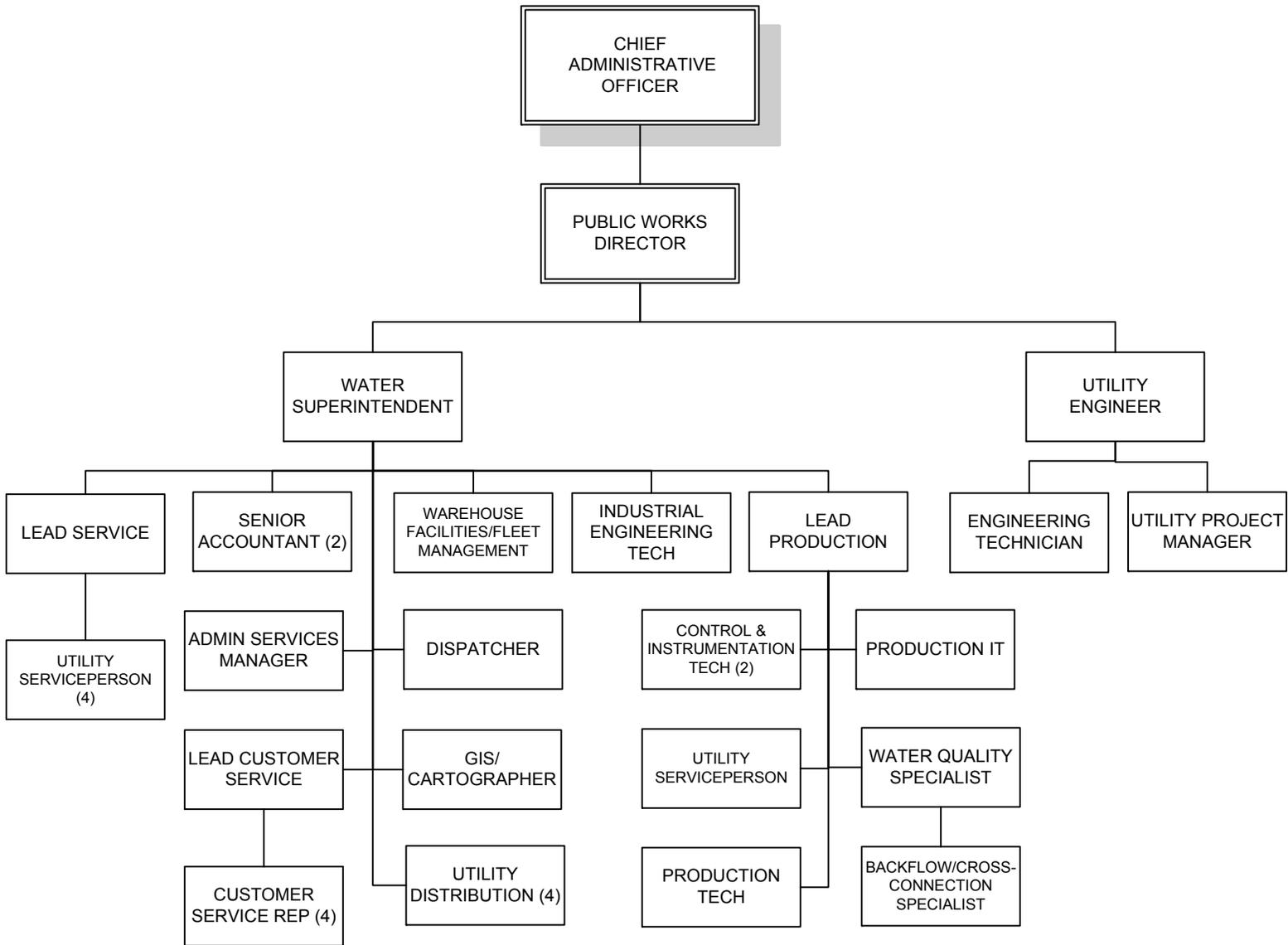
## FINANCIAL SUMMARY

Budget by Object of	Actual	Amended	Actual	Adopted	Increase	Percent
Expenditure Category	FY 2016	FY 2017	FY 2017*	FY 2018	(Decrease)	Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	-
Supplies	-	-	-	-	-	-
Purchased Services	-	-	-	-	-	-
Miscellaneous	118,500	3,000	122,018	3,484	484	16%
Debt Service	79,206	115,723	77,367	116,516	793	1%
Capital Outlay	-	-	-	-	-	-
<b>Total</b>	<b>\$ 197,706</b>	<b>\$ 118,723</b>	<b>\$ 199,385</b>	<b>\$ 120,000</b>	<b>\$ 1,277</b>	<b>1%</b>

\* Un-audited numbers



# Water Utility Division



**Program Description**

The Missoula Water Division (MWD) is responsible for the collection and distribution of domestic and commercial water throughout the Missoula area.

The MWD will provide safe, affordable and reliable water service to the community and protect public health, safety and environmental quality while accommodating community growth and development.

The Division is separated into four distinct sections: Administration and Customer Services, Water Facilities, Source Supply and Pumping, and Transmission and Distribution.

**City Strategic Plan &  
Department's Implementation Strategy**

**Goal #1: Funding and Service**

- Strategy: We will maintain or improve the level of service to citizens.
- Strategy: We will work toward sustaining and diversifying fiscal resources.

**Goal #2: Harmonious Natural and Built Environment**

- Strategy: We will make sure that our natural and built environments continue to represent Missoula's values of clean water and clean air.

**Goal #3: Quality of Life for All Citizens**

- Strategy: We will continue to monitor and protect water quality to assure a healthy water supply for all citizens utilizing the Missoula Water system.

**FINANCIAL SUMMARY**

<b>Budget by Object of Expenditure Category</b>	<b>Actual FY 2016</b>	<b>Amended FY 2017</b>	<b>Actual FY 2017*</b>	<b>Adopted FY 2018</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
Personal Services	1,008	\$ -	623,989	4,002,601	\$ 4,002,601	
Supplies	-	-	10,500	341,760	341,760	
Purchased Services	2,714,819	-	3,960,694	2,342,415	2,342,415	
Miscellaneous	-	-	84,418	1,757,474	1,757,474	
Debt Service	-	-	-	4,481,960	4,481,960	
Capital Outlay	-	-	49,462	6,585,000	6,585,000	
<b>Total</b>	<b>\$ 2,715,827</b>	<b>\$ -</b>	<b>\$ 4,729,064</b>	<b>\$ 19,511,210</b>	<b>\$ 19,511,210</b>	

\* Un-audited numbers

**STAFFING SUMMARY**

<b>Title</b>	<b>Actual FY 2015</b>	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Adopted FY 2018</b>
Superintendent			1.00	1.00
Administrative Assistant / Dispatch				1.00
Backflow Cross Connect Technician				1.00
Business Administration Manager				1.00
Cartographer GIS Coordinator				1.00
Utility Engineer				1.00
Control & Instrumentation Technicians			1.00	2.00
Customer Service Representatives				3.00
Dispatcher				1.00
Utility Project manager				1.00
Engineering Technician I				1.00
Lead Control & Instrumentation tech				1.00
Generator Utility Service Person 3				1.00
Industrial Engineer Assistant 2/Safety Technician			1.00	1.00
Production Technician 3				1.00
Lead Utility Service person				1.00
Senior Accountants			1.00	2.00
Lead Utility Distribution person				1.00
Utility Service Persons			3.00	8.00
Warehouse Facilities/Fleet Maintenance			1.00	1.00
Water Quality Technician				1.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>8.00</b>	<b>32.00</b>

**2018 Budget Highlights**

**Purchased Services:**

- No changes.

**New Operating Requests Funded:**

- Replace 10 existing computer systems reaching the end of useful life.
- Replace 4 utility vehicles reaching the end of useful life.

**FY 2018 Planned Projects:**

Replacement of older water mains that have reached the end of useful life and are leaking. Some, but not all the main replacements include:

- South 2nd Street West (900 Block) 220 feet of 2-inch water main replacement
- Scott Street (Rogers Street to City Shops) 100 year old 6-inch water main replacement and extension
- Stoddard Street (Scott Street Bridge to Milton Street) 1,200 feet of 100 year old 6-inch water main replacement, meter pits and meters
- South 4th Street (South Higgins to Orange Street) 1,500 feet of 6-inch water main replacement and services

Performance Measures & Workload Indicators

**Performance Measures**

<b>Measure</b>	<b>Actual FY 2015</b>	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Adopted FY 2018*</b>
1 . Continue to meet or exceed industry safety goals				100%
2 . Continue scheduled maintenance on the water distribution system and maintain water quality and reliability.				100%
3 . Continue to meet or exceed industry standards for customer services and billing accuracy				100%
4 . Continue performing hydrant inspections, flow testing, and continue the high level ISO rating.				100%
5 . Replace 5% of existing water meters per year.				100%

\* Dept created in FY 2018

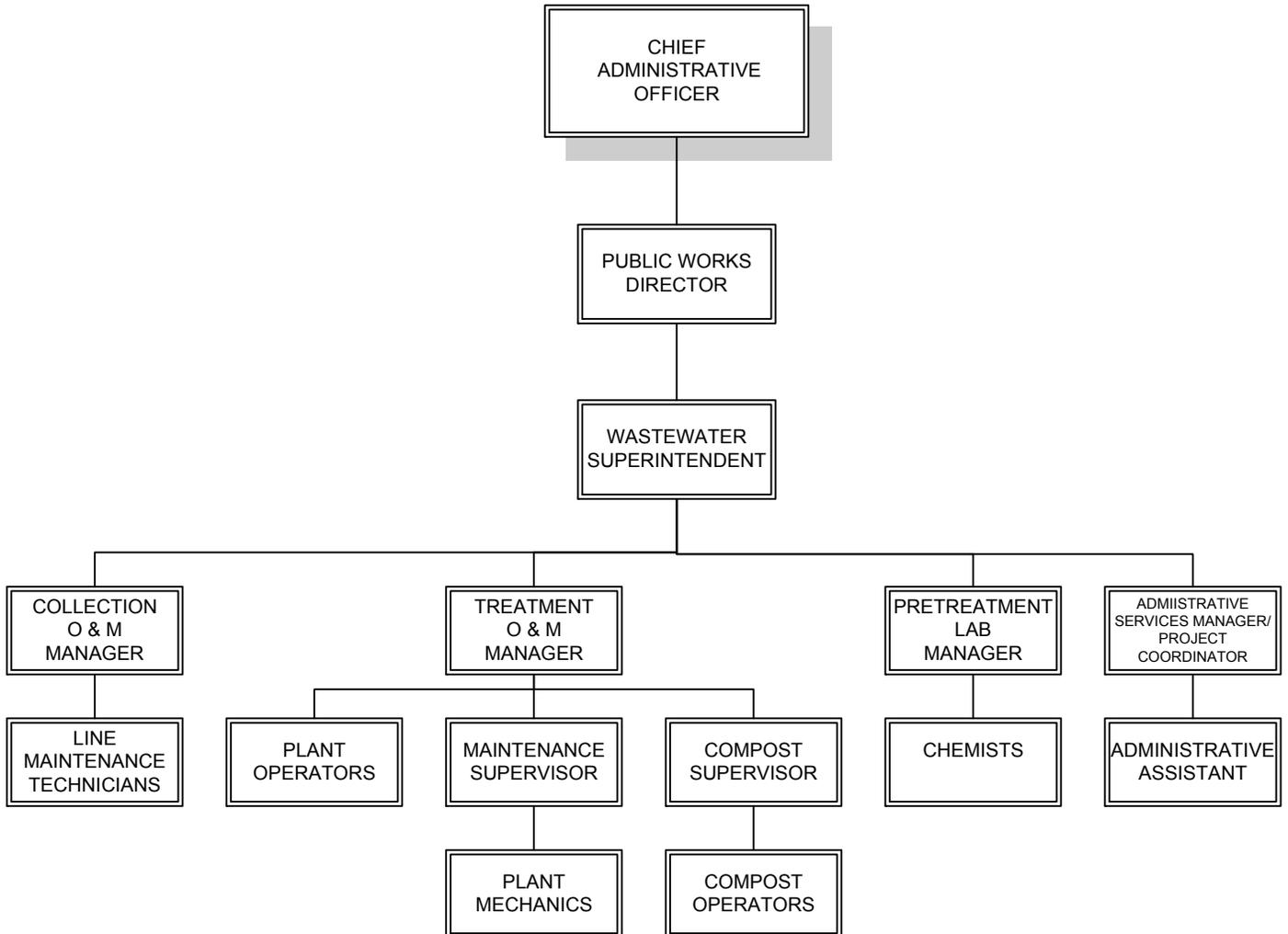
**Workload Indicators**

<b>Indicator</b>	<b>Actual FY 2015</b>	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Adopted FY 2018*</b>
1 . Maintain the insurance Mod factor below industry's minimum				100%
2 . Decrease system leakage annually				5%
3 . Inspect 1550 hydrants twice a year				3,100
4 . Flow test 1/3 of the hydrants every year				517
5 . Operate Blow off's for water quality annually				670
6 . Replace 5% of existing water meters annually				1,000
7 . Answer customer phones within 20 seconds				98%

\* Dept created in FY 2018



# Wastewater Utility



## Program Description

The Wastewater Utility is responsible for the collection and treatment of domestic and industrial wastewater generated in the Missoula sewered areas. Administration, maintenance, operation, monitoring, testing and the pretreatment program are the primary functions of the Utility. These activities are conducted under the Montana Pollution Discharge Elimination System (MPDES) permit issued by the Montana Department Environmental Quality (MDEQ) and the National Pollution Discharge Elimination System (NPDES) permit issued by the United States Environmental Protection Agency (USEPA). The Utility considers itself a water resource recovery facility with a goal of recovering 100% of the by-products of wastewater treatment including bio-solids and green waste recycle for compost, bio-fuel for electricity and heat, and treated effluent for irrigation.

The Wastewater Utility is separated into five distinct sections:

- Wastewater Collection
- Wastewater Treatment
- Wastewater Administration
- Wastewater Pretreatment / Laboratory
- Garden City Compost Sales and Green Waste Acceptance

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## City Strategic Plan & Department's Implementation Strategy

### Goal #1: Funding and Service

- Strategy: We will maintain and improve the level of service to citizens.
  - Complete Phase I of the Garden City Compost facility upgrades which includes construction of the concrete compost bunkers, installation of the aeration blowers and aeration piping. Upgrades are being implemented to meet the Montana Department of Environmental Quality regulations and to control offending odors from drifting into residential and commercial areas within Missoula.
  - Replace/repair/reroute existing sewer pipes on Broadway and Russell, timing the projects in conjunction with the Montana DOT reconstruction of Russell St.
  - Upgrade lift stations located at Momont St. and Reserve St.; the existing lift stations are nearing the end of useful life or at capacity which could lead to failure of the system.
- Strategy: We will work toward sustaining and diversifying fiscal resources.
  - Complete the installation of the biogas electrical generation project. This project will use the biogas produced at the wastewater treatment and generate electricity and heat for use at the facility.
  - Establish a site plan and architectural drawings to renovate the existing facility and add an expanded laboratory due to the increased testing and testing equipment. Also identify a space for construction of an administrative building for administrative staff and functions.

### Goal #2: Harmonious Natural and Built Environment

- Strategy: We will make sure that our natural and built environments continue to represent Missoula's values of clean water and clean air.
    - Install additional irrigation pumps to divert effluent discharge from the Clark Fork River to the Hybrid Poplar tree farm to reduce the amount of phosphorus and nitrogen from entering the river.
    - Create an expansion plan of the Hybrid Poplar Tree farm with the Montana Department of Environmental Quality and Hybrid Energy Group.
-

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	1,784,479	\$ 1,888,712	1,091,287	2,295,009	\$ 406,297	22%
Supplies	542,803	634,570	301,810	902,620	268,050	42%
Purchased Services	1,676,023	1,571,836	877,005	2,381,756	809,920	52%
Miscellaneous	3,994,655	1,457,338	676,114	1,462,440	5,102	0%
Debt Service	39	-	-	2,744,309	2,744,309	
Capital Outlay	19,387	-	490,576	1,645,452	1,645,452	
<b>Total</b>	<b>\$ 8,017,385</b>	<b>\$ 5,552,456</b>	<b>\$ 3,436,791</b>	<b>\$ 11,431,586</b>	<b>\$ 5,879,130</b>	<b>106%</b>

\* Un-audited numbers

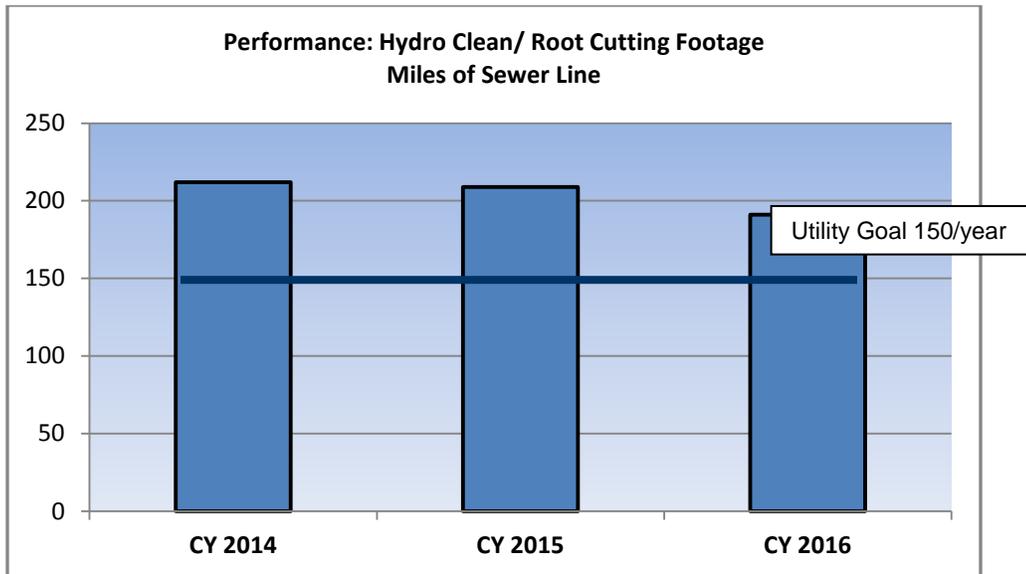
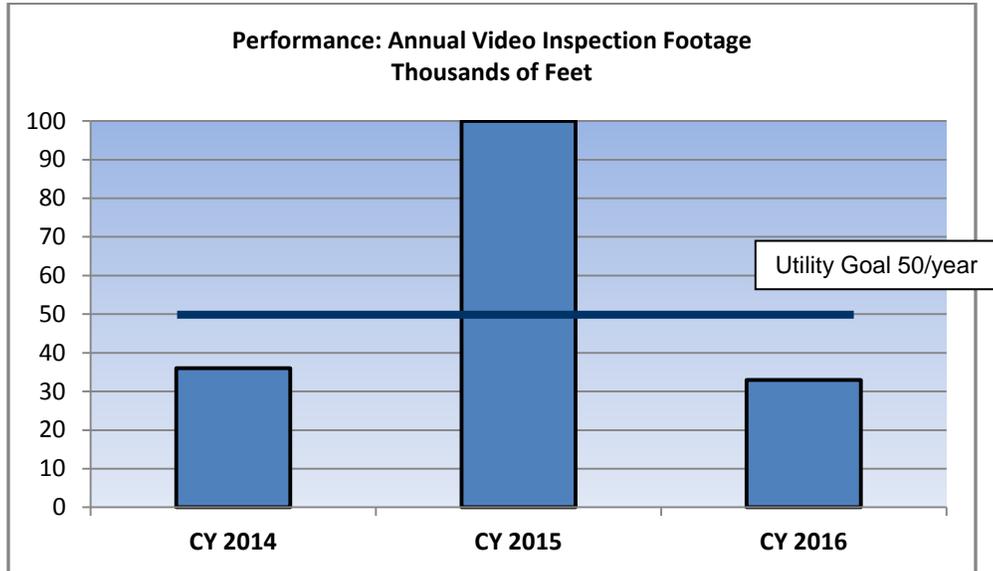
**STAFFING SUMMARY**

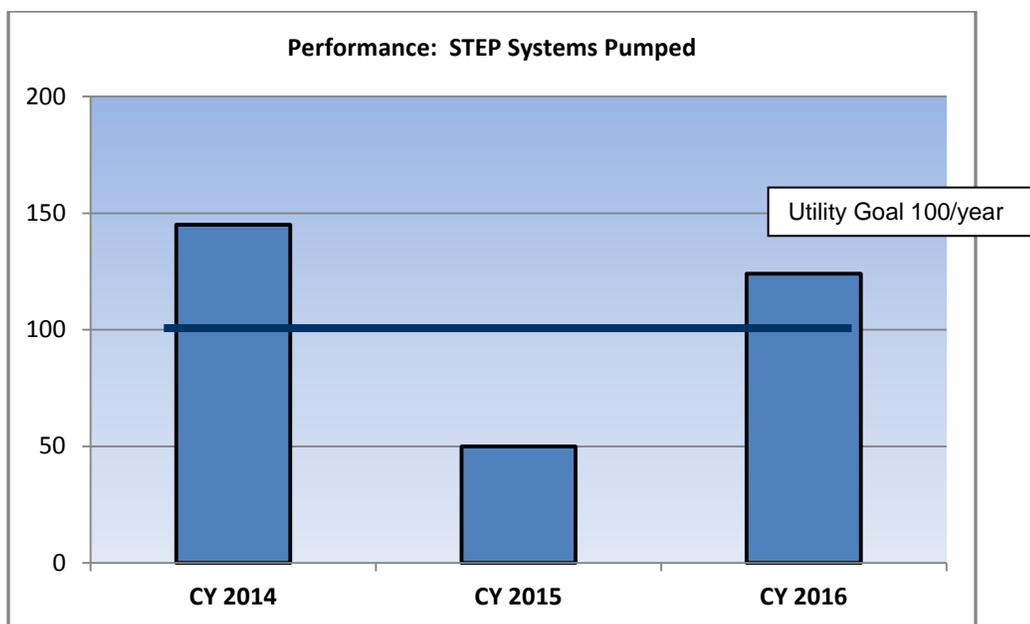
Title	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
WASTEWATER SUPERINTENDENT	1.00	1.00	1.00	1.00
COLLECTION & MAINTENANCE MANAGER	1.00	1.00	1.00	1.00
WASTEWATER PLANT MANAGER	1.00	1.00	1.00	1.00
PRE-TREATMENT LAB MANAGER	1.00	1.00	1.00	1.00
CHEMIST	1.00	1.00	1.00	1.00
CHEMIST	1.00	1.00	1.00	1.00
PLANT MAINTENANCE SUPERVISOR	1.00	1.00	1.00	1.00
MECHANIC/OPERATOR	1.00	1.00	1.00	1.00
PLANT OPERATOR	1.00	1.00	1.00	1.00
PLANT OPERATOR	1.00	1.00	1.00	1.00
PLANT OPERATOR	1.00	1.00	1.00	1.00
PLANT OPERATOR	1.00	1.00	1.00	1.00
PLANT OPERATOR	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
COLLECTION SYSTEM MAINTENANCE TECHNICIAN	1.00	1.00	1.00	1.00
ADMINISTRATIVE SERVICES MANAGER	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT	-	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT	-	0.50	0.50	0.50
INTERMITTENT LABORERS/INTERN	0.50	0.50	0.50	0.50
<b>Total</b>	<b>22.50</b>	<b>24.00</b>	<b>24.00</b>	<b>24.00</b>

2018 Budget Highlights

**Personal Services:**

- Staffing increased to add an additional Green Waste Inspector for the compost facility in order to extend hours and season as well as provide coverage for lunch, sick and vacation leave for the other Inspector.
- The City welcomes the new staff at Garden City Compost.





Performance Measures & Workload Indicators

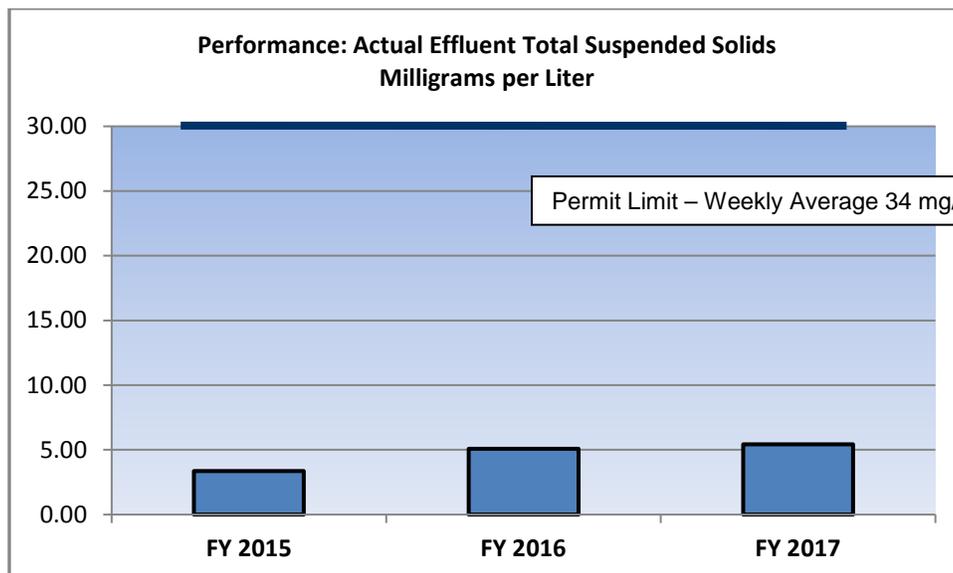
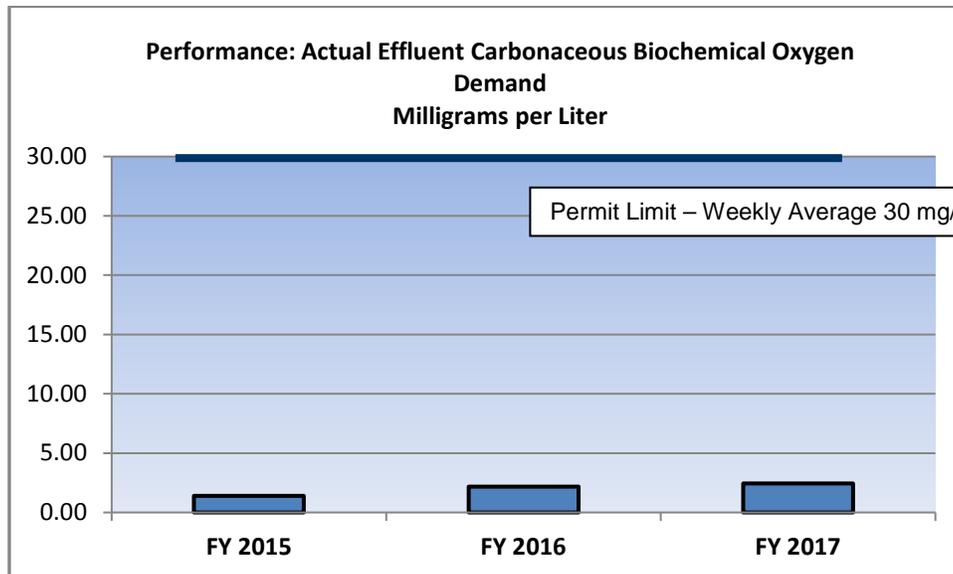
Performance Measures

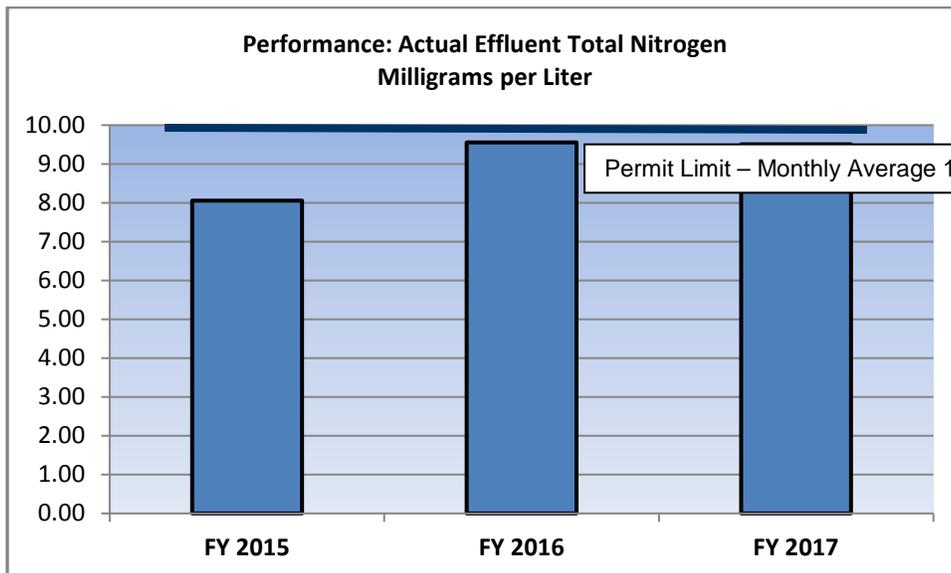
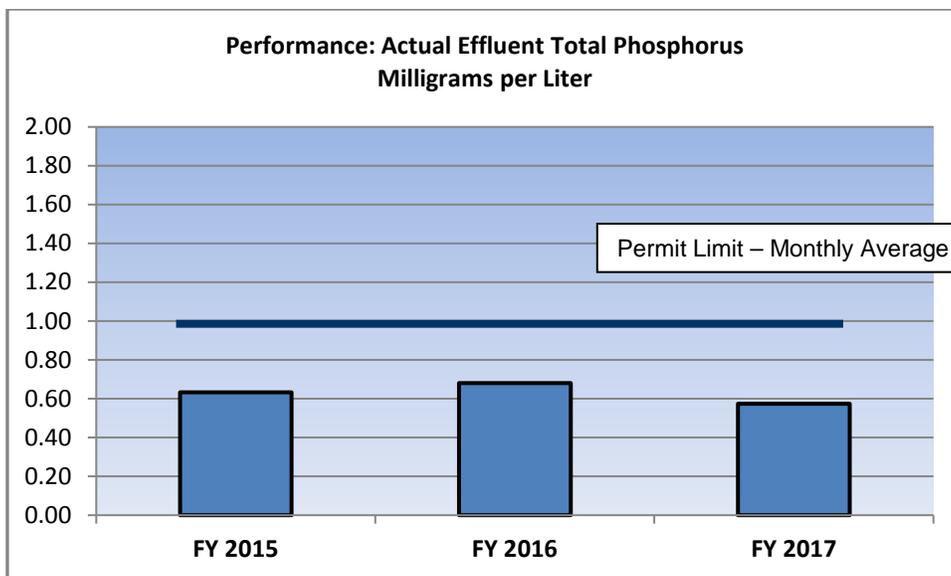
Measure	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Continue scheduled maintenance on the collection system to prevent sanitary sewer over-flows, sewer back-ups and identify and repair sewer lines prone to ground water infiltration.	100%	100%	100%	100%
2 . Continue to exceed MPDES permit requirements for discharge into the Clark Fork River and use the Wastewater Facility Plan and other source material to plan for future growth and regulatory changes.	100%	100%	100%	100%
3 . Continue to operate a certified laboratory. Continue 100% compliance with Significant Industrial User (SIU) inspections.	100%	100%	100%	100%

Workload Indicators

Indicator	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Annual sewer main hydro-cleaning/root cutting (feet)	1,117,037	1,103,520	1,008,480	800,000
2 . Annual sewer main video inspection (feet)	35,574	100,320	32,505	50,000
3 . Annual STEP tanks pumped	145	50	124	101
4 . Treated plant effluent cBOD and TSS	<5 mg/l	<5 mg/l	<5 mg/l	<5 mg/l
5 . Treated plant effluent phosphorus	0.63 mg/l	0.68 mg/l	0.57 mg/l	<1 mg/l
6 . Treated plant effluent nitrogen	8.06 mg/l	9.55 mg/l	9.51 mg/l	<10 mg/l
7 . Laboratory QA/QC certification	Pass	Pass	Pass	Pass
8 . 15 Annual Significant Industrial User (SIU) inspections	100%	100%	100%	100%

**Wastewater Treatment Performance Measures**





**Pretreatment/ Laboratory Performance Measures**

Year	Laboratory QA/QC	15 Annual SIU Inspections
FY15	Passed all	100%
FY16	Passed all	100%
FY17	Passed all	100%

Program Description

This fund accounts for the receipts and disbursements made pursuant to the two loan programs available to offset the costs of sewer connections for residential properties.

Activities and Objectives

The City Sewer Loan Program was created to provide financial assistance to property owners to connect to sanitary sewer. Eligibility requirements include: home has to be owner occupied, property has to be less than 50,000 square feet in size and owners need to be below Federal HUD Median Household Income 80% Limit level. This program is not available to properties outside the City limits.

There are two payment alternatives: 1) the loan payments are deferred and do not have to be paid off until the property or owners no longer meet the eligibility requirements; or 2) the loan is paid off over eight years. Both options accrue interest at the rate established for the City's Sidewalk and Curb Warrants (currently 5.536%)

The Bank Sewer Loan Program was created in FY95 in conjunction with local banks and credit unions. The participating banks and credit unions provide loans for the connection costs to the City sewer system and the City guarantees the loan, providing that the property owners complete the City's application and related City forms. If a loan is defaulted on, the City buys the loan and places it as a lien on the property. Residential properties, including rentals and multi-family units are eligible for this program. This program is available to residential properties in or out of the City limits.

TOTAL FUND EXPENDITURES - \$TBD

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	20,000	-	-	(20,000)	-100%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (20,000)</b>	<b>-100%</b>

\* Un-audited numbers

### Program Description

This fund is established to segregate expenditures and revenues of the Sewer Development Fee. The fee is charged on new sewer connections to reflect a contribution by new customers toward the cost of the existing physical plant and sewer lines. This contribution compensates existing users for the Sewer plant and additions which were built to allow sufficient capacity for future community growth.

### Activities and Objectives

Sewer Development Fees are earmarked for necessary sewer projects related to new connections and sewer system capacity expansion. The City Council has to give prior approval to any expenditure from the Sewer Development Fee Fund.

\$50,000 is appropriated for various projects that may come up as the year progresses where it is appropriate to increase capacity of a private line being installed for future users.

The expenditures for FY 2018 are as follows:

- Oversizing Assistance - \$ 50,000
- Broadway Interceptor- \$ 90,000
- Momont Lift Station #1 - \$ 400,000

**TOTAL FUND EXPENDITURES - \$ 540,000**

### FINANCIAL SUMMARY

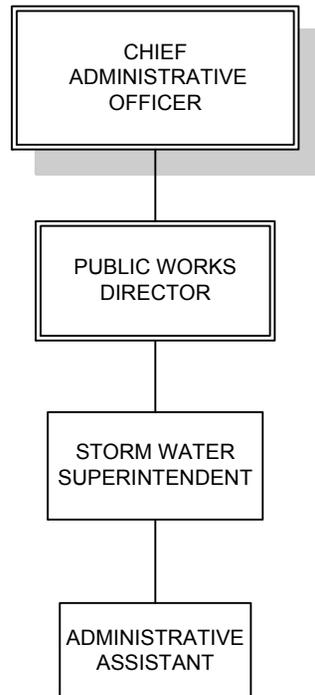
Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	68,653	-	35,065	-	-	
Miscellaneous	-	-	64,621	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	1,118,994	21,663	-	(1,118,994)	-100%
<b>Total</b>	<b>\$ 68,653</b>	<b>\$ 1,118,994</b>	<b>\$ 121,348</b>	<b>\$ -</b>	<b>\$ (1,118,994)</b>	<b>-100%</b>

\* Un-audited numbers



# Storm Water Utility

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## Program Description

The Storm Water Utility Division is responsible for the administration, operation and maintenance, monitoring, sampling and testing and reporting of the storm water utility system serving Missoula, including but not limited to pollution prevention efforts for storm water discharges to Missoula water bodies (aquifer, creeks, streams and rivers), manage storm water runoff volumes with planned and maintained storm water infrastructure as well as working to improve storm water discharge quality through pre-treatment.

These activities are performed under the Municipal Separate Storm Sewer System (MS4) permit in compliance with the Montana Pollution Discharge Elimination System (MPDES) as required by the Montana Department Environmental Quality (MDEQ) and the National Pollution Discharge Elimination System (NPDES) permit issued by the United States Environmental Protection Agency (USEPA).

The Storm Water Utility Division is also responsible for the operation and maintenance, inspection and reporting of the Missoula levee system to the US Army Corps of Engineers (USACE), high hazard dam structure at Playfair Park to the Montana Department of Natural Resource Conservation (DNRC) and for storm water system flood maintenance management in support of the Federal Emergency Management Agency (FEMA) Community Rating System (CRS) for reduction in flood insurance costs for citizens of Missoula.

The Storm Water Utility Division work is separated into four (4) functional sections:

- Storm Water Utility Administration and Customer Service;
- Storm Water Utility Regulatory Permit Compliance and Annual Reporting;
  - Municipal Separate Storm Sewer System (MS4) Permit (MTDEQ),
  - Missoula Levee System (USACE),
  - Dam Structure (DNRC),
  - Storm Water Flood Maintenance Management Reporting (FEMA / CRS);
- Storm Water Utility Operations System Maintenance Projects; and
- Storm Water Utility Operations System Construction Projects

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## City Strategic Plan & Department's Implementation Strategy

### Goal #1: Funding and Service

- Strategy: Storm Water Utility Division will maintain or improve the level of service to citizens.
  - Operate and Maintain the storm water system to minimize flooding and potential pollution discharge;
  - Implement and use the Accela Asset Management System to improve efficiencies;
  - Utilize GPS equipment in conjunction with the Accela Asset Management System for operational efficiency.
- Strategy: Storm Water Utility Division will work toward sustaining and diversifying fiscal resources.
  - Research and apply for grants and other alternative funding for improvements to the storm water system for pollution prevention activities.

### Goal #2: Harmonious Natural and Built Environment

- Strategy: Storm Water Utility Division will ensure that the natural and built environments continue to represent Missoula's values of clean water, clean earth and clean air.
  - Monitor, understand and actively participate in the planning of future MPDES permit thresholds.
  - Review and enhance local requirements (ordinances) to improve storm water discharge quality.

### Goal #3: Quality of Life for All Citizens

- Strategy: Storm Water Utility Division will work to provide a healthier environment.
  - Improve storm water pretreatment availability and performance to protect state waters.
  - Provide cleaner storm water discharge for public health, safety and recreation opportunities.

**FINANCIAL SUMMARY^**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ 136,790	\$ 154,190	\$ 216,317	\$ 79,527	58%
Supplies	-	15,671	13,721	34,546	18,875	120%
Purchased Services	-	19,590	60,169	27,563	7,973	41%
Miscellaneous	-	26,380	27,325	26,988	608	2%
Debt Service	-	51,569	-	53,772	2,203	4%
Capital Outlay	-	35,000	-	26,498	(8,502)	-24%
<b>Total</b>	<b>\$ -</b>	<b>\$ 285,000</b>	<b>\$ 255,405</b>	<b>\$ 385,684</b>	<b>\$ 100,684</b>	<b>35%</b>

\* Un-audited numbers

^ Fund created in FY17

**STAFFING SUMMARY**

Title	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
SUPERINTENDENT			1.00	1.00
ADMINISTRATIVE ASSISTANT IV			1.00	1.00
UTILITY MAINTENANCE TECHNICIAN				2.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2.00</b>	<b>4.00</b>

**2018 Budget Highlights**

**Personnel:**

- Requested the addition of two Storm Water Utility Maintenance Technicians. These positions will utilize necessary heavy equipment and tools required for vactoring or jetting storm water utility infrastructure for both regularly scheduled maintenance as well as on-demand emergency service.
- Requested the addition of one shared GIS Technician to provide service to the Storm Water Utility, Water Utility and Wastewater Utility divisions of the Public Works Department. This position will be housed in the IT Division, GIS Group of the Central Services Department. The physical location, ongoing mapping and work order maintenance of the City of Missoula Storm Water Utility infrastructure and assets is a requirement of the Montana DEQ storm water discharge permit issued to the city.

**Supplies:**

- Requested an increase to the supplies budget to provide necessary office furniture, computer systems and field equipment to support addition of the new positions. The total cost for the GIS Technician will be supported by each of the three city public utility budgets; one-third of those costs will be derived from the Storm Water Utility budget.

**FY18 Projects:**

- Requested funding to address the following projects in FY 2018:
  - Completion of the Caras Park Outfall Pretreatment Retrofit Project started in FY 2016;
  - Completion of the 'Storm Water Utility Rate Study' project and the 'Storm Water Utility Facility and Operations Plan' project started in FY17;

- o Begin addressing priorities identified in the ‘Storm Water Utility Rate Study’ project and the ‘Storm Water Utility Facility and Operations Plan’ project, including any recommended rate increase needed to implement the plans; and
- o Update the existing design plan for the CIP ‘Upper Gharrett Storm Water Drainage Improvements and Construction Project’.

Performance Measures & Workload Indicators

**Performance Measures**

Measure	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Perform storm water maintenance that will reduce pollutants collecting in the system that could potentially discharge to the rivers and streams during a wet weather event.			100%	100%
2 . Comply with MPDES permit requirements for Clark Fork River discharge and reference the Storm Water Facility Plan and other source documents to plan for future growth.			100%	100%
3 . Actively seek public involvement, participation, outreach, and education opportunities for citizens to learn, provide input, and recognize how to reduce and prevent pollutants from entering the storm water system.			100%	100%

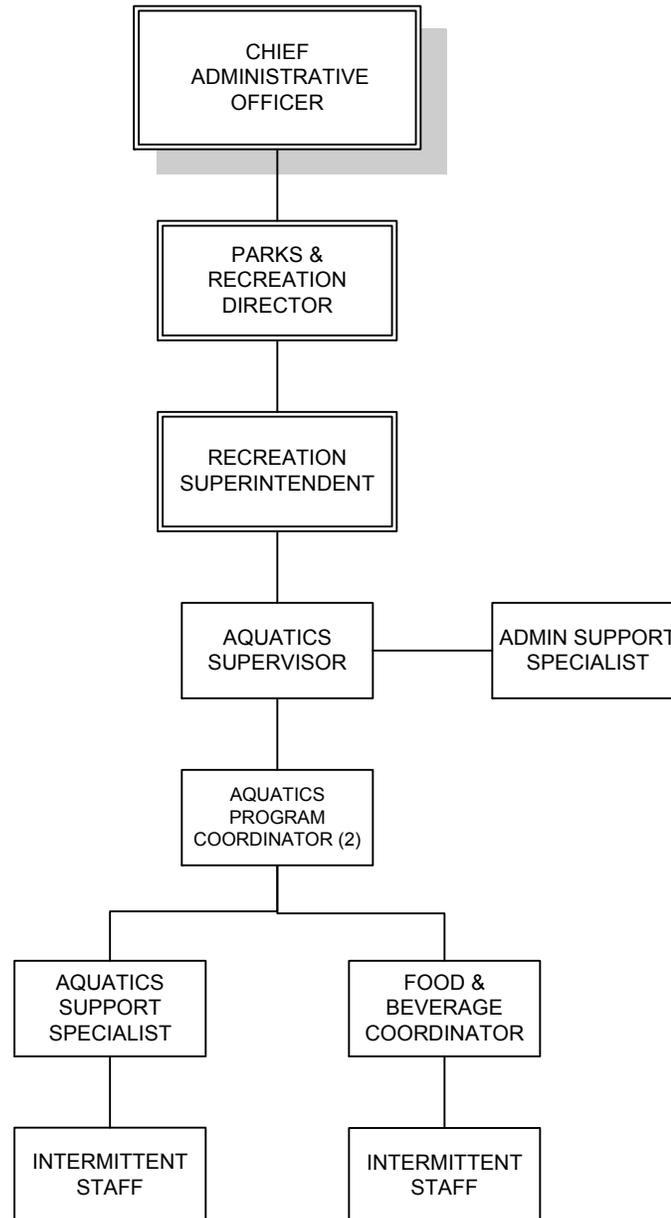
\*Dept created in FY 17

**Workload Indicators**

Indicator	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Perform drainage maintenance on Storm Water discharge points			90	75
2 . Perform Storm Water maintenance on piped lines			26	20
3 . Perform dry weather storm water inspections			10	50
4 . Perform biannual wet weather storm water inspections and sampling			4	8
5 . Meet at least quarterly with Storm Water Management Team			2	4
6 . Continually update Storm Water website at least quarterly			1	4



# Aquatics Division



## Program Description

The goal of this activity is to provide quality aquatics programs, opportunities and facilities for citizens of all ages, interests, and abilities thus giving every resident as well as guests an opportunity for lifetime leisure skills, water safety skills and active, healthy life styles.

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### City Strategic Plan & Department's Implementation Strategy

#### Goal #1: Fiscal Sustainability

- Strategy: We will maintain or improve the level of service to citizens.
  - Operational goal for new mobile kitchen is to provide a \$30,000 net increase in concessions revenue sales annually, after a 3 year payback for the purchase of the equipment/trailer.
  - We will continue cooperate with Missoula Aquatic Club to provide access to private rental of the 50m pool for Swim Team practice.

#### Goal #2: Harmonious natural and built environment

- Strategy: We will make sure that our natural and built environments continue to represent Missoula's values of clean water and clean air.
  - Continue to research and implement energy reduction programs; currently replacing Splash Deck feature pump motors with Variable Frequency Drive motors that allow for energy conservation and reduced maintenance.

#### Goal #3: Quality of life for all people in all places

- Strategy: We will support plans and programs that promote a healthy lifestyle for Missoula's citizens.
  - Promote healthy Aquatics Programs

We will use the new Grill Trailer kitchen to increase the amount of menu items that are created from scratch. Using fresh foods as much as possible.

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## FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 722,210	\$ 681,213	\$ 762,074	\$ 771,813	\$ 90,600	13%
Supplies	181,705	213,500	235,907	213,500	-	0%
Purchased Services	258,675	322,706	275,496	343,057	20,351	6%
Miscellaneous	504,132	12,000	515,204	16,647	4,647	39%
Debt Service	-	-	-	-	-	
Capital Outlay	-	35,000	-	35,000	-	0%
<b>Total</b>	<b>\$ 1,666,722</b>	<b>\$ 1,264,419</b>	<b>\$ 1,788,681</b>	<b>\$ 1,380,017</b>	<b>\$ 115,598</b>	<b>9%</b>

\* Un-audited numbers

## STAFFING SUMMARY

Title	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
AQUATICS STAFF				
AQUATICS SUPERVISOR	1.00	1.00	1.00	1.00
AQUATICS PROGRAM COORDINATOR	2.00	2.00	2.00	2.00
REC ADMIN SPECIALIST	1.00	1.00	1.00	1.00
REC SUPPORT SPECIALIST	0.75	0.75	0.75	0.75
FOOD AND BEVERAGE CORRINATOR				0.50
LEVEL 1 INTERMITTENT RECREATION	1.20	1.96	1.96	1.95
LEVEL 2 INTERMITTENT RECREATION	2.50	7.53	4.59	2.92
LEVEL 3 INTERMITTENT RECREATION	6.50	4.55	6.53	6.40
LEVEL 4 INTERMITTENT RECREATION	2.18	4.23	4.23	3.73
LEVEL 4 CONCESSION CAPTAINS				0.58
LEVEL 5 INTERMITTENT RECREATION	5.50	0.22	1.16	2.83
LEVEL 5 INTERMITTENT SPECIALTY INSTRUCTOR	0.50	0.39	0.41	0.46
PART TIME CASHIER		-	-	-
PART TIME CUSTODIAN	0.75	0.25	0.25	-
<b>Total</b>	<b>23.88</b>	<b>23.88</b>	<b>23.88</b>	<b>24.12</b>

## Highlights

Splash Montana and Currents Aquatics Center continue to be extremely popular recreational facilities with all age groups. "The Lake" 50-meter pool is heavily utilized by fitness swimmers and the local competitive swim teams. Splash Montana continues to host several special swim events each year at The Lake, including the Firecracker Swim Meet and the Wild Fire Kids Triathlon.

**Accomplishments include:**

- ❖ Completed Lazy River Tile Project
- ❖ Increased per capita Gross Food Sales at Splash by 28 cents
- ❖ Splash Montana listed as Best Place for Kid's Fun finalist in the Missoula Independent's Best of Missoula 2016.
- ❖ Best Ever Gross Swim Lesson and Private Lesson Revenue at Currents.
- ❖ Successfully promoted and operated first "Dive In Movie" at Currents Aquatics Center

## Goals for 2018

- ❖ Continue to increase Swim Lesson revenue through booking a greater number of private lessons for individuals who prefer one on one instruction.
- ❖ Increase Swim Lesson and General Admission revenue through booking a greater number of daycare and youth organizations for swim lessons and recreational swim trips.
- ❖ Increase per Capita food sales at Splash Montana and establish shoulder season revenue stream through food sales utilizing mobile grill.

## Aquatics Performance Measures &amp; Workload Indicators

## Performance Measures

Measure	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Increase sale of punch card and drop in visits	\$ 575,988	\$ 504,071	518417*	\$ 545,000
2 . Implement cyclic maintenance program at Splash and Currents to be funded through subsidy and reserve balance.	\$ 35,000	\$ 35,000	\$ 103,210	\$ 56,000
3 . Increase Avg \$ per person spent after entry at Splash Montana	\$ 2.66	\$ 3.11	\$ 3.07	\$ 3.15

\* Punchcard revenue entered as Pass revenue for April, May and June of FY17 due to transfer to Rec Trac set up error

## Workload Indicators

Indicator	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Number of daily admissions at Currents	43,603	48,608	47,535	50,000
2 . Number of daily admissions at Splash	60,555	40,799	48,796	50,000
3 . Number attending swim lessons at Currents	9,956	10,422	9,425	10,600
4 . Number attending swim lessons at Splash	3,280	3,142	3,512	3,550
5 . Total Attendance includes rentals and passes	187,908	172,353	168,130	180,000
6 . Splash concessions revenue.	\$ 201,265	\$ 153,901	\$ 190,050	\$ 195,000

## Program Description

This fund is set up as an internal service fund for the City's self-insured employee health insurance program. The fund receives revenues in the form of monthly employer contributions from all City departments, employee contributions, and payments from retired employees who are given the option of paying monthly insurance premiums to remain on the health insurance plan. Retired employee contributions receive a 15% subsidy from the City.

## Goals & Objectives

- Each City department is charged per payroll for contributions to the employee health insurance program. The revenue from General Fund tax supported departments originates in special health insurance tax levy funds (2371 and 2372) where state law allows a special tax levy above and beyond the special all-purpose General Fund levy. These revenues are transferred regularly to the General Fund to reimburse the General Fund for the expenditures of the contributions to the health insurance fund. The FY 2017 monthly premium for the health insurance paid on behalf of the City of \$790 per employee (3% increase from FY 2016) is increasing an additional 5% or \$40 per employee per month starting in October 2017. The 5% increase puts the contribution to \$830 per employee. Additional contributions in the amount of \$1,200,000 were made to the plan over FY 2014 and FY 2015 in order to reverse the trend of a declining fund balance into an annual growth in fund balance. The end of FY2017, the unaudited fund balance is \$778,930. This is a decrease in fund balance of \$178,000 from FY 2016. As in years past, the plan experienced unanticipated increase in volume of claims and several large claims that eclipsed the budgeted increase in claims based on a historic analysis. With the budgeted 5% increase in contributions and an additional \$400,000 budgeted in claims above the actual FY 2017 expenses, there is an anticipated fund balance increase of \$550,000. With the budgeted increase to the fund balance, the projected FY 2018 ending fund balance is \$1,338,000 or 87% of the targeted reserve.

### Administration Recommendation

- The City is committed to maintaining a 3 month reserve in the health plan based off the budgeted expenditures. The target fund balance for FY2018, meeting the reserve requirement, is \$1,540,000. In order to continue to build fund balance the administration recommended that the City's funding of the health plan be increased by an additional 5% (\$40.00) per employee beginning October 2017. The Employee Benefit Committee has been focusing on identifying ways and methods to cut costs within the health plan by utilizing the assistance of the plans third party administrator, Allegiance.

## FINANCIAL SUMMARY

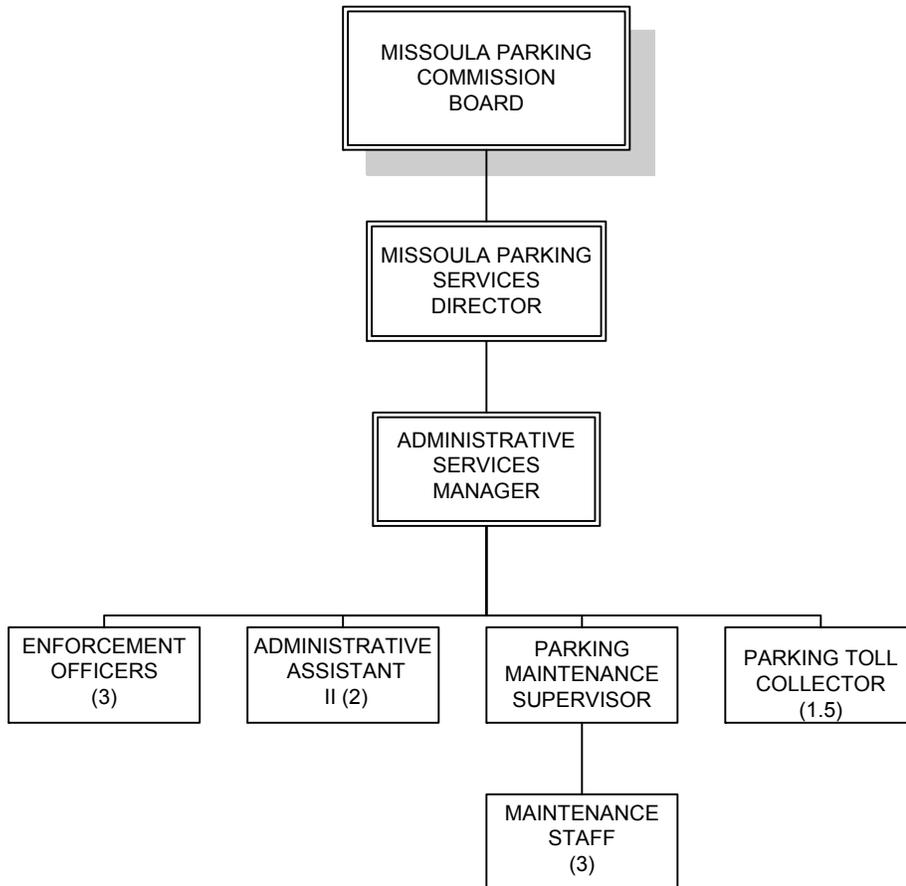
Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	5,220,417	6,440,784	6,015,400	7,498,009	1,057,225	16%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 5,220,417</b>	<b>\$ 6,440,784</b>	<b>\$ 6,015,400</b>	<b>\$ 7,498,009</b>	<b>\$ 1,057,225</b>	<b>16%</b>

\* Un-audited numbers



# Missoula Parking Commission

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**Program Description**

The Missoula Parking Commission (MPC) works with government, businesses and citizens to provide and manage parking and parking alternatives. MPC identifies and responds to changing parking needs in the area for which it is responsible.

**City Strategic Plan &  
Department's Implementation Strategy**

Goal #1: Quality of life for all people in all places.

- Strategy: Improve the level of service to citizens
  - Implementing gating equipment in the Student Housing Project and update all existing gating equipment.

Goal #2: Harmonious natural and built environment

- Strategy: Evaluate the physical status of all of our structures and off-street lots to ensure that our natural and built environments continue to represent Missoula's values of clean water, clean air and sustainability.
  - Determine repairs that are needed, the costs associated with those repairs and develop a phased plan to bring the structures and lots to an acceptable state of repair.

Goal #3: Fiscal sustainability.

- Strategy: Maintain the level of service to citizens
  - Evaluating the parking impacts of upcoming Downtown construction and development on current parking availability. Improve the level of service to citizens by determining and evaluating additional available parking options for any displaced lease holders during times of construction.

**Parking Commission:**

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 632,133	\$ 665,877	\$ 639,208	\$ 694,739	\$ 28,862	4%
Supplies	64,517	45,600	34,775	63,950	18,350	40%
Purchased Services	454,014	466,328	587,752	532,746	66,418	14%
Miscellaneous	696,483	622,596	1,098,122	631,376	8,780	1%
Debt Service	16,663	210,983	29,583	211,078	95	0%
Capital Outlay	(5,066)	-	47,450	-	-	
<b>Total</b>	<b>\$ 1,858,744</b>	<b>\$ 2,011,384</b>	<b>\$ 2,436,891</b>	<b>\$ 2,133,889</b>	<b>\$ 122,505</b>	<b>6%</b>

\* Un-audited numbers

Parking Interest Fund (7371):

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	350	350	
Debt Service	277,985	266,220	263,439	257,150	(9,070)	-3%
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 277,985</b>	<b>\$ 266,220</b>	<b>\$ 263,439</b>	<b>\$ 257,500</b>	<b>\$ (8,720)</b>	<b>-3%</b>

\* Un-audited numbers

Parking Sinking Fund (7372):

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	-	250,000	-	255,000	5,000	2%
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ -</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ 255,000</b>	<b>\$ 5,000</b>	<b>2%</b>

\* Un-audited numbers

Parking Pledged Tax Increment (7375):

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	1,950	-	-	(1,950)	-100%
Miscellaneous	43,007	264,901	-	204,860	(60,041)	-23%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 43,007</b>	<b>\$ 266,851</b>	<b>\$ -</b>	<b>\$ 204,860</b>	<b>\$ (61,991)</b>	<b>-23%</b>

\* Un-audited numbers

**STAFFING SUMMARY**

Title	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
DIRECTOR	1.00	1.00	1.00	1.00
ADMINISTRATIVE SERVICES MANAGER	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASST II	2.00	2.00	2.00	2.00
ENFORCEMENT OFFICER	3.00	3.00	3.00	3.00
PARKING MAINTENANCE SUPERVISOR	1.00	1.00	1.00	1.00
MAINT. WORKER / FEE COLLECTOR	2.00	2.00	2.00	3.00
TOLL COLLECTOR	1.50	1.50	1.50	1.50
<b>Total</b>	<b>11.50</b>	<b>11.50</b>	<b>11.50</b>	<b>12.50</b>

**2018 Budget Highlights**

The Missoula Parking Commission’s mission is to “provide and manage parking and parking alternatives”. To this charge, MPC is committed to these three goals and will apply the following strategies and objectives in order to achieve them in FY 2018.

**1. To provide parking:**

At this point, the demand for monthly parking is at an all-time high and will continue to grow as new projects come to the Downtown area. All lease spaces in MPC structures are currently leased during normal operating hours and MPC continues to work to promote public use of the structures for special events during the weekends. Daily use in Park Place and Central Park has increased substantially and MPC will continue to urge downtown parkers to park in these structures. MPC anticipates the Student Housing Project will add much needed hourly parking spaces to Front Street as it continues to develop and MPC looks forward to managing the additional spaces.

With the anticipation of new construction projects coming to the Downtown area, MPC is evaluating opportunities to increase the on-street lease program in the outlying Downtown areas that will accommodate downtown employees and residents who have vehicles. This will provide additional parking options for the lessees and reduce the need for meters in these areas.

**2. To manage parking:**

MPC will focus on enhancing revenue opportunities and future projects that will support economic development in Downtown Missoula. MPC will work with parking consultants to determine gating equipment needs as well as work towards implementing license plate recognition (LPR) within our jurisdiction. These improvements will provide MPC with the ability to keep up with the growing parking demands of its jurisdiction and will be a continuation of its goal to implement technological advances within its program.

MPC will continue to work on its own strategic direction and, at the same time, honor the goals and vision of the Downtown Master Plan that will shape the future of Downtown Missoula.

**3. To provide parking alternatives:**

The MPC will continue to partner with other agencies to develop and support Transportation Demand Management (TDM) strategies that will facilitate affordable transportation, reduce the number of single-occupant vehicle trips and increase transportation options with the overall goals to provide greater access to the citizens of Missoula. Such as:

- Bicycle/Pedestrian Program
- First Night Missoula shuttle
- Missoula Downtown Association Out to Lunch shuttle
- Missoula In Motion
- Missoula Ravalli Transportation Management Association
- Mountain Line – The Zero Fare Program

Performance Measures & Workload Indicators

**Performance Measures**

Measure	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . To perform a condition evaluation of all the parking facilities and make repairs where necessary.	25%	50%	40%	50%
2 . To implement on-street License Plate Recognition software to improve enforcement measures within our jurisdiction.	0%	0%	15%	100%

**Workload Indicators**

Indicator	Actual FY 2015	Actual FY 2016	Actual FY 2017	Adopted FY 2018
1 . Number of tickets issued	36,773	34,355	34,642	36,000
2 . Revenue from tickets	\$ 212,846	\$ 157,959	\$ 208,208	\$ 200,000
3 . Number of special permits issued	307	491	359	250
4 . Revenue from special permits	\$ 18,718	\$ 21,542	\$ 15,208	\$ 13,680
5 . Number of RPPP permits	774	821	1,007	840
6 . Revenue from RPPP permits	\$ 13,011	\$ 13,488	\$ 13,203	\$ 12,500
7 . Number of RPPP tickets	1,921	1,967	2,242	1,900
8 . Revenue from RPPP tickets	\$ 24,100	\$ 24,391	\$ 14,230	\$ 24,000
9 . Meter revenue	\$ 500,728	\$ 713,017	\$ 984,398	\$ 900,000
10 . Lease parking revenue	\$ 696,207	\$ 803,900	\$ 835,731	\$ 900,000

## Program Description – Work Plan

The Downtown Business Improvement District (BID) was created in 2005 through the efforts of the Missoula Downtown Association to address the challenges created by the termination of the Downtown Urban Renewal District (URD I). With 75% of the property owners supporting the BID, it was renewed in 2010 for a 10-year period. The BID serves as an advocate and service provider for property owners in the district and works to improve Downtown safety, cleanliness, marketing, business retention and recruitment, and both public and private investment in buildings and infrastructure. The BID's obligation is to ratepayers but the board members recognize the importance of working with business owners, employees and potential investors in Downtown.

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## Goals & Objectives

### ADMINISTRATION

The Executive Director manages all existing programs, such as the Clean Team and Ambassadors, communicates with ratepayers, implements the Downtown Master Plan and develops a business retention and recruitment effort. The BID contracts with the Missoula Downtown Association (MDA) for rent and utilities.

The Downtown BID joins with the MDA and the Missoula Downtown Foundation (MDF) under the umbrella of the Downtown Missoula Partnership. While maintaining organizational independence, autonomy and identity, the Downtown BID is focused on serving the property owners, improving property values, and improving effectiveness and efficiency for all ratepayers.

#### Objectives:

The BID continues to work on the following programs recognizing its needs may change as additional input and knowledge is available. These objectives are subject to change as the Board and ratepayers further define the priorities for the District.

1. Maintain an accurate database of ratepayers within the BID.
2. Maintain a formal system for communicating with ratepayers within the BID.
3. Oversee the activities of the Clean Team and Ambassador programs and refine them as appropriate.
4. Identify new programs and priorities for the BID based on input from the ratepayers.
5. Increase focus on economic development, including recruitment and retention of business downtown.

### MARKETING

Promoting Downtown Missoula as a destination for consumers, entrepreneurs, and developers remains a priority. In partnership with the Missoula Downtown Association and Missoula Parking Commission, the BID is committed to promoting Downtown as a thriving, live, work, play space for all. Maintaining a comprehensive marketing effort with the Missoula Parking Commission and Missoula Downtown Association remains a priority. It is important to reinforce the BID's identity and mission throughout the community as well as downtown. The BID will continue to perform research and data acquisition as needed.

#### Objectives:

1. Communicate the assets of Downtown and identify the programs that will achieve that purpose.
2. Refine the BID communication tools to best serve the needs of the ratepayers and serve as a forum for dialogue and dissemination of ideas.
3. Distribution of educational materials to ratepayers, developers, investors, elected officials, and the general public.
4. Work with business and property owners to identify marketing needs and develop programs and activities to address those needs.
5. Identify ways in which the BID can enhance the uniqueness of the downtown district through branding, graphics, signage, or other means.
6. Work with the MDA and the MDF to identify areas where the organizations can enhance each other's activities and efforts.
7. Refine and enhance the recruitment and retention of new and existing businesses.

### STREETSCAPE/MAINTENANCE

One of the highest priorities of property and business owners is cleanliness and the appearance of the downtown streets and sidewalks. The BID created the Downtown Clean Team in 2006 and the garbage maintenance program

in 2009. Since inception, the Downtown BID has purchased more than 40 new trash receptacles, 3 benches, more than 15 tree guards, and over 30 cigarette butt receptacles. The BID will refurbish all of the older trash receptacles owned by the City in an effort to provide better coverage and improve the appearance of the District.

BID Maintenance staff maintains a total of 65 trash and 15 recycling receptacles in Downtown Missoula.

The City of Missoula contracts with the BID to maintain the city's original 24 garbage cans and to pick-up and dispose of that garbage. Since 2009 the BID has provided graffiti removal, sidewalk cleaning, snow & ice removal and other services. The BID provides maintenance services 7 days a week.

**Objectives:**

1. Work with business and property owners, the MDA, MPC, and MRA to further identify areas in which the BID can assist in achieving the goal of improving the cleanliness and appearance of downtown.
2. Refine the operation of the Clean Team to best serve the needs of the downtown property owners and businesses.
3. Coordinate with the MDA, the City, property owners and business owners to improve the street environment through the use of place-making: planters, flower baskets, boulevard trees, banners, flags, holiday decorations, benches, trash receptacles, public art and pianos.
4. Continue the program of phasing in streetscape improvements, as is being done with new trash receptacles on an annual basis.
5. Continue to evaluate expansion and improvements to Downtown recycling.
6. Continue to work with individual property owners to enhance the level of building façade maintenance.
7. Provide snow removal services for all Downtown alleys, the protected bike lanes on North Higgins, and for Downtown property owners as a contracted service.

**SAFETY**

In addition to cleanliness and appearance, another high priority for property and business owners is safety and security Downtown. The BID's Ambassador Program improves the safety of the area through foot patrols, employee escorts, and hospitality services for visitors. Ambassadors are available to speak to civic groups and clubs to promote safety in the District and educate the community on the work of the BID. Ambassadors also provide hospitality services at public functions, including First Fridays, Saturday Markets, and Caras Park events. BID Ambassadors help reduce crime and mischief by serving as the eyes and ears on the streets. The BID contracts with the City of Missoula for a dedicated Downtown Beat Patrol Officer for full-time, year-round patrol of Downtown Missoula.

**Objectives:**

1. Monitor and refine the Downtown Ambassador Program to best address the needs of the downtown stakeholders and community members.
2. Continue to work with the City Police Department to enhance efforts to improve safety in Downtown Missoula.
3. Work with community leaders to reduce homelessness, loitering, and panhandling in Downtown Missoula.

**PLANNING, PROJECTS AND DOWNTOWN MASTER PLAN IMPLEMENTATION**

The Downtown Master Plan was created in 2007-08 and approved by the Missoula City Council in 2009. This 20-year community vision has been a key instrument for guiding Downtown growth in the areas of land use, circulation, employment, housing, parking, retail and tourism. In partnership with several other organizations, the BID is responsible for implementation of the Downtown Master Plan and will begin an effort to update the plan in 2018.

**Business Development**

As with any agency or organization, it is impossible to anticipate all of the needs and budget accordingly. The Downtown BID Board has placed a portion of its anticipated revenues and carryover from FY 2016-17 in the Planning and Downtown Master Plan categories for pending projects and planning. The BID Board budgets each year based on the prior year's revenue collection.

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	375,000	431,315	360,000	457,737	26,422	6%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 375,000</b>	<b>\$ 431,315</b>	<b>\$ 360,000</b>	<b>\$ 457,737</b>	<b>\$ 26,422</b>	<b>6%</b>

\* Un-audited numbers

**Program Description – Work Plan**

The Tourism Business Improvement District (TBID) was created through the efforts of the Missoula Area Convention and Visitor’s Bureau to aid tourism, promotion, and marketing within the District and allowing Hotels/Motels outside the City limits in the Missoula Urban area donate funds to the Tourism Business Improvement District.

**Strategic Plan**

**Goal #1: Fiscal Sustainability**

- **Strategy:** Increase four season revenues statewide through effective marketing and promotions, focusing on high-value, low-impact visitors
  - Continue to work in partnership with the Missoula International Airport to bring key new service to Missoula and to work with the community to keep and strengthen our present service through:
    - Partnership marketing campaigns with the Missoula International Airport to raise awareness of available air service and Missoula as a destination in our direct flight cities, as well as potential markets.
    - Work in partnership with the Missoula International Airport to pitch new air service to key target markets.
    - Work in partnership with the Missoula International Airport, Missoula Economic Partnership, city and county government, key organizations, private businesses and individuals to create a fund to be used for flight guarantees for new air service and as matching funds for grant applications by the airport.
  - Destination Missoula and the TBID will partner to provide Public Relations services.
  - Destination Missoula and the TBID will increase overnight visitation to Missoula with emphasis on the months of November through April, by concentrating marketing funds on the following areas:
    - Meetings & Conventions
    - Sports & Events
    - Tour and Group Travel
    - Leisure Travel
    - Culinary Travel

**FINANCIAL SUMMARY**

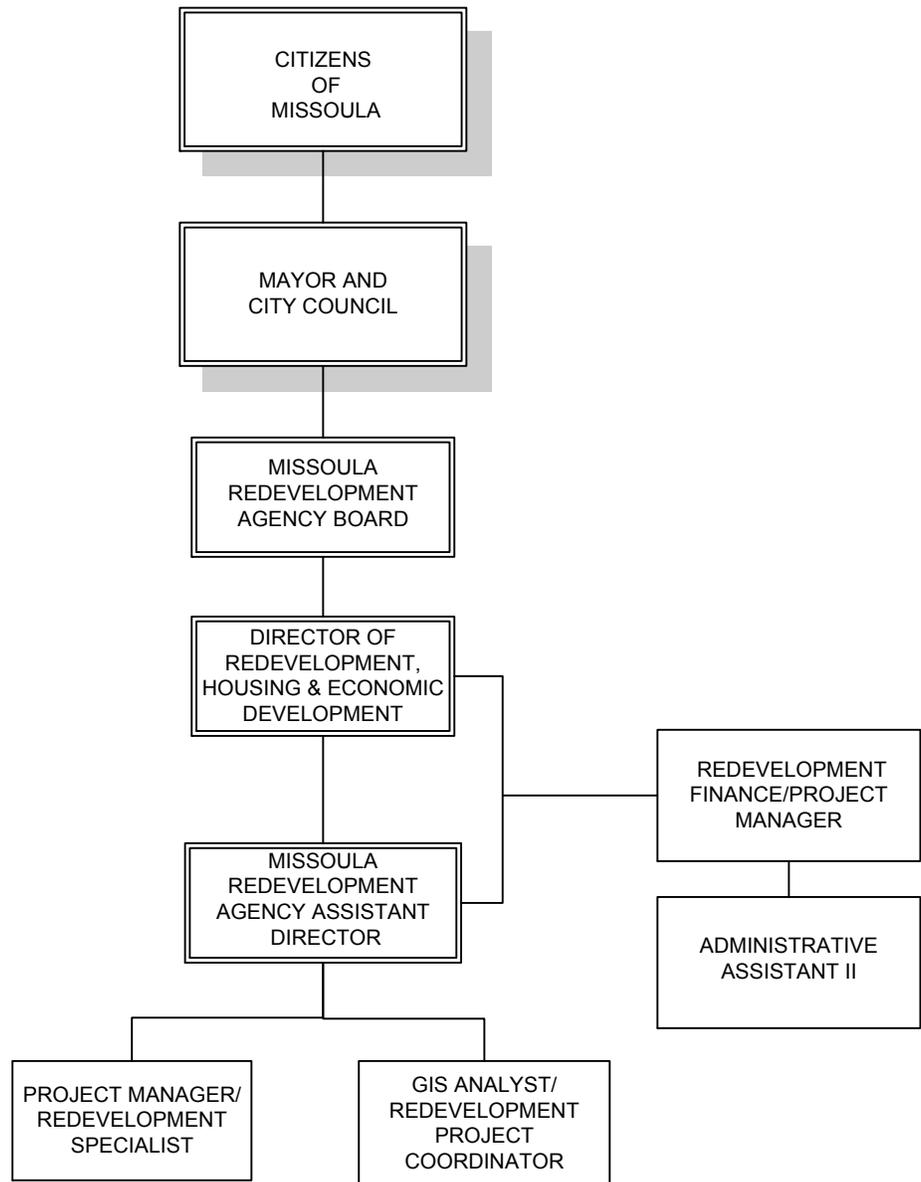
<b>Budget by Object of Expenditure Category</b>	<b>Actual FY 2016</b>	<b>Amended FY 2017</b>	<b>Actual FY 2017*</b>	<b>Adopted FY 2018</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	-
Supplies	-	-	-	-	-	-
Purchased Services	-	296,713	-	837,644	540,931	182%
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 296,713</b>	<b>\$ -</b>	<b>\$ 837,644</b>	<b>\$ 540,931</b>	<b>182%</b>

\* Un-audited numbers



# Missoula Redevelopment Agency

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*NOTE: MRA BOARD MEMBERS ARE APPOINTED BY THE MAYOR AND ARE APPROVED BY THE CITY COUNCIL*

## Program Description

The Missoula Redevelopment Agency (MRA) was created by the City Council to encourage new development and redevelopment pursuant to the adopted Urban Renewal Plans. Preserving existing public investment, enhancing the tax base, generating employment, and stimulating private investment are the means MRA uses to reclaim urban renewal areas. The MRA encourages infill development, provides for the adaptive reuse of the built environment, and reclaims blighted properties. MRA is empowered by State law and local ordinance to respond aggressively and with flexibility to redevelopment problems and opportunities. Through these activities, MRA also provides alternatives to urban sprawl outside existing municipal service boundaries.

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## City Strategic Plan & Department's Implementation Strategy

### Goal #1: Fiscal Sustainability

- Strategy: Improve the level of service to citizens in the major Urban Renewal Districts (URDs) through funding of public improvements.
  - MRA has initiated programs to build sidewalks in URD II and URD III where they do not exist or are deficient. Almost 14 miles of sidewalks have already been constructed with the goal of completing the sidewalk network in both districts within the life of those districts. Approximately \$6.9 M has been spent improving neighborhoods through the installation of curb and gutter, sidewalks, street trees and repaved streets since MRA initiated the program. MRA has completed the construction of a critical link in the Bitterroot Trail in the form of a bridge over South Reserve Street and has paid for the purchase of property that will allow the construction of the last major missing section of that trail and construction of a new neighborhood park during FY 2018.

### Goal #2: Harmonious Natural and Built Environment

- Strategy: Improve the pedestrian experience through aesthetic improvements to the natural and built environment.
  - MRA is paying for the construction of Mary Avenue between Reserve and Brooks Streets through the Southgate Mall property and between the Bitterroot Branch Railroad and Reserve Street. This new street with vehicular, bicycle and pedestrian amenities along with street trees and landscaping creates a much needed east/west connection in URD III. Additionally, it will provide a safe, aesthetically pleasing connection to and across the Bitterroot Trail. The Agency, with multiple partners, is committed to major improvements to Brooks Street in anticipation of mass transit improvements which will move a transit route to Brooks with 15 minute service. The goal is to develop a transit oriented street that is more conducive to pedestrian and bicycle use.

### Goal #3 Quality of Life for All People in All Places

- Strategy: Increase efforts to assure that adequate housing options are available throughout the urban core.
    - MRA is a key partner in a steering committee charged with the creation of a housing policy for the City of Missoula, a tool which does not currently exist. The shortage of available housing at all levels is has become an impediment to quality of life for many of our citizens and to the creation of living wage jobs. The underlying principle of this policy is that all citizens of Missoula should be entitled to a safe and affordable place to live.
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**COMPONENT UNIT****MISSOULA REDEVELOPMENT AGENCY (7383-7402)****MRA Riverfront Triangle URD (7383)****FINANCIAL SUMMARY**

<b>Budget by Object of</b>	<b>Actual</b>	<b>Amended</b>	<b>Actual</b>	<b>Adopted</b>	<b>Increase</b>	<b>Percent</b>
<b>Expenditure Category</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2017*</b>	<b>FY 2018</b>	<b>(Decrease)</b>	<b>Change</b>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	3,500	-	-	-	-	
Miscellaneous	-	36,962	-	1,558,382	1,521,420	4116%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 3,500</b>	<b>\$ 36,962</b>	<b>\$ -</b>	<b>\$ 1,558,382</b>	<b>\$ 1,521,420</b>	<b>4116%</b>

\* Un-audited numbers

**MRA N Reserve/Scott St Clearing (7384)****FINANCIAL SUMMARY**

<b>Budget by Object of</b>	<b>Actual</b>	<b>Amended</b>	<b>Actual</b>	<b>Adopted</b>	<b>Increase</b>	<b>Percent</b>
<b>Expenditure Category</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2017*</b>	<b>FY 2018</b>	<b>(Decrease)</b>	<b>Change</b>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	23,536	59,452	89,976	60,183	731	1%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 23,536</b>	<b>\$ 59,452</b>	<b>\$ 89,976</b>	<b>\$ 60,183</b>	<b>\$ 731</b>	<b>1%</b>

\* Un-audited numbers

^Fund created in FY17

**MRA Front St URD (7385)****FINANCIAL SUMMARY**

<b>Budget by Object of</b>	<b>Actual</b>	<b>Amended</b>	<b>Actual</b>	<b>Adopted</b>	<b>Increase</b>	<b>Percent</b>
<b>Expenditure Category</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2017*</b>	<b>FY 2018</b>	<b>(Decrease)</b>	<b>Change</b>
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	70,207	-	-	
Miscellaneous	50,000	604,034	1,482,544	808,667	204,633	34%
Debt Service	-	-	-	-	-	
Capital Outlay	-	25,000	842	3,256,115	3,231,115	12924%
<b>Total</b>	<b>\$ 50,000</b>	<b>\$ 629,034</b>	<b>\$ 1,553,592</b>	<b>\$ 4,064,782</b>	<b>\$ 3,435,748</b>	<b>546%</b>

\* Un-audited numbers

MRA Safeway - St Pat's (7386)

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	138,464	127,012	121,058	115,103	(11,909)	-9%
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 138,464</b>	<b>\$ 127,012</b>	<b>\$ 121,058</b>	<b>\$ 115,103</b>	<b>\$ (11,909)</b>	<b>-9%</b>

\* Un-audited numbers

MRA Revolving Loan Fund – Millsite – Brownfields (7387)

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	50,326	54,716	58,092	58,092	3,376	6%
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 50,326</b>	<b>\$ 54,716</b>	<b>\$ 58,092</b>	<b>\$ 58,092</b>	<b>\$ 3,376</b>	<b>6%</b>

\* Un-audited numbers

MRA URD II Bond Sinking Fund (7389)

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	676,790	676,312	679,062	675,282	(1,030)	0%
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 676,790</b>	<b>\$ 676,312</b>	<b>\$ 679,062</b>	<b>\$ 675,282</b>	<b>\$ (1,030)</b>	<b>0%</b>

\* Un-audited numbers

**COMPONENT UNIT****MISSOULA REDEVELOPMENT AGENCY (7383-7402)****MRA URD II Bond Clearing (7390)****FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	2,270,304	2,125,154	2,225,760	2,274,167	149,013	7%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 2,270,304</b>	<b>\$ 2,125,154</b>	<b>\$ 2,225,760</b>	<b>\$ 2,274,167</b>	<b>\$ 149,013</b>	<b>7%</b>

\* Un-audited numbers

**MRA URD II (7392)****FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	60,608	32,551	2,650	32,551	-	0%
Miscellaneous	779,516	2,319,215	454,475	2,943,632	624,417	27%
Debt Service	-	-	-	-	-	
Capital Outlay	718,573	110,000	17,751	77,750	(32,250)	-29%
<b>Total</b>	<b>\$ 1,558,697</b>	<b>\$ 2,461,766</b>	<b>\$ 474,876</b>	<b>\$ 3,053,933</b>	<b>\$ 592,167</b>	<b>24%</b>

\* Un-audited numbers

**MRA URD III Operating (7393)****FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ 442,484	\$ 540,273	\$ 586,552	\$ 562,039	\$ 21,766	4%
Supplies	9,192	9,126	3,682	9,126	-	0%
Purchased Services	1,065,216	955,343	857,443	1,100,662	145,319	15%
Miscellaneous	811,427	9,012,619	4,489,776	6,681,183	(2,331,436)	-26%
Debt Service	-	-	-	-	-	
Capital Outlay	1,342,826	5,273,094	4,648,498	6,157,517	884,423	17%
<b>Total</b>	<b>\$ 3,671,146</b>	<b>\$ 15,790,455</b>	<b>\$ 10,585,950</b>	<b>\$ 14,510,527</b>	<b>\$ (1,279,928)</b>	<b>-8%</b>

\* Un-audited numbers

**COMPONENT UNIT**

**MISSOULA REDEVELOPMENT AGENCY (7383-7402)**

MRA URD III Bond Clearing (7394)

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted ^FY 2017	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	677,265	1,744,938	1,949,676	1,975,456	230,518	13%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 677,265</b>	<b>\$ 1,744,938</b>	<b>\$ 1,949,676</b>	<b>\$ 1,975,456</b>	<b>\$ 230,518</b>	<b>13%</b>

\* Un-audited numbers

^ Fund created in FY2017

MRA URD III Bond Sinking Fund (7395)

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	35,547	343,200	473,953	1,184,513	841,313	245%
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 35,547</b>	<b>\$ 343,200</b>	<b>\$ 473,953</b>	<b>\$ 1,184,513</b>	<b>\$ 841,313</b>	<b>245%</b>

\* Un-audited numbers

MRA N Reserve/Scott St Bond Sinking Fund (7396)

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	5,942	31,690	28,980	87,824	56,134	177%
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 5,942</b>	<b>\$ 31,690</b>	<b>\$ 28,980</b>	<b>\$ 87,824</b>	<b>\$ 56,134</b>	<b>177%</b>

\* Un-audited numbers

^ Fund created in FY2017

**COMPONENT UNIT****MISSOULA REDEVELOPMENT AGENCY (7383-7402)****MRA N Reserve/Scott St URD (7397)****FINANCIAL SUMMARY**

Budget by Object of	Actual	Amended	Actual	Adopted	Increase	Percent
Expenditure Category	FY 2016	FY 2017	FY 2017*	^FY 2017	(Decrease)	Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	70,061	7,550	1,343	47,000	39,450	523%
Miscellaneous	110,671	20,212	479,404	1,014,785	994,573	4921%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 180,732</b>	<b>\$ 27,762</b>	<b>\$ 480,747</b>	<b>\$ 1,061,785</b>	<b>\$ 1,034,023</b>	<b>3725%</b>

\* Un-audited numbers

^Fund created FY2017

**MRA Intermountain Bond Sinking Fund (7399)****FINANCIAL SUMMARY**

Budget by Object of	Actual	Amended	Actual	Adopted	Increase	Percent
Expenditure Category	FY 2016	FY 2017	FY 2017*	FY 2018	(Decrease)	Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	146,767	145,937	147,137	146,158	221	0%
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 146,767</b>	<b>\$ 145,937</b>	<b>\$ 147,137</b>	<b>\$ 146,158</b>	<b>\$ 221</b>	<b>0%</b>

\* Un-audited numbers

**MRA Front St URD Clearing (7400)****FINANCIAL SUMMARY**

Budget by Object of	Actual	Amended	Actual	Adopted	Increase	Percent
Expenditure Category	FY 2016	FY 2017	FY 2017*	FY 2018	(Decrease)	Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	431,179	616,443	408,104	411,730	(204,713)	-33%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 431,179</b>	<b>\$ 616,443</b>	<b>\$ 408,104</b>	<b>\$ 411,730</b>	<b>\$ (204,713)</b>	<b>-33%</b>

\* Un-audited numbers

MRA Front St Parking Debt Service (7401)

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	191,358	206,340	206,340	204,860	(1,480)	-1%
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 191,358</b>	<b>\$ 206,340</b>	<b>\$ 206,340</b>	<b>\$ 204,860</b>	<b>\$ (1,480)</b>	<b>-1%</b>

\* Un-audited numbers

MRA Front St Subordinate Lien (7402)

**FINANCIAL SUMMARY**

Budget by Object of Expenditure Category	Actual FY 2016	Amended FY 2017	Actual FY 2017*	Adopted FY 2018	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	131,235	131,161	124,518	125,717	(5,444)	-4%
Capital Outlay	-	-	-	-	-	
<b>Total</b>	<b>\$ 131,235</b>	<b>\$ 131,161</b>	<b>\$ 124,518</b>	<b>\$ 125,717</b>	<b>\$ (5,444)</b>	<b>-4%</b>

\* Un-audited numbers

## City of Missoula Debt Management

Debt in a governmental entity is an effective financial management tool. Active debt management provides fiscal advantages to the City of Missoula and its citizens. Debt can serve several different purposes. It is useful in matching costs to benefits of public assets. It is useful as an economic development tool. It allows governments to build and acquire assets that would not otherwise be able to be built or acquired. Debt eliminates the need for governments to build up large reserve balances to build or acquire assets. In other words, debt is not something that should be avoided or eliminated. Rather, debt is something that should be used and managed effectively. Debt can be mismanaged, however. Over use of debt places a burden on the financial resources of the City and its taxpayers. Thus, it is important to create policies and follow practices to insure debt is used wisely.

Debt management is a critical component of the City of Missoula's financial operations. The City takes an active role in managing its debt. This is done through a variety of means including: debt management policies, bond ratings, comprehensive planning for future bond issues, and management of existing and proposed debt levels, legal debt margins, and debt service payments. This section of the budget provides an analysis of each of these factors in addition to providing a detailed schedule of future debt service obligations of the City.

### Major Bond Issues

Listed below is a brief description of the City's major outstanding bond issues, followed by a graphic overview of all outstanding debt of the City, by purpose.

- A. 2012A Aquatics GO Refunding Bond** - These bonds were refinanced in 2013. Originally issued in 2004 to construct the new aquatics facilities that were located at McCormick Park and Playfair Park as well as 4 splash decks around the city. The bonds were financed over 20 years. The bonds will be repaid with property tax revenue, specifically dedicated for that purpose. When the bonds have been repaid, the property tax levy will be discontinued. Interest rate varies from 1.5% to 2.25%.

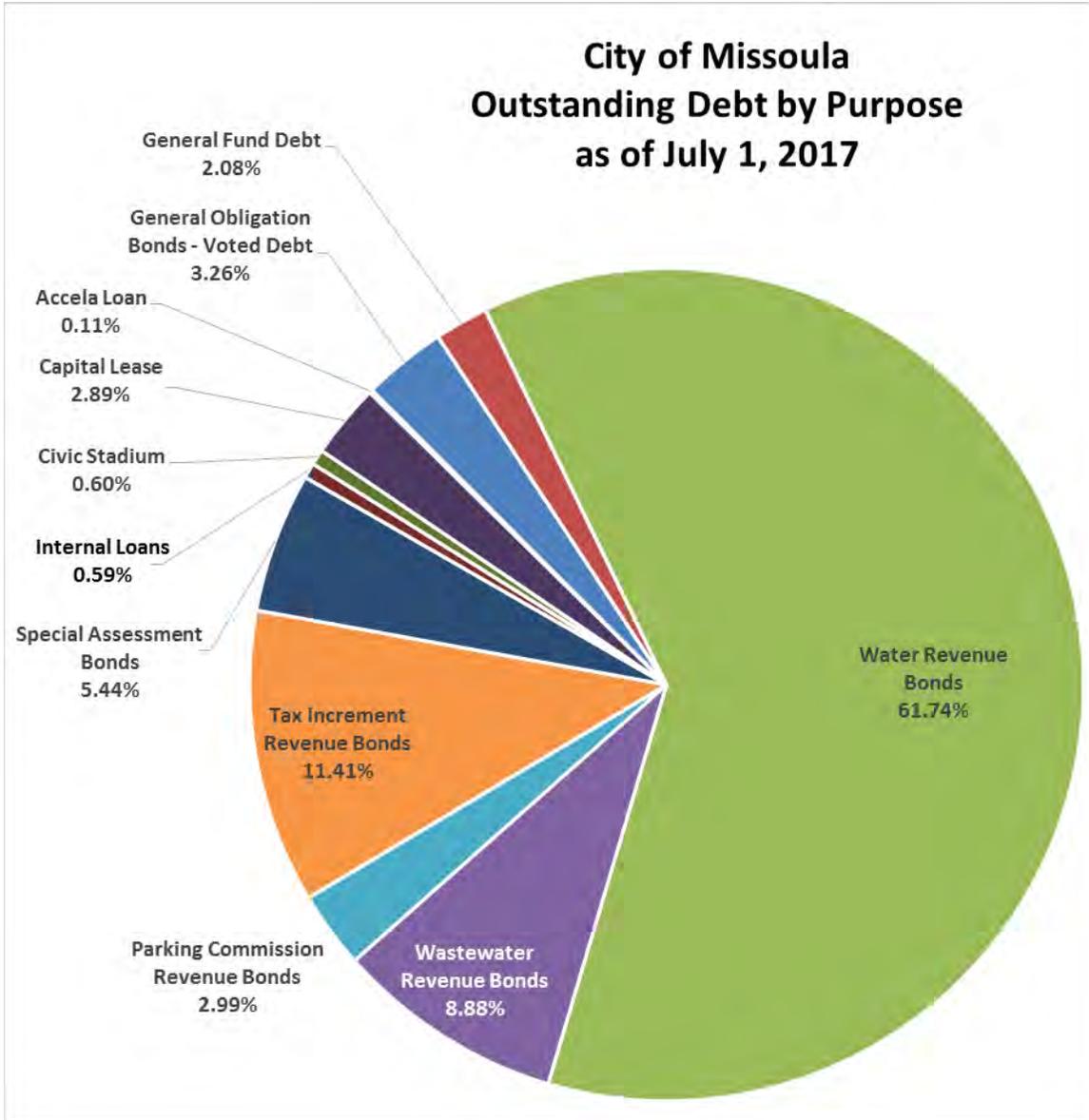
**TOTAL FUND DEBT SERVICE EXPENDITURES = \$ 591,848**

- B. 2013 GO Refunding Bond** – These bonds were issued on July 1, 2013 to provide funds for refunding the City's outstanding General Obligation Bonds, Series 2006 (partial advance refunding) and Series 2007 (full refunding). The bonds were financed over 20 years. The bonds will be repaid with property tax revenue, specifically dedicated for that purpose. When the bonds have been repaid, the property tax levy will be discontinued. The interest rate varies from 1.5% to 2.25%.

**TOTAL FUND DEBT SERVICE EXPENDITURES = \$ 546,780**

**Outstanding Debt**

Shown on the below is a pie chart which presents the City’s current outstanding indebtedness by purpose. As shown by the graph, infrastructure and utilities represents a substantial component of the City’s debt and this reflects the priorities of the public and the City Council. Despite the several categories of outstanding debt reflected below, the City of Missoula actually has a relatively low level of outstanding debt, which is more fully described below.



At the end of the current fiscal year, the City of Missoula had a total of \$223,866,967 of long term debt outstanding of which \$215,797,416 is bonded debt. Of this amount, \$7,305,000 comprises debt backed by the full faith and credit of the government and \$12,173,827 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment, although this debt is collateralized with liens on the properties against which the debt is assessed. The majority of the remainder of the City of Missoula’s bonded debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

## DEBT MANAGEMENT

### CITY OF MISSOULA'S OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
General Obligation Bonds	\$ 7,305,000	\$ 6,315,000	\$ -	\$ -	\$ 7,305,000	\$ 6,315,000
Limited Obligation Bonds	4,650,000	4,185,000	-	-	4,650,000	4,185,000
Revenue Bonds	-	-	190,340,183	192,755,845	190,340,183	192,755,845
Spec. Assessment Bonds	12,173,827	11,148,712	-	-	12,173,827	11,148,712
Accela Loans & Notes Payable	242,822	147,321	1,353,747	1,312,237	1,596,569	1,459,558
Compensated Absences	5,132,603	4,817,810	356,991	277,203	5,489,594	5,095,013
Post Employment Benefits	2,199,791	2,819,485	226,188	303,311	2,425,979	3,122,796
Capital Lease	4,897,301	5,738,210	1,575,679	1,309,461	6,472,980	7,047,671
Total Outstanding Debt	\$ 36,601,344	\$ 35,171,538	\$ 193,852,788	\$ 195,958,057	\$ 230,454,132	\$ 231,129,595

The City of Missoula's total debt increased by \$675,463 (.68%) during the 2017 fiscal year, this is due to more debt being issued than debt maturing. The City acquired new debt of \$155,083,151 during FY 2017. \$2,224,294 is for new capital equipment leases in the governmental fund. Annual infrastructure projects updating the aging right-of-way, such as streets, sidewalks and curb systems throughout the City issued debt backed by assessments in the amount of \$343,357 for Sidewalk/Curb improvements and \$2,550,000 for the reconstruction of Hillview Way. MRA entered into agreements amounting to \$11,740,500 of projects within three of their districts. In URD III, \$7,040,000 was issued for the Mary Avenue project to improve infrastructure and the road system around the mall and improve Mary Avenue from the mall to Reserve Street. The remaining \$4,700,500 was issued to invest in parking in the Front Street District. \$3,260,500 is allocated for the purchase of a parking garage that is being constructed in connection with student housing. The largest issuance of debt was for the acquisition of the Water Utility. The City entered into a short term agreement in the amount of \$138,225,000. This short-term bond covered the cost of acquisition, attorney fees and outstanding third party obligations for infrastructure work previously performed. There are several outstanding legal issued to be resolved which will have fees associated with them. When all court cases and appeals are complete, a long term loan for the outstanding balance will be issued.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2.5% of its total assessed valuation. The current debt limitation for the City of Missoula is \$204,402,041, which is significantly in excess of the City of Missoula's outstanding general obligation debt. As of fiscal year end, the City of Missoula was only utilizing 3.57% of its legal, voted general obligation bond limit. In addition, the City was utilizing 11.52% of its legal debt limit for non-voted General Fund (limited obligation) debt.

### Debt Capacity – Legal Debt Margin

The schedule below provides a visual presentation of the city's projected debt capacity (legal debt margin) with any proposed new debt within the current fiscal year included. This reflects the philosophy of the City Council in holding down the level of debt on the taxpayers, despite the city's rapid development and growing population.

VOTED GENERAL OBLIGATION BOND	
Maximum Allowable Debt - City of Missoula, Montana	
Assessed Valuation: FY 18 Certified Market Value	8,176,081,623
Factor Allowed for Indebtedness	2.50%
<b>Total Indebtedness Allowed</b>	<b>\$ 204,402,041</b>
<u>Less Current Indebtedness:</u>	
2012A Aquatics Refunding	3,780,000
2013A Refunding Bonds	3,525,000
Intercep Equipment Loans	
<b>Total Current Indebtedness</b>	<b>\$ 7,305,000</b>
<b>Maximum Indebtedness Available (7-1-2017)</b>	<b>\$ 197,097,041</b>
<u>Proposed Debt FY 18:</u>	
Total Proposed Debt	\$ -
<b>Net Amount of Debt Available</b>	<b>\$ 197,097,041</b>

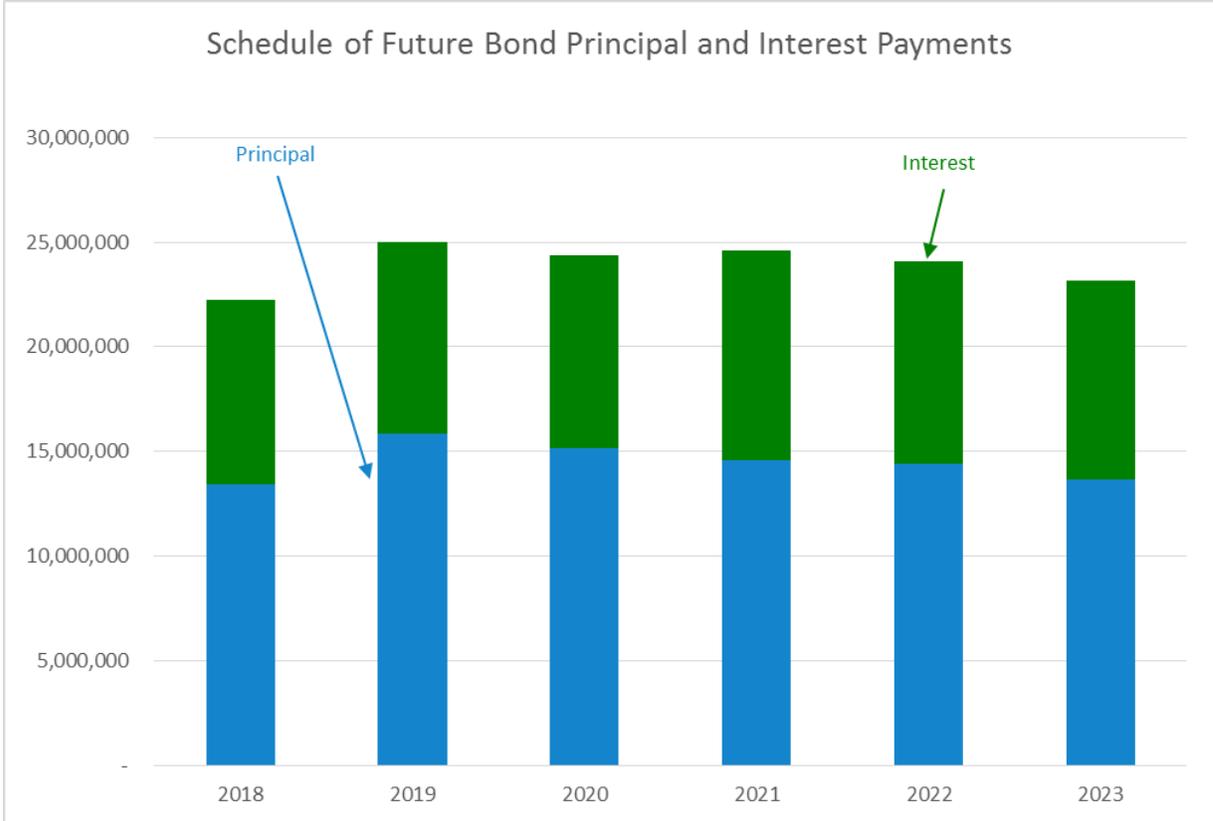
**Proposed Debt in the Next Five Years**

Listed below is a brief description of the city's proposed debt issuances, with the proposed debt amount, for the next five year period. Following the narrative's description, is a graphic depiction of the City's current debt capacity and the proposed future debt will affect the remaining debt capacity for the City of Missoula. The graphic representation is a useful tool for the City Administration and City Council to utilize in reviewing and scheduling the timing of future projects that will result in a minimal tax increase to the citizens while providing needed infrastructure improvements.

- A. \$ 200,000 in Special Improvement District bonds for the City of Missoula. This assessment covers upgrading the curbs, sidewalks, and drainage improvements to meet current ADA standards for the area surrounding City Hall.
- B. \$4,113,000 combined in special improvement bonds for road and infrastructure improvements on increased use and aging right of way around Missoula. These future projects include reconstruction of: South Avenue from Reserve Street to 36<sup>th</sup> Street; Van Buren Phase II; Lower Miller Creek Road reconstruction; Alder Street parking and roadway reconfiguration; Old Highway 93 improvements and Duncan/Greenough Drive street reconstruction.
- C. \$2,000,000 per year of special curb, gutter, sidewalk, and alley approach bonds to address aging infrastructure in the city that directly benefits the adjacent, abutting landowners.
- D. \$1,000,000 - \$2,500,000 per year of short term capital leases to replace aging vehicles, equipment and dated software.
- E. \$2,230,000 of General Fund debt to acquire and reconstruct property on Catlin Street to house overflow police officers and provide a secure expanded storage facility to meet the needs of increased regulations.
- F. \$1,000,000 of General Fund debt to update the City's aging Financial Management Software and Time and Attendance System. Software is becoming obsolete and in some cases no longer being supported.
- G. \$1,900,000 of General Fund debt to upgrade the HVAC and utility use facilities to increase energy efficiency and meet the goals of the adopted Greenhouse Gas footprint reductions.
- H. \$12,741,000 of planned Redevelopment Agency projects providing infrastructure in blighted areas of the city.

**Debt Service**

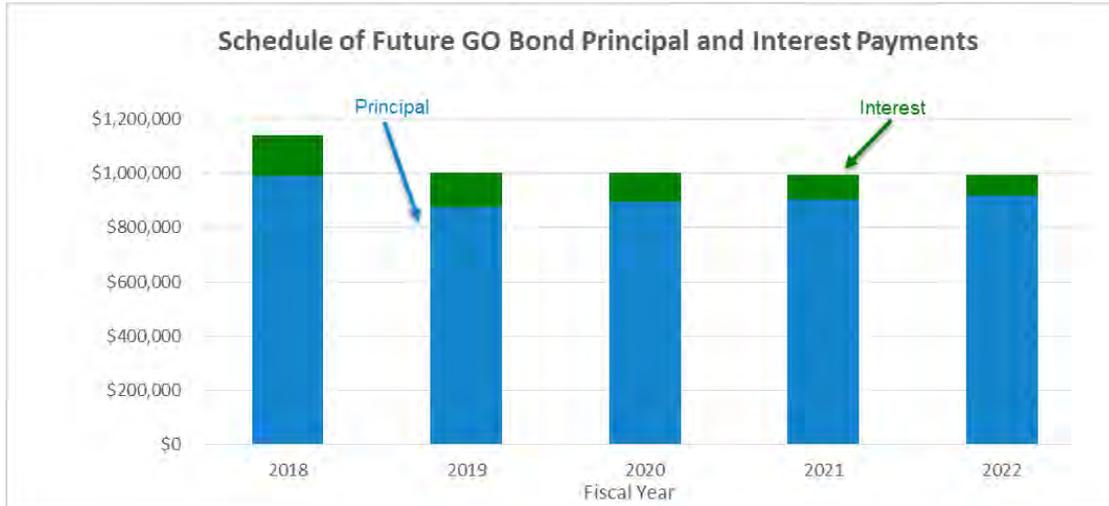
The graph below shows the City’s principal and interest payments in the current budget year and five years beyond. As shown by the graph, principal payments and interest payments increase in the next fiscal year and then steadily decrease. The increase is from the Water Utility revenue bond payments. The increase is in the amount of principal that is paid. Currently, only the interest is being paid until the remaining outstanding legal issues are resolved. This chart reflects the declining debt level as the result of the scheduled payments the City will be making.



Most major debt obligations for the City are typically structured with declining interest payments and increasing principal payments—thereby resulting in relatively level debt service payments over the life of the bonds.

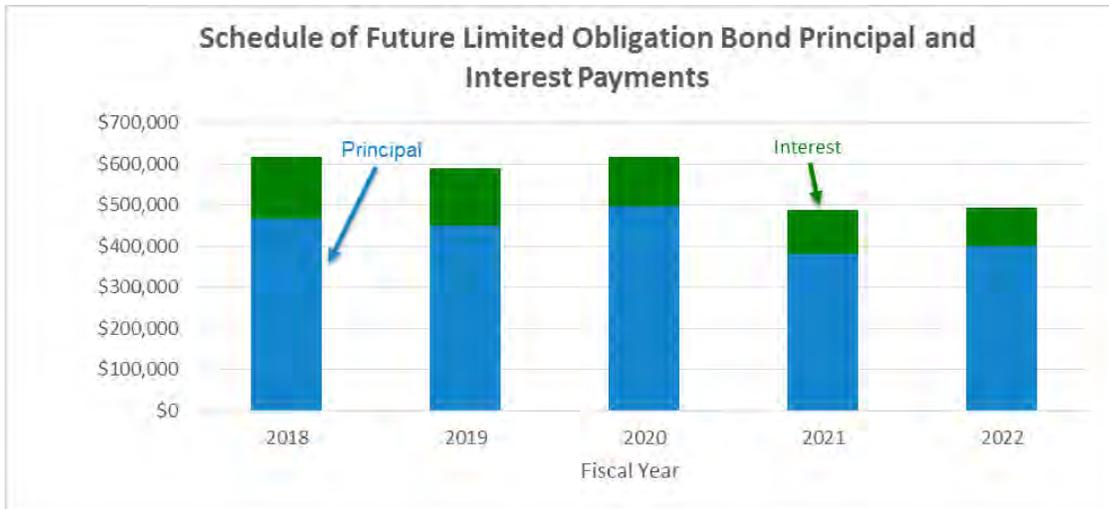
## DEBT MANAGEMENT

In FY 2019 there is an anticipated reduction in debt payments and this is due to bonds that were refunded in FY 2016 will be paid in full. The final payments on the outstanding refunded debt to the bondholders will result in a 2% reduction in property tax requirements. As you can see from the graph below, due to the lower interest rate of the refunded bonds, the annual obligation towards the debt service payments has plateaued. This will result in consistent property taxes with no expected increases for all the citizens in Missoula related to debt.



### General Obligation Debt

Year	2018	2019	2020	2021	2022
<b>Principal</b>	\$ 990,000	\$ 875,000	\$ 895,000	\$ 905,000	\$ 920,000
<b>Interest</b>	148,628	126,027	107,391	91,014	74,176
<b>Total</b>	<u>\$ 1,138,628</u>	<u>\$ 1,001,027</u>	<u>\$ 1,002,391</u>	<u>\$ 996,014</u>	<u>\$ 994,176</u>

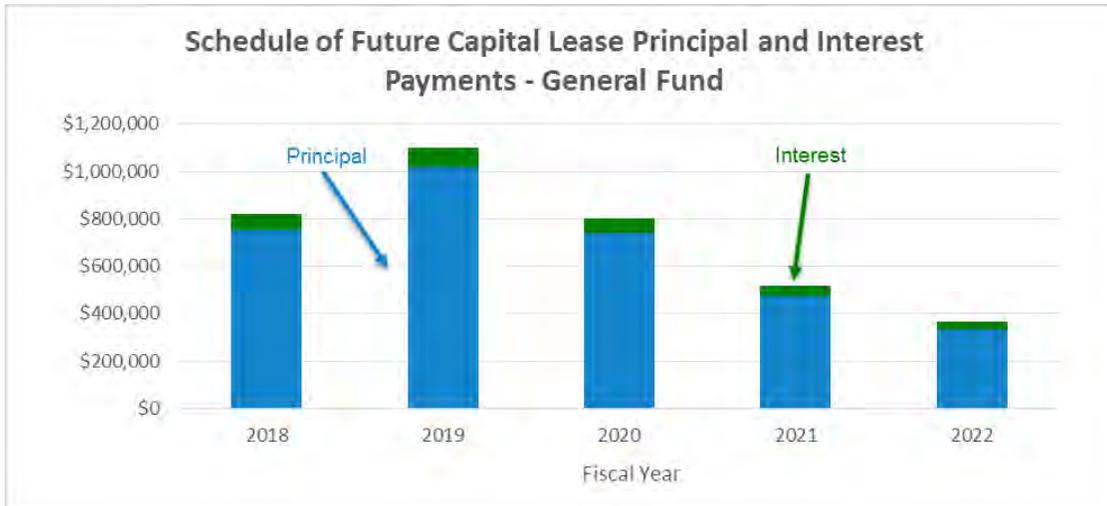


### Limited Obligation Debt

Year	2018	2019	2020	2021	2022
<b>Principal</b>	\$ 465,000	\$ 450,000	\$ 495,000	\$ 380,000	\$ 400,000
<b>Interest</b>	152,275	137,913	121,188	108,713	94,038
<b>Total</b>	<u>\$ 617,275</u>	<u>\$ 587,913</u>	<u>\$ 616,188</u>	<u>\$ 488,713</u>	<u>\$ 494,038</u>

As can be seen in the table above, the General Fund's limited obligation debt service requirements will remain fairly constant over the next four years.

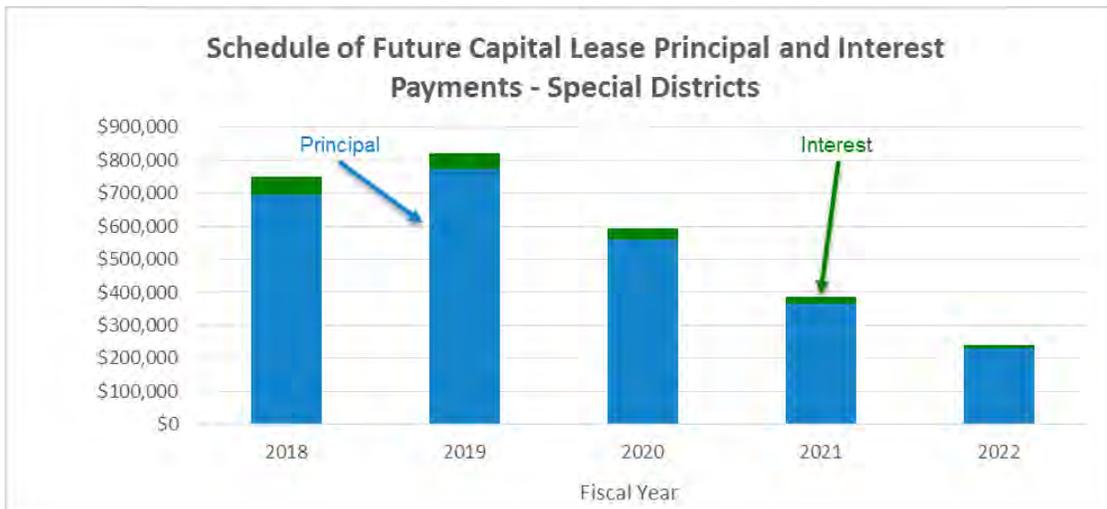
## DEBT MANAGEMENT



**Capital Lease - General Fund**

Year	2018	2019	2020	2021	2022
<b>Principal</b>	\$ 754,340	\$ 1,017,558	\$ 739,122	\$ 474,429	\$ 332,513
<b>Interest</b>	68,047	82,667	61,427	44,729	33,806
<b>Total</b>	<u>\$ 822,388</u>	<u>\$ 1,100,225</u>	<u>\$ 800,549</u>	<u>\$ 519,158</u>	<u>\$ 366,319</u>

The graph and table above illustrate the declining impact of future capital lease payment on the General Fund after FY 2019. The City enters into new leases annually, even though the capital lease payments show a drop in payments, due to the annual issuance, the payments are relatively flat.

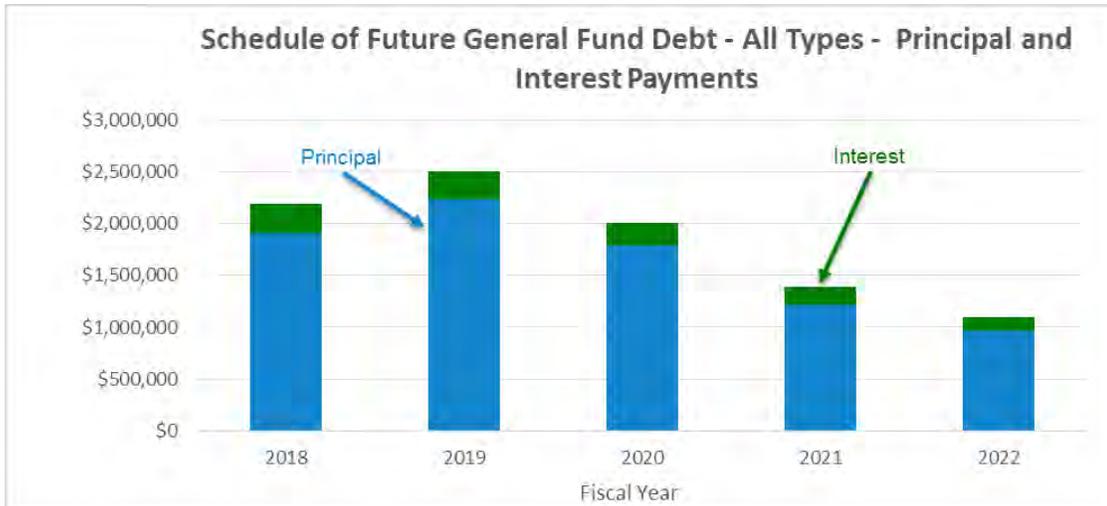


**Capital Lease - Special Districts**

Year	2018	2019	2020	2021	2022
<b>Principal</b>	\$ 696,708	\$ 773,265	\$ 560,604	\$ 367,186	\$ 230,106
<b>Interest</b>	52,833	49,435	32,951	19,539	11,940
<b>Total</b>	<u>\$ 749,541</u>	<u>\$ 822,699</u>	<u>\$ 593,555</u>	<u>\$ 386,725</u>	<u>\$ 242,046</u>

The graph and table above illustrate the declining impact of future capital lease payment on the Special Districts after FY 2019. The largest component of the lease is the three year lease, which will reflect a large drop every three years as the lease expires.

## DEBT MANAGEMENT



### Total General Fund Debt - All Types

Year	2018	2019	2020	2021	2022
<b>Principal</b>	\$ 1,916,048	\$ 2,240,822	\$ 1,794,726	\$ 1,221,616	\$ 962,619
<b>Interest</b>	273,156	270,015	215,566	172,981	139,784
<b>Total</b>	<b>\$ 2,189,204</b>	<b>\$ 2,510,837</b>	<b>\$ 2,010,293</b>	<b>\$ 1,394,596</b>	<b>\$ 1,102,403</b>

When all of the various types of General Fund indebtedness are combined into one graph and table, as seen above, it is apparent that after FY 2019, each future year has a smaller debt service requirement than the preceding year. This information will be utilized as future budgets and capital financing needs are addressed. All of these various financing mechanisms are used to pay for the cost of city infrastructure over time, as the benefit provided by maintaining our infrastructure is realized over time. This approach matches future costs with future benefits to be received. The bonding capacity will also be used in future planning of the City's needs such as additional space for expanding services, or for adding new services in areas of public safety that is an identified concern by the Mayor and City Council.

## Bond Rating

Bond ratings reflect the relative strength of the city's financial management and planning capabilities and the quality of its elected and administrative leadership, as well as its wealth and social characteristics. Bond ratings serve as a statement of a locality's economic, financial and managerial condition and represent the business community's assessment of the investment quality of a local government. Highly rated bonds are more attractive and are more competitive in the market and thereby help lower interest costs paid by City residents. High-grade ratings reduce the cost of raising capital for City projects and a substantial savings for the City taxpayers.

The City of Missoula continues to seek ways to improve and maintain these ratings so as to provide the finest quality services and lowest cost. Concentrated efforts have been made to maintain and improve the City's "high-grade" ratings for its general obligation bonds through innovations in financial and debt administration. In May of 2014, Standard and Poor's of New York increased the assigned rating from AA- to AA+ for all of the City's outstanding voted GO debt. This rating upgrade was based on the City's continued economic expansion and management's maintenance of good reserve levels, very strong management at the City, strong liquidity, strong budget flexibility and performance, strong debt and contingent liabilities, and a strong and adequate institutional framework along with an ongoing stable outlook for the city.



PUBLIC FINANCE

AA+

The City of Missoula's "AA+" Bond Rating saves city residents thousands of dollars annually.

Quoted below are excerpts from the Standard & Poor's May 22, 2014 rating upgrade.

Credit Profile		
Missoula Gen Fund Oblig Bnds		
<i>Long Term Rating</i>	AA/Stable	Upgraded
Ratings Detail (As Of May 22, 2014)		
Missoula Gen Fund Oblig Rfdg Bnds ser 2010A		
<i>Long Term Rating</i>	AA/Stable	Upgraded
Missoula GO rfdg bnds		
<i>Long Term Rating</i>	AA+/Stable	Upgraded
Missoula Ltd Tax GO Bnds		
<i>Long Term Rating</i>	AA/Stable	Upgraded
<b>Missoula GO</b>		
<i>Unenhanced Rating</i>	AA+(SPUR)/Stable	Upgraded
<b>Missoula GO (CIFG)</b>		
<i>Unenhanced Rating</i>	AA+(SPUR)/Stable	Upgraded

Rationale

Standard & Poor's Ratings Services raised its long-term rating and underlying rating (SPUR) on Missoula, Mont.'s unlimited-tax general obligation (GO) bonds to 'AA+' from 'AA-', based on its local GO criteria released Sept. 12, 2013. At the same time, we raised our long-term rating on the City's previously issued general fund GO bonds to 'AA' from 'A+'. The outlook is stable.

An unlimited ad valorem property tax pledge secures the GO bonds. Lease payments from Missoula secure the city's limited-tax general fund bonds.

The ratings reflect the following factors for the City, specifically its:

Strong economy

Missoula is in Missoula County and is the state's second-largest city, with a population estimate of 68,000. It serves as a regional trade and service center for an 11-county area with a population estimate of more than 350,000 in western Montana. The area economy has ties to health care, retail, and tourism-related activities. The city's local economy is, in our opinion, strong, supported by a broad and diverse economy and is home to the University of Montana. The economy has what we consider adequate income indicators: Per capita phased-in market value and projected per capita effective buying income are roughly \$101,600 and 88% of the national

## DEBT MANAGEMENT

average, respectively. The county unemployment rate (2013) was 5.3%, according to the Bureau of Labor Statistics.

### Very strong management

We believe Missoula's management conditions are very strong with "strong" financial practices under our Financial Management Assessment methodology, indicating practices are strong, well embedded, and likely sustainable. Key items include the monthly reporting of the city's financial position and investment performance to the governing body with procedures for budget adjustments in place if needed; management typically performs adjustments just once a year. Missoula has a comprehensive five-year capital improvement plan with identified funding sources, which it updates annually; the plan is linked to the operating budget via a five-year financial plan that management uses for internal planning purposes. Management updates the financial master plan during its annual budget process with identified possible out-year expenditure pressure. Officials have recently adopted formal ongoing debt management policies that include specific target debt level guidelines for various types of city-issued debt, as well as refunding targets and the use of derivatives, which the state is not allowed to use. The city also recently adopted a formal unreserved fund balance policy equal to 7% of general fund budgeted expenditures.

### Strong budgetary flexibility

We believe Missoula's budgetary flexibility is strong, with available reserves at 10.7% of operating expenditures in fiscal 2013, equivalent to about \$4.7 million. Budgeted numbers indicate balance and therefore we don't anticipate a major draw on the city's reserves.

### Very strong liquidity

We believe very strong liquidity supports city's finances, with total government available cash to government fund expenditures and cash to debt service above 15% and 120%, respectively. Based on past issuance of debt, we believe that the issuer has strong access to capital markets to provide for liquidity needs if necessary. Initial numbers for 2014 indicate a balanced budget and therefore we don't anticipate a major change in the city's overall cash position. However, should cash fall slightly, we still view the city's access to external markets as strong, which would keep the city's overall liquidity assessment as very strong.

### Strong budgetary performance

In our opinion, Missoula's budgetary performance is strong overall, with a surplus of 3.1% for the general fund and basically balanced results for the total governmental funds in fiscal 2013. Budget numbers indicate a close-to-balanced general fund. There are no projections for total governmental funds. Historically, total governmental funds have been either close to balanced or run small deficits. The budgetary performance results for 2014 are currently ambiguous, but we do not anticipate a substantial weakening in either fund.

### Strong debt and contingent liabilities

We feel Missoula's debt and contingent liabilities profile is strong. Initially, the debt profile is adequate with about 9% of carrying charge and net direct debt 50% of revenue. The city also anticipates issuing additional debt in the medium term. However, offsetting an increase in the debt burden is rapid amortization with more than 65% of debt amortized in 10 years and a low overall debt level at less than 3% of market value. Missoula participates in the state's pension program, and it has contributed the annual required contribution payments each year. The city's 2013 contribution represented 5% of total governmental expenditures.

### Adequate institutional framework

We consider the Institutional Framework score for Montana municipalities strong.

## Outlook

The stable outlook reflects our opinion of Missoula's very strong financial flexibility, supported by strong financial performance and very strong liquidity. In our opinion, the city's very strong management provides additional stability to the rating.

## Investment Policy

The investment of capital funds is incorporated into the City's cash management program. All unexpended bond proceeds are deposited into a consolidated treasurer's account and invested with other funds in order to obtain maximum earnings. The segregation of each project's equity is preserved and reported separately.

Interest earned on capital funds during the construction period is credited to the respective project's fund or enterprise fund wherein the debt service is paid.

## Management of Debt and Equity Funding of Capital Needs

## DEBT MANAGEMENT

An integral part of the City's financial strength has been to aggressively take advantage of the marketplace and refund outstanding debt, thereby reducing interest expense while using excess surpluses wisely to equity fund (pay with cash) capital project expenses and to fund depreciation of capital assets. This actively managed debt program allow us to pass along savings from the refunding of outstanding debt along to the taxpayers through reductions in the tax rates.

### Debt Management Policies

The City of Missoula has developed a set of financial management policies that cover all aspects of its financial operations. Policies on debt management are one component of those financial policies. All of the City's financial management policies on included in the Executive Summary. Listed below are excerpts from those policies, which relate specifically to debt management.

#### Restrictions on Debt Issuance

- 1) **Repayment of Borrowed Funds.** The city will repay borrowed funds, used for capital projects, within a period not to exceed the expected useful life of the project. This policy reflects the view that those residents who benefit from a project should pay for the project. Adherence to this policy will also help prevent the government from over-extending itself with regard to the incurrence of future debt.

#### Limitations on Outstanding Debt

- 1) **Reliance on Long-Term Debt.** The City will limit long-term debt to capital improvements which cannot be financed from current revenues. Incurring long-term debt serves to obligate future taxpayers. Excess reliance on long-term debt can cause debt levels to reach or exceed the government's ability to pay. Therefore, conscientious use of long-term debt will provide assurance that future residents will be able service the debt obligations left by former residents.
- 2) **Debt Not Used for Current Operations.** The city will not use long-term debt for financing current operations. This policy reflects the view that those residents who benefit from a service should pay for the service. Utilization of long-term debt to support current operations would result in future residents supporting services provided to current residents.

#### Debt Refinancing

- 1) **General Refinancing Guidelines.** Periodic reviews of all outstanding debt will be undertaken to determine refinancing opportunities. Refinancing's will be considered (within federal tax law constraints) under the following conditions:
  - There is a net economic benefit.
  - It is needed to modernize covenants that are adversely affecting the City's financial position or operations.
  - The City wants to reduce the principal outstanding in order to achieve future working capital to do so from other sources.
- 2) **Standards for Economic Savings.** The federal government has placed significant conditions on the tax-exempt refunding of outstanding issues. Refunding's have two general categories:
  - Current refunding's, where the refunding bonds are settled within 90 days of an optional prepayment date; and
  - Advance refunding's, where refunding's are settled more than 90 days in advance of an optional prepayment date. The federal restrictions are that any issue can only be advance refunded once on a tax-exempt basis.

On advance refunding's the City will seek to obtain a minimum present value savings level of 3% of the present value of refunded debt service. State law requires a demonstration of savings of 0.5% reduction in the average coupon interest rate between the refunding and refunded bonds.

The complete debt management policy for the City of Missoula can be found in the appendix to this budget document.

## OVERVIEW

The Montana Legislature has passed legislation which allows a municipality to set aside a portion of its general all-purpose levy for replacement and acquisition of property, plant or equipment costing in excess of five thousand dollars (\$5,000.00) with a life expectancy of five (5) years or more.

To set up a capital improvement fund the City is required to formally adopt a Capital Improvement Program (CIP). The main advantage of this method of budgeting and planning is that projects can be earmarked and carried from one year to the next. If it is recognized that renovation of a public building will be needed in five years, an amount can be set aside annually so the project can be funded at the end of five years. The CIP fund also allows a project to be done in phases, with funds allocated for architectural planning the first year and construction in later years.

The Capital Improvement Program is a five-year planning document designed to guide decisions concerning capital expenditures. This is a planning document and, as for all planning documents, it is subject to revision in order to reflect changes in community needs and service requirements, environmental factors and Council priorities. The first year of the Plan is intended to accurately reflect that year's anticipated appropriation for major capital projects and is called the Capital Budget. The subsequent four years represent an anticipated capital need during the period as submitted and approved. The CIP must be reviewed and revised each year in order to add new projects and revise priorities.

The process of determining major capital needs and establishing a financial program extending beyond the annual budget encourages the City to examine long-range needs and allows more coherent city-wide fiscal policies. The CIP provides a basis to compare projects and provides opportunities to explore alternate funding sources, since most capital improvement requests exceed the available revenues.

## PURPOSE

The purpose is to set up a five (5) year Capital Improvement Program in order to establish a capital improvement fund. The main goals are:

- To ease the review of the annual capital budget through a uniform and fair process.
- To invite and promote public participation in the annual budget process. This is accomplished through a reasonable, sensible and responsible approach by providing documentation, as well as advertising and scheduling public meetings early in the process.
- To link capital budget requests with the City strategic plan, adopted policies, and other approved planning documents.
- To link capital expenditures with operating budgets.
- To increase awareness, cooperation, coordination, and participation between departments, agencies, stakeholders, and other political jurisdictions.

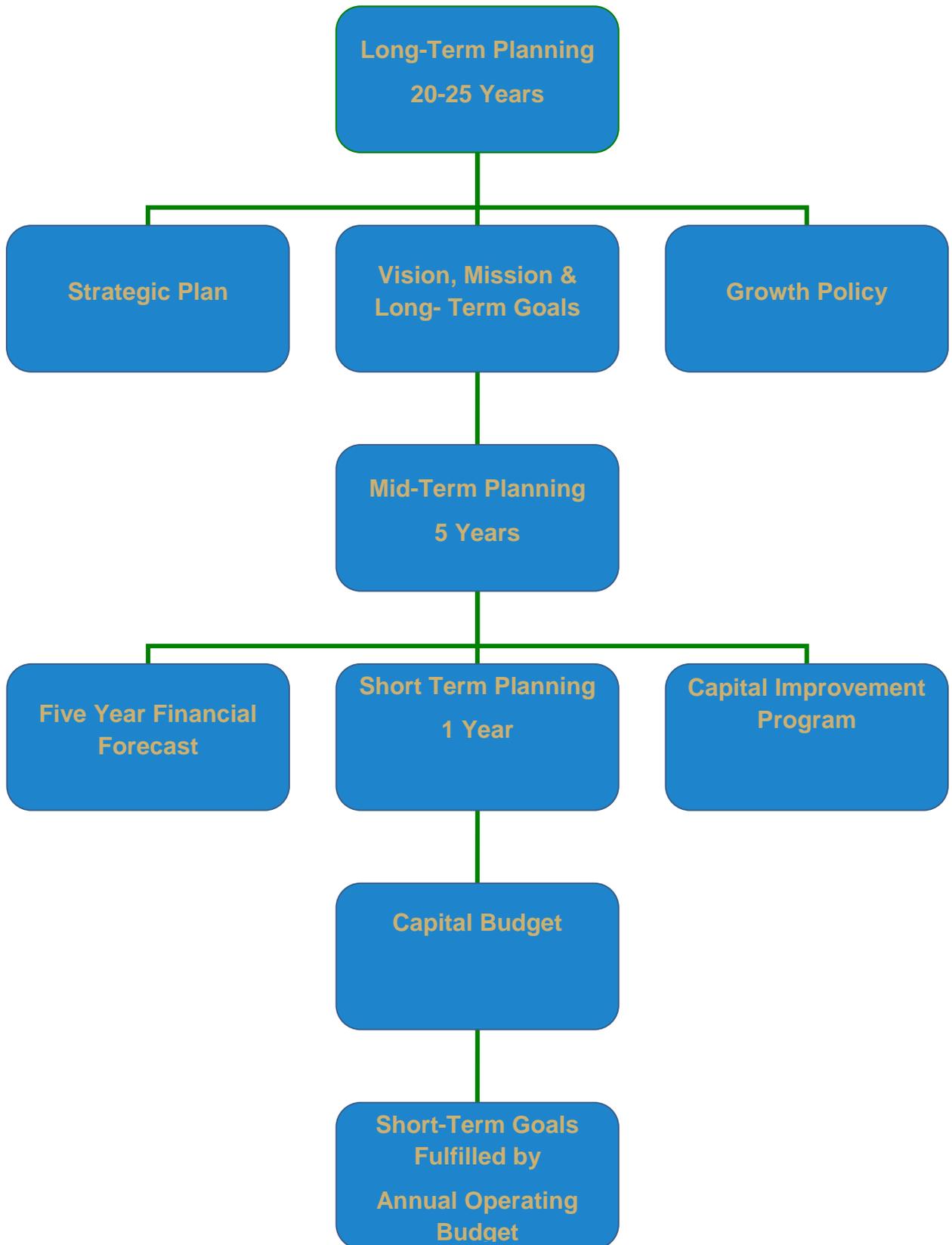
## LINKAGE

The City of Missoula conducts various planning processes (long-term, mid-term and short-term), to help guide the government and to insure that decisions are made in the context of the organization as a whole and with a long-term perspective. Diligent efforts are made to insure each of these component planning processes are in concert with one another. This so called “Linkage” is paramount to insure short-term decisions are consistent with the overriding values embodied in the mid-term and long-term planning processes adopted by the City Council. This required linkage dictates that the CIP be developed within the context of and consistent with, the City’s long-term and mid-term plans.

One area of linkage between the City’s future capital requirements has to do with the level of future debt service, including the debt supported by the General Fund and General Obligation debt supported by taxes. The Debt Management section of this budget reviews the future debt service requirements in these two areas. As discussed in that section of this budget document, after FY 2019, each future year has a smaller debt service requirement than the preceding year for the General Fund and the voted GO debt service. Additionally, alternative revenue streams, the Road and Park special district assessments have been developed and enhanced by the City Council during the past fiscal years. These special district assessments will be used to further enhance and support the City’s infrastructure needs in their designated areas. Both the declining future debt service requirements and the availability of a new funding stream will provide more flexibility for the City in future budgets in the Capital Improvement Program that is tax supported.

Each element of the City’s planning process has a different purpose and timeframe. The Strategic Plan, Vision, Mission, Long-term Goals and Growth Policy are the most far-reaching in nature — 20 to 25 years. The Capital Improvement Program and the Five-Year Financial Forecast are mid-term in nature — five years. The Annual Budget and the Capital Budget are short-term — covering a one year timeframe. The most important requisite is that they are coordinated and are in concert with one another.

Shown on the following page is a hierarchy of the City’s layered planning processes, all which support one another and are designed with a common goal. The chart depicts how the Capital Improvement Program, the Annual Operating Budget, and the Capital Budget fit within the City’s planning process hierarchy.



## **CAPITAL PLANNING**

Capital Planning refers to the process of identifying and prioritizing City capital needs for determining which capital projects should be funded in the capital budget as resources become available. Citywide planning is guided by the City's Strategic Plan and the Growth Policy. These plans provide long term direction for the growth and development of the City.

Proposed capital projects are reviewed for compliance to the adopted Strategic Plan and Growth Policy as part of the budget adoption process.

## **PROCESS**

### ***General Discussion:***

The capital improvements process provides for the identification, review, planning, and budgeting of current and future capital expenditures.

All requests for capital improvement projects are reviewed, evaluated and weighted in order to assist the Mayor and City Council in selecting the projects to be funded. Department heads are responsible for submitting CIP requests. CIP projects are initiated mainly by departmental staff, which can include City Council, while community organizations, citizen groups, stakeholders and individual citizens can request to initiate these projects. Evaluation of the CIP projects are based on approved categories. These categories are designed to represent the typical areas that administrative and management decisions are based on. Prior to submittal, each department is required to rank each of the submitted CIP's based off the priorities established by each department. This process is designed to provide a comprehensive look at long term capital needs of the City, which is essential for effective budgeting and decision-making aligning with the City's Strategic Plan.

The adoption of a CIP by the City is strictly a statement of intent, not an appropriation of funding for projects contained within. A list of approved CIP projects will be updated on an annual basis as new needs become known and priorities change. The possibility of a project with a low priority can remain in the CIP longer than four years due to a more important project bumping ahead in the schedule for quicker implementation. On occasion, some approved projects, with a lower priority, are funded in advance of projects with a higher priority, in order to meet legal requirements or when a new or identified source of funding becomes available in order to complete the project.

### ***Definitions***

For the purposes of this process, "Capital", is defined as an item or items that have a single acquisition cost of at least \$5,000 and a useable life for a minimum of 5 years. This definition assists in delineating a major project or piece of equipment as a capital program, rather than routine maintenance or replacement of operating equipment. This definition also includes any major expenditure for physical facilities.

- Replacement vehicles intended for use on streets and highways that have an operating cost less than \$35,000 are included in this CIP program on the core vehicle and equipment replacement schedule. This schedule is reviewed during the CIP process.
- For on-street vehicles with an operating costs less than \$35,000, not currently on the Core Equipment Replacement list, City staff are required to submit a "New Request" form during the annual budget process (this is in order to be placed on the Core Replacement Program going forward).

### ***2018-2022 Capital Improvement Program***

1. Recommendation for 2018-2022 Capital Improvement Program:  
When possible, department heads must, where appropriate, consult the City's Strategic Plan, Comprehensive Plan Update and amendments, Transportation Plan, Wastewater Master Plan, Fire Master Plan and other planning documents or studies to determine if the proposed project(s) are meeting the City and community's goals, and provide their findings.
2. The Project Prioritization System:  
When considering a department's proposal(s) the CIP Budget Team will meet with each department and/or division head. The purpose for this meeting will be: 1) to assure that both the department/division head and the CIP review team are fully briefed on the department's proposal(s) and the department's priority of submitted projects; and 2) discussion between the CIP review team and the department/division head regarding how the department's prioritized the submitted projects.
3. Coordination:  
Department and/or division heads are encouraged to coordinate project proposals with affected City staff/departments in addition to external stakeholders such as Missoula County, the Neighborhood Councils, the Chamber of Commerce, the University of Montana, the School Districts and other for or not-for-profit community organizations.
4. External Projects:

Projects requested by community organizations, citizen groups, stakeholders and the individual citizen may be directed to the appropriate department heads after the project is submitted to the Administration.

### **Annual Review**

The CIP projects are reviewed on an annual basis that coincides with the budget process. During the annual review, projects that have been approved and funded in the prior fiscal year are assessed to determine if they are to continue to receive funding or require the project to be re-submitted for further review. A project that was approved and funded in the prior year or a project that was approved and not funded is required to complete the "Update" tab on the CIP review form in addition to the Front and Back tabs. New projects being submitted are required to complete the Front and Back tabs of the CIP review form and, if the project is approved, this project will be added to the CIP list and ranked in accordance with the CIP Project guidelines.

### **Responsibilities for Program Development**

Prior to the project being presented to the Mayor and City Council for FY 2018-22, each project is reviewed for financial feasibility, conformance to established City Strategic Goals, or other adopted planning documents, and response to public need. It is the responsibility of the department head to identify and answer the following:

- Identify if there is a serious problem – or – opportunity, which this project will address.
- Why is your organization working on the project, are you the best option?
- Whose quality of life will be less than it ought to be and how, precisely, their quality of life will be affected, if you do not accomplish this project successfully.
- What the long term consequences (null-alternatives) will be if you fail to accomplish this project.

Department heads are also responsible for identifying all of the Potentially Affected Interests (PAI's) for the given project and coordinating/communicating with the PAI's. PAI's or "Interests is identified as any entity with a unique system of values and that hold a special interest in the project. This can include but not limited to:

- An Individual
- A group
- A corporation
- An institution
- Another agency or official inside or outside of the City.

Following are the responsibilities that lie with each City department/agency that will be required to review the proposed CIP project to verify that the project meets the City Strategic Goals, adopted planning documents or other mandated/approved plans:

1. Department Heads
  - a. Prepare project request forms.
  - b. Provide all necessary supporting data (project sheets, maps, environmental data forms, fiscal notes, schedules, etc.) for the CIP Committee.
  - c. Review projects with other department heads when there is a need to coordinate projects.
  - d. Meet with CIP Team on projects.
2. Public Works/Central Services
  - a. Review feasibility and cost estimates as necessary for proposed construction or public works type projects including preparatory studies.
3. Energy Efficiency Program
  - a. As appropriate, review all projects for environmental impact.
4. Missoula Redevelopment Agency
  - a. Examine all projects that relate to urban renewal districts to see that they correspond to Missoula redevelopment plans.
5. CIP Team
  - a. Review revenue estimates.
  - b. Review fund summaries.
  - c. Provide overall coordination for development of the CIP.
  - d. Review departmental requests and staff comments.
  - e. Review priorities, staff advice, and recommended additions, adjustments, or deletions.
  - f. Review financial impact on current and future debt service and recommend appropriate proposed CIP projects for future financing.

**Method for Rating Projects -- Definition of Criteria**

City staff identify the top four (4) program ratings that best describe the CIP and provide a one to two (1-2) sentence rationale supporting the program rating from the following:

- **REQ – Required** - Is the project necessary to meet a contractual obligation, Federal, State, or local legal requirements? This criterion includes projects mandated by a Court Order in order to meet requirements of the law or other requirements.
- **URG – Urgent** - Is this project urgently required? Will delay result in curtailment of an essential service? This rating should only be used if an emergency is clearly indicated. If picked, provide evidence that the project is urgent and the effect if the project is not completed.
- **EFF – Efficiency** – Does the project demonstrate a clear efficiency or productivity gain as demonstrated by a cost/benefit analysis?

Staff use a cost/benefit analysis, and/or another systematic method of determining the relative merits of the investment where it is appropriate. They develop their own method of analysis when necessary for a new project where a prior method of analysis is unfeasible, and review this method with the Finance Staff or CIP Team prior to submitting the project in order to resolve any questionable elements.

An example may include a piece of equipment purchased that increases productivity by fifty percent (50%) and thereby reduces personnel and operating costs. This enables the City to avoid additional personnel or operation costs in the future in order to keep up with growing public service demand. Another example would include the acquisition of equipment so that a particular operation could be performed in-house as opposed to contracting outside when the in-house costs would be less than outside contracting costs.

Types of analyses include established cost/benefit calculations, return on investment, and pay-back period through operating savings or other capital savings, and accepted industry rating schemes such as The American Asphalt Institute test. Also, estimate the number of people served over the life expectancy of the project and divide by the cost of the project. Relate this to other similar projects. Staff put this figure in the comment section and attach the information used to arrive at the figure. Where possible they use standard measurements, for example, average daily trips (ADT).

Reduction in energy, consumption, use of natural resources, or reduced pollution could be considered efficiency improvements.

- **LEV – Leverage** – Does the project have funding partners where the CIP portion of funding leverages a significant amount of other sources? Examples include federal or state grant funding.
- **PLN – Plan** – Does the project meet a goal in an adopted City plan? Examples include the City's Strategic Plan, Growth Policy and amendments, Transportation Plan, Wastewater Facilities Plan, Fire Master Plan, etc.
- **REP - Replacement** – Does the project or capital asset replace an existing asset that is at the end of its useful life (and is not already included in the CIP replacement program)? This category also applies to the replacement or renovation of obsolete and inefficient facilities, which will result in substantial improvement in services to the public at the least possible cost.
- **EXP – Expansion** -- Does the project improve or expand upon essential City services (or correct a deficiency) where such services are recognized and accepted as being necessary and effective?
- **DEL – Delay** – While the project may meet other categories, it could be delayed to a future fiscal year without consequence.

**2018-2022 Guides for Department Heads in Preparing Information on Projects****Process**

1. Requests for all City building construction needs should be sent to the Central Services Director. Staff include the following information in their requests: the square footage, the number of people affected and the function of the people affected. They also note the problem with the existing space.
2. All project forms are submitted to the Finance Department. If there are any PAI's that are required to get a copy of the preliminary list, their names and addresses are submitted with the projects.
3. All on-road vehicles worth less than \$35,000 are not included in the Capital Improvement Program. If a department wishes to request a new vehicle (not on the current Core Equipment replacement program) a New Request Form must be submitted to Finance with that Department's budget for the year.

**Filling Out Forms**

1. City staff are required to ensure that all information regarding the project is filled out and/or answered. If further explanation is needed, they use the additional tabs on the spreadsheet and indicate that additional information is being presented.

2. Starting on the “Update” tab, staff Identify and Rank the CIP Project based on if the project is required, urgent, identified need, or in accordance with an approved planning document, such as the Park Master Plan. The department and/or division head is required to rank only the requests being submitted based on the Division/ Sub-department (explained in detail below). For example: Wastewater is submitting five projects and Storm Water is submitting three projects. Both Wastewater and Storm Water are under the Major Department “Public Works”, however, the projects are ranked by Division/Sub-Department. Therefore, Wastewater would prioritize their projects from 1-5 and Storm Water will prioritize their projects 1-3. The projects ARE NOT grouped under the Major Department - Public Works and then ranked against each other to come up with a prioritization schedule of 1-8.

The following prioritization schedule example is based on submitting 10 projects and is as follows:

1. This is the most important project of all. Either this project is required, urgent, contractually obligated or solving a problem that has to be addressed.
5. Project not as important, is not required, urgent, contractually obligated or addressing a serious problem. There is an identified opportunity or need to address a problem.
10. An opportunity or need is identified to address a problem. As of now the problem is not an immediate concern.
3. Staff identify if the project was funded and/or approved in the prior year. If the project was approved in the prior year, the remaining fields on the ‘Update’ tab are filled out. If the project was not approved in the prior year, they move on to the tab labeled ‘Front’.
4. On the ‘Front Tab’ staff provide a short 3-4 sentences describing the project and any external funding sources, if applicable. In the next section, they briefly describe the history, current status and the impact if this project was not approved.
5. In the next section, staff identify if there are any site requirements or if there is a need to coordinate one project with another project either internal or external, as well as note and explain the need for the coordination. In this section, they indicate if there is additional information provided and on which tab(s).
6. Continued on the Front is the Sources and Uses, where staff identify all of the applicable funding “Sources”, whether real or not (operating, grants, TBD, debt, lease, etc.) and the timing of receiving the revenues. This accounts for ALL revenues, not just City revenues. This also indicates the fund number that the revenue will be posted to. Total revenues should match the project expenditures.
7. Now, staff identify all of the “Uses” of the project in the appropriate self-explanatory categories and indicate which years the funds will be expended. They also indicate the fund number that the expenditures that they will be charged against. This is to account for ALL expenditures of the projects, not just expenditures relevant to the City. Total expenditures should match total revenues.
8. Staff submit expected ongoing operating costs on the form. NOTE: Approval of the CIP does not indicate approval of the ongoing operating and maintenance costs. Those costs must be submitted as a new request in the regular budget process. This is to ensure coordination exists between the CIP and the new request.
9. Once all of the sections on the ‘Front’ is completed, staff move to the ‘Back’ of the form. On the ‘Back’ is where the departments identify the top 4 Project Ratings as defined in the “Method for Project Rating” section. Here they choose the appropriate ranking from the drop down and provide the rationale in the spaces provided. All four sections are not required to be filled out, they only pick the ratings that are pertinent to the proposed project.

**MAJOR DEPARTMENT/ Division/Sub-Department DROPDOWN:**

For the purposes of the CIP instructions, the City is broken down into six (6) Major departments and based off of the Major Department, there will be a list of Divisions/Sub-Departments that is dependent on the Major Department.

The department structure is broken down as follows:

- **Central Services**
  - o City Clerk
  - o Facility Maintenance
  - o Finance/Treasurer
  - o Fleet Maintenance
  - o Human Resources
  - o Information Technologies
  - o Mayor
- **Development Services**
  - o Building

- Permit & Land Use
- Planning
- Transportation
- **Public Safety**
  - Attorney
  - Fire
  - Municipal Court
  - Police
- **Public Works**
  - Cemetery
  - Communication/Sign Shop
  - Engineering
  - Storm Water
  - Streets
  - Wastewater/Compost
  - Water
- **Parks**
  - Aquatics
  - Parks & Recreation
- **Redevelopment & Housing**
  - Housing and Community Development
  - MRA

## **CIP AMENDMENT PROCEDURE**

In the case of a situation that arises which involves receipt of unanticipated revenue or unanticipated Missoula Redevelopment Agency projects the following amendment procedure is prescribed:

1. Department head requests an amendment to the CIP through the Finance Director.
2. CIP Team reviews the request.
3. CIP Team takes the request to all department heads for comments.
4. CIP Team makes recommendation to Council.
5. Amendment goes to Council for approval.

The purpose of this procedure is to handle large capital requests, which occur at mid-fiscal year and to adjust the CIP so that it remains up-to-date and therefore a useful working document.

## **TAX INCREMENT FUNDS**

The unique nature of tax increment funds is recognized. The Missoula Redevelopment Agency undertakes capital expenditures, which are intended to encourage additional private investment within the Central Business District. Not all of these expenditures are committed a year or more in advance and they require the ability on the part of the Missoula Redevelopment Agency (MRA) to respond promptly to developer requests.

Pursuant to the purpose of the CIP all anticipated projects to be funded in part or totally with tax increment funds for acquisition of property and public works facilities will be placed in the CIP. Tax increment funds not committed or anticipated for specific projects within these budget categories will be appropriated as contingency funds, and be made available for authorized expenditures under State law. For project requests made during the fiscal year, which require tax increment financing, the CIP amendment procedure described in Section V shall be used.

The following project categories may be financed with tax increments funds and will not be subject to the CIP process: demolition and removal of structures, relocation of occupants and cost incurred under redevelopment activities described under MCA 7-15-4233. Section MCA 7-15-4233 outlines the exercise of powers and costs incurred for planning and management, administration and specific urban renewal projects, i.e., rehabilitation programs.

## **CAPITAL IMPROVEMENT PROGRAM FUNDING MECHANISMS**

The FY 2018-2022 Capital Improvement Program has seventeen different sources of funding. Each funding source is described below.

The various projects submitted by the departments are scored and ranked as shown in the statistical charts in Section IV. Projects within each fund source compete against other projects in that fund source for funding.

As noted before, capital projects, unlike operating expenses which recur annually, only require one-time allocations for a given project. This funding flexibility allows the City to use financing and one-time revenue sources to accelerate completion of critical projects.

## CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

All potential capital funding resources are evaluated to ensure equity of funding for the CIP. Equity is achieved if the beneficiaries of a project or service pay for it. For example, general tax revenues and/or General Obligation Bonds appropriately pay for projects that benefit the general public as a whole. User fees, development fees, and/or contributions pay for projects that benefit specific users.

<b>General Fund Tax Levy:</b>	The City of Missoula sets aside a portion (amount varies from year to year) of its General Fund Tax Levy for projects in a Capital Improvement Program (C.I.P.).
<b>Cash Balance:</b>	This fund source is a contribution of the City's general fund cash balance, in addition to the portion of the CIP that comes from the general fund tax levy. This category also includes projects which use excess cash reserves in the CIP fund itself.
<b>State Revenues:</b>	The City receives various payments from the State of Montana for different purposes. A portion of Gas Tax revenues is earmarked for labor and material costs of street projects. The City also maintains State routes within City limits and does special street projects for the State. Revenues from these activities are used for labor, material, and capital outlay expenditures.
<b>Tax Increment Funds:</b>	This funding source consists of taxes levied on increases in the value of parts of the Central Business District tax base, which began in 1978 and continue today in a few new districts adjacent to the original Central Business District. These funds are earmarked for redevelopment projects within the district boundaries. Several new Urban Renewal Districts have been created to supersede the original downtown district that will address redevelopment issues in two older parts of the City.
<b>Sewer R &amp; D Fund:</b>	The Sewer Replacement and Depreciation Fund consists of funds set aside annually for future investment in sewage treatment plant facilities.
<b>Parking Commission:</b>	The Missoula Parking Commission maintains substantial cash reserves that are available to them for projects related to parking needs.
<b>Grants/Donations:</b>	This fund source consists of Federal grants, State grants, and donations by citizens and businesses where the money is passed through the City.
<b>CTEP:</b>	These are Federal grants primarily directed towards improving or expanding non-motorized transportation.
<b>G.O. Bonds:</b>	These are bonds for which the full faith and credit of the City is pledged. G.O. Bonds require voter approval.
<b>Special Assessments &amp; Other Debt:</b>	Special Assessments are charges against certain properties to defray the cost of infrastructure improvements deemed primarily to benefit those properties. Also included are Revenue bonds where the debt service payments are paid for exclusively from the project earnings and Sidewalk/Curb Assessments. Other debt can include revenue bonds for Sewer project loans and tax increment bonds, which were sold to finance the downtown parking structure. Tax increment bonds are repaid by tax increment revenues, which were previously discussed.
<b>Special District Assessments for Roads &amp; Parks:</b>	These city-wide assessments (levied on the property tax bills) provide some funding for capital construction projects in the city for roads and parks.
<b>Title One:</b>	These are funds generated by repayment of HUD and UDAG projects.
<b>Trails Fund:</b>	Donations and land lease payments have been set aside in a special revenue fund for the purpose of expanding the trails system.
<b>Cable TV:</b>	These are funds generated from collection of franchise fees paid by subscribers of the local cable television operators.
<b>User Fees:</b>	User fees are charges for city services where the benefits received from such services can be directly and efficiently applied to those who receive the benefits.

**Park Acquisition &****Development Fund:**

This fund is set up to account for funding that developer's pay to the City instead of donating park land when they are subdividing bare land.

**CMAQ:**

These are federal grants aimed at mitigating air quality problems.

**Other & Private:**

This fund source represents other miscellaneous categories. One type of funding source would be the operating budget, which are the "in-kind" costs of City employee labor that are funded by the operating budget. Private investment is not included in the total City costs of the project, but is shown to demonstrate the "leveraging" of private investment that some projects, especially projects of the Missoula Redevelopment Agency, have. Also included are projects where the State of Montana may fund the project and be responsible for its implementation, so the project does not affect city funds or go through our treasury. These projects are shown because they affect the urban area.

**CAPITAL BUDGET AND ITS IMPACT ON FUTURE OPERATING BUDGETS**

Whenever the City commits to a CIP plan, there is an associated long-range commitment of operating funds. For this reason, it is important to evaluate capital commitments in the context of their long-range operating impact. Most capital projects affect future operating budgets either positively or negatively due to an increase or decrease in maintenance costs or by providing capacity for new programs to be offered. Such impacts vary widely from project to project and, as such, are evaluated individually during the process of assessing project feasibility. The five-year financial forecast also provides an opportunity to review the operating impact of growth-related future capital projects.

The operating impact of capital projects is analyzed and taken into consideration during the extensive CIP prioritization process. Estimated new revenues and/or operational efficiency savings associated with projects are also taken into consideration (net operating costs). Departmental staff plan and budget for significant start-up costs, as well as the operation and maintenance of new facilities. The cost of operating new or expanded facilities or infrastructure is included in the annual budget requests for the year it is to be in service and the request is reviewed by administration and council for approval to be added to the operating budget. Debt service payments on any debt issued for capital projects is also included in the operating budget.

Listed below are two tables. The first table contains the capital items included in this year's Annual Budget, together with projected impacts on future operating budgets (exclusive of equipment replacement costs). The second table shows the equipment replacement costs by department for the next five fiscal years. A detail of the summarized capital replacement schedule is printed in the appendix to this report.

Please note that the level of operating budget impact is disclosed in the tables below. The General Fund debt service impacts have been in the CIP budget for many years and are discussed in further detail in the debt management section of this document.

The General Fund equipment in the attached replacement schedules will be financed with capital leases ranging from 3 to 15 years. Most leases have a term of 3 to 5 years, depending on the useful life of the equipment. The enterprise fund equipment in the replacement schedule will be paid for in cash.

Enterprise fund projects supported by revenue bonds will be funded with debt that is rated by national rating agencies (Standard & Poor and Moody's). Rate covenants are in place for the all current revenue bonds requiring that debt service coverage ratios be maintained in order to maintain the debt ratings. No future revenue bonded debt can be issued without a demonstrated history of maintaining adequate debt service coverage ratios (please see the statistical section for coverage calculations for parking, wastewater and MRA).

Other than the debt financed projects discussed above, most non-General Fund supported projects are paid for in cash from various types of revenue streams such as grants and tax increment dollars.

The following capital financings occurred during the previous fiscal year (FY 2017):

- \$1,758,427 Master Governmental Lease Purchase Agreement – heavy equipment/rolling stock for the General Fund and Road and Park District #1 – sold and closed on November 24, 2016.

The following capital financing occurred subsequent to July 1, 2017 (beginning of FY 2018):

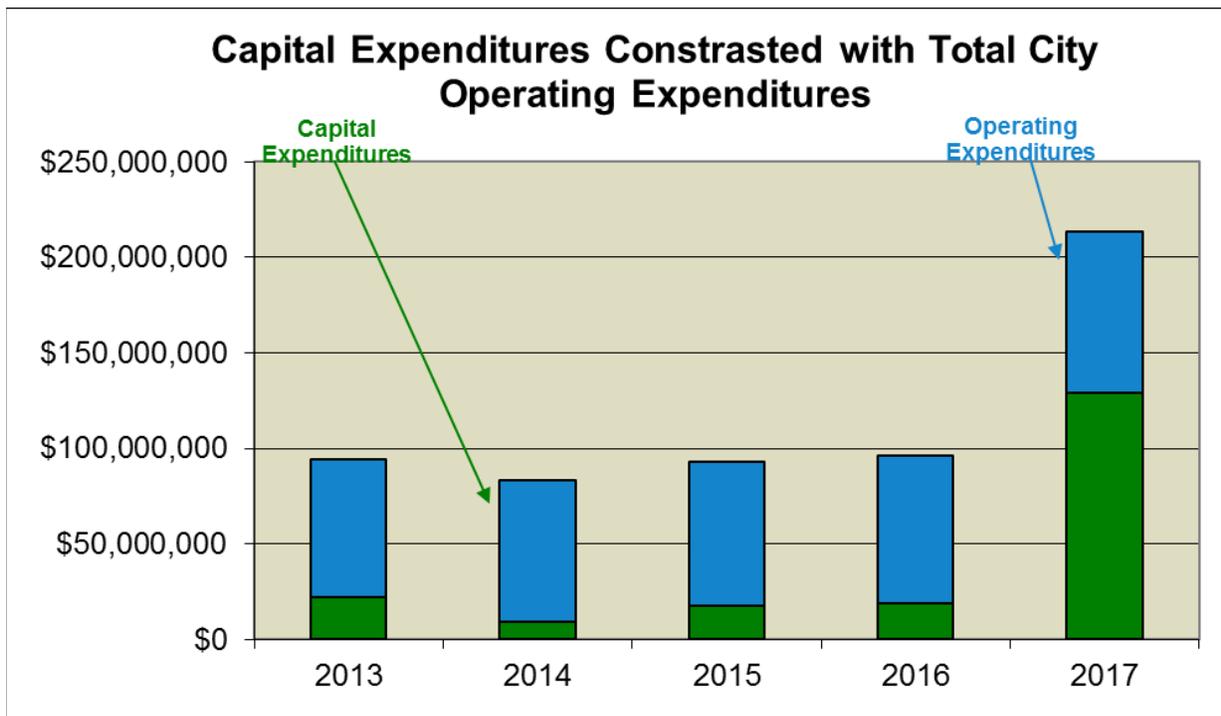
- \$2,478,381 Master Governmental Lease Purchase Agreement – heavy equipment/rolling stock for the General Fund and the Road and Park District #1 – sold and closed on October 31, 2017.

**CAPITAL EXPENDITURES CONTRASTED WITH TOTAL CITY OPERATING EXPENDITURES**

The investment by the City in its capital and infrastructure is of primary importance to insure the long-term viability of service levels. The amount of capital expenditures in relation to the total City budget is a reflection of the City's commitment to this goal.

The City of Missoula strives to provide for adequate maintenance of capital, plant, and equipment and for their orderly replacement. All governments experience prosperous times as well as periods of economic decline. In periods of economic decline, proper maintenance and replacement of capital, plant, and equipment is generally postponed or eliminated as a first means of balancing the budget. Recognition of the need for adequate maintenance and replacement of capital, plant, and equipment, regardless of the economic conditions, will assist in maintaining the government's equipment and infrastructure in good operating condition.

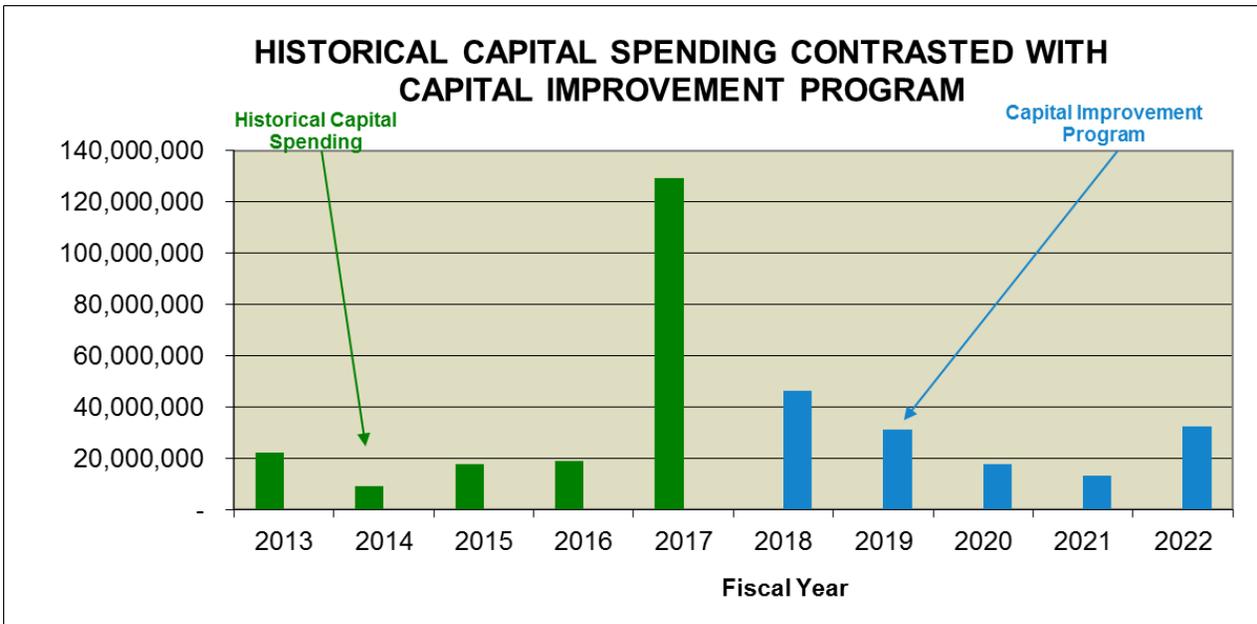
The graph below illustrates Missoula's historical investment in capital. The graph depicts actual capital expenditures over the course the last five years (for which audited values are not available at the time of publication of the budget) as compared to the City's operating budget. Obligorating resources to capital investment is appropriate for a growing community, as Missoula strives to meet level of service standards identified in the Strategic Plan and community outcomes identified in the Growth Management Plan.



**CAPITAL IMPROVEMENT PROGRAM (NEXT FIVE YEARS)  
CONTRASTED WITH HISTORICAL CAPITAL SPENDING (PREVIOUS  
FIVE YEARS)**

Another indicator of Missoula’s commitment to providing adequate maintenance of capital, plant, and equipment as well as orderly and timely replacement of capital, plant and equipment is the amount of projected capital spending over the course of the next five to six years as compared to the previous five-year period. This information is useful to the City Council in their deliberations when determining which items and when these items will or can be included in the Capital Budget. This information also helps the City Council make decisions with a long-term perspective in regards to the capital and operating budget.

Shown below is a graph which contrasts historical capital spending (last five years of audited values) with the capital spending identified in the Capital Improvement Program (the next five years). Noted in FY 2017 there is a large capital expenditure increase and this is from the acquisition of the water utility. Acquiring the water utility added a little more than 100 million in assets in FY 2017.



## CAPITAL IMPROVEMENT POLICIES

The City of Missoula has developed a set of financial management policies that cover all aspects of its financial operations. These and other policies are reviewed periodically by the Chief Administrative Officer, the Finance Director and the City Council and are detailed in the Executive Summary section of this document. Policies on capital improvements are one component of those financial policies. Listed below are excerpts from those policies, which relate specifically to capital improvements.

### CIP Formulation:

- 1) **CIP Purpose.** The purpose of the CIP is to systematically plan, schedule, and finance capital projects to ensure cost-effectiveness as well as conformance with established policies. The CIP is a five-year plan organized into the same functional groupings used for the operating programs. The CIP will reflect a balance between capital replacement projects that repair, replace or enhance existing facilities, equipment or infrastructure; and capital facility projects that significantly expand or add to the City's existing fixed assets.
- 2) **CIP Criteria.** Construction projects and capital purchases of \$5,000 or more will be included in the Capital Improvement Plan (CIP); minor capital outlays of less than \$5,000 will be included in the regular operating budget. The Capital Improvement Plan (CIP) differentiates the financing of high cost long-lived physical improvements from low cost "consumable" equipment items contained in the operating budget. CIP items may be funded through debt financing or current revenues while operating budget items are annual or routine in nature and should only be financed from current revenues.
- 3) **Deteriorating Infrastructure.** The Capital Improvement Plan will include, in addition to current operating maintenance expenditures, adequate funding to support repair and replacement of deteriorating infrastructure and avoidance of a significant unfunded liability.

### Project Financing:

- 1) **Minor Capital Projects.** Minor capital projects or recurring capital projects, which primarily benefit current residents, will be financed from current revenues. Minor capital projects or recurring capital projects represent relatively small costs of an on-going nature, and therefore, should be financed with current revenues rather than utilizing debt financing. This policy also reflects the view that those who benefit from a capital project should pay for the project.
- 2) **Major Capital Projects.** Major capital projects, which benefit future residents, will be financed with other financing sources (e.g. debt financing). Major capital projects represent large expenditures of a non-recurring nature which primarily benefit future residents. Debt financing provides a means of generating sufficient funds to pay for the costs of major projects. Debt financing also enables the costs of the project to be supported by those who benefit from the project, since debt service payments will be funded through charges to future residents.

# CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

FY 2018 Capital Budget & Operating Budget Impacts					
Projects by Department/Project Name					
FY 2018 Capital Budget	Annual Operating Budget Impacts				
Department/Project Title	Appropriation	Personal Services Costs	Other Operating Costs	Debt Service Costs	Total
<b>General Fund Capital Purchases</b>					
PC - Computer and Copier Replacement - City Wide	174,200				174,200
Core Equipment replacement	2,600,000				2,600,000
<b>CIP - General Fund</b>					
Maintenance shop remodel/refunding 2016A				404,550	404,550
White Pine debt service - Series 2010A refunding				127,775	127,775
Energy Savings Performance debt 2010C				84,950	84,950
CIP - CORE Replacement Equipment debt service				1,878,760	1,878,760
Internally Financed Equipment				159,677	159,677
Copier & IT Equip Replacement Schedule				4,819	4,819
<b>Water Division</b>					
New Fire Hydrants	100,000				100,000
Harris Utility Billing System	1,003,301				1,003,301
North Russell Street (Wyoming-River Rd) Main Extension	595,700				595,700
South 2nd Main Replacement	66,000				66,000
Scott Street Extension	885,500				885,500
Stoddard Main Replacement	448,500				448,500
Defoe Main Replacement	373,750				373,750
4th St Main Replacement	560,625				560,625
Gerald Street Main Replacement	411,125				411,125
West Kent Main Replacement	455,000				455,000
Howell Main Replacement	186,875				186,875
Vehicle Replacement	200,000				200,000
Grant & Harve Main Replacement	672,750				672,750
Benton Main Replacement	281,750				281,750
Railroad & Woody Main Replacement	241,500				241,500
Railroad Main Replacement	402,500				402,500
Water Facility Plan	500,000				500,000
Meters	450,000				450,000
Pump Improvements	135,974				135,974
SCADA Improvements	75,000				75,000
Wilderness Dams Improvements	350,000				350,000
Upper Lincoln Hills Tank Replacement	105,000				105,000
Hydrant Replacements	100,000				100,000
Lower Lincoln Hills Tank Replacement	34,500				34,500
Blow-off Replacements	50,000				50,000
Valve Replacements	50,000				50,000
<b>Wastewater Treatment Plant</b>					
Russell St. Sewer Re-Route Project	20,000				20,000
Garden City Compost Facility Upgrades Phase I & II	633,786				633,786
Upgrade Momont Lift Station 1	400,000				400,000
Russell Street Interceptor (Broadway to South 3rd)	31,500				31,500
Broadway Interceptor (North of Russell St Bridge)	110,000				110,000
Biogas Electrical Generation	1,179,100				1,179,100
Reserve St Lift Station Upgrade & Rehabilitation	547,900				547,900
Laboratory Expansion	326,000				326,000
Administration Building	588,000				588,000
Add'l Irrigation Pump for Hybrid Poplar Tree Plantation	70,000				70,000
<b>Storm Water Division</b>					
Caras Park Outfall Retrofit	173,300				173,300
Storm Water Facility Plan	100,000				100,000
Household Hazardous Waste Facility	70,000				70,000
Facility Rate Study	172,705				172,705
<b>Missoula Parking Commission</b>					
Gate Arm Equipment - Student Housing, Park Place, etc.	2,000,000				2,000,000
On-Street License Plate Recognition	180,000				180,000
Paint & Lighting Replacement Central Park	55,000				55,000
<b>Missoula Redevelopment Agency</b>					
URD II Hotel Fox Conference Center & Parking Structure	7,662,500				7,662,500
URD III Johnson Street Park	2,140,000				2,140,000

# CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

FY 2018 Capital Budget & Operating Budget Impacts (Cont'd)			
Projects by Department/Project Name			
FY 2018 Capital Budget	Annual Operating Budget Impacts		
Other Funds - CIP - FY 2018			
Core Equipment replacement	557,000		557,000
Legislative Management Solution	83,532		83,532
Missoula Art Museum Roof Repair	45,000		45,000
Police Evidence Storage Building	2,562,208		2,562,208
IT Infrastructure Upgrades	116,760		116,760
Mullan and George Elmer Drive Intersection Signal	320,000		320,000
City Hall Sidewalk Improvements	200,000		200,000
South Avenue Improvements-Reserve to 36th	1,788,000		1,788,000
Grant Creek/I-90 Intersection Improvements	100,000		100,000
Cregg Ln Rdwy Improvements Orange St to Hickory St	683,860		683,860
Bicycle Safety Project-Stephens & Orange	30,000		30,000
VanBuren Street Reconstruction	385,350		385,350
Street Improvement and Major Maintenance Program	1,200,000		1,200,000
Gravel Street Paving Phase 2	456,000		456,000
Annual Sidewalk Installation/Replacement Program	3,058,500		3,058,500
North Reserve Signal & Intersection Project	675,000		675,000
Aquatics CIP Plan for Splash & Currents	56,000		56,000
Clark Fork Riparian Restoration	41,000		41,000
Trailhead Renovations	15,000		15,000
Missoula Active Transportation Plan (MATP)	1,941,363		1,941,363
Jeffery Park Phase I	189,120		189,120
Syringa Park Bike Skills Feature	210,000		210,000
McCormick Park	55,159		55,159
Park Asset Management (Replace, Renovate, Improve)	2,650,295		2,650,295
Parks & Recreation Master Plan (POST Plan)	100,000		100,000
Greenough Restrooms	78,250		78,250
Milwaukee RR Bridge West	60,000		60,000
Bellevue Park Bike Skills Feature	43,600		43,600
EMS Response Unit	250,000		250,000
City Wayfinding Project Ph II	847,500		847,500
Bitterroot Branch Trail Crossing	275,000		275,000
			-
<b>GRAND TOTAL</b>	<b>47,042,838</b>	<b>\$ -</b>	<b>2,660,531</b>
		<b>-</b>	<b>49,703,369</b>

**City of Missoula**  
**Capital Improvement Program Projects for Fiscal Years 2018 - 2022**  
**Schedule of Total Project costs and proposed ongoing Operating Budget Impacts by Fiscal Year**

	Annual proposed operating budget impact					
	TOTAL PROJECT	FY18	FY19	FY20	FY21	FY22
<b>Required Debt Service Payments</b>						
CIP CORE Replacement Equip-debt sv-FY18 (estimated)	\$ 634,160	\$ 279,426	\$ 558,852	\$ 352,602	\$ 209,544	\$ 66,486
CIP CORE Replacement Equip-debt sv-Future Years	7,398,281	1,586,481	1,379,269	861,781	556,330	372,865
Copier & IT Equip Replacement Schedule	380,563	174,200	112,300	104,200	122,000	138,800
<b>General Fund Departments</b>						
Legislative Management Solution	83,532	16,744	16,744	16,744	16,744	16,744
Enterprise Content Management	83,944			15,963	15,963	15,963
Time & Attendance Management System	103,726	27,500	27,500	27,500	27,500	27,500
Financial Management & Reporting System	750,000	55,000	55,000	55,000	55,000	55,000
Police Evidence Storage Building	2,562,208	54,500	54,500	54,500	54,500	54,500
Police Locker Rooms	2,227,906					15,000
IT Infrastructure Upgrades	596,080	16,760	22,260	29,060	24,000	24,000
Higgins Street Bridge Improvements	1,600,000			600	600	600
Jeffery Park Phase I	684,120	31,279	31,279	31,279	31,279	31,279
Syringa Park Bike Skills Feature	385,402	8,500	24,000	24,000	24,000	24,000
Park Asset Management (Replace, Renovate, Improve)	4,116,545	375,000	375,000	375,000	375,000	375,000
Bellevue Park Bike Skills Feature	43,600	1,100	1,100	1,100	1,100	1,100
44 Ranch Playground	100,000			6,273	6,273	6,273
NWE Co-op Reforestation	2,000,000		59,429	61,107	62,835	64,615
Pleasantview Multi-court	125,440		958	958	958	958
<b>Special Revenue, Enterprise &amp; Component Unit Funds</b>						
City Wayfinding Project Ph II	926,500				20,518	20,518
Caras Park Outfall Retrofit	173,300		1,240	1,240	1,240	1,240
New Fire Hydrants	160,000	325				
URD III Johnson Street Park	2,140,000	80,000	107,754	107,754	107,754	107,754
<b>Total Project Costs and Proposed Operating Impacts</b>	<b>\$ 28,073,692</b>	<b>\$ 2,706,815</b>	<b>\$ 2,827,185</b>	<b>\$ 2,126,661</b>	<b>\$ 1,713,138</b>	<b>\$ 1,420,195</b>

**CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET**

DEPARTMENT		EQUIPMENT REPLACEMENT TOTALS				
		FY2018	FY2019	FY2020	FY2021	FY2022
<b>FLEET SERVICES</b>						
Total Operating Portion	\$	-	\$ -	\$ -	\$ -	\$ -
Total CIP Portion		35,000	-	-	-	-
<b>TOTAL BUDGET AND CIP</b>	<b>\$</b>	<b>35,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>P.W. ENGINEERING</b>						
Total Operating Portion	\$	35,000	\$ 76,000	\$ 35,000	\$ 35,000	\$ 35,000
Total CIP Portion		-	-	-	-	-
<b>TOTAL BUDGET AND CIP</b>	<b>\$</b>	<b>35,000</b>	<b>\$ 76,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>
<b>POLICE DEPARTMENT</b>						
Total Operating Portion	\$	385,000	\$ 575,000	\$ 540,000	\$ 430,000	\$ 315,000
Total CIP Portion		-	-	-	-	-
<b>TOTAL BUDGET AND CIP</b>	<b>\$</b>	<b>385,000</b>	<b>\$ 575,000</b>	<b>\$ 540,000</b>	<b>\$ 430,000</b>	<b>\$ 315,000</b>
<b>FIRE EMERGENCY VEHICLES</b>						
Total Operating Portion	\$	35,000	\$ 120,000	\$ 35,000	\$ 35,000	\$ 160,000
Total CIP Portion		500,000	141,000	1,414,000	760,000	470,000
<b>TOTAL BUDGET AND CIP</b>	<b>\$</b>	<b>535,000</b>	<b>\$ 261,000</b>	<b>\$ 1,449,000</b>	<b>\$ 795,000</b>	<b>\$ 630,000</b>
<b>FIRE ADMINISTRATION</b>						
Total Operating Portion	\$	35,000	\$ -	\$ -	\$ -	\$ -
Total CIP Portion		-	-	-	-	-
<b>TOTAL BUDGET AND CIP</b>	<b>\$</b>	<b>35,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>P.W. STREET DIVISION</b>						
Total Operating Portion	\$	-	\$ 45,000	\$ -	\$ -	\$ -
Total CIP Portion		1,020,000	971,000	1,535,000	431,000	630,000
<b>TOTAL BUDGET AND CIP</b>	<b>\$</b>	<b>1,020,000</b>	<b>\$ 1,016,000</b>	<b>\$ 1,535,000</b>	<b>\$ 431,000</b>	<b>\$ 630,000</b>
<b>FLEET MAINTENANCE</b>						
Total Operating Portion	\$	-	\$ -	\$ -	\$ -	\$ -
Total CIP Portion		65,000	60,000	-	-	-
<b>TOTAL BUDGET AND CIP</b>	<b>\$</b>	<b>65,000</b>	<b>\$ 60,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>P.W. TRAFFIC SERVICES</b>						
Total Operating Portion	\$	30,000	\$ -	\$ 15,000	\$ -	\$ -
Total CIP Portion		-	-	-	-	-
<b>TOTAL BUDGET AND CIP</b>	<b>\$</b>	<b>30,000</b>	<b>\$ -</b>	<b>\$ 15,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>PARKS DEPARTMENT</b>						
Total Operating Portion	\$	120,000	\$ -	\$ -	\$ -	\$ 32,000
Total CIP Portion		340,000	226,000	82,000	-	55,000
<b>TOTAL BUDGET AND CIP</b>	<b>\$</b>	<b>460,000</b>	<b>\$ 226,000</b>	<b>\$ 82,000</b>	<b>\$ -</b>	<b>\$ 87,000</b>

**CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET**

DEPARTMENT		EQUIPMENT REPLACEMENT TOTALS (Cont'd)				
		FY2018	FY2019	FY2020	FY2021	FY2022
Grand Total Operating Portion	\$	640,000	\$ 816,000	\$ 625,000	\$ 500,000	\$ 542,000
Grand Total CIP Portion		1,960,000	1,398,000	3,031,000	1,191,000	1,155,000
<b>TOTAL GENERAL FUND</b>	<b>\$</b>	<b>2,600,000</b>	<b>\$ 2,214,000</b>	<b>\$ 3,656,000</b>	<b>\$ 1,691,000</b>	<b>\$ 1,697,000</b>
<b>CEMETERY</b>						
Total Operating Portion	\$	-	\$ -	\$ -	\$ -	-
Total CIP Portion		70,000	45,000	30,000	81,000	29,000
<b>TOTAL BUDGET AND CIP</b>	<b>\$</b>	<b>70,000</b>	<b>\$ 45,000</b>	<b>\$ 30,000</b>	<b>\$ 81,000</b>	<b>\$ 29,000</b>
<b>P.W. BUILDING INSPECTION</b>						
Total Operating Portion	\$	30,000	\$ 60,000	\$ 30,000	\$ 90,000	\$ 30,000
Total CIP Portion		-	-	-	-	-
<b>TOTAL BUDGET AND CIP</b>	<b>\$</b>	<b>30,000</b>	<b>\$ 60,000</b>	<b>\$ 30,000</b>	<b>\$ 90,000</b>	<b>\$ 30,000</b>
<b>P.W. WATER</b>						
Total Operating Portion	\$	-	\$ -	\$ -	\$ -	-
Total CIP Portion		-	-	-	-	-
<b>TOTAL BUDGET AND CIP</b>	<b>\$</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>P.W. WASTE WATER TREATMENT</b>						
Total Operating Portion	\$	35,000	\$ -	\$ 180,000	\$ -	\$ 70,000
Total CIP Portion		340,000	255,000	-	138,000	60,000
<b>TOTAL BUDGET AND CIP</b>	<b>\$</b>	<b>375,000</b>	<b>\$ 255,000</b>	<b>\$ 180,000</b>	<b>\$ 138,000</b>	<b>\$ 130,000</b>
<b>P.W. STORM WATER</b>						
Total Operating Portion	\$	-	\$ -	\$ -	\$ -	-
Total CIP Portion		-	-	-	-	-
<b>TOTAL BUDGET AND CIP</b>	<b>\$</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>PARKING COMMISSION</b>						
Total Operating Portion	\$	82,000	\$ 114,000	\$ 82,000	\$ 32,000	\$ -
Total CIP Portion		-	-	-	18,000	-
<b>TOTAL BUDGET AND CIP</b>	<b>\$</b>	<b>82,000</b>	<b>\$ 114,000</b>	<b>\$ 82,000</b>	<b>\$ 50,000</b>	<b>\$ -</b>
Total Operating Portion	\$	147,000	\$ 174,000	\$ 292,000	\$ 122,000	\$ 100,000
Total CIP Portion		410,000	300,000	30,000	237,000	89,000
<b>TOTAL NON-GENERAL FUND</b>		<b>557,000</b>	<b>474,000</b>	<b>322,000</b>	<b>359,000</b>	<b>189,000</b>
Grand Total	\$	3,157,000	\$ 2,688,000	\$ 3,978,000	\$ 2,050,000	\$ 1,886,000
Federal Transportation Portion		(339,300)	(147,900)	-	-	-
<b>TOTALS</b>	<b>\$</b>	<b>2,817,700</b>	<b>\$ 2,540,100</b>	<b>\$ 3,978,000</b>	<b>\$ 2,050,000</b>	<b>\$ 1,886,000</b>
Operating Equipment - predominantly rolling stock - pickup trucks & cars costing less than \$35,000						
CIP Equipment - Predominantly heavy equipment such as tandem axel dump trucks, fire engines, graders etc.						

# CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

## Equipment Replacement

UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2018	FY2019	FY2020	FY2021	FY2022	
<b>FLEET SERVICES</b>					<b>220</b>					
800	6605	TOYOTA PRIUS	ADMIN	2004	\$45,000					
887	9809	DODGE GRAND CARAVAN	MRA	2015						
NEW		WAYFINDING SIGNS	DEV SRVS	2017						
<b>Total Core Units</b>					<b>3</b>	<b>\$45,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2018	FY2019	FY2020	FY2021	FY2022	
<b>DEVELOPMENT SERVICES</b>					<b>280</b>					
502	9626	FORD ESCAPE	ENGR	2014					\$45,000	
505	8499	JEEP LIBERTY	ENGR.	2006				\$45,000		
509	8032	CHEVROLET IMPALA	ADMIN	2007			\$45,000			
510	6636	CHEVY COLORADO	ENGR	2005		\$45,000				
511	8185	GMC SIERRA 2500	ENGR	2008	\$45,000					
512	6637	CHEVROLET COLORADO	INSPECTION	2005						
514	9639	FORD F250	INSPECTION	2014						
515	9817	CHEVY COLORADO	ENGR	2015						
516	9816	CHEVY COLORADO	ENGR	2015						
		SEWER TAP COMPRESSORS	ENGR.	3		\$6,000				
<b>Total Core Units</b>					<b>10</b>	<b>\$45,000</b>	<b>\$51,000</b>	<b>\$45,000</b>	<b>\$45,000</b>	<b>\$45,000</b>

UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2018	FY2019	FY2020	FY2021	FY2022
<b>POLICE DEPARTMENT</b>					<b>290</b>				
1	8121	FORD ESCAPE	ADMIN	2012		\$45,000			
4	9835	BUICK LACROSSE	DETECTIVE	2007				\$35,000	
5	9594	CHEVROLET IMPALA	DETECTIVE	2013			\$35,000		
6	8122	FORD ESCAPE	ADMIN	2012					
7	6603	CHEVROLET G30 VAN	CRIME VAN	2004				\$45,000	
8	9627	DODGE JOURNEY	ADMIN	2014					
9	9635	DODGE 1500	K9	2014		\$45,000			
11	6619	CHEVROLET IMPALA	DETECTIVE	2004					
19	8114	FORD TAURUS	DETECTIVE	2013				\$35,000	
20	8023	DODGE DAKOTA	AI	2010			\$40,000		
23	9596	DODGE DAKOTA	AI	2013					
24	9628	DODGE JOURNEY	ADMIN	2014					
26	9608	DODGE JOURNEY	ADMIN	2015					
27	9607	DODGE JOURNEY	ADMIN	2015					
28	9813	DODGE 1500SSV	K9	2016					
29	9811	DODGE 1500SSV	PATROL	2016					
31	9804	DODGE JOURNEY	ADMIN	2016					
42	6684	FORD EXPEDITION	K9	2005					
48	8100	CHEVROLET TAHOE	PATROL	2011					
55	8104	DODGE CHARGER	PATROL	2012		\$45,000			\$45,000
60	8123	DODGE CHARGER	PATROL	2013			\$45,000		
61	8124	DODGE CHARGER	PATROL	2013			\$45,000		
62	8125	DODGE CHARGER	PATROL	2013			\$45,000		
63	8126	DODGE CHARGER	PATROL	2013			\$45,000		
64	8127	DODGE CHARGER	PATROL	2013			\$45,000		
65	8128	DODGE CHARGER	PATROL	2013			\$45,000		
66	8129	DODGE CHARGER	PATROL	2013			\$45,000		
67	8130	DODGE CHARGER	PATROL	2013	\$45,000			\$45,000	
70	9616	DODGE CHARGER	PATROL	2014	\$45,000			\$45,000	
71	9615	DODGE CHARGER	PATROL	2014	\$45,000			\$45,000	
72	9614	DODGE CHARGER	PATROL	2014	\$45,000			\$45,000	
73	9599	DODGE CHARGER	PATROL	2014	\$45,000			\$45,000	
74	9621	DODGE CHARGER	PATROL	2014	\$45,000			\$45,000	
75	9622	DODGE CHARGER	PATROL	2014	\$45,000			\$45,000	
80	9851	DODGE CHARGER ALL WHL DRIVE	PATROL	2014		\$45,000			\$45,000
81	9852	DODGE CHARGER ALL WHL DRIVE	PATROL	2014		\$45,000			\$45,000
82	9853	DODGE CHARGER ALL WHL DRIVE	PATROL	2014		\$45,000			\$45,000
83	9854	DODGE CHARGER ALL WHL DRIVE	PATROL	2014		\$45,000			\$45,000
84	9855	DODGE CHARGER ALL WHL DRIVE	PATROL	2014		\$45,000			\$45,000
85	9856	DODGE CHARGER ALL WHL DRIVE	PATROL	2014		\$45,000			\$45,000
91	9801	DODGE CHARGER ALL WHL DRIVE	PATROL	2016			\$45,000		
92	9802	DODGE CHARGER ALL WHL DRIVE	PATROL	2016			\$45,000		
93	9800	DODGE CHARGER ALL WHL DRIVE	PATROL	2016			\$45,000		
94	10174	DODGE CHARGER ALL WHL DRIVE	PATROL	2016			\$45,000		
95	10176	DODGE CHARGER ALL WHL DRIVE	PATROL	2016			\$45,000		

**CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET**

**Equipment Replacement (Cont'd)**

POLICE DEPARTMENT (Cont'd)				290					
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2018	FY2019	FY2020	FY2021	FY2022
96	10177	DODGE CHARGER ALL WHL DRIVE	PATROL	2016			\$45,000		
97	10190	DODGE CHARGER ALL WHL DRIVE	PATROL	2016			\$45,000		
98		DODGE CHARGER ALL WHL DRIVE	PATROL	2016			\$45,000		
1207		HONDA ST1300PA	PATROL	2012		\$35,000			
1271		HONDA ST1300PA	PATROL	2012		\$35,000			
1276		HONDA ST1300PA	PATROL	2012		\$35,000			
1338		HONDA ST1300PA	PATROL	2012		\$35,000			
8033	8033	CHEVROLET IMPALA	DETECTIVE	2007					
8040	8040	FORD F150 CREW CAB	DETECTIVE	2007		\$40,000			
8059	8059	CHEVROLET IMPALA	DETECTIVE	2008	\$35,000				
8060	8060	CHEVROLET IMPALA	DETECTIVE	2008	\$35,000				
8088	8088	MALIBU HYBRID	DETECTIVE	2009			\$35,000		
8089	8089	MALIBU HYBRID	DETECTIVE	2009			\$35,000		
8090	8090	MALIBU HYBRID	DETECTIVE	2009			\$35,000		
		MOBILE AND HANDHELD RADIOS	PATROL		\$46,000	\$46,000	\$46,000	\$46,000	\$46,000
		Police ongoing Equip Replacement	PATROL		\$36,450	\$36,450	\$36,450	\$36,450	\$36,450
		Community Service			\$42,421				
	Remove	Crash Investigator							
<b>Total Core Units</b>				<b>59</b>	<b>\$467,450</b>	<b>\$667,450</b>	<b>\$937,450</b>	<b>\$512,450</b>	<b>\$397,450</b>
					<b>\$42,421</b>				

FIRE EMERGENCY VEHICLES				300					
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2018	FY2019	FY2020	FY2021	FY2022
		CATARAFT TUBES AND TRAILER	RESCUE	2002					
4461	9518	FIRE ENGINE (TYPE 1)	RESPONSE	2014					
2		RESCUE WATER CRAFT	RESCUE	2012					
1073	9286	FIRE ENGINE (TYPE 1)	RESPONSE	2010					
3227	7142	FIRE ENGINE (TYPE 1)	RESPONSE	2003		\$520,000			
2341	7145	FIRE ENGINE (TYPE 1)	RESPONSE	2002					
1373	7143	FIRE ENGINE (TYPE 1)	RESPONSE	1999					
6664	7141	FIRE ENGINE (TYPE 1)	RESPONSE	2006				\$550,000	
9974	?	FIRE ENGINE (TYPE 1)	RESPONSE	2009					
4747	9519	LADDER TRUCK	RESPONSE	2014					
9021	9021	LADDER TRUCK	RESPONSE	1999			\$1,400,000		
4197	4197	WATER TENDER (20 YR.)	RESPONSE	2001				\$260,000	
3885		WILDLAND ENGINE (TYPE 3)	RESPONSE	2014					
8685	8685	WILD LAND ENGINE (TYPE 2)	RESPONSE	1999		\$150,000			
4002	?	WILDLAND ENGINE (TYPE 3)	RESPONSE	2012					\$150,000
7237	7237	WILD LAND ENGINE (TYPE 6)	RESPONSE	2007					
3131	6261	COMMAND VEHICLE	RESPONSE	2015					
3132	6261	COMMAND VEHICLE	RESPONSE	2015					
5803		COMMAND VEHICLE	RESPONSE	2007					
NEW		EQUIPMENT FOR TYPE 1 ENGINE	RESPONSE	NEW					
		GENERATORS (All 5 Stations)	RESPONSE	2006					
		COMPRESSORS AND FILL STATION	RESPONSE	1999					
		SCBA (15 YRS.)	PPE	2011					\$350,000
		INFORMATION SYSTEMS (MIDC'S)	6 UNITS						
		THERMAL IMAGERS (6 YRS.)	7 UNITS			\$21,000	\$14,000		
		COMMUNICATION HAND HELD AND	60 UNITS	REPLACE	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
		DEFIBRILLATORS (10 YRS.)	5 UNITS	2002					\$125,000
		LAND FOR STATION 6							
<b>Total Core Units</b>				<b>19</b>	<b>\$35,000</b>	<b>\$726,000</b>	<b>\$1,449,000</b>	<b>\$845,000</b>	<b>\$660,000</b>

FIRE DEPT. ADMINISTRATION				300					
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2018	FY2019	FY2020	FY2021	FY2022
902	8034	CHEVROLET IMPALA	FIRE CHIEF	2007	\$35,000				
907	9815	CHEVROLET COLORADO	INSPECTION	2015					
908	8001	FORD RANGER	INSPECTION	2006					
909	8070	TOYOTA PRIUS	EMS	2009					
910	9828	FORD F 250	TRAINING	2016					
912	9862	NISSAN NV3500 VAN	MOTOR POOL	2016					
914	9844	NISSAN FRONTIER	TRAINING	2016					
<b>Total Core Units</b>				<b>7</b>	<b>\$35,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

# CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

## Equipment Replacement (Cont'd)

PUBLIC WORKS SERVICES				280						
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2018	FY2019	FY2020	FY2021	FY2022	
503	6688	JEEP GRAND CHEROKEE	ADMIN	2005		\$35,000				
	Remove	Assist Director								
		PW Director Replacement			\$30,000					
<b>Total Core Units</b>					<b>2</b>	<b>\$0</b>	<b>\$35,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
					<b>\$30,000</b>					
STREET DIVISION				320						
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2018	FY2019	FY2020	FY2021	FY2022	
101	9814	CHEVROLET SILVERADO	ADMIN	2015						
102	9820	DODGE 1500 4X4	ADMIN	2016						
103	9812	DODGE 1500 4X4	ADMIN	2016						
104	6037	DODGE 3/4 TON	PAVING CREW	2002						
110	9650	F350 FLAT BED / LIFT GATE	OPERATIONS	2013						
111	8194	FORD F350 CREW CAB	OPERATIONS	2007		\$45,000				
112	8045	JOHNSTON 650	SWEEPER	2007					\$250,000	
113	8049	JOHNSTON 650	SWEEPER	2007					\$250,000	
115	8113	JOHNSTON 650	SWEEPER	2012			\$250,000			
116	8014	JOHNSTON 650	SWEEPER	2006	\$250,000					
117	8094	ISUZU JOHNSTON 650	SWEEPER	2009		\$250,000				
118	9620	PETERBILT JOHNSTON 650	SWEEPER	2013			\$250,000			
120	6689	ELGIN BROOM BEAR	SWEEPER	2005				\$250,000		
121	6022	IH TANDEM VAC-CON	VACUUM	2002			\$270,000			
122	8492	CAT	GRADER	2006			\$225,000			
123	1285	CAT	GRADER	1982	\$225,000					
124	9598	F350 FORD DUMP BOX	1 TON DUMP	2013						
125	9649	ELGIN BROOM BEAR	SWEEPER	2014						
131	8158	I.H. TANDEM AXLE	TANDEM DUMP	2009			\$130,000			
132	6153	I.H. TANDEM AXLE	TANDEM DUMP	2007		\$130,000				
135	8172	FREIGHTLINER	TANDEM DUMP	2012						
136	8142	FREIGHTLINER	FLUSHER	2010						
137	8178	FREIGHTLINER	TANDEM DUMP	2012						
138	8186	I.H. 7400	FLUSHER	2007						
139	8157	I.H. TANDEM AXLE	TANDEM DUMP	2009						
140	5613	STERLING TANDEM AXLE	TANDEM DUMP	2002						
141	9861	FREIGHTLINER	TANDEM DUMP	2015						
143	8192	ROSCO SPR-H	CHIP SPREADER	1997		\$200,000				
145	9637	CAT AP500E	PAVER	2014						
146	7795	CAT	LOADER	1996						
147	7798	CAT	LOADER	1996						
148	1540	FORD 700 W\ROSCO DISTRIBUTOR	DISTRIBUTOR	1989	\$235,000					
149	8498	CAT	BACKHOE	2006					\$120,000	
150	6621	BOMAG	ASPHALT ROLL	2003		\$75,000				
154	6627	CAT	LOADER	2004			\$150,000			
155	8146	KOMTSU	LOADER	2010						
169	7796	FORD SINGLE AXLE	ANTI-ICE\PLOW	1997						
171	7832	BOBCAT	SKID STEER	1996		\$55,000				
172	9840	CAT	SKID STEER	2015						
173	9601	FORD F750	POTHOLE TRUCK	2014						
175	7327	FORD\ROSCO	POTHOLE TRUCK	1996						
176	5611	STERLING	SANDER\PLOW	2001	\$130,000					
177	6164	STERLING	SANDER\PLOW	2005		\$130,000				
178	8008	IH 7400 SINGLE AXLE	SANDER\PLOW	2006		\$130,000				
179	8079	FREIGHTLINER	DEDICATED SANDERS	2009						
180	8080	FREIGHTLINER	DEDICATED SANDERS	2009						
181	8081	FREIGHTLINER	DEDICATED SANDERS	2009						
182	8080	FREIGHTLINER	DEDICATED SANDERS	2013						
183	8080	FREIGHTLINER	DEDICATED SANDERS	2013						
184	9630	FREIGHTLINER 108SD	SANDER\PLOW	2014						
185	9606	AUTOCAR	VACUUM SWEEPER	2014						
186	9605	AUTOCAR	VACUUM SWEEPER	2014						
187	9604	AUTOCAR	VACUUM SWEEPER	2014						
188	9834	FREIGHTLINER	SANDER\PLOW	2016						
190	9821	FREIGHTLINER	FLUSHER	2016						
191	9822	FREIGHTLINER	FLUSHER	2016						
194	9631	CIMLINE CRACK SEALER	CRACK SEALER	2014						
195	8112	HUDSON HD	ASPHALT RECYCLER	2012			\$250,000			
196	8007	CATERPILLAR PS 150B	RUBBER TIRE ROLLER	2001				\$80,000		
197	6643	DYNAPACK CP132 9	RUBBER TIRE ROLLER	2001				\$80,000		

**CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET**

**Equipment Replacement (Cont'd)**

STREET DIVISION (Cont'd)				320	FY2018	FY2019	FY2020	FY2021	FY2022
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR					
C100		HOMEMADE CONVEYOR	CONVEYOR	2012					
T102		WALTON	TRAILER	1994					
T-105		TOW MASTER	TRAILER	1997					
T-145		ECONOLINE	PAVER TRAILER	2003					
T-146	9648	TOW MASTER T40	PAVER TRAILER	2015					
T-147	9805	TRAIL KING	TRAILER	2016					
		ordered	OVERBUILT PAVER TRAILER	2017					
P105		BOSS RTE PLO	SNOW PLOW	2008					
P130		SCHMIDT	SNOW PLOW	1986					
P167	8028	SCHMIDT	SNOW PLOW	1992					
P168	4236	SCHMIDT	SNOW PLOW	2004					
P169	8154	SCHMIDT HSP4210POLLY	SNOW PLOW	2007					
P176	8004	SCHMIDT	SNOW PLOW	2002					
P177	8004	SCHMIDT	SNOW PLOW	2004					
P178	8012	SCHMIDT	SNOW PLOW	2006					
P179	8073	HENKE	SNOW PLOW	2009					
P180	8111	HENKE	SNOW PLOW	2012					
P181	8075	HENKE	SNOW PLOW	2009					
P182	9612	BONNELL	SNOW PLOW	2013					
P183	9613	BONNELL	SNOW PLOW	2013					
CS150	6698	NORTON CLIPPER	CEMENT SAW	2005					
		SANDERS	1 PER 2 YEARS	7 TOTAL		\$16,000		\$16,000	
		ASPHALT WACKIER	1 PER 2 YEARS	4 TOTAL		\$5,000		\$5,000	
		DEICER UNITS	1 PER 2 YEARS	7 TOTAL	\$10,000		\$10,000		\$10,000
		NEW FOR FY 16 to 17 HEAVIER ROL	NEW REQUEST		\$180,000				
130	7026	FORD SINGLE AXLE	DEICER\PLOW	1996				\$125,000	
134	6142	STERLING	TANDEM DUMP	2002		\$235,000			
167	8031	FORD SINGLE AXLE	ANTI-ICE\PLOW	1997				\$125,000	
168	7855	FORD SINGLE AXLE	ANTI-ICE\PLOW	1997				\$125,000	
<b>Total Core Units</b>		<b>84</b>			<b>\$1,030,000</b>	<b>\$1,036,000</b>	<b>\$1,535,000</b>	<b>\$431,000</b>	<b>\$630,000</b>
					\$0	\$235,000	\$0	\$375,000	\$0

FLEET MAINTENANCE				321	FY2018	FY2019	FY2020	FY2021	FY2022
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR					
702	8031	HYSTER	OPERATION	2002	\$40,000				
777		CAT - OLYMPIAN	GENERATOR	2000		\$60,000			
T715	9647	CARGO TRAILER	OPERATIONS	1 PER					
VM01	9640	GENI ONE MAN LIFT	OPERATIONS	1 PER					
VM01	9827	BENPAK (Lift)	OPERATIONS	1 PER					
		FLOOR CLEANING MACHINE	OPERATIONS			\$25,000			
701	6026	DODGE DAKOTA EXT CAB	OPERATION	2002		\$30,000			
703	6607	FORD RANGER EXT CAB	OPERATION	2002		\$30,000			
705	4896	GMC 2500 4WD DR	INSPECTION	2004		\$40,000			
707	5009	CHEVY 1 TON 4 WHL	ENGR	1997		\$60,000			
VM001		ENGINE LATHE	Shop Equipment	1953	\$9,000				
VM001		VERTICAL MILLING MACHINE	Shop Equipment	1986	\$11,000				
		TRUCK WELDER	Welding Equipment	1963	\$6,000				
VM001		BELT GRINDER	Welding Equipment		\$1,500				
		A/C MACHINE	Shop Equipment	1990	\$8,000				
VM001		SHOP WELDERS	Welding Equipment	1995	\$15,000				
VM001		PLAZMA CUTTER	Welding Equipment	2017		\$3,500			
		BAND SAW	Welding Equipment	2000		\$6,500			
VM009		PROCUT BRAKE LATHE	Shop Equipment	2012		\$12,000			
VM005		ROTARY VEHICLE LIFT	Shop Equipment	1992		\$6,000			
VM007		ROTARY VEHICLE LIFT	Shop Equipment	2002		\$6,000			
VM008		ROTARY VEHICLE LIFT	Shop Equipment	2010		\$16,000			
VM011		PRESSURE WASHERS	Shop Equipment	2001		\$10,000			
		WASTE OIL BURNER	Shop Equipment	2005		\$15,000			
		PARTS WASHER	Shop Equipment	2010		\$8,000			
VM006		OTC FILTER CRUSHER	Shop Equipment	2013		\$6,000			
VM002		SHOP AIR COMPRESSORS	Shop Equipment	1999		\$6,000			
		DRILL PRESS	Shop Equipment	1986	\$7,000				
		TIRE MACHINE AND BALANCER	Shop Equipment	2005		\$12,000			
<b>Total Core Units</b>		<b>29</b>			<b>\$40,000</b>	<b>\$85,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
					\$35,500	\$267,000			

# CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

## Equipment Replacement (Cont'd)

TRAFFIC DIVISION				322	\$22,000				
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2018	FY2019	FY2020	FY2021	FY2022
561	9619	ISUZU NPR	OPERATIONS	2013					
564	8135	HONDA RANCHER ATV	OPERATIONS	2013					
567	9603	ISUZU NPR	OPERATIONS	2015					
573	6687	DODGE GRAND CARAVAN	VAN	2005	\$35,000				
584	10182	FORD F550	MAN LIFT	2016					
588	8086	GMC SIERRA	COM SHOP	2009					
592	9632	ISUZU NPR	OPERATIONS	2014					
T593	9831	PACESETTER	OPERATIONS	2015					
T594	9832	PACESETTER	OPERATIONS	2015					
SW51	8151	EDCO 8 INCH CEMENT GRINDER	OPERATIONS	2008			\$15,000		
586		HYSTER FORKLIFT	FORKLIFT	1984					
587	6601	CHEVY 1/2 EXT CAB PICKUP	ENGR.	2002	\$35,000				
590	6614	CHEVY PICKUP	ADMIN	2004				\$35,000	
566		DODGE D250	OPERATIONS	2001				\$35,000	
<b>Total Core Units</b>					<b>\$35,000</b>	<b>\$0</b>	<b>\$15,000</b>	<b>\$0</b>	<b>\$0</b>
					\$35,000			\$70,000	

PARKS DEPARTMENT				370					
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2018	FY2019	FY2020	FY2021	FY2022
201	9641	DODGE RAM 1500	OPERATIONS	2014					
202	9638	DODGE GRAND CARAVAN	OPERATIONS	2014					
205	9850	FORD TRANSIT 15 PASSENGER	OPERATIONS	2015					
207	9842	NISSAN NV 3500SV 15 PASSENGER	OPERATIONS	2016					
208	9652	FORD F350 FLAT BED LIFT GATE	OPERATIONS	2013					
209	8495	GMC SIERRA PICKUP	OPERATIONS	2006					
210	8015	CHEVY SILVERADO HYBRID	OPERATIONS	2006	\$35,000				
211	8156	POLARIS 6x6 UTV	CONSERVATION	2008					
212	8025	MORBARK CHIPPER	CONSERVATION	2010					
214	5354	CASE 580L	OPERATIONS	1998	\$90,000				
216	9866	FORD F-250	OPERATIONS	2016					
217	10171	JOHN DEERE 1545 72" MOWER	OPERATIONS	2016					
220	9824	TORO 5900 16' MOWER	OPERATIONS	2016					
221	9860	FORD TRANSIT 15 PASSENGER	RECREATION	2015					
224		JOHN DEERE TRACTOR 6310	CONSERVATION	2001					
225	8132	BOBCAT TOOL CAT	OPERATIONS	2012					
229	9634	KUBOTA F3990	OPERATIONS	2014					
233	8173	HONDA RUBICON	OPERATIONS	2012					
239	9595	KUBOTA 3680	OPERATIONS	2013					
241	9634	TORO 5900 16' MOWER	MOWER	2014					
243		CHEVY PICKUP	OPERATIONS	2000					
245	9651	TORO 5900 16' MOWER	OPERATIONS	2013					
246		FORD F700 AERIAL LIFT TRUCK	FORESTRY	2002					
NEW		AERIAL LIFT TRUCK	FORESTRY	2017					
248	9597	BANDIT 3200 STUMP GRINDER	FORESTRY	2013					
251	10172	JOHN DEERE 1545 72" MOWER	OPERATIONS	2016					
252	8083	MITSUBISHI (MINI TRUCK)	OPERATIONS	1998	\$30,000				
253	8084	HONDA (MINI TRUCK)	OPERATIONS	2000	\$30,000				
255	8085	MITSUBISHI (MINI TRUCK)	OPERATIONS	1996	\$30,000				
256	6685	GMC SIERRA PICKUP	OPERATIONS	2005					
258	9623	KUBOTA MOWER	OPERATIONS	2013					
259	9829	CASE MINI EXCAVATOR	OPERATIONS	2015					
264	9654	FORD F350 DUMP BOX	OPERATIONS	2013					
265	5325	CHEVROLET ¾ TON PICKUP	OPERATIONS	1999					
272	6626	GMC SIERRA PICKUP	OPERATIONS	2004	\$35,000				
275	8002	JOHN DEERE 1445	MOWER	2006					
276	6617	JOHN DEERE 1445	MOWER	2005					
277	9629	BANDIT 255XP	CHIPPER	2014					
278	10185	BANDIT 250XP	CHIPPER	2017					
286	8003	TORO 580D MOWER	MOWER	2006					
287	8005	KUBOTA UTV	OPERATIONS	2006	\$40,000				
289	8011	KUBOTA UTV	OPERATIONS	2006	\$40,000				
294	9636	FORD F 250	OPERATIONS	2014					
295	9634	TORO 5900 16' MOWER	MOWER	2014					
298	8002	JOHN DEERE 1445	MOWER	2007	\$40,000				
T200	6737	RYAN RENOVIAIRE	TURF MAINTENANCE	2013					
T202		B-WELDING TRAILER	OPERATIONS	2000					
T203		B-WELDING TRAILER	OPERATIONS	2000					

**CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET**

**Equipment Replacement (Cont'd)**

PARKS DEPARTMENT (Cont'd)				370						
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2018	FY2019	FY2020	FY2021	FY2022	
T204		SPORT LAND TRAILER	OPERATIONS	2005						
T205		SPORT LAND TRAILER	OPERATIONS	2005						
T206		SPORT LAND TRAILER	OPERATIONS	2006						
T207		UTILITY TRAILER	OPERATIONS	2005						
T208		UTILITY TRAILER	OPERATIONS	2005	\$10,000					
T209	8199	B&B TRAILERS UTILITY TRAILER	OPERATIONS	2007						
T210	9644	GARGOMATE TRAILER	OPERATIONS	2014						
T211		TITAN 16' TRAILER	OPERATIONS	2005						
T212	9659	TORO TOP DRESSER	OPERATIONS	2013						
T214		REDMAX 12 TON TRAILER	OPERATIONS	1995						
T215		TRAILER	OPERATIONS	2006					\$15,000	
T216	8120	WALTON TRAILER	OPERATIONS	2012						
T217	9845	RYAN RENOVAIRE	OPERATIONS	2016						
T218	8119	WALTON TRAILER	OPERATIONS	2012						
T219	9657	WALTON TRAILER	OPERATIONS	2013						
T220	9808	FABIQUE RAFT TRAILER	OPERATIONS	2011						
T221	9807	FABIQUE RAFT TRAILER	OPERATIONS	2010						
T222	9803	HOME MADE TRAILER	OPERATIONS	2010						
T250	9833	PACEMERIC BACKCOUNTRY TRAILER	SPLASH FOOD TRAILER	2016						
T256	8155	LANDPRIDE SLIP SEEDER	OPERATIONS	2009						
T259	9830	PJ TRAILER CAR HAULER TRAILER	OPERATIONS	2014						
T262	6681	PJ TRAILER	OPERATIONS	2003		\$15,000				
273A		PULL BEHIND AERATOR	OPERATIONS	1995			\$12,000			
200F	9823	TORO 5900 16' MOWER	FORT OPERATIONS	2016						
201F	9825	TORO WORKMAN XD-D	FORT OPERATIONS	2016						
202F	9826	TORO WORKMAN XD-D	FORT OPERATIONS	2016						
203F	10175	NEWSTRIPE 1700 RIDE ON STRIPER	FORT OPERATIONS	2016						
204F	10178	TORO WORKMAN ELECTRIC	FORT OPERATIONS	2016						
205F	10179	TORO WORKMAN ELECTRIC	FORT OPERATIONS	2016						
206F	10180	TORO WORKMAN ELECTRIC	FORT OPERATIONS	2016						
207F	10181	TORO SANDPRO 5040	FORT OPERATIONS	2016						
208F	10183	HYSTER H60FT FORKLIFT	FORT OPERATIONS	2016						
209F	10186	MOTIVE ENCLOSED CARGO TRAILER	FORT OPERATIONS	2010						
230F	9865	FORD F250	FORT OPERATIONS	2016						
278F	9858	JOHN DEERE 1545 72" MOWER	FORT OPERATIONS	2016						
P230	10170	BOSS RT3 SNOW PLOW	FORT OPERATIONS	2016						
New		SKID STEER	OPERATIONS	1						
New		POST POUNDER	OPERATIONS	1						
		Forestry Climbing Truck	OPERATIONS	1	\$23,200					
		Knuckle Boom	OPERATIONS		\$84,500					
New	Mobile Office	RECREATION TRAILER	FORT OPERATIONS	1						
222	4785	DODGE ¾ TON 4X4	OPERATIONS	1995				\$35,000		
223	6150	CHEVY PICKUP	OPERATIONS	1994				\$35,000		
226	8042	CHEVY CREW CAB PICKUP	CONSERVATION	2003				\$35,000		
227	7060	CHEVROLET PICKUP	OPERATIONS	1991		\$35,000				
244	6169	CHEVY 2500	OPERATIONS	1994				\$35,000		
247	6985	CHEVY 2500	OPERATIONS	1996		\$35,000				
254	3578	CASE BACKHOE	OPERATIONS	1989				\$90,000		
266	6034	CHEVY 3500	OPERATIONS	1991				\$45,000		
267	8493	FORD F 250	TRAINING	2006				\$35,000		
285	5325	CHEVY 3/4 TON PICKUP	FORESTRY	1999				\$40,000		
288	8892	CHEVY 3/4 TON PICKUP	COLLECTIONS	1998				\$40,000		
<b>Total Core Units</b>					<b>87</b>	<b>\$380,000</b>	<b>\$15,000</b>	<b>\$12,000</b>	<b>\$0</b>	<b>\$15,000</b>
						<b>\$107,700</b>		<b>\$390,000</b>		

WWTP DIVISION				330					
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2018	FY2019	FY2020	FY2021	FY2022
302	8143	FORD FUSION HYBRID	PLANT MAINT	2010	\$35,000				
310	6686	CAT 416 D LOADER BACKHOE	PLANT MAINT	2005				\$70,000	
313	8171	FORD TRANSIT CONNECT	OPERATIONS	2012					
314	6145	GMC SIERRA 3500	PLANT MAINT	2004					
315	10187	DODGE RAM 3500	PLANT MAINT	2017					
316	8056	DOOSAN FORKLIFT	PLANT MAINT	2006				\$15,000	
317		PIPE HUNTER SIDEKICK EASEMENT	OPERATIONS	2009					
318	9810	CHEVY COLORADO	OPERATIONS	2015					\$35,000
319	9818	CHEVY COLORADO	OPERATIONS	2015					\$35,000
321	8056	IH AQUATEC	OPERATIONS	2011					
323	9602	DODGE GRAND CARAVAN	OPERATIONS	2015					

**CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET**

**Equipment Replacement (Cont'd)**

WWTP DIVISION (Cont'd)				330					
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2018	FY2019	FY2020	FY2021	FY2022
324	6622	CHEVY 1 TON	OPERATIONS	2004					
328	6152	IH AQUATEC	VACUUM	2008	\$270,000				
329		FORD LNT 8000	JETTIER	1995					
330	7051	INGERSOLL RAND	COMPRESSOR	1988		\$20,000			
332		FREIGHTLINER	JETTIER	1997					
333	9859	FREIGHTLINER	JETTIER	2017					
334	8177	GMC SIERRA 1500	OPERATIONS	2012					\$35,000
New		FORD F150	OPERATIONS	2017					
335	6624	SECA JETTIER UNIT	COLLECTIONS	2004		\$235,000			
336	9848	GMC SIERRA 3500	COLLECTIONS	2016			\$45,000		
337	9841	GMC SIERRA 3500	COLLECTIONS	2016			\$45,000		
338	9843	GMC SIERRA 3500	COLLECTIONS	2016			\$45,000		
339	9848	GMC SIERRA 3500	COLLECTIONS	2016			\$45,000		
350	10188	CAT 938G LOADER	COMPOST	2005					
351	10189	CASE 821 LOADER	COMPOST	1994					
		CASE 521 LOADER	COMPOST						
ORDERED		CASE 921 LOADER	COMPOST	2017					
ORDERED		CASE 921 LOADER	COMPOST	2017					
ORDERED		MOBARK 1200XL TUB GRINDER	COMPOST	2017					
ORDERED		ROTO-MIX 3410 ROTARY MIXER	COMPOST	2017					
ORDERED		40 HP BLOWERS	COMPOST	2017					
374		CMC PUMP	COLLECTIONS	1956					
381		COMC 3" PUMP	PLANT	1951					
385		LANDA PRESSURE WASH	PLANT	1986					
387		OLYMPIAN GENERATOR	COLLECTIONS	1999				\$41,000	
388		OLYMPIAN GENERATOR	COLLECTIONS	1999				\$41,000	
390		OLYMPIAN GENERATOR	COLLECTIONS	2002				\$41,000	
392		SULLAIR 210H COMPRESSOR	COLLECTIONS	2005					
NV6		NASHUA TRAILER	COLLECTIONS	1957					
T301		RETTING UTILITY TRAILER	COLLECTIONS	1999					
T329		SECA JETTIER UNIT	COLLECTIONS	1995					\$25,000
<b>Total Core Units</b>		<b>41</b>			<b>\$305,000</b>	<b>\$255,000</b>	<b>\$180,000</b>	<b>\$208,000</b>	<b>\$130,000</b>

CEMETERY				340					
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2018	FY2019	FY2020	FY2021	FY2022
601	1643	CASE 580 CKB	Loader w/3pt. Hitch	1974				\$56,000	
602	4058	SULAIR COMPRESSOR DF210HJD	Air Compressor	2013					
604		TORO WALK BEHIND	Mower	2002					\$4,000
605	8116	KUBOTA	Mower	2012					
608		HUSTLER \ ATTACHMENTS	Mower	2002					
609		HUSTLER \ ATTACHMENTS	Mower	2001					
610		POLARIS RANGER	Utility Cart	2002	\$25,000				
611	8140	TORO WORKMAN	Utility Cart	2012					
613	8039	JOHN DEERE	Tractor	2007					\$25,000
614		KUBOTA	Utility Cart	2004				\$25,000	
615		HUSTLER \ ATTACHMENTS	Mower	2004	\$45,000				
616		PROCORE 880	SOIL AERATOR	2004			\$30,000		
618		HUSTLER \ ATTACHMENTS	Mower	2007		\$45,000			
619	9839	TORO WORKMAN	Utility Cart	2015					
625	8077	BACKHOE LOADER	OPERATION	2010					
698	9611	KUBOTA	UTV	2013					
<b>Total Core Units</b>		<b>16</b>			<b>\$70,000</b>	<b>\$45,000</b>	<b>\$30,000</b>	<b>\$81,000</b>	<b>\$29,000</b>

BUILDING DIVISION				310					
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2018	FY2019	FY2020	FY2021	FY2022
401	8106	FORD ESCAPE	INSPECTION	2012				\$30,000	
ORDERED		NISSAN ROGUE	INSPECTION	2017					
402	6604	FORD RANGER EXT CAB	INSPECTION	2004					
403	6660	CHEVROLET COLORADO	INSPECTION	2005	\$30,000				\$30,000
404	9633	JEEP PATRIOT	INSPECTION	2015			\$30,000		
406	6924	JEEP PATRIOT	INSPECTION	2014		\$30,000			
407	6924	JEEP PATRIOT	INSPECTION	2014		\$30,000			
408	8107	FORD ESCAPE	INSPECTION	2012				\$30,000	
ORDERED		NISSAN ROGUE	INSPECTION	2017					
409	9846	NISSAN FRONTIER	INSPECTION	2016					
410	8108	FORD ESCAPE	INSPECTION	2012				\$30,000	
ORDERED		NISSAN ROGUE	INSPECTION	2017					
<b>Total Core Units</b>		<b>11</b>			<b>\$30,000</b>	<b>\$60,000</b>	<b>\$30,000</b>	<b>\$90,000</b>	<b>\$30,000</b>

**CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET**

**Equipment Replacement (Cont'd)**

WATER UTILITY DIVISION				335					
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2018	FY2019	FY2020	FY2021	FY2022
52		GMC 2500	Vacant position	2013					
54		GMC 2500	Operations Sup	2013					
595		Ford 350 EXTCAB V10 W/Flatbed	Distribution	2002					
101		Ford 350 EXTCAB V10 W/Service b	Production	2002					
96		Ford 350 EXTCAB V10 W/Service b	Production	2006					
594		Ford 350 EXTCAB V10 W/Service b	Production	2002					
48		Ford 250 V8 W/ Service Body	Service	2011					
46		Ford EXTCAB 150	Service	2010					
47		Ford EXTCAB 150	Back flow	2010					
43		Chevy 2500 W/ Flatbed	Distribution	2008					
90		Chevy 2500 W/ Flatbed	Distribution	2004					
41		Chevy 3500 EXTCAB W/ Flatbed Di	Distribution	2006					
93		Chevy 2500 W/ Service Body	Service	2004					
92		Chevy 2500 W/ Service Body	Service	2004					
40		Chevy W/ Knapheide van	Service	2007					
44		Chevy 2500 W/ Service Body Dies	Production	2008					
91		Chevy 2500 W Service Body Diesel	Production	2004					
42		Chevy 2500	Vacant position	2007					
52		Chevy EXTCAB 1500	Spare/Engineering	2011					
49		Chevy 1500	Safety	2011					
55		VW	Pool car	2014					
		Chevy 2500 pickup	Pool car	2003					
		91 Chevy pickup	Production	1991					
		Boom truck	Production	1984					
		Ford Generator Truck	Production	1997					
		Ford Dump Truck	Distribution	1990					
		Zeeman Equipment Trailer	Distribution	1990					
		Snake River Equipment Trailer	Distribution	2015					
		Cat Skid steer	Distribution	2015					
		Vacuum and Trailer	Service						
		Charmac Enclosed trailer 14'	Operations	2010?					
		Charmac Enclosed trailer 24'	Operations	2013?					
<b>Total Core Units</b>		<b>21</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

STORMWATER UTILITY DIVISION				334					
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2018	FY2019	FY2020	FY2021	FY2022
ORDERED		FORD F150 SUPER CAB PICKUP	ADMIN	2017					
<b>Total Core Units</b>		<b>1</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

PARKING COMM.				395					
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2018	FY2019	FY2020	FY2021	FY2022
811	9819	GRACO LINE PAINTER	MAINTENANCE	2015					
858	6168	CHEVROLET 3500	METER READ	1995	\$50,000				
865	8180	GO-4	METER READ	2010		\$48,000			
866	?	GO-4	METER READ	2003	\$48,000			\$48,000	
867	8030	GO-4	METER READ	2006	\$48,000				
868	8029	GO-4	METER READ	2006		\$48,000			
869	8160	GO-4	METER READ	2008			\$48,000		
870	6615	GMC	SNOW PLOW	2005			\$50,000		
871	6676	JOHN DEERE GATOR	SNOW PLOW	2005				\$18,000	
872	8190	GMC SIERRA	SNOW PLOW	2008		\$50,000			
874	5616	JOHNSTON 605	SWEEPER	1999					
<b>Total Core Units</b>		<b>11</b>			<b>\$146,000</b>	<b>\$146,000</b>	<b>\$98,000</b>	<b>\$66,000</b>	<b>\$0</b>

<b>Total Line</b>	<b>320</b>				<b>\$2,663,450</b>	<b>\$3,121,450</b>	<b>\$4,331,450</b>	<b>\$2,278,450</b>	<b>\$1,936,450</b>
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# CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

## FY18 - FY22 City of Missoula Copier / Printer & Plotter Replacement Schedule

DEPT.	COPIER/PRINTER DESCRIPTION	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
ATTORNEY	W7855PT (+ Env. Try, 3 hole punch & office finisher LX)				12,600				12,600
CEMETERY	Sharp MX5141N (+ saddle stitch finisher and other requirements)			10,700					
CLERK	W7855PT (+ Bookmaker, 3 hole punch & office finisher LX)(Envelope Feed Tray - secondary order)	12,800				12,800			
COUNCIL	Sharp MX-M365N (+ Inner Finisher, stand w/ drawer and power filter)						5,800		
DEV. SERVICES (Prev. Bldg.)	Xerox W7855PT					12,500			
DEV. SERVICES (Prev. PW)	Xerox WC7556P Color MFP	13,500				13,500			
FINANCE	HP LJ M725DN MFP (+ Carepack)							4,800	
FIRE	Xerox WC7556P Color MFP	13,500							
HUMAN RESOURCES	Konica Minolta C360 Bizhub Color Digital MFS	9,300							
MAYOR	W7855PT (+ 3 hole punch & office finisher LX)				12,200				
MRA	Sharp MX4101N	11,500							
MUNI COURT	Toshiba e-Studio 5540ct Digital MFS Color with a fax board								
PARKING	HP LaserJet Pro M570DN	5,200							
PARKS & REC AQUATICS	Ricoh MPC5501			11,400				11,400	
PARKS & REC FACILITIES	Toshiba e-Studio 5540ct Digital MFS Color		10,000						10,000
PARKS & REC FACILITIES	Konica Minolta Bizhub 350								
POLICE	Konica Minolta BizHub C552		15,300						
POLICE	New Device	13,500			13,500				
STREET	Xerox W7125PT Color MFS			7,100					
TRANSPORTATION	Xerox 5855APT		12,000						12,000
WWTP	Konica Minolta Bizhub 223 MFP	4,900							
WWTP	Xerox W7835PT				8,700				
DEPT.	PLOTTER	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
FIRE	HP Designjet Z6200 42" Graphics Plotter w/ Post Script/PDF Upgrade Option for Z6200 (+Ink Pckg) & HP 3 Year Extended Warranty for HP Z6200								18,000
PARKS	HP Designjet T2300 PostScript eMultifunction printer & HP 3-yr NBD DJet HW Spt					12,500			
POLICE	HP Designjet T2300 PostScript eMultifunction printer & HP 3-yr NBD DJet HW Spt					12,500			
ENGINEERING	HP Designjet Z6200 42" Graphics Plotter (+ Ink Pckg) & Extended Warranty - 3YR Next day on-site warranty							18,000	
DEPT.	OTHER EQUIPMENT	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
FINANCE	HASLER M3000 Machine number: 07DX8253 062.2	15,000							15,000
	COMPUTER REPLACEMENT - PERIPHERALS	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	COMPUTER REPLACEMENT - SERVERS	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
		\$ 174,200	\$ 112,300	\$ 104,200	\$ 122,000	\$ 138,800	\$ 80,800	\$ 109,200	\$ 142,600

## RESOLUTION NUMBER 7167

A RESOLUTION OF THE MISSOULA CITY COUNCIL CREATING A DEBT MANAGEMENT POLICY OF THE CITY OF MISSOULA.

**WHEREAS** a debt management policy is helpful for issuing, administering and managing municipal debt; and

**WHEREAS**, Title 7, Chapter 7 of the Montana Code Annotated is entitled “Debt Management” for local government; and

**WHEREAS**, prudent financial management encourages the Missoula City Council to establish a Debt Management Policy to serve as a guideline when the City of Missoula is issuing debt instruments; and

**WHEREAS** the Missoula City Council considered and adopted the attached municipal debt policy for the City of Missoula at its \_\_\_\_\_, 2006 meeting; and

**NOW, THEREFORE, BE IT RESOLVED**, that the attached Policy of the City of Missoula be established as the official debt management policy.

**FURTHER BE IT RESOLVED THAT** this document shall also be included in the Missoula Administrative Rules and Procedures as Policy No. \_\_\_\_, on file in the Missoula City Clerks’ Office.

PASSED AND ADOPTED this 16th day of October, 2006.

ATTEST: APPROVED:

/s/ Martha L. Rehbein

Martha L. Rehbein, City Clerk

/s/ John Engen

John Engen, Mayor

(Seal)

## Debt Management Policy

### City of Missoula

#### Executive Summary

This debt policy for the City of Missoula is designed to provide a clear basis as to the City's policies and practices so that our creditors, elected officials and citizens will understand the basis of debt issuance by the City. This policy formally puts in writing what our past and present debt issuance practices have been.

The policy addresses the following issues:

1. Provides a statement of purpose.
2. Provides general guidelines, definitions and conditions for debt issuance.
3. Discusses the various types of debt issued by the City.
4. Identifies debt structuring characteristics addressing repayment terms, tax exempt status, prepayment provisions, sale to accredited investors and credit ratings.
5. Discusses the three methods for selling the City's debt and the preferred method of sale.
6. Provides a process for underwriter selection for negotiated sales.
7. Provides the basis of award for bond sales.
8. Provides the basic guidelines for the City's debt management:
  - Required Debt service cash flow monitoring.
  - Targeted debt level maximum for voted G.O. debt (66% of statutory debt capacity).
  - Targeted debt level maximum for non-voted General Fund debt (66% of legal debt limit).
  - Targeted debt level maximum for annual appropriation obligations (capital leases) which would be 1% of General fund Expenditures in the preceding year.
  - Basis for issuance of revenue debt (enterprise funds).
  - Criteria for securing the issuance of special improvement district debt and curb & gutter debt.
  - Guidelines for the issuance of tax increment debt.
  - Criteria for the refunding of City debt.
  - Criteria for the use of derivatives (currently illegal for Montana cities).
9. Establishes interim reporting to the Mayor and Council.
10. Other administrative procedures and guidelines for the City Finance office.

This Debt Management Policy is adopted to promote the effective use of debt as a financing tool and to guide decision-making on its application.

## Debt Management Policy

### I. Statement of Purpose

- A. To preserve the public trust and prudently manage public assets to minimize costs to taxpayers and ensure current decisions positively impact future citizens.
- B. To minimize borrowing costs.
- C. To preserve access to capital markets.
- D. To ensure future financial flexibility in debt financing options.

### II. Guidelines for Use of Debt Financing

- A. Debt is a financing tool which should only be judiciously used within the City's legal, financial and debt market capacities.

#### B. Definitions

1. Debt. The creation of debt occurs when a governing body incurs a financial obligation that cannot, or will not, be repaid from current fiscal period revenues. Debt may be in the form of bond or note.
2. Short Term Debt. For purposes of this policy, Short Term Debt means debt with a repayment term of less than 5 years.
3. Long term Debt. For purposes of this Policy, Long Term Debt means debt with repayment terms beyond the term of the Short Term Debt, up to the maximum term allowable by law, generally twenty years.
4. Cash Flow Financing. Cash flow financing means tax and revenue anticipation notes (TANS and RANS) that are issued in anticipation of the receipt of the revenues, and tax dollars levied and appropriated and expected to be received in the fiscal year in which the note is issued. Because TANS and RANS are payable from current year revenues they do not constitute debt.

#### C. General Conditions for the Use of Long-term Debt

Debt will be considered when some or all of the following conditions exist:

1. Estimated future revenues are sufficient to ensure the long-term viability of repayment of the debt obligation;
2. Other financing options have been explored and they are not viable for the timely or economic acquisition or completion of a capital project;
3. A capital project is mandated by federal or state authorities with no other viable funding option available; and
4. The asset useful life lends itself to long term debt financing.

#### D. Debt Issuance versus Pay-As-You-Go (PAYG) Financing

The City shall seek to appropriately use PAYG financing, when feasible, based on the following criteria:

1. The project can be adequately funded from available current revenues and fund balances;
2. The project can be completed within an acceptable timeframe when funded from current revenues;
3. Additional debt levels could adversely impact credit ratings or capacities to repay existing obligations;
4. Market conditions are such that PAYG presents a favorable option; or
5. The asset's useful life itself is not conducive to long term debt financing.

### III. Types of Debt

The City may have choices as to the type of debt which would best meet the needs of the particular financing and its overall objectives. The following is a listing of the types of debt and general guidelines as to their use.

#### A. General Obligation and Related Debt

1. *General Obligation (G.O.)*. General Obligation bonds provide the investor with its most secure City transaction, because of the City's pledge of its unlimited authority to levy ad valorem property taxes for debt service. G.O. bonds require voter approval to be issued. The overall amount of G.O. bonds is limited by statute.
2. *General Fund Bonds*. General Fund bonds are secured by a long-term pledge by the City of General Fund revenues. It differs from a G. O. bond in that it is not a long-term pledge of an unconditional levy of property taxes. The issuance of General Fund bonds has three statutory restrictions: a) no single issue can exceed 10% of the General Fund budget for each of the two preceding years; b) at the time of issuance the total of all such debt service cannot exceed 2% of the General Fund's revenues for each of the two preceding years; and c) the maximum term of any issue cannot exceed 20 years.
3. *Annual Appropriation Obligations*. These obligations are financial contracts which are secured solely by the City's pledge to annually consider an appropriation for their payment. As this consideration is on an annual basis, the obligations do not provide a legally binding commitment for a long-term pledge of repayment. They are less secure to the investor due to the risk of non-appropriation. The City has the potential to use annual appropriation obligations for either governmental purpose projects or as additional security for economic development projects. The City will consider its use in the latter case only in extreme situations and then only for public improvements having a city-wide benefit. In economic development applications the City will look to the related economic development revenues to provide full payment of all obligations and to have a minimum coverage level of 130%.

#### B. Revenue Debt

1. *Revenue Bonds* can be issued to fund certain types of revenue producing municipal enterprises, infrastructure systems or in relation to economic development projects. Revenue bonds are secured by the revenues of the particular system or project being

financed. Revenue bonds are not secured by general municipal revenues or the general property tax.

2. *Tax Increment Financing (TIF) Debt*; this type of revenue bond is secured by TIF revenues from a TIF district or an individual TIF project. TIF bonds can only fund eligible project costs permitted under the statute. In certain cases TIF bonds may be issued as federally taxable securities due to the nature of expenditures and the special augmented security provided by private parties involved with a development.

#### C. Special Assessment Debt

1. *Special Improvement District (SID) Debt*; this type of bond is secured by special assessments levied on specific properties for related municipal infrastructure improvements which specially benefit those particular properties. The statute requires a 5% contribution to an overall SID revolving fund, and the provision for up to an additional 5% for the funding of a debt service reserve fund specific to a particular bond issue, if necessary to secure and market the debt.
2. *Curb and Gutter Debt*; this type of bond is secured by special assessments levied on specific properties for these improvements which specially benefit those particular properties. The statute requires a 5% contribution to an overall SID revolving fund.

#### D. Conduit Bonds

The City may act as an issuer for a private or non-profit party. In these cases the City acts as a 'conduit' issuer of tax-exempt bonds as defined by federal and state law. Conduit bonds are secured solely by revenues of the private or non-profit party, and are not an obligation of the City.

#### E. Debt Structuring Characteristics

In general the City will seek to structure its debt issues with these terms. The City recognizes that certain debt transactions may require deviations from these terms given the specific financial conditions.

1. *Repayment Term*. The City will structure its debt to comply with all federal and state and local requirements as to repayment terms. The City will seek to repay its debt in an expeditious manner within the City's overall financial objectives and in consideration of the dedicated repayment revenue source(s) and the useful life of the project.
2. *Taxable debt*. The City shall primarily seek to issue and/or guarantee only tax-exempt debt and avoid taxable debt to reduce interest expenses. However, the City recognizes that in certain cases the issuance of taxable debt may be required and/or beneficial to the City in reducing its risk for a particular project. Prior to issuing taxable debt the City will complete an evaluation of the cost and risk differentials.
3. *Prepayment Provisions*. Redemption provisions and call features shall be in compliance with particular statutory provisions by type of issue, and be evaluated in the context of each bond sale to enhance marketability of the bonds; to ensure flexibility related to potential early redemption; to foster future refunding transactions; or in consideration of special conditions of the transaction. Additional cost of call premium and higher interest rates as a result of including a call provision shall also be evaluated.

4. *Sale to Accredited Investors.* Certain issues may be of a highly speculative nature due to the type of project or the revenue structure. The City wants to ensure that all of its issues are purchased by investors fully knowledgeable of the risks involved with the investment. For highly speculative issues the City will require the purchase by qualified investors, those generally defined by the Securities and Exchange Commission, Regulation D. To ensure these types of investors are maintained both in the primary and secondary bond markets, the City will require either minimum denominations of \$50,000 or that all future investors are accredited.
5. *Credit Ratings.* The City will seek to obtain investment grade credit ratings when possible. Credit ratings provide a standard for proper bond structuring, generally expand the market thereby reducing overall financing costs and provide an independent assessment of overall financial condition.

#### IV. Bond Sale

##### A. Method of Sale

Three methods of sale exist for the placement of municipal bonds:

1. *Competitive sale.* Bonds are marketed to a wide audience of investment banking (underwriting) firms. Their bids are submitted at a specified time. The underwriter is selected based on its best bid (lowest true interest cost) for its securities.
2. *Negotiated sale.* The City selects the underwriter or group of underwriters of its securities in advance of the bond sale. The City financing team works with the underwriter to bring the issue to market and negotiates all interest rates and terms of the sale.
3. *Private placement.* The City sells its bonds to a limited number of sophisticated investors, and not the general public. Private placement bonds are often characterized as having higher risk or a specific type of investor base.

##### B. Preferred Method of Sale

The City will sell their municipal bond issues on a competitive basis unless specific conditions exist which warrant a different manner. Such conditions may include:

1. A bond structure which is not conducive to a competitive bond sale due to its structure;
2. An issue which lacks an investment grade rating or has complex security provisions;
3. An issue with a small principal amount; and
4. A municipal bond market which is experiencing significant volatility.

Regardless of the conditions above, the City must follow the particular statutory provisions for the method of sale for each type of issue. Further, on all sales the City will obtain an opinion from its financial advisor as to the reasonableness of the financing structure and the proposed interest rates.

C. Selection of Underwriter for Negotiated Sales

For negotiated sales, the City will select an underwriter(s) through a competitive process. This process will include a request for proposals from firms considered appropriate for the underwriting of the particular issue. The Director of Finance will set criteria deemed appropriate for the evaluation of underwriter proposals and select the underwriter(s) based on such criteria.

D. Award of Sale

The City and its agencies will award the sale of its bonds on a true interest cost (TIC) basis. A TIC basis considers the time value of money in its calculation.

**V. Guidelines for Debt Management**

Proactive debt management is a key component to the immediate and long-term success of the City's financial objectives. A successful debt management program begins with comprehensive information on the current debt program status and definition of the future direction of the City's capital financing objectives.

The City recognizes that a negative event relating to the repayment of any of its issues will have significant long term adverse consequences for all future debt obligations regardless of type. The City will seek to incorporate into each of its issues sufficient security provisions to mitigate this risk.

A. Debt Service Cash Flow Monitoring

The City shall maintain a system of debt service revenue forecasting for each of its major debt categories. For revenue only transactions the City will assess the probability of future collections of pledged revenues.

B. Guidelines for Targeted Debt Level Maximums

Maintaining the appropriate levels of debt is important to preserve capacity for future infrastructure investments and to position for high credit quality. Each type of debt has its own appropriate level. The appropriate levels are internally determined based on a variety of factors, such as: infrastructure investment needs of the particular service area, capacity to repay debt from the specific revenue source, and the sector's credit rating objectives. Since these factors can change over time, any debt guideline must be periodically reviewed to reflect evolving City conditions.

1. General Obligation Debt

The sum of all City direct debt by type shall not exceed the lesser of:

Percent of Assessed Valuation	66% of legal debt limit
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2. General Fund Debt

Principal Of Each Debt Issue Not To Exceed : (a) 10% of General Fund Budget each preceding two years, and (b) total debt service for all outstanding debt (66 % of General Fund Legal limit = 66% X 2% Revenues for each preceding two years) = 1.32% (of General Fund revenues) which is the targeted limit for General Fund debt issuance.

3. Annual Appropriation Obligations (i.e. capital leases)

Percent of General Municipal Expenditures in preceding year: - 1.0 %

4. Revenue (Enterprise) Obligations

Each type of enterprise fund revenue debt has an estimated capacity caused by its financial position, user rate revenue generation capability, and existing and anticipated future debt requirements.

5. Special Improvement District; Curb and Gutter Revenue Bonds;

The City will seek to maintain a security profile which will assist in mitigating any exposure of revenue deficiency draws against the overall revolving fund and funded reserve levels, and where possible obtain investment-grade credit ratings. The City recognizes that having to draw upon the revolving fund, supplemental reserves or a payment default puts at risk the City's ability to efficiently fund all outstanding and future related issues. To maintain appropriate security the City will generally require the following security profile to each of these issues;

- a. Funding of the 5% SID Revolving Fund is mandatory,
- b. Financing improvements to properties where at least 50% have structures on the parcels, and
- c. Assessments to Market Value being less than 33%.

If these conditions cannot be met and the City still wishes to issue the bonds, then the City may seek one or more of the following additional risk mitigation approaches

- d. Debt Service Reserve equal to an additional 5% may be established for a specific debt issue,
- e. Require the project to be constructed and financed in multiple phases, or
- f. Require supplemental private party guarantees in the form of direct pay letters-of-credits from financial institutions with industry credit ratings of good or higher.

6. Tax Increment Financing Debt;

Where possible the City will seek to have pay-as-you-go TIF debt, wherein the project's private beneficiary receives debt payments over a period of time only from actual revenue collections. Where the project or financing does not lend itself to a PAYG approach, the City will require the individual TIF issues to have a funded debt service reserve, coverage at a minimum of 125%, an executed development contract clearly specifying the developer's requirements as to timing and valuation of development with suitable remedies for the City in the event of non-performance. Where appropriate the City will seek such other security guarantees as are deemed necessary solely by the City, regardless of the tax standing of the particular issue.

7. Defeasance, Prepayment and Refunding

The accelerated retirement and restructuring of debt can be valuable debt management tools. Accelerated retirement occurs through the use of defeasance and the exercise of prepayment provisions. Debt is often restructured through the issuance of refunding bonds.

The federal government has placed significant conditions on the tax-exempt refunding of outstanding issues. Refundings have two general categories:

Current refundings, where the refunding bonds are settled within 90 days of an optional prepayment date; and

Advance refundings, where refundings are settled more than 90 days in advance of an optional prepayment date. The federal restrictions are that any issue can only be advance refunded once on a tax-exempt basis.

On advance refundings the City will seek to obtain a minimum present value savings level of 3% of the present value of refunded debt service.

State law requires a demonstration of savings of 0.5% reduction in the average coupon interest rate between the refunding and refunded bonds.

#### 8. Derivatives

Montana municipalities are not currently authorized to use derivatives. If state law authorizes municipalities to use derivatives, the City would consider their use in conjunction with significant evaluation as to the risks and benefits and with the advice of independent industry professionals. If used, the City would follow the Government Finance Officers Association's Recommended Practice on the use of Derivatives.

### VI. Interim Reporting

The Director of Finance will provide the Mayor, City Council and Chief Administrative Officer a summary debt report at minimum at six-month intervals within 30 days of each December 31<sup>st</sup> and June 30<sup>th</sup>. While the contents of the summary debt report may vary over time, at minimum it will cover the actual experience to the Guidelines for Targeted Debt Maximums.

### VII. Compliance

#### A. Compliance with Statutory and Code of Ordinances

The authority and manner in which the City issues its bonds are in large part dictated by the conveyed state statutory authority. The statutes provide numerous requirements on the issuance and structuring of City bonds, with variations by type of debt. The City will follow all statutory requirements in the issuance and structuring of its debt obligations, as well as ordinances provisions relative to debt issuance, term of debt, structuring, method of sale, etc.

#### B. Monitoring of Covenant Compliance

The City's revenue bonds generally have a number of bond covenants requiring ongoing compliance and conditions for future bond issuance on an equal security ('parity') basis. The City will maintain a compliance monitoring system by revenue bond type of all bond covenants. The system will track trends in coverage levels over time and capacity availability under the additional bonds covenants.

#### C. Federal Arbitrage and Rebate Compliance

1. The City will fully comply with the federal arbitrage and rebate regulations. Concurrent with this policy, the City will take all permitted steps to minimize any rebate liability through proactive management in the structuring and oversight of its individual debt issues.

2. All of the City's tax-exempt issues and obligations are subject to arbitrage compliance regulations. The Finance Department and the requesting departments shall be responsible for the following:
  - a. Using bond proceeds only for the purpose and authority for which the bonds were issued. Tax-exempt bonds will not be issued unless it can be demonstrated that 85% of the proceeds will be expended within the three-year temporary period.
  - b. Performing rebate calculations on certain construction funds as determined by IRS. The City will engage an arbitrage consulting firm to perform annual rebate calculations.
  - c. Performing rebate computations annually, but in no event later than each five-year anniversary date of the issuance and at the final maturity for all bonds. Examining whether the City met the rebate exception calculation rules.
  - d. Maintaining detailed investment records, including purchase prices, sale prices and comparable market prices for all securities.
  - e. Monitoring expenditure of the bond proceeds and exercising best efforts to spend bond proceeds in such a manner that the City shall meet one of the spend-down exemptions from rebate.
  - f. Monitoring the investment of bond proceeds with awareness of rules pertaining to yield restrictions.

To the extent rebate liability exists, the City will report such liability in its comprehensive annual financial report (CAFR).

## **VIII. Disclosure Compliance**

### **A. Introduction**

Disclosure is both a regulatory requirement and a highly advisable means to enhance the marketing of the City's bonds. The Securities and Exchange Commission (SEC) regulates both primary disclosure, the initial marketing of a bond issue, and continuing disclosure, the ongoing information to the market about the status of the issue and issuer. Initial and ongoing disclosure are subject to the anti-fraud provisions of the securities laws, requiring an issuer to provide all material information about a bond issue and the security for the bond issue. In addition to general anti-fraud issues, the SEC regulates the manner in which bond underwriters can underwrite municipal securities. SEC Rule 15c2-12 (the "Rule") requires, among other things, that an underwriter obtain an official statement meeting certain requirements. The Rule also prohibits and underwriter from marketing municipal securities unless the issuer enter into an undertaking to provide continuing disclosure to the market.

Adequate disclosure on both a primary and continuing basis can enhance the marketability of the City's bonds by providing potential investors with current and professional information regarding the City. Timely and accurate completion of these tasks both influences investors' decisions on purchasing the City's bonds and contributes to the competitive audience for the City's bonds.

The City will fully comply with disclosure regulations.

B. Primary

In the preparation of official statements the City will follow professional and market standards in the presentation of disclosure about its bond issues. The City will facilitate the distribution of the official statements in a timely manner to allow investors adequate time to make their investment decisions in an informed manner. The City will disclose all material information about its bond issue and the security for the bond issue

The City will execute continuing disclosure undertakings in a manner to fully comply with regulatory provisions and ensure a full disclosure of appropriate information to the market.

C. Secondary

The City will meet all substantive and time requirements in its annual continuing disclosure filings, which include making the City's CAFR available to the public 180-270 days after the fiscal year end. The City will keep current with any changes in both the administrative aspects of its filing requirements and the national repositories responsible for ensuring issuer compliance with the continuing disclosure regulations. In the event a 'material event' occurs requiring immediate disclosure, the City will ensure information flows to the appropriate disclosure notification parties in a timely manner.

Any filing may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at <http://www.disclosureusa.org>, unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004.

# **CITY OF MISSOULA INVESTMENT POLICY**

Revised February 2000

Modeled After Government Finance Officers Association  
Sample Investment Policy  
Committee on Cash Management

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## I. Scope

This policy applies to the investment of short-term operating funds. Proceeds from certain bond issues will be covered by a separate policy.

### 1. *Pooling of Funds*

Except for cash in certain restricted and special funds, the City of Missoula will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

## II. General Objectives

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

### 1. *Safety*

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

#### a. Credit Risk

The City of Missoula will minimize credit risk, the risk of loss due to the failure of the security issuer *or* backer, by:

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

#### b. Interest Rate Risk

The City of Missoula will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

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

### 2. *Liquidity*

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds or local government investment pools, which offer same-day liquidity for short-term funds.

3. *Yield*

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

1. A security with declining credit may be sold early to minimize loss of principal.
2. A security swap would improve the quality, yield, or target duration in the portfolio.
3. Liquidity needs of the portfolio require that the security be sold.

### III. Standards of Care

1. *Prudence*

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

2. *Ethics and Conflicts of Interest*

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City of Missoula.

3. *Delegation of Authority*

Authority to manage the investment program is granted to the City's Finance Director/Treasurer, hereinafter referred to as investment officer and derived from the following: 7-6-201 M.C.A. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy.

Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the

terms of this policy and the procedures established by the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

#### IV. Safekeeping and Custody

##### 1. *Authorized Financial Dealers and Institutions*

A list will be maintained of financial institutions authorized to provide investment services. In addition, a list also will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least five years of operation). These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements
- Proof of National Association of Securities Dealers (NASD) certification
- Proof of state registration
- Completed broker/dealer questionnaire
- Certification of having read and understood and agreeing to comply with the City of Missoula's investment policy.

An annual review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the investment officer. (See the GFOA Recommended Practice on "Governmental Relationships with Securities Dealers," in Appendix 3.)

From time to time, the investment officer may choose to invest in instruments offered by minority and community financial institutions. In such situations, a waiver to the criteria under Paragraph 1 may be granted. All terms and relationships will be fully disclosed prior to purchase and will be reported to the appropriate entity on a consistent basis and should be consistent with state or local law. These types of investment purchases should be approved by the appropriate legislative or governing body in advance.

##### 2. *Internal Controls*

The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City of Missoula are protected from loss, theft or misuse. The internal control structure shall be designed

to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the investment officer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record-keeping
- Custodial safekeeping
- Avoidance of physical delivery securities

- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

3. *Delivery vs. Payment*

All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

## V. Suitable and Authorized Investments

1. *Investment Types*

Consistent with the GFOA Policy Statement on State and Local Laws Concerning Investment Practices, the following investments will be permitted by this policy and are those defined by state and local law (7-6-2 01 M.C.A., 7-6-202 M.C.A., 7-6-206 M.C.A. 17-6-204 M.C.A.) where applicable:

**7-6-201. Deposit of public funds in financial institutions.** (1) Except as provided in 7-6-202, 7-6-206 or 7-6-2701, it shall be the duty of all county and city treasurers and town clerks to deposit all public money in their possession and under their control in any solvent banks, building and loan associations, savings and loan associations, or credit unions located in the county, city, or town of which such treasurer is an officer, subject to national supervision or state examination as the local governing body may designate, and no other.

(2) Said local governing body is hereby authorized to deposit such public money not necessary for immediate use by such county, city, or town in a savings or time deposit with any bank, building and loan association, savings and loan association, or credit union authorized above or in a repurchase agreement as authorized in 7-6-213.

(3) The treasurer or town clerk shall take from such bank, building and loan association, savings and loan association, or credit union such security as the local governing body may prescribe, approve, and deem fully sufficient and necessary to insure the safety and prompt payment of all such deposits, together with the interest on any time or savings deposits.

(4) All such deposits shall be subject to withdrawal by the treasurer or town clerk in such amounts as may be necessary from time to time. No deposit of funds shall be made or permitted to remain in any bank, building and loan association, savings and loan association, or credit union until the security for such deposits shall have been first approved by the local governing body and delivered to the treasurer or town clerk.

**7-6-202. Investment of public money in direct obligations of United States.** (1) A local governing body may invest public money not necessary for immediate use by the county, city, or town in the following eligible securities:

(a) United States government treasury bills, notes, and bonds and in United States treasury obligations, such as state and local government series (SLGS), separate trading of registered interest and principal of securities (STRIPS), or similar United States treasury obligations;

(b) United States treasury receipts in a form evidencing the holder's ownership of future interest or principal payments on specific United States treasury obligations that, in the

absence of payment default by the United States, are held in a special custody account by an independent trust company in a certificate or book-entry form with the federal reserve bank of New York; or

(c) obligations of the following agencies of the United States, subject to the limitations in subsection (2):

- (i) federal home loan bank;
- (ii) federal national mortgage association;
- (iii) federal home mortgage corporation; and
- (iv) federal farm credit bank.

(2) An investment in an agency of the United States is authorized under this section if the investment is a general obligation of the agency and has a fixed or zero-coupon rate and does not have prepayments that are based on underlying assets or collateral, including but not limited to residential or commercial mortgages, farm loans, multifamily housing loans, or student loans.

(3) The local governing body may invest in a United States government security money market fund if;

(a) the fund is sold and managed by a management-type investment company or investment trust registered under the Investment Company Act of 1940 (15 U.S.C. 80a-64), as may be amended;

(b) the fund consists only of eligible securities as described in this section;

(c) the use of repurchase agreements is limited to agreements that are fully collateralized by the eligible securities, as described in this section, and the investment company or investment trust takes delivery of the collateral for any repurchase agreement, either directly or through an authorized custodian;

(d) the fund is listed in a national financial publication under the category of “money market mutual funds”, showing the fund’s average maturity, yield, and asset size; and

(e) the fund’s average maturity does not exceed 397 days.

(4) Except as provided in subsection (5), an investment authorized in this part may not have a maturity date exceeding 5 years, except when the investment is used in an escrow account to refund an outstanding bond issue in advance.

(5) An investment of the assets of a local government group self-insurance program established pursuant to 2-9-211 or 39-71-2103 in an investment authorized in this part may not have a maturity date exceeding 10 years, and the average maturity of all those authorized investments of a local government group self-insurance program may not exceed 6 years.

(6) This section may not be construed to prevent the investment of public funds under the state unified investment program established in Title 17, chapter 6, part 2.

**7-6-206. Time deposits—repurchase agreement.** (1) Public money not necessary for immediate use by a county, city, or town that is not invested as authorized in 7-6-202 may be placed in time or savings deposits with a bank, savings and loan association, or credit union in the state or placed in repurchase agreements as authorized in 7-6-213. Money placed in repurchase agreements is subject to subsection (2).

(2) The local governing body may solicit bids for time or savings deposits from a bank, savings and loan association, or credit union in the state. The local governing body may deposit public money in the institutions unless a local financial institution agrees to pay the same rate of interest bid by a financial institution not located in the county, city, or town. The governing body may solicit bids by notice sent by mail to the investment institutions that have requested that their names be listed for bid notice with the department of administration.

**17-6-204. Investment of local government funds.** (1) The governing body of any

city, county, school district, or other local government unit or political subdivision having funds which are available for investment and are not required by law or by any covenant or agreement with bondholders or others to be segregated and invested in a different manner may direct its treasurer to remit such funds to the state treasurer for investment under the direction of the board of investments as part of the pooled investment fund.

(2) A separate account, designated by name and number for each such participant in the fund, shall be kept to record individual transactions and totals of all investments belonging to each participant. A monthly report shall be furnished to each participant having a beneficial interest in the pooled investment fund, showing the changes in investments made during the preceding month. Details of any investment transaction shall be furnished to any participant upon request.

(3) The principal and accrued income, and any part thereof, of each and every account maintained for a participant in the pooled investment fund shall be subject to payment at any time from the fund upon request. Accumulated income shall be remitted to each participant at least annually.

(4) No order or warrant shall be issued upon any account for a larger amount than the principal and accrued income of the account to which it applies, and if any such order or warrant is issued, the participant receiving it shall reimburse the excess amount to the fund from any funds not otherwise appropriated, and the state treasurer shall be liable under his official bond for any amount not so reimbursed.

Investment in derivatives of the above instruments is not authorized by the City of Missoula's investment policy. (See the GFOA Recommended Practice on "Use of Derivatives by State and Local Governments," 1994.)

## 2. *Collateralization*

Where allowed by state law and in accordance with the GFOA Recommended Practices on the Collateralization of Public Deposits, collateralization will be required on non-negotiable certificates of deposit to the extent allowable by state law. (See GFOA Recommended Practices, Appendix 3.) Montana state law (7-6-207 M.C.A. and 7-6-208 M.C.A) establishes the deposit security requirements for City investments:

**7-6-207. Deposit security.** (1) The local governing body may require security only for that portion of the deposits which is not guaranteed or insured according to law and, as to such unguaranteed or uninsured portion, to the extent of:

(a) 50% of such deposits if the institution in which the deposit is made has a net worth to total assets ratio of 6% or more; or

(b) 100% if the institution in which the deposit is made has a net worth to total assets ratio of 6%. The security shall consist of those enumerated in 17-6-103 or cashier's checks issued to the depository institution by any federal reserve bank.

(2) When negotiable securities are furnished, such securities may be placed in trust. The trustee's receipt may be accepted in lieu of the actual securities when such receipt is in favor of the treasurer or town clerk and his successors. All warrants or other negotiable securities must be properly assigned or endorsed in blank. It is the duty of the appropriate governing body, upon the acceptance and approval of any of the above-mentioned bonds or securities, to make a complete minute entry of the acceptance and approval upon the record of their proceedings, and the bonds and securities shall be reappraised at least quarter-annually thereafter.

**7-6-208. Substitution of deposit security.** (1) Any bank, building and loan association, savings and loan association, or credit union pledging securities as provided in 7-6-207, at any time it deems advisable or desirable, may substitute like securities for all or any part of the securities pledged. The collateral so substituted shall be approved by the governing body of the county, city, or town at its next official meeting.

(2) Such securities so substituted shall at the time of substitution be at least equal in principal amount to the securities for which substitution is made. In the event that the securities so substituted are held in trust, the trustee shall, on the same day the substitution is made, forward a receipt by registered or certified mail to the county, city, or town and to the depository bank, building and loan association, savings and loan association, or credit union. The receipt shall specifically describe and identify both the securities so substituted and those released and returned to the depository bank, building and loan association, savings and loan association, or credit union.

Securities eligible for pledging to secure deposits of public funds are enumerated in 17-6-103 M.C.A.

3. *Repurchase Agreements*

Repurchase agreements shall be consistent with GFOA Recommended Practices on Repurchase Agreements, (See GFOA Recommended Practices, Appendix 3.)

## VI. Investment Parameters

1. *Diversification*

The investments shall be diversified by:

- limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- limiting investment in securities that have higher credit risks, investing in securities with varying maturities, and
- continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations. (See the GFOA Recommended Practice on "Diversification of Investments in a Portfolio" in Appendix 3.)

2. *Maximum Maturities*

To the extent possible, the City of Missoula shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City of Missoula will not directly invest in securities maturing more than five (5) years from the date of purchase or in accordance with state and local statutes and ordinances. The City of Missoula shall adopt weighted average maturity limitations (which often range from 90 days to 3 years), consistent with the investment objectives. (See the GFOA Recommended Practice on "Maturities of Investments in a Portfolio" in Appendix 3.)

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as LGIPs, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

## VII. Reporting

### 1. *Methods*

The investment officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner, which will allow the City of Missoula to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the investment officer, the legislative body, and any pool participants.

The report will include the following:

- a. Listing of individual securities held at the end of the reporting period.
- b. Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity (in accordance with Governmental Accounting Standards Board (GASB) requirements).
- c. Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.
- d. Listing of investment by maturity date.
- e. Percentage of the total portfolio, which each type of investment represents.

### 2. *Performance Standards*

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.

### 3. *Marking to Market*

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools." (See GFOA Recommended Practices, Appendix 3.) In defining market value, considerations should be given to the GASB Statement 31 pronouncement.

## VIII. Policy Considerations

### 1. *Exemption*

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

### 2. *Amendments*

This policy shall be reviewed on an annual basis. Any changes must be approved by the investment officer and any other appropriate authority, as well as the individual(s) charged with maintaining internal controls.

## Appendix 1: Glossary

The following is a glossary of key investing terms, many of which appear in GFOA's Sample Investment Policy.

**Accrued Interest** — The accumulated interest due on a bond as of the last interest payment made by the issuer.

**Agency** — A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

**Amortization** — The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

**Average Life** — The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

**Basis Point** — A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., "1/4" of 1 percent is equal to 25 basis points.

**Bid** — The indicated price at which a buyer is willing to purchase a security or commodity.

**Book Value** — The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

**Callable Bond** — A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

**Call Price** — The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

**Call Risk** — The risk to a bondholder that a bond may be redeemed prior to maturity.

**Cash Sale/Purchase** — A transaction that calls for delivery and payment of securities on the same day that the transaction is initiated.

\*This glossary has been adapted from an article, entitled "Investment terms for everyday use," that appeared in the April 5, 1996, issue of *Public Investor*, GFOA's subscription investment newsletter.

**Collateralization** — Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

**Commercial Paper** - An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

**Convexity** — A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

**Coupon Rate** — The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the "interest rate."

**Credit Quality** — The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

**Credit Risk** — The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

**Current Yield (Current Return)** — A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

**Delivery Versus Payment (DVP)** — A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

**Derivative Security** — Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

**Discount** — The amount by which the par value of a security exceeds the price paid for the security.

**Diversification** — A process of investing assets among a range of security types by sector, maturity, and quality rating.

**Duration** — A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

**Fair Value** — The amount, at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Federal Funds (Fed Funds)** — Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each

other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

**Federal Funds Rate** — Interest rate charged by one institution lending federal funds to the other.

**Government Securities** — An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

**Interest Rate** — See "Coupon Rate."

**Interest Rate Risk** — The risk associated with declines or rises in interest rates, which cause an investment in a fixed-income security to increase or decrease in value.

**Internal Controls** — An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits require estimates and judgments by management. Internal controls should address the following points:

1. Control of collusion — Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. Separation of transaction authority from accounting and record keeping — By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
3. Custodial safekeeping — Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
4. Avoidance of physical delivery securities — Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. Clear delegation of authority to subordinate staff members - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. Written confirmation of transactions for investments and wire transfers - Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
7. Development of a wire transfer agreement with the lead bank and third-party custodian - The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

**Inverted Yield Curve** — A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

**Investment Company Act of 1940** — Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

**Investment Policy** — A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

**Investment-grade Obligations** - An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

**Liquidity** — An asset that can be converted easily and quickly into cash.

**Local Government Investment Pool (LGIP)** — An investment by local governments in which their money is pooled as a method for managing local funds.

**Mark-to-market** — The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

**Market Risk** — The risk that the value of a security will rise or decline as a result of changes in market conditions.

**Market Value** — Current market price of a security.

**Maturity** — The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See "Weighted Average Maturity."

**Money Market Mutual Fund** — Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

**Mutual Fund** — An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund's holdings, performance, management and general investment policy.
3. Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus that is updated and filed by the SEC annually.

**Mutual Fund Statistical Services** — Companies that track and rate mutual funds, e.g., IBC/Donoghue, Lipper Analytical Services, and Morningstar.

**National Association of Securities Dealers (NASD)** — A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

**Net Asset Value** — The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below.)

$$[(\text{Total assets}) - (\text{Liabilities})]/(\text{Number of shares outstanding})$$

**No Load Fund** — A mutual fund, which does not levy a sales charge on the purchase of its shares.

**Nominal Yield** — The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

**Offer** — An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask price."

**Par** — Face value or principal value of a bond, typically \$1,000 per bond.

**Positive Yield Curve** — A chart formation that illustrates short-term securities having lower yields than long-term securities.

**Premium** — The amount by which the price paid for a security exceeds the security's par value.

**Prime Rate** — A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

**Principal** — The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

**Prospectus** — A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

**Prudent Person Rule** — An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

**Regular Way Delivery** — Securities settlement that calls for delivery and payment on the third business day following the trade date (T+3); payment on a T+1 basis is currently under consideration. Mutual funds are settled on a same day basis; government securities are settled on the next business day.

**Reinvestment Risk** — The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

**Repurchase Agreement (repo or RP)** — An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

**Reverse Repurchase Agreement (Reverse Repo)** — An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

**Rule 2a-7 of the Investment Company Act** — Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13- month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

**Safekeeping** — Holding of assets (e.g., securities) by a financial institution.

**Serial Bond** — A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

**Sinking Fund** — Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

**Swap** — Trading one asset for another.

**Term Bond** — Bonds comprising a large part or all of a particular issue that come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

**Total Return** — The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period.

$$(\text{Price Appreciation}) + (\text{Dividends paid}) + (\text{Capital gains}) = \text{Total Return}$$

**Treasury Bills** — Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000.

Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

**Treasury Notes** — Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from \$1,000 to \$1 million or more.

**Treasury Bonds** — Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of \$1,000. Currently, the longest outstanding maturity for such securities is 30 years.

**Uniform Net Capital Rule** — SEC Rule 15C3-1 outlining capital requirements for broker/dealers.

**Volatility** — A degree of fluctuation in the price and valuation of securities.

**"Volatility Risk" Rating** — A rating system to clearly indicate the level of volatility and other non-credit risks associated with securities and certain bond funds. The ratings for bond funds range from those that have extremely low sensitivity to changing market conditions and offer the greatest stability of the returns ("aaa" by S&P; "V-1" by Fitch) to those that are highly sensitive with currently identifiable market volatility risk ("ccc-" by S&P, "V-10" by Fitch).

**Weighted Average Maturity (WAM)** — The average maturity of all the securities that comprise a portfolio. According to SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 90 days and no one security may have a maturity that exceeds 397 days.

**When Issued (WI)** — A conditional transaction in which an authorized new security has not been issued. All "when issued" transactions are settled when the actual security is issued.

**Yield** — The current rate of return on an investment security generally expressed as a percentage of the security's current price.

**Yield-to-call (YTC)** — The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

**Yield Curve** — A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

**Yield-to-maturity** — The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

**Zero-coupon Securities** — Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

## Appendix 2: Investment Pools

### 1. Definition

In most states, there are provisions for the creation and operation of a government investment pool. The purpose of a pool is to allow political subdivisions to pool investable funds in order to achieve a potentially higher yield.

There are basically three (3) types of pools: 1) state-run pools; 2) pools that are operated by a political subdivision where allowed by law and the political subdivision is the trustee; and 3) pools that are operated for profit by third parties. Prior to any political subdivision being involved with any type of pool, a thorough investigation of the pool and its policies and procedures must be reviewed.

### 2. Pool Questionnaire

Prior to entering a pool, the following questions and issues should be considered:

***Securities:***

Government pools may invest in a broader range of securities than an entity may invest in. It is important to be aware of, and comfortable with, the securities a pool buys. The following is a list of questions an investment officer may wish to ask a prospective pool:

1. Does the pool provide a written statement of investment policy and objectives?
2. Does the statement contain:
  - a. a description of eligible investment instruments?
  - b. the credit standards for investments?
  - c. the allowable maturity range of investments?
  - d. the maximum allowable dollar weighted average portfolio maturity?
  - e. the limits of portfolio concentration permitted for each type of security?
  - f. the policy on reverse repurchase agreements, options, short sales and futures?
3. Are changes in the policies communicated to the pool participants?
4. Does the pool contain only the types of securities that are permitted by your investment policy?

***Interest:***

Interest is not reported in a standard format, so it is important to know how interest is quoted, calculated, and distributed in order to make comparisons with other investment alternatives.

***Interest Calculations:***

1. Does the pool disclose the following about yield calculations:
  - a. the methodology used to calculate interest? (simple maturity, yield to maturity, etc.)
  - b. the frequency of interest payments?
  - c. how interest is paid? (credited to principal at the end of the month, each quarter; mailed?)
  - d. how are gains/losses reported? factored monthly or only when realized?

***Reporting:***

1. Is the yield reported to participants of the pool monthly? (If not, how often?)
2. Are expenses of the pool deducted before quoting the yield?
3. Is the yield generally in line with the market yields for other investment alternatives?
4. How often does the pool report? What information does that report include? Does it include the market value of securities?

***Security:***

The following questions are designed to help safeguard funds from loss of principal and loss of market value.

1. Does the pool disclose safekeeping practices?
2. Is the pool subject to audit by an independent auditor at least annually?
3. Is a copy of the audit report available to participants?
4. Who makes the portfolio decisions?
5. How does the manager monitor the credit risk of the securities in the pool?
6. Is the pool monitored by someone on the board of a separate neutral party external to the investment function to ensure compliance with written policies?
7. Does the pool have specific policies with regard to the various investment vehicles?
  - a. What are the different investment alternatives?
  - b. What are the policies for each type of investment?
8. Does the pool mark the portfolio to its market value?
9. Does the pool disclose the following about how portfolio securities are valued:
  - a. the frequency with which the portfolio securities are valued?
  - b. the method used to value the portfolio (cost, current value, or some other method)?

***Operations:***

The answers to these questions will help determine whether this pool meets the entity's operational requirements:

1. Does the pool limit eligible participants?
2. What entities are permitted to invest in the pool?
3. Does the pool allow multiple accounts and sub-accounts?
4. Is there a minimum or maximum account size?
5. Does the pool limit the number of transactions each month? What is the number?
6. Is there a limit on transaction amounts for withdrawals and deposits?
  - a. What is the minimum and maximum withdrawal amount permitted?
  - b. What is the minimum and maximum deposit amount permitted?
7. How much notice is required for withdrawals/deposits?
8. What is the cutoff time for deposits and withdrawals?
9. Can withdrawals be denied?
10. Are the funds 100 percent withdrawable at anytime?
11. What are the procedures for making deposits and withdrawals?
  - a. What is the paperwork required, if any?
  - b. What is the wiring process?
12. Can an account remain open with a zero balance?
13. Are confirmations sent following each transaction?

***Statements:***

It is important for (*the designated official*) and the agency's trustee (when applicable), to receive statements monthly so the pool's records of activity and holdings are reconciled by (*the designated official*) and its trustee.

1. Are statements for each account sent to participants?
  - a. What are the fees?
  - b. How often are they passed?
  - c. How are they paid?
  - d. Are there additional fees for wiring funds? (What is the fee?)
2. Are expenses deducted before quoting the yield?

***Questions to Consider for Bond Proceeds:***

It is important to know (1) whether the pool accepts bond proceeds and (2) whether the pool qualifies with the U.S. Department of the Treasury as an acceptable commingled fund for arbitrage purposes.

1. Does the pool accept bond proceeds subject to arbitrage rebate?
2. Does the pool provide accounting and investment records suitable for proceeds of bond issuance subject to arbitrage rebate?
3. Will the yield calculation reported by the pool be acceptable to the IRS or will it have to be recalculated?
4. Will the pool accept transaction instructions from a trustee?
5. Are separate accounts allowed for each bond issue so that the interest earnings of funds subject to rebate are not commingled with funds not subject to regulations?

**Appendix 3: GFOA Recommended Practices and Policy Statements**

A complete list of the City's adopted investment practices can be found in Resolution #6301.

**RESOLUTION NUMBER 8214**

**A resolution of the Missoula City Council amending Resolution 8189 to reflect the final budget and appropriation amounts that represent their discussion, deliberation and decisions reached during the budget process and affirm their approval of the budget and annual appropriations and the Capital Improvement Program for the City of Missoula as set forth in the Fiscal Year 2018 Budget and Capital Improvement Program including: • The Tourism Business Improvement District work plan and budget for Fiscal Year 2018 • The Business Improvement District work plan and budget for Fiscal Year 2018. • The Park District Number 1 work plan and budget for Fiscal Year 2018. • The Road District Number 1 work plan and budget for Fiscal Year 2018.**

**WHEREAS**, between May 24th and July 24th, 2017 the City Council of Missoula was presented with budgets for all funds of the City of Missoula and the City Council deliberated on the Fiscal Year 2018 Budget and;

**WHEREAS**, on July 17th and July 24th the City Council of Missoula held public hearings for public comment on the Fiscal Year 2018 budget, and amended the executive budget affecting the overall numbers in the final budget resolution, and;

**WHEREAS**, on July 24th, 2017 the City Council of Missoula approved Resolution 8189 fixing the annual appropriations and the Capital Improvement Program for the City of Missoula as set forth in the Fiscal Year 2018 Budget and Capital Improvement Program including: • The Tourism Business Improvement District work plan and budget for Fiscal Year 2018 • The Business Improvement District work plan and budget for Fiscal Year 2018. • The Park District Number 1 work plan and budget for Fiscal Year 2018. • The Road District Number 1 work plan and budget for Fiscal Year 2018, and;

**WHEREAS**, the City Council wishes to amend Resolution 8189 to reflect the final budget and appropriation amounts that represent their discussion, deliberation and decisions reached during the budget process and affirm their approval of the budget and final appropriations for fiscal year 2018 as follows.

**NOW, THEREFORE, BE IT RESOLVED BY THE MISSOULA CITY COUNCIL:**

## SECTION I

That the total budgeted expenditures, transfers-out and year-end fund balance for the City of Missoula, Montana for Fiscal Year 2018 is hereby estimated at \$209,369,231. The breakdown of the funds and estimated local property taxes required are as follows:

Budgeted Expenditures	159,767,345
Inter-fund Transfers Out	14,554,182
Projected End-of-year Fund Balance	35,047,704
<b>Total Funds Required</b>	<b>\$209,369,231</b>
Beginning-of-year Fund Balance	36,335,172
Non-tax Revenues	127,766,357
Inter-fund Transfers In	14,554,182
<b>Sub-total Non-Tax Funds Available</b>	<b>\$178,655,710</b>
Estimated Property Tax Requirements	\$ 30,713,521

## SECTION II

That annual appropriations and transfers out for various departments of the City of Missoula, Montana for the Fiscal Year 2018 will be controlled and monitored for budgetary compliance at the fund level.

SECTION III

Generally accepted accounting principles (GAAP) require expenditures to be recognized in the fiscal year in which the goods or services are received. Previous fiscal year appropriations for incomplete improvements in progress of construction, or segments thereof entered into under contract or purchase order by the City, are hereby declared authorized appropriations provided they meet the following criteria:

- a. related financing was provided in the prior fiscal year;
- b. the appropriations were not obligated by year end;
- c. the purpose was not included, or rejected, in current budget financing or appropriations; and,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Missoula, Montana shall adopt the Capital Improvement Program for Fiscal Years 2018-2022. AND, BE IT FURTHER RESOLVED THAT the Missoula City Clerk is directed to enter this resolution into the minutes of the meeting at which this resolution was adopted.

PASSED AND ADOPTED this 25th day of September, 2017.

ATTEST:

APPROVED:

/s/ Martha L. Rehbein  
Martha L. Rehbein  
Legislative Service Director/City Clerk

/s/ John Engen  
John Engen  
Mayor

(SEAL)

<b>MONTANA DEPARTMENT OF REVENUE</b>		
<table style="width: 100%; border: none;"> <tr> <td style="font-size: small; padding: 2px;">Property Assessment Division Justice Building</td> <td style="text-align: right; font-size: small; padding: 2px;">2681 Palmer St. Suite 1 Missoula, Montana 59808-1707</td> </tr> </table>	Property Assessment Division Justice Building	2681 Palmer St. Suite 1 Missoula, Montana 59808-1707
Property Assessment Division Justice Building	2681 Palmer St. Suite 1 Missoula, Montana 59808-1707	

August 3, 2017

Board of County Commissioners  
Missoula County Courthouse  
200 W Broadway  
Missoula, MT 59802

Finance Officer  
City of Missoula  
435 Ryman  
Missoula, MT 59802

RE: 2017 Tax Base Values for the County and City of Missoula

	<u>Market Value</u>	<u>Taxable Value</u>	<u>Tax Increment</u>	<u>Tax Base</u>
<b>County</b>	<b>\$14,222,682,101</b>	<b>\$230,380,269</b>	<b>- \$ 11,057,616.00 =</b>	<b>\$219,322,653</b>
<b>City</b>	<b>\$8,176,081,623</b>	<b>\$129,343,925</b>	<b>- \$ 7,588,347.00 =</b>	<b>\$121,755,578</b>

Attest:

*Amanda Walton*  


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Amanda Walton, Taxable Valuation Preparer



MONTANA  
Form AB-72T  
Rev. 3-12

**2017 Certified Taxable Valuation Information**  
(15-10-202, MCA)  
Missoula County  
CITY OF MISSOULA

Certified values are now available online at [property.mt.gov/cov](http://property.mt.gov/cov)

1. 2017 Total Market Value <sup>1</sup> .....	\$	8,176,081,623
2. 2017 Total Taxable Value <sup>2</sup> .....	\$	129,343,925
3. 2017 Taxable Value of Newly Taxable Property.....	\$	1,387,193
4. 2017 Taxable Value less Incremental Taxable Value <sup>3</sup> .....	\$	121,755,578
5. 2017 Taxable Value of Net and Gross Proceeds <sup>4</sup> (Class 1 and Class 2).....	\$	-

6. TIF Districts

Tax Increment District Name	Current Taxable Value <sup>2</sup>	Base Taxable Value	Incremental Value
URBAN RENEWAL II #1	4,052,435	1,546,186	2,506,249
URBAN RENEWAL III	11,202,692	8,172,844	3,029,848
U R FRONT ST	1,915,446	1,413,035	502,411
HELLGATE URD 1-1H; 20	1,164,829	1,025,448	139,381
N RESERVE SCOTT ST UR	520,300	295,864	224,436
UR RIVERFRONT TRI	345,528	157,858	187,670
URBAN RENEWAL II #4	690,504	313,637	376,867
N RESERVE SCOTT ST UR	1,816,826	1,195,341	621,485

Total Incremental Value \$ 7,588,347

Preparer Amanda Walton

Date 8/3/2017

<sup>1</sup>Market value does not include class 1 and class 2 value

<sup>2</sup>Taxable value is calculated after abatements have been applied

<sup>3</sup>This value is the taxable value less total incremental value of all tax increment financing districts

<sup>4</sup>The taxable value of class 1 and class 2 is included in the taxable value totals

**Resolution Number 8211**

**A resolution levying taxes for municipal and administrative purposes for the fiscal year 2018.**

**WHEREAS**, The City Council of Missoula has deliberated on the Fiscal Year 2018 Budget and necessary mill levy of property taxes; and,

**WHEAREAS**, pursuant to House Bill 124 and Senate Bill 265 enacted by the 2001 Montana State Legislature, the City has carry-forward of unlevied tax millage equal to \$58,643 (0.48 mills); and,

**WHEAREAS**, the value of a city mill is \$121,755.578.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MISSOULA, MONTANA:**

**THAT** there is hereby levied upon all taxable property in the City of Missoula, Montana, the following General and Special taxes for municipal and administrative purposes for the Fiscal Year 2018, to-wit:

All Purpose General Fund Levy be established at 201.01 mills;

Employee Health Insurance Levy (outside levy cap) be established at 41.90 mills;

2012 Aquatics Refunding G.O. Bond Levy at 4.87 mills;

2013 G.O. Refunding Bond Levy be established at 4.49 mills;

Total Levy for the City of Missoula, Montana - 252.27 mills.

**AND BE IT FURTHER RESOLVED THAT** the City Clerk is directed to enter this resolution into the minutes of the meeting at which this resolution was adopted.

**PASSED AND ADOPTED** this 11th day of September, 2017

**ATTEST:**

**APPROVED:**

/s/ Martha L. Rehbein  
Martha L. Rehbein, CMC  
City Clerk

/s/ John Engen  
John Engen  
Mayor

(SEAL)

**Determination of Tax Revenue and Mill Levy Limitations**  
 Section 15-10-420, MCA  
 GENERAL FUND  
 FYE JUNE 30, 2018  
 ENTITY NAME: CITY OF MISSOULA

	Enter amounts in yellow cells	Auto-Calculation (If completing manually enter amounts as instructed)
Enter Ad valorem tax revenue <u>ACTUALLY assessed in the prior year</u> <b>NEW- PLEASE READ INSTRUCTIONS BEFORE ENTERING.</b>	\$ 23,384,420	\$ 23,384,420
Add: Current year inflation adjustment @ 0.59%		\$ 137,968
Subtract: Ad valorem tax revenue <u>ACTUALLY assessed in the prior year</u> for Class 1 and 2 property, (net and gross proceeds) - <b>(enter as negative)</b> <b>NEW- PLEASE READ INSTRUCTIONS BEFORE ENTERING.</b>		\$ -
Adjusted ad valorem tax revenue		\$ 23,522,388
<b><u>ENTERING TAXABLE VALUES</u></b>		
Enter 'Total Taxable Value' - from Department of Revenue <i>Certified Taxable Valuation</i> <i>Information</i> form, line # 2	\$ 129,343,925	\$ 129,343.925
Subtract: 'Total Incremental Value' of all tax increment financing districts (TIF Districts) - from Department of Revenue <i>Certified Taxable Valuation Information</i> form, line # 6 <b>(enter as negative)</b>	\$ (7,588,347)	\$ (7,588.347)
Taxable value per mill (after adjustment for removal of TIF per mill incremental district value)		\$ 121,755.578
Subtract: 'Total Value of Newly Taxable Property' - from Department of Revenue <i>Certified</i> <i>Taxable Valuation Information</i> form, line # 3 <b>(enter as negative)</b>	\$ (1,387,193)	\$ (1,387.193)
Subtract: 'Taxable Value of Net and Gross Proceeds, (Class 1 & 2 properties)' - from Department of Revenue <i>Certified Taxable Valuation Information</i> form, line # 5 <b>(enter as negative)</b>		\$ -
Adjusted Taxable value per mill		\$ 120,368.385
CURRENT YEAR calculated mill levy		195.42
CURRENT YEAR calculated ad valorem tax revenue		\$ 23,793,475
<b><u>CURRENT YEAR AUTHORIZED LEVY/ASSESSMENT</u></b>		
Enter total number of carry forward mills from prior year <b>FOR FY18 BUDGETS, PLEASE ENTER ONLY THE # OF MILLS LEFT BEHIND FROM FY17.</b> <b>NEW- PLEASE READ THE INSTRUCTIONS BEFORE ENTERING.</b>	6.07	6.07
Total current year authorized mill levy, including Prior Years' carry forward mills		201.49
Total current year authorized ad valorem tax revenue assessment		\$ 24,532,531
<b><u>CURRENT YEAR ACTUALLY LEVIED/ASSESSED</u></b>		
Enter number of mills actually levied in current year (Number should equal total <u>non-voted</u> mills, which includes the number of carry forward mills, actually imposed per the final approved current year budget document. <u>Do Not</u> include voted or permissive mills imposed in the current year.)	201.01	201.01
Total ad valorem tax revenue actually assessed in current year		\$ 24,474,089
<b><u>RECAPITULATION OF ACTUAL:</u></b>		
Ad valorem tax revenue actually assessed		\$ 24,195,249
Ad valorem tax revenue actually assessed for newly taxable property		\$ 278,840
Ad valorem tax revenue actually assessed for Class 1 & 2 properties (net-gross proceeds)		\$ -
Total ad valorem tax revenue actually assessed in current year		\$ 24,474,089
Total carry forward mills that may be levied in a subsequent year (Number should be equal to or greater than zero. A (negative) number indicates an over levy.)		0.48

## RESOLUTION NUMBER 8206

**A resolution levying taxes on the lots, pieces and parcels of land located in the Downtown Business Improvement District of the City of Missoula for fiscal year 2018 in the amount of \$303,346.40 in accordance with 7-12-1132 MCA.**

**WHEREAS**, pursuant to 7-12-1101, et seq., MCA, the City of Missoula is authorized to create business improvement districts (BID); and

**WHEREAS**, on April 4, 2005, the Missoula City Council adopted resolution [6898](#) creating a business improvement in downtown Missoula and on March 22, 2010, the City Council adopted resolution [7511](#) to extend the duration of the business improvement district for a period of ten years; and

**WHEREAS**, on June 8, 2015, the City Council adopted Resolution [7958](#) extending the boundaries of the BID; and

**WHEREAS**, the Mayor with the advice and consent of the City Council has appointed a Board of Trustees in accordance with 7-12-1121, MCA; and

**WHEREAS**, whereas, in accordance with 7-12-1132, MCA, the BID Board has submitted a work plan and budget for fiscal year 2018; and

**WHEREAS**, in accordance with 7-12-1132, the City Council has held a public hearing on the BID work plan and budget for fiscal year 2018, and has approved it as part of the city FY 2018 budget, and

**WHEREAS**, resolution [7511](#) sets forth the annual assessment formula for the district.

**NOW THEREFORE BE IT RESOLVED**, the City Council of the City of Missoula hereby levies and assesses a tax on the lots, pieces and parcels of land located in the BID as shown on Exhibit A for fiscal year 2018 according to the following table:

Type of Property	BID Zone 1	BID Zone 2
All property not referred to below	\$200 plus 2.5% of the property's taxable value	\$150 plus 2.0% of the property's taxable value
Land owned by the United States Federal Government	Exempt	Exempt
City land	\$200 plus 2.5 cents per square foot	\$150 plus 2.5 cents per square foot
City park land	\$200 plus 1.0 cent per square foot	\$150 plus 1.0 cent per square foot
County Land	\$200 plus 2.5 cents per square foot	\$150 plus 2.5 cents per square foot
Missoula Parking Commission	\$200 plus 2.5 cents per square foot	\$150 plus 2.5 cents per square foot
Property zoned primarily residential deemed by the Council to be Missoula Zoning Districts R-1, R-2, and R-3	Exempt	Exempt

**BE IT FURTHER RESOLVED**, that the City Treasurer and the Montana Department of Revenue are hereby instructed to not assess properties located within the Business Improvement District for which the property taxpayer has qualified for property tax assistance as provided by 15-6-134 and 15-6-191, MCA.

**BE IT FURTHER RESOLVED**, that the taxes for the Downtown Business Improvement District in the amount of **\$303,346.40** and listed on Exhibit A are now due and payable to the City Treasurer of the City of Missoula and will be delinquent on November 30, 2017, and May 31, 2018, at 5:00 p.m.

**PASSED AND ADOPTED** this 28th day of August, 2017.

ATTEST:

APPROVED:

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Martha L. Rehbein  
City Clerk

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John Engen  
Mayor

## RESOLUTION NUMBER 8207

**A RESOLUTION LEVYING ANNUAL ASSESSMENTS ON THE HOTELS LOCATED IN THE TOURISM BUSINESS IMPROVEMENT DISTRICT OF THE CITY OF MISSOULA FOR FISCAL YEAR 2018 IN THE AMOUNT OF \$2 PER OCCUPIED ROOM NIGHT IN ACCORDANCE WITH 7-12-1132 MCA.**

**WHEREAS**, pursuant to 7-12-1101, et seq., MCA, the City of Missoula is authorized to create tourism business improvement districts (BID); and

**WHEREAS**, on October 25, 2010, the Missoula City Council adopted resolution [7576](#) creating a tourism business improvement for a period of ten years; and

**WHEREAS**, on March 25, 2013, the Missoula City Council adopted resolution [7766](#) changing the assessment from \$1 to \$2 per occupied room night for properties in the district; and

**WHEREAS**, the Mayor with the advice and consent of the City Council has appointed a Board of Trustees in accordance with 7-12-1121, MCA; and

**WHEREAS**, in accordance with 7-12-1132, MCA, the TBID Board has submitted a work plan and budget for fiscal year 2018; and

**WHEREAS**, pursuant to section 7-12-1143 MCA, the annual work plan and budget includes funding for adequate liability coverage insuring the district, the Board, and the City of Missoula against legal liability for personal injury and property damage in an amount sufficient to cover the City of Missoula's statutory liability limits as stated in Sect. 2-9-108(1), MCA.

**WHEREAS**, in accordance with 7-12-1132, the City Council has held a public hearing on the TBID work plan and budget for fiscal year 2018, and has approved it on July 24, 2017, and

**WHEREAS**, resolution [7766](#) sets forth the annual assessment formula for the district as \$2 per occupied room night on hotels located in the TBID as shown on Exhibit A for fiscal year 2018.

**NOW THEREFORE BE IT RESOLVED**, the City Council of the City of Missoula hereby levies and assesses a \$2 per occupied room night on the hotels located in the TBID as shown on Exhibit A for fiscal year 2018. A "hotel" is defined as any building containing individual sleeping rooms or suites providing overnight lodging facilities for periods of less than 30 days to the general public for compensation. The term "hotel" includes a facility represented to the public as a hotel, motel, resort, condominium inn, dude ranch, guest ranch, hostel, public lodging house, bed and breakfast facility, or other similar structure or portion thereof which meet this criteria and are located within the boundaries of the district.

**BE IT FURTHER RESOLVED**, that it is intended that hotel properties located outside of the corporate limits of the City of Missoula and those hotel properties located inside the corporate limits of the City of Missoula but not included within the boundaries of the Missoula TBID are not subject to assessments. However, the owner(s) of these properties may voluntarily contribute donations to the District to assist the District with its mission and goals. These donations shall be reported, invoiced, billed, collected and deposited in a manner similar to regular assessments.

**BE IT FURTHER RESOLVED**, that in accordance with §7-1-4124 (7) MCA, the Missoula TBID is authorized to solicit and accept contributions, bequests, donations, or grants of money, property, services, or other advantages as long as they are not contrary to the public interest.

**BE IT FURTHER RESOLVED**, that TBID and/or its authorized agent shall invoice and collect TBID assessments on behalf of the TBID on a quarterly basis. Assessments and collections shall be subject to the collection policy approved by Tourism Business District Board of Directors. Revenues collected shall be deposited into a fund designated for the TBID.

**PASSED AND ADOPTED** this 28<sup>th</sup> day of August, 2017.

ATTEST:

APPROVED:

\_\_\_\_\_  
Martha L. Rehbein, CMC  
City Clerk

\_\_\_\_\_  
John Engen  
Mayor

Tourism Business Improvement District Properties--Exhibit A							
Geocode	Assessment Code	Owner	Hotel/Motel	Property Address	Property City State ZIP	Legal Description	
2200-05-3-03-02-0000	3196702	GRANT CREEK INN LLC	BEST WESTERN PLUS GRANT CREEK INN	5280 GRANT CREEK RD	MISSOULA, MT 59808-1492	TOWNE CENTER, S05, T13 N, R19 W	
2200-05-3-01-17-0000	1787803	SUBRAYAN INVESTMENTS LLC	QUALITY INN & SUITES	4545 N RESERVE ST	MISSOULA, MT 59808	SUMMIT HOTEL ADDITION, S05, T13 N, R19 W, Lot 2, ACRES 0.99	
2200-06-1-01-16-0000	2012090400	MIC CYM LLC	COURTYARD INN BY MARRIOTT	4559 N RESERVE ST	MISSOULA, MT 59808	SUMMIT HOTEL ADDITION, S06, T13 N, R19 W, Lot 1, ACRES 2.22	
2200-22-4-07-01-0000	2334073	DOUBLE TREE HOTEL/MISSOULA EDGEWATER	DOUBLETREE HOTEL	100 MADISON ST	MISSOULA, MT 59802	MCWHHRK ADDITION, S22, T13 N, R19 W, BLOCK HARTMAN, Z & Z-1 NE4 SE4, NE4 SE4	
2200-08-2-03-14-0000	5830532	WESTERN HOSPITALITY GROUP LP	HILTON GARDEN INN	3720 N RESERVE ST	MISSOULA, MT 59808	MISSOULA HILTON, S08, T13 N, R19 W, Lot 1, 284808 SQUARE FEET	
2200-22-4-06-24-0000	3282306	CLARK FORK HOTEL INVESTORS LLC	COMFORT INN UNIVERSITY	1021 E BROADWAY	MISSOULA, MT 59802	S22, T13 N, R19 W, C.O.S. 4403, PARCEL 1 & 2	
2200-22-2-07-01-0000	251606	MISSOULA HOTEL 2006	HOLIDAY INN DOWNTOWN AT THE PARK	200 PATTEE ST	MISSOULA, MT 59802	MISSOULA ORIGINAL TOWNSITE, S22, T13 N, R19 W, BLOCK 6, Lot 17 - 22, 146503 SQUARE FEET, & BLOCK 9 Lots 1-22	
2200-21-1-28-01-0000	1864500	RASM PROPERTIES LLC	RED LION INN	700 W BROADWAY	MISSOULA, MT 59802	WJ MCCORMICKS ADDITION, S21, T13 N, R19 W, BLOCK 49, Lot 1 - 20, VAC ALLEY	
2200-07-1-01-02-0000	5844913	ENCE PROPERTIES dba STAYBRIDGE SUITES	STAYBRIDGE SUITES	120 EXPRESSWAY	MISSOULA, MT 59802	STAYBRIDGE, S07, T13 N, R19 W, Lot 3, 96039 SQUARE FEET	
<b>Hotel/Motels that are participating but are not in the district:</b>							
Geocode	Assessment Code	Owner	Hotel/Motel	Property Address	Property City State ZIP	Legal Description	Notes
2200-07-1-01-11-0000	4584494	GRANT CREEK LLC	HOLIDAY INN EXPRESS & SUITES	150 EXPRESSWAY BLVD	MISSOULA, MT 59808	STAYBRIDGE, S07, T13 N, R19 W, Lot 1, 35864 SQUARE FEET	In City
2199-01-1-02-14-0000	3475905	MISSOULA VENTURES LLC	WINGATE INN	5252 AIRWAY BLVD	MISSOULA, MT 59802	MISSOULA DEVELOPMENT PARK - PHASE 2, S01, T13 N, R20 W, BLOCK 11, Lot 1	Not in City
2200-31-4-30-20-0000	5854056	RMH8 LLC AN IDAHO LIMITED LIABILITY COMPANY	GUESTHOUSE INN, SUITES & CONFERENCE CENTER	3803 BROOKS ST	MISSOULA, MT 59804	RUSSELL BRYAN # 2, S31, T13 N, R19 W, Lot 2	In City
2200-21-1-31-01-0000	2458003	WIRTHVETTE MTRUSTEE	AMERICA'S BEST VALUE INN	420 W BROADWAY	MISSOULA, MT 59802	WJ MCCORMICKS ADDITION, S21, T13 N, R19 W, BLOCK 17, Lot 13 - 17	In City
2200-05-3-01-09-0000	5844173	ERCK INCORPORATED	RUBY'S INN & CONVENTION CENTER	4825 N RESERVE ST	MISSOULA, MT 59808	RUBYERCK ADDITION, S05, T13 N, R19 W, Lot 2A, RUBY ERCK NORTHGATE BUSINESS CENTER-LOT 3	In City

**Resolution Number 8209**

**A resolution of the City Council of the City of Missoula, Montana, levying and assessing the lots and parcels within the City of Missoula Road District Number 1 in the amount of \$2,115,064 for the costs associated with providing certain maintenance, purchasing and improvement services in fiscal year 2018 for city-owned facilities, land and equipment under the responsibility and care of the City of Missoula Public Works Department's Street Division, Central Service's Vehicle Maintenance Division and Development Service's Engineering Division providing for a method of assessments; and providing for other matters properly relating thereto.**

**CITY OF MISSOULA  
Missoula County, Montana**

**City of Missoula Road District Number 1**

**Be it resolved by the City Council of the City of Missoula, Montana:**

**Whereas**, the City of Missoula, Montana (the "City") is a municipality duly organized and existing under and by virtue of the Constitution and laws of the State of Montana;

**Whereas**, the City Council of the City (the "Council") is authorized by Montana Code Annotated ("MCA"), Title 7, Chapter 11, Part 10, as amended, to create special districts to provide maintenance, purchasing and improvement services for City-owned facilities, land and equipment under the responsibility and care of the City of Missoula Public Works Department's Street, Engineering, and Vehicle Maintenance Divisions to the inhabitants of the special district;

**Whereas**, the Council is authorized by MCA, Title 7, Chapter 11, Part 10, as amended, to finance the maintenance, purchasing and improvement services within the special district by levying an assessment on the lots and parcels within the boundaries of the special district;

**Whereas**, after providing notice and conducting the public hearing required by MCA 7-11-1007, the City adopted Resolution No. 7563 on September 13, 2010, (the "Creation Resolution") creating a special district to known as the "City of Missoula Road District Number 1" (the "District") for the purpose of providing services including but not limited to: (1) maintenance, repair, replacement, upkeep, installation, improvement, operational enhancement, construction, reconstruction, acquisition of right-of-way; and/or (2) implementation of measures required to maintain public health and safety or meet legal or regulatory requirements; and/or (3) purchasing, replacing, and/or maintaining equipment, tools or vehicles used to carry out the functions described herein; and/or (4) any other functions and/or labor, supplies and materials necessary for management and maintenance of City-owned facilities, lands and equipment under the responsibility and care of the City's Public Works Department's Street, Engineering, and Vehicle Maintenance Divisions including but not limited to: streets, alleys, driveways, alley approaches, sidewalks, curbs and gutters, medians, boulevards, lighting, parking lots, support facilities, public amenities, storm water facilities, and traffic control inclusive of traffic signals, signs, and pavement markings, and other public facilities located in the public right-of-way and/or within public easements (collectively, the "Services and Improvements");

**Whereas**, after providing public notice and conducting a public hearing, the Council adopted ordinances 3491 and 3492 on January 28, 2013, and February 11, 2013, respectively finalizing the creation of the Development Services Office and transferring responsibilities for Engineering Services from the Public Works Department to Development Services and said ordinances are now in effect;

**Whereas**, after providing public notice and conducting a public hearing, the Council adopted Resolution 7736 on September 24, 2012, establishing a funding assistance program for curb and sidewalk assessments for public right-of-way construction projects, identified the City of Missoula Road District Number 1 as a funding source for ongoing fiscal support of public right-of-way improvement projects and announced the Council's intention to include fiscal support for public right-of-way improvement projects from City of Missoula Road District Number 1 in fiscal year 2014;

**Whereas**, the Mayor and City Council created a Central Services Department in the fiscal year 2015 budget which transferred responsibilities for Vehicle Maintenance and GIS Services from the Public Works Department to Central Services.

**Whereas**, after due notice and conducting a public hearing, the Council adopted Resolution No. 8189 on July 24, 2017, fixing the annual appropriations and the capital improvement program for the City as set forth in the fiscal year 2018 budget which included a work plan and budget for the District in the amount of \$2,115,064 in order to provide services and purchase supplies to carry out the work plan established for the District in fiscal year 2018.

**Whereas**, in accordance with MCA 7-11-1024, the City Council has determined that each lot or parcel of land including the improvements on the lot or parcel shall be assessed for that part of the cost of the special district that its taxable valuation bears to the total taxable valuation of the property in the District;

**Whereas**, pursuant to MCA Sections 7-11-1025, the City must provide notice of the annual levy and assessment of all lots and parcels in the District for the costs of the Services and Improvements to be provided each year within the District;

**Whereas**, notice of the annual levy and assessment of all lots and parcels in the District for the costs of the Services and Improvements to be provided within the District to be levied was published in the *Missoulian*, a newspaper of general circulation in Missoula County, on August 13, 2017 and August 20, 2017;

**Whereas**, a public hearing was held on August 28, 2017, during a regular meeting of the Council; and

**Whereas**, at such hearing the Council heard and passed upon all such protests regarding the annual levy and assessment of all lots and parcels in the District for the costs of the Services and Improvements to be provided within the District.

**NOW, THEREFORE IT IS HEREBY FOUND, DETERMINED AND ORDERED**, as follows:

**Section 1. Assessments; Assessment Methods: Property to be Assessed.** Properties located in the District are hereby levied and assessed for their portion of the cost of Services and Improvements to be made in fiscal year 2018 in accordance with this Section 1 and the terms of Resolution No. 8189. The costs to provide the Services and Improvements in the District shall initially be assessed against each lot or parcel of land, including the improvements on the lot or parcel, for that part of the cost of the Services and Improvements that such lot or parcel's taxable valuation bears to the total taxable valuation of the property in the District. Such taxable valuation shall be based upon the last-completed assessment roll for state, City, county and school district taxes. The assessments shall be based on such taxable value as assigned by the Montana Department of Revenue.

In fiscal year 2018, the Council estimates the cost of the Services and Improvements to be performed in the District to total \$2,115,064. The work plan and budget for the Services and Improvements to be provided in fiscal year 2018 were approved by the City Council on July 24, 2017, and are on file and available for public inspection in the City Clerk's office.

Total levy for Road District #1    \$2,115,064

The Council may, and hereby reserves, all rights granted by MCA Section 7-11-1025 to, change the method of assessment for the District for fiscal year 2018 and thereafter.

A map and description of the boundaries of the District are attached hereto as Exhibits "A" and "B".

**Section 2. List of Properties Assessed.** The official list of those properties subject to assessment, fees or taxation within the District, including the names of the owners of such properties and the amount of assessment on each property, is on file and available for public inspection in the Missoula County Treasurer's Office, and further such list is the last completed county assessment roll for the lots or parcels of land including improvements thereon, within the boundaries of the District. The list may not be distributed or sold for use as a mailing list in accordance with MCA Section 2-6-109.

**Section 3. Ratifier.** All actions not inconsistent with the provisions of this Resolution heretofore taken by the City and its employees with respect to the creation of the District are hereby in all respects ratified, approved and confirmed.

**Section 4. Repealer.** All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and shall have no further force or effect.

**Section 5. No Personal Recourse.** No recourse shall be had for any claim based on this Resolution against any Council member or the City, nor any officer or employee, past, present or future, of the City or of any successor body as such, either directly or through the City or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

**Section 6. Effective Date.** This Resolution shall be in full force and effect from and after its date of adoption.

PASSED AND ADOPTED by the City Council of the City of Missoula, Montana, this 28<sup>nd</sup> day of August, 2017.

ATTEST:

CITY OF MISSOULA

/s/ Martha L. Rehbein  
Martha L. Rehbein  
City Clerk

/s/ John Engen  
John Engen  
Mayor

(SEAL)

**CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE**

I, the undersigned, being the duly qualified and acting recording officer of the City of Missoula, Montana (the "City"), hereby certify that the attached resolution is a true copy of a resolution entitled: **"A resolution of the City Council of the City of Missoula, Montana, levying and assessing the lots and parcels within the City of Missoula Road District Number 1 in the amount of \$2,115,064 for the costs associated with providing certain maintenance, purchasing and improvement services in fiscal year 2017 for city-owned facilities, land and equipment under the responsibility and care of the City of Missoula Public Works Department's Street Division, Central Service's Vehicle Maintenance Division and Development Service's Engineering Division providing for a method of assessments; and providing for other matters properly relating thereto."** (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a meeting on August 28, 2017, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at such meeting, the Resolution was adopted by the following vote:

AYES, and in favor thereof: Julie Armstrong, Emily Bentley, Michelle Cares, John DiBari, Annelise Hedahl, Gwen Jones, Marilyn Marler, Ruth Ann Swaney, Bryan von Lossberg, Heidi West, Jon Wilkins

NAYS: None

ABSENT: Jordan Hess

ABSTAIN: None

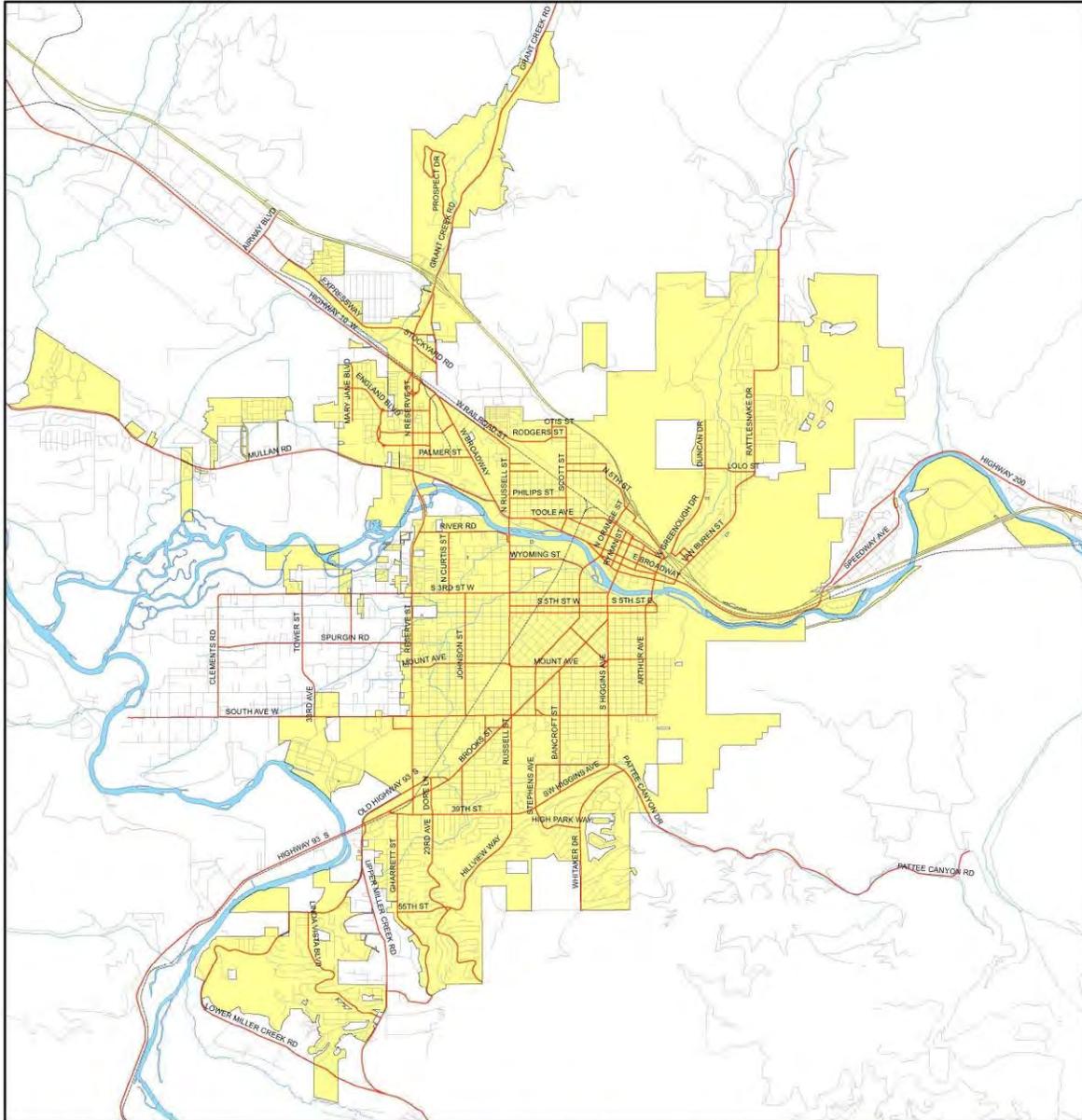
WITNESS my hand officially this 28th day of August, 2016.

CITY OF MISSOULA  
Missoula County, Montana

/s/ Martha L Rehbein  
Martha L. Rehbein, CMC  
City Clerk

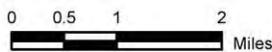
( S E A L )

EXHIBIT "A"



# CITY OF MISSOULA, MONTANA - CITY LIMITS MAP

City Limits as of:  
June 24, 2017



**29.6 Square Miles**  
**18,951 Acres**  
**825,495,669 Square Feet**



Printing Date: Tuesday, June 25, 2017  
 File: CityMap\_8.5x11\_PDF.mxd  
 Prepared By: GIS Services

**EXHIBIT "B"**

## DISTRICT BOUNDARIES

The District boundary is described as the incorporated boundary of the City of Missoula in accordance with City Council municipal annexation resolutions and municipal annexation ordinances filed in the Missoula City Clerk's public records as well as all properties later annexed thereto. Parcels within the boundary are the current parcels subject to City of Missoula property taxes as shown in the tax rolls of the Montana Department of Revenue and inclusive of those parcels that are exempt from property taxes except park land, common areas and greenways, open space lands, and parcels used as a public street and alley right-of-ways as well as all parcels later annexed thereto.

## RESOLUTION NUMBER 8208

A resolution of the City Council of the city of Missoula, Montana, levying and assessing the lots and parcels within the city of Missoula Park District Number 1 in the amount of \$1,591,562 for the costs associated with providing certain maintenance, purchasing and improvement services in fiscal year 2018 for city-owned facilities, land and equipment under the responsibility and care of the city of Missoula Parks and Recreation Department; providing for a method of assessments; and providing for other matters properly relating thereto.

CITY OF MISSOULA  
Missoula County, Montana

## City of Missoula Park District Number 1

**Be it resolved by the City Council of the City of Missoula, Montana:**

**Whereas**, the City of Missoula, Montana (the "City") is a municipality duly organized and existing under and by virtue of the Constitution and laws of the State of Montana;

**Whereas**, the City Council of the City (the "Council") is authorized by Montana Code Annotated ("MCA"), Title 7, Chapter 11, Part 10, as amended, to create special districts to provide maintenance, purchasing and improvement services for City-owned facilities, land and equipment under the responsibility and care of the City of Missoula Parks and Recreation Department to the inhabitants of the special district;

**Whereas**, the Council is authorized by MCA, Title 7, Chapter 11, Part 10, as amended, to finance the maintenance, purchasing and improvement services within the special district by levying an assessment on the lots and parcels within the boundaries of the special district;

**Whereas**, after providing notice and conducting the public hearing required by MCA 7-11-1007 the City adopted Resolution No. 7564 on September 13, 2010, (the "Creation Resolution") creating a special district to be known as the "City of Missoula Park District Number 1" (the "District") for the purpose of providing services including but not limited to: (1) maintenance, repair, replacement, upkeep, installation, improvement, operational enhancement, construction, reconstruction, acquisition of land; and/or (2) implementation of measures required to maintain public health and safety or meet legal or regulatory requirements; and/or (3) purchasing, replacing, and/or maintaining equipment, tools or vehicles used to carry out the functions described herein; and/or (4) any other functions, labor, supplies and/or materials necessary for management and maintenance of City-owned facilities, lands and equipment under the responsibility and care of the City of Missoula Parks and Recreation Department including but not limited to: public parks and park areas (as described in the Master Parks and Recreation Plan for the Greater Missoula Area) recreation facilities, trails, open space (as defined in the City of Missoula Urban Area Open Space Plan), urban forest, medians, boulevards, pathways, sidewalks, public easements, and other facilities which are located in the City limits and/or are owned by the City (collectively, the "Services and Improvements");

**Whereas**, after due notice and conducting a public hearing, the Council adopted Resolution No. 8189 on July 24, 2017, fixing the annual appropriations and the capital improvement program for the City as set forth in the fiscal year 2018 budget which included a work plan and budget for the District in the amount of \$1,591.562 in order to provide services and purchase supplies to carry out the work plan established for the District in fiscal year 2018;

**Whereas**, in accordance with MCA 7-11-1024, the City Council has determined that each lot or parcel of land including the improvements on the lot or parcel shall be assessed for that part of the cost of the special district that its taxable valuation bears to the total taxable valuation of the property in the District;

**Whereas**, pursuant to MCA Sections 7-11-1025, the City must provide notice of the annual levy and assessment of all lots and parcels in the District for the costs of the Services and Improvements to be provided each year within the District;

**Whereas**, notice of the annual levy and assessment of all lots and parcels in the District for the costs of the Services and Improvements to be provided within the District to be levied was published in the *Missoulian*, a newspaper of general circulation in Missoula County, on August 13, 2017, and August 20, 2017; and

**Whereas**, a public hearing was held on August 28, 2017, during a regular meeting of the Council; and

**Whereas**, at such hearing the Council heard and passed upon all such protests regarding the annual levy and assessment of all lots and parcels in the District for the costs of the Services and Improvements to be provided within the District.

**NOW, THEREFORE IT IS HEREBY FOUND, DETERMINED AND ORDERED**, as follows:

**Section 1. Assessments: Assessment Methods: Property to be Assessed.** Properties located in the District are hereby levied and assessed for their portion of the cost of Services and Improvements to be made in fiscal year 2018 in accordance with this Section 1 and the terms of Resolution No. 8189. The costs to provide the Services and Improvements in the District shall initially be assessed against each lot or parcel of land, including the improvements on the lot or parcel, for that part of the cost of the Services and Improvements that such lot or parcel's taxable valuation bears to the total taxable valuation of the property in the District. Such taxable valuation shall be based upon the last-completed assessment roll for state, City, county and school district taxes. The assessments shall be based on such taxable value as assigned by the Montana Department of Revenue.

In fiscal year 2018, the Council estimates the cost of the services and improvements to be performed in the district to total \$1,591,562. The work plan and budget for the Services and Improvements to be provided in fiscal year 2018 were approved by the City Council on July 24, 2017, and are on file and available for public inspection in the City Clerk's office.

Total levy for Park District #1	\$1,591,562
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The Council may, and hereby reserves, all rights granted by MCA Section 7-11-1025 to, change the method of assessment for the District for fiscal year 2018 and thereafter.

A map and description of the boundaries of the District are attached hereto as Exhibits "A" and "B".

**Section 2. List of Properties Assessed.** The official list of those properties subject to assessment, fees or taxation within the District, including the names of the owners of such properties and the amount of assessment on each property, is on file and available for public inspection in the Missoula County Treasurer's Office, and further such list is the last completed county assessment roll for the lots or parcels of land including improvements thereon, within the boundaries of the District. The list may not be distributed or sold for use as a mailing list in accordance with MCA Section 2-6-109.

**Section 3. Ratifier.** All actions not inconsistent with the provisions of this Resolution heretofore taken by the City and its employees with respect to the creation of the District are hereby in all respects ratified, approved and confirmed.

**Section 4. Repealer.** All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and shall have no further force or effect.

**Section 5. No Personal Recourse.** No recourse shall be had for any claim based on this Resolution against any Council member or the City, nor any officer or employee, past, present or future, of the City or of any successor body as such, either directly or through the City or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

**Section 6. Effective Date.** This Resolution shall be in full force and effect from and after its date of adoption.

PASSED AND ADOPTED by the City Council of the City of Missoula, Montana, this 28th day of August, 2017.

CITY OF MISSOULA  
Missoula County, Montana

/s/ John Engen  
John Engen,  
Mayor

ATTEST:

/s/ Martha L. Rehbein  
Martha L. Rehbein, CMC  
City Clerk

( S E A L )

**CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE**

I, the undersigned, being the duly qualified and acting recording officer of the City of Missoula, Montana (the "City"), hereby certify that the attached resolution is a true copy of a resolution entitled: **"A resolution of the City Council of the city of Missoula, Montana, levying and assessing the lots and parcels within the city of Missoula Park District Number 1 totaling \$1,591,562 for the costs associated with providing certain maintenance, purchasing and improvement services in fiscal year 2018 for city-owned facilities, land and equipment under the responsibility and care of the city of Missoula Parks and Recreation Department; providing for a method of assessments; and providing for other matters properly relating thereto."** (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a meeting on August 28, 2017, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at such meeting, the Resolution was adopted by the following vote:

AYES, and in favor thereof: Julie Armstrong, Emily Bentley, Michelle Cares, John DiBari, Annelise Hedahl, Gwen Jones, Marilyn Marler, Ruth Ann Swaney, Bryan von Lossberg, Heidi West, Jon Wilkins

NAYS: None

ABSENT: Jordan

Hess ABSTAIN:

None

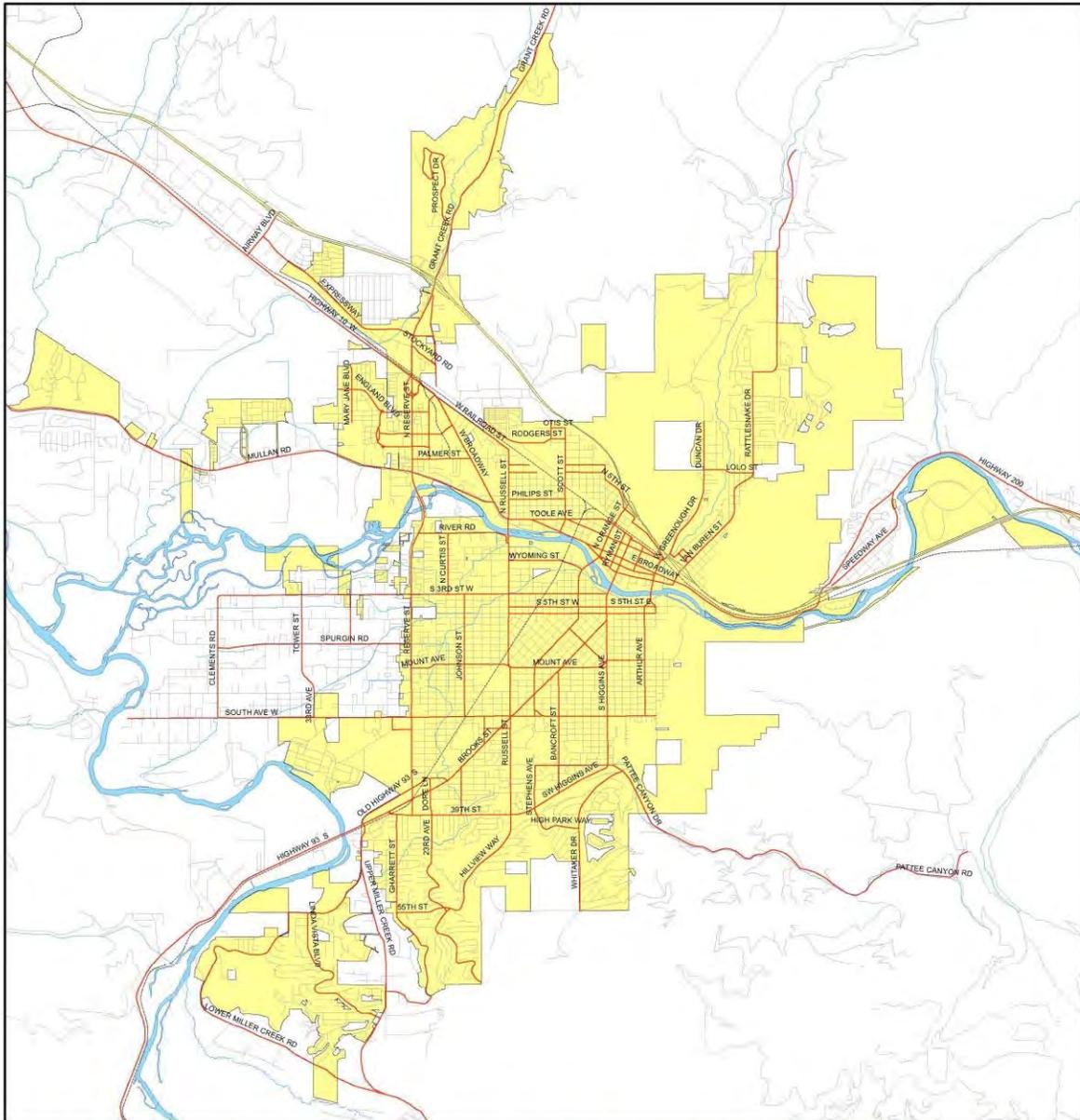
WITNESS my hand officially this 28th day of August, 2017.

CITY OF MISSOULA  
Missoula County, Montana

/s/ Martha L. Rehbein  
Martha L. Rehbein, CMC  
City Clerk

( S E A L )

EXHIBIT "A"



**CITY OF MISSOULA, MONTANA - CITY LIMITS MAP**

City Limits as of:  
June 24, 2017



**29.6 Square Miles**  
**18,951 Acres**  
**825,495,669 Square Feet**

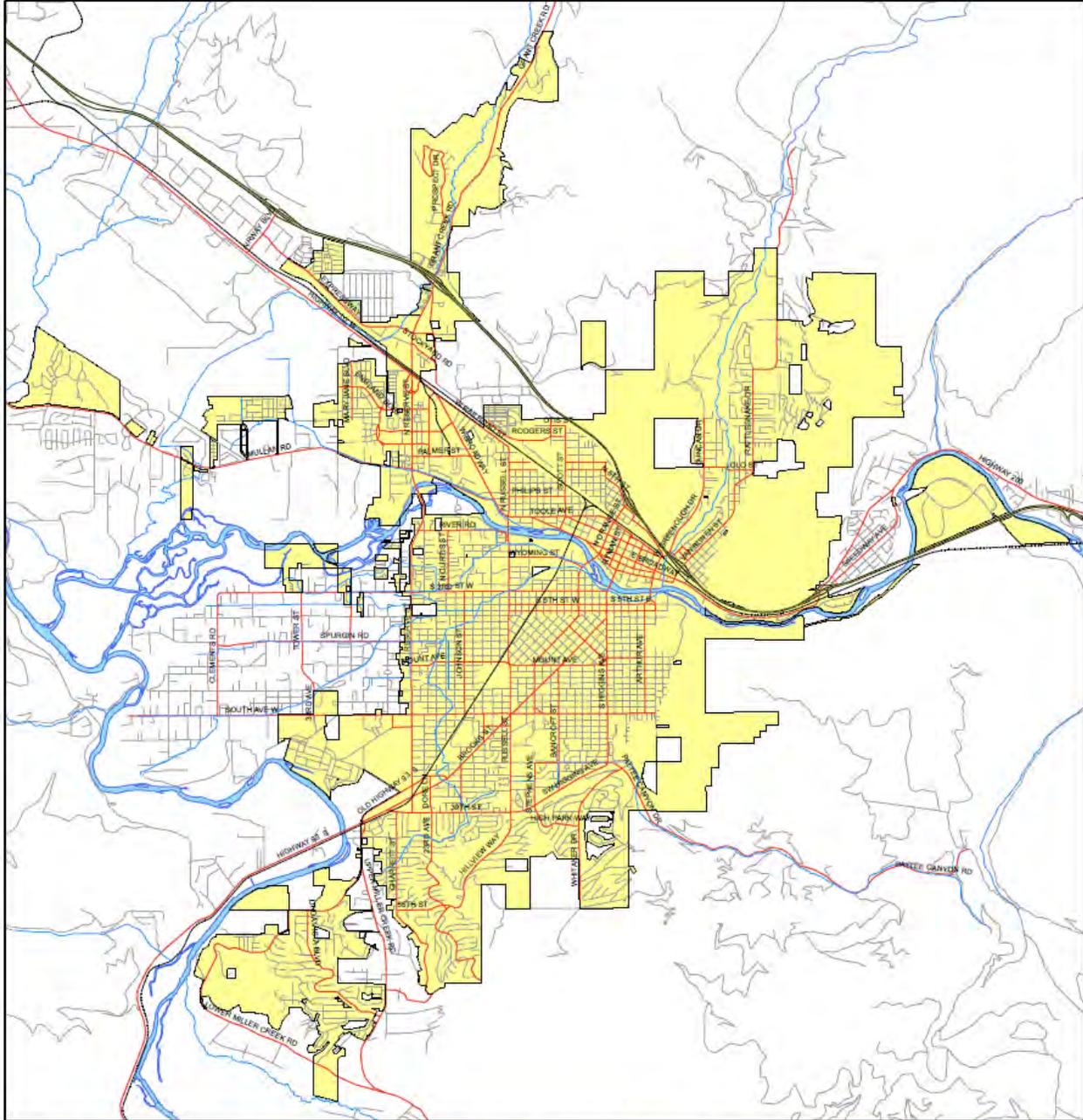


Printing Date: Tuesday, June 25, 2017  
 File: CityMap\_8.5x11\_PDF.mxd  
 Prepared By: GIS Services

EXHIBIT "B"

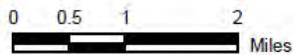
**EXHIBIT "B"**DISTRICT  
BOUNDARIES

The District boundary is described as the incorporated boundary of the City of Missoula in accordance with City Council municipal annexation resolutions and municipal annexation ordinances filed in the Missoula City Clerk's public records as well as all properties later annexed thereto. Parcels within the boundary are the current parcels subject to City of Missoula property taxes as shown in the tax rolls of the Montana Department of Revenue and inclusive of those parcels that are exempt from property taxes except park land, common areas and greenways, open space lands, and parcels used as a public street and alley right-of-ways as well as all parcels later annexed thereto.



# CITY OF MISSOULA, MONTANA - CITY LIMITS MAP

City Limits as of:  
November 13, 2017

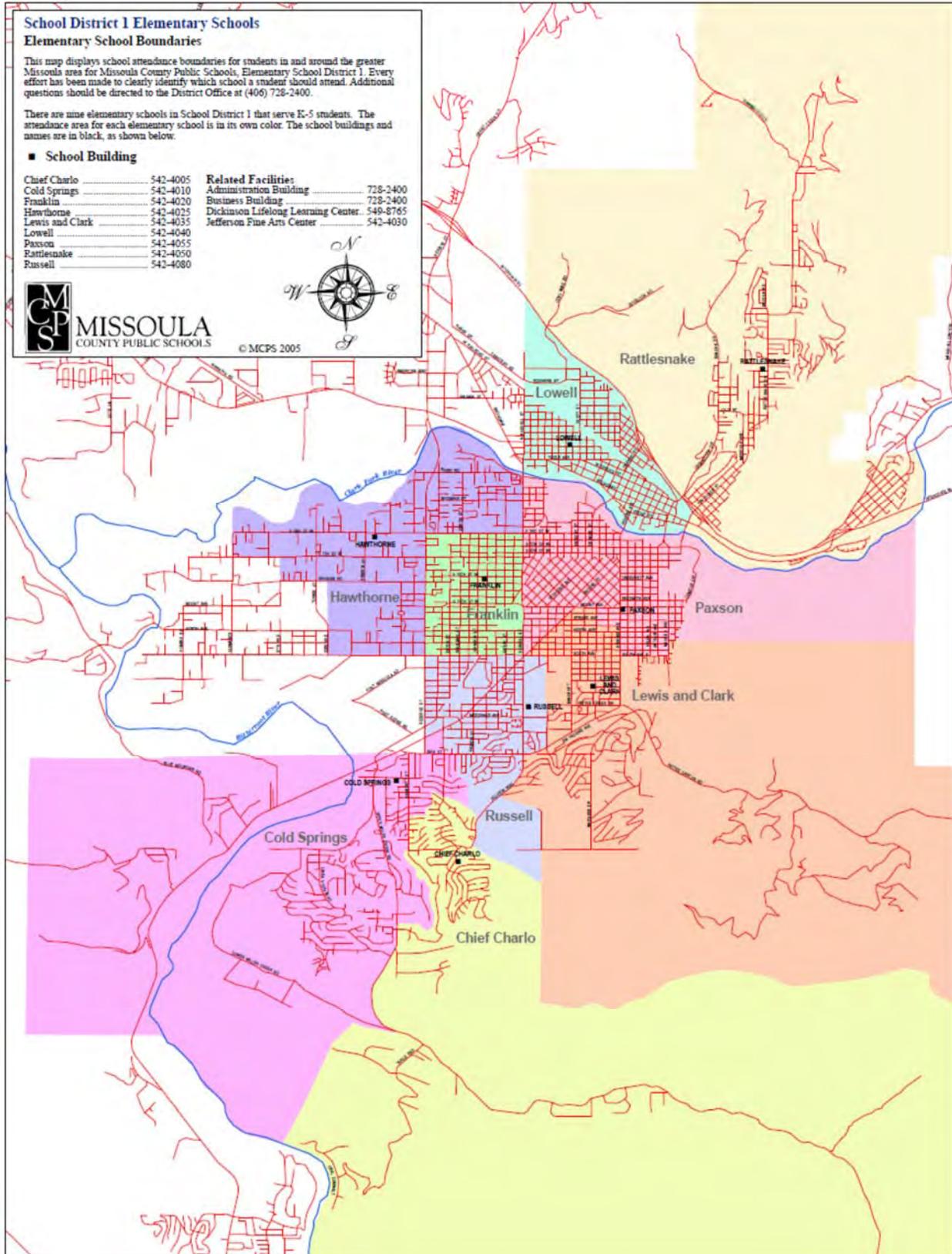


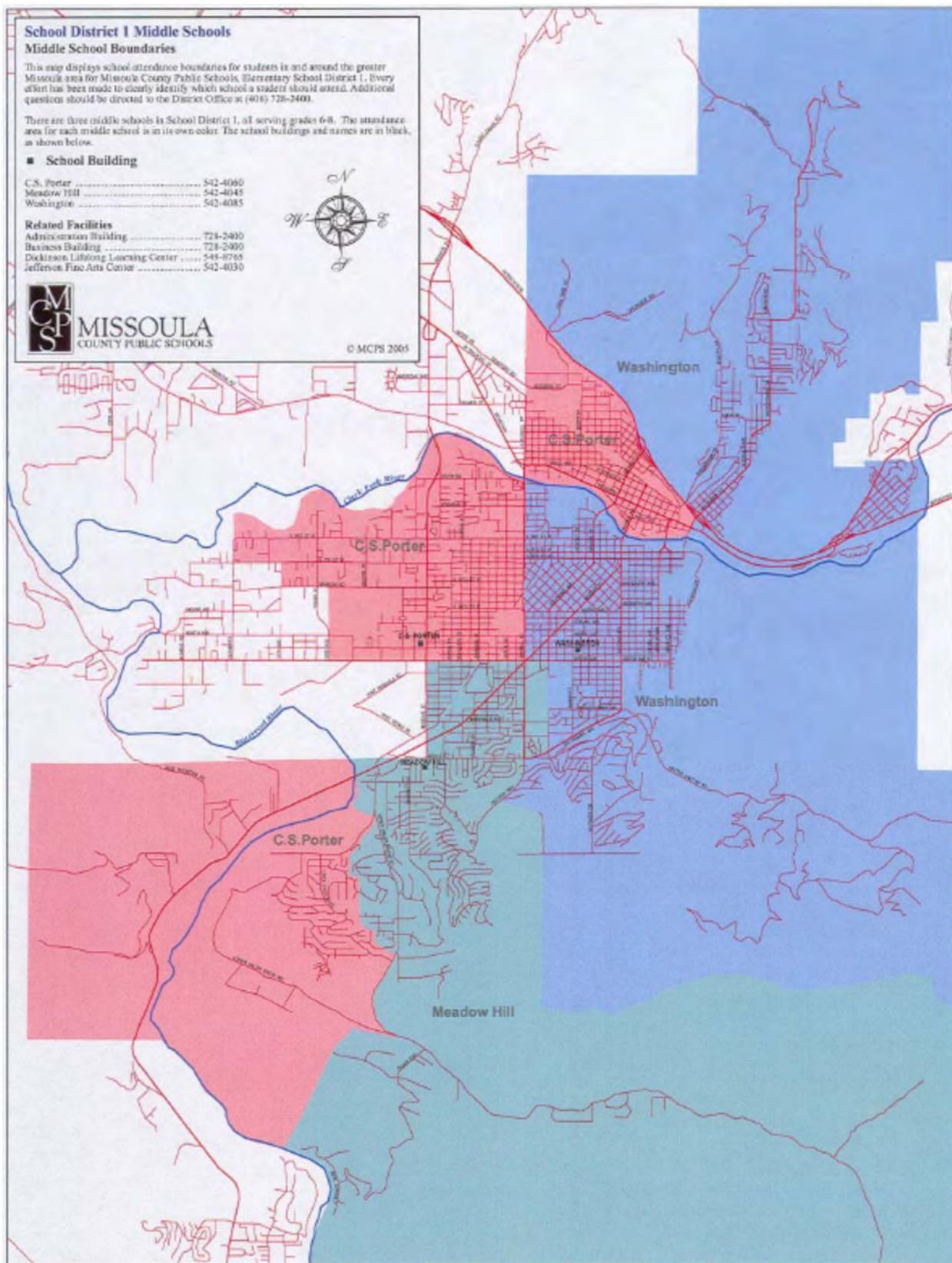
**29.6 Square Miles**  
**18,957 Acres**  
**825,779,343 Square Feet**

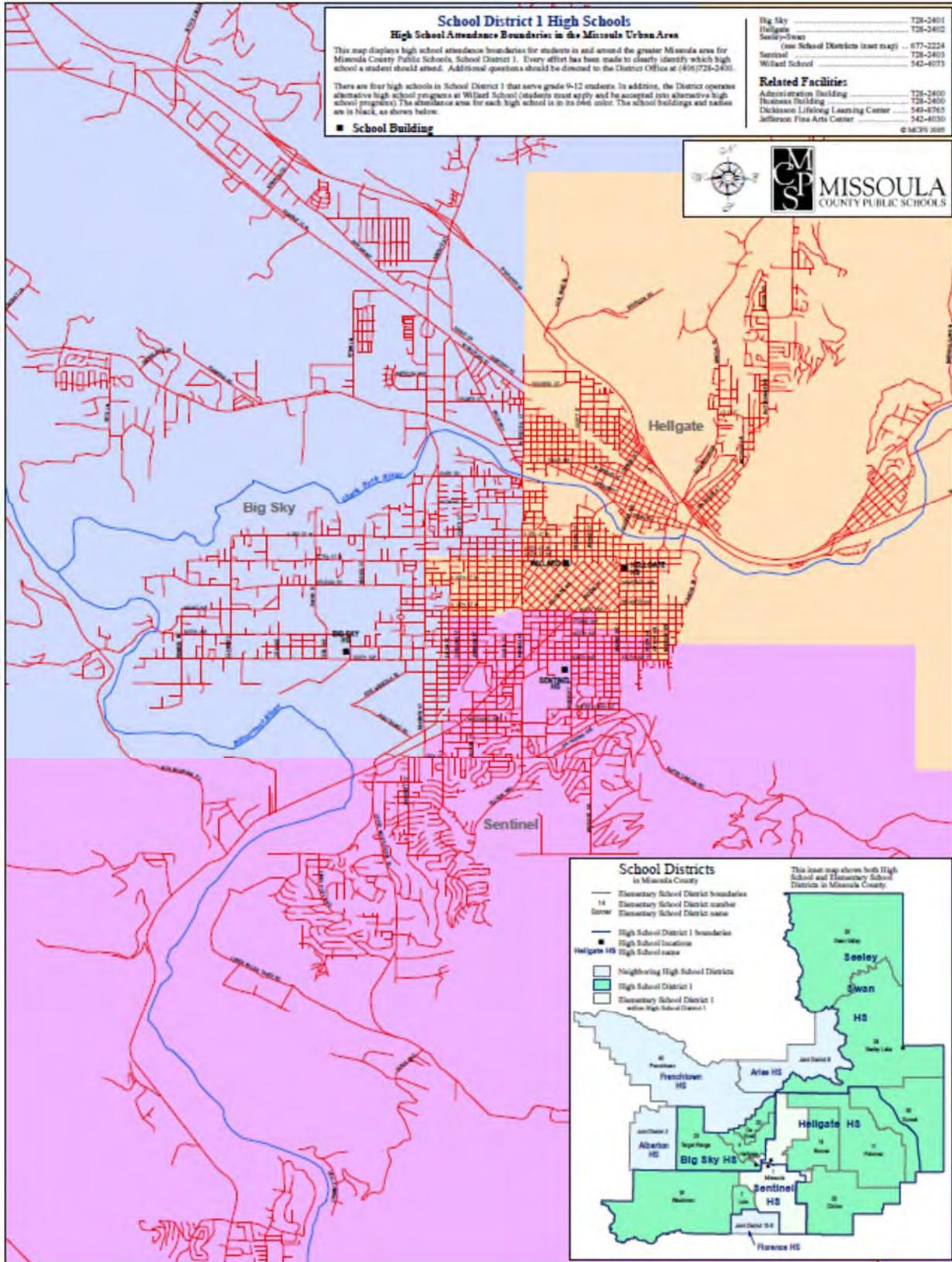


Printing Date: Tuesday, November 14, 2017  
 File: CityMap\_8.5x11\_PDF.mxd  
 Prepared By: GIS Services

City of Missoula is home to Missoula County School District 1. Included in Missoula County, School District 1 are the following schools that serve the City of Missoula:







# STATISTICAL SECTION

**CITY OF MISSOULA, MONTANA  
FUND BALANCES OF GOVERNMENTAL FUNDS  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Reserved	\$ 558,624	\$ 699,325	\$ 740,667	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	643,449	201,062	1,348,317	-	-	-	-	-	-	-
Nonspendable*	-	-	-	1,148,767	1,232,302	1,259,186	1,129,654	1,404,250	1,333,974	1,396,233
Restricted*	-	-	-	165,282	105,804	157,822	179,972	179,972	666,150	260,778
Assigned*	-	-	-	1,203,481	1,284,045	1,757,237	1,716,911	1,868,348	1,693,229	1,725,913
Unassigned*	-	-	-	1,152,657	1,940,474	2,968,121	2,543,264	2,160,723	1,799,445	452,861
<b>Total General Fund</b>	<b>\$ 1,202,073</b>	<b>\$ 900,387</b>	<b>\$ 2,088,984</b>	<b>\$ 3,670,187</b>	<b>\$ 4,562,625</b>	<b>\$ 6,142,366</b>	<b>\$ 5,569,801</b>	<b>\$ 5,613,293</b>	<b>\$ 5,492,798</b>	<b>\$ 3,835,785</b>
<b>All other governmental funds</b>										
Reserved	\$ 3,175,573	\$ 3,654,339	\$ 3,869,555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	3,208,509	3,814,089	4,124,600	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	(1,471,297)	(4,728,035)	(4,089,044)	-	-	-	-	-	-	-
Nonspendable*	-	-	-	11,505	12,042	-	-	-	-	-
Restricted*	-	-	-	7,911,860	7,409,318	6,789,639	6,302,882	6,342,952	6,665,290	7,504,293
Committed*	-	-	-	1,374,228	2,048,128	2,892,425	4,543,997	5,289,662	6,279,094	3,722,871
Assigned*	-	-	-	-	-	-	-	21,240	87,754	171,473
Unassigned*, reported in:										
Special revenue funds	-	-	-	(332,574)	(149,817)	(105,325)	(986,470)	(400,440)	(233,312)	(1,195,469)
Debt service funds	-	-	-	(36,421)	(174,575)	(23,761)	(189,696)	(331,743)	(351,757)	(379,471)
Capital projects funds	-	-	-	(3,962,631)	(4,602,847)	(5,681,029)	(8,125,283)	(9,907,630)	(9,958,916)	(7,741,323)
Water funds	-	-	-	-	-	-	-	(3,532,964)	(6,248,789)	-
Neighborhood stabilization funds	-	-	-	-	(4,139)	-	-	-	-	-
<b>Total other governmental funds</b>	<b>\$ 4,912,785</b>	<b>\$ 2,740,393</b>	<b>\$ 3,905,111</b>	<b>\$ 4,965,967</b>	<b>\$ 4,538,110</b>	<b>\$ 3,871,949</b>	<b>\$ 1,545,430</b>	<b>\$ (2,518,923)</b>	<b>\$ (3,760,636)</b>	<b>\$ 2,082,374</b>

Source: City of Missoula

\* Restated to conform to GASB Statement No. 54

# STATISTICAL SECTION

## CITY OF MISSOULA, MONTANA CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Taxes and assessments	\$ 25,071,209	\$ 26,649,687	\$ 27,445,555	\$ 28,256,587	\$ 29,396,016	\$ 31,729,767	\$ 31,161,007	\$ 32,506,332	\$ 34,184,222	\$ 35,696,747
Licenses and permits	4,054,474	2,753,704	3,050,653	3,092,436	2,866,229	3,227,926	3,119,709	3,663,422	3,848,093	4,442,860
Intergovernmental	12,747,140	13,147,938	20,456,138	17,531,499	25,130,561	17,665,516	17,000,835	19,095,397	19,423,835	19,139,911
Charges for services	3,911,813	4,439,499	4,475,126	5,160,326	5,106,399	6,057,449	5,596,577	6,368,100	7,047,188	7,987,808
Fines and forfeitures	1,215,955	1,130,177	1,203,587	1,008,945	1,344,578	1,565,130	1,347,949	1,326,509	1,546,732	1,624,922
Miscellaneous	1,699,515	1,168,486	1,464,092	1,205,961	613,255	625,976	544,245	836,745	733,501	750,424
Interest earnings	584,698	156,522	63,362	32,409	41,691	47,960	21,214	13,687	13,251	19,290
Gain on disposal of fixed assets	-	-	-	-	-	-	-	-	-	14,445
<b>Total revenues</b>	<u>49,284,804</u>	<u>49,446,013</u>	<u>58,158,513</u>	<u>56,288,163</u>	<u>64,498,728</u>	<u>60,919,724</u>	<u>58,791,536</u>	<u>63,810,192</u>	<u>66,796,822</u>	<u>69,676,407</u>
<b>Expenditures</b>										
General government	6,515,738	7,752,035	7,252,975	6,493,866	6,949,250	8,034,601	9,838,640	10,204,889	10,871,089	11,496,664
Public safety	21,637,023	21,669,039	22,227,258	22,431,087	23,834,156	25,803,943	28,002,557	28,012,238	29,027,968	32,905,309
Public works	6,670,377	6,624,812	6,577,834	7,962,836	7,437,537	7,393,392	7,193,974	9,962,351	10,519,825	9,182,741
Public health	1,364,663	1,404,043	1,368,398	1,372,380	1,431,431	1,482,096	1,550,087	1,644,431	1,706,945	1,797,051
Social and economic	115,000	118,450	118,450	116,000	116,000	116,000	210,000	210,000	175,000	210,000
Culture and recreation	3,118,438	3,278,075	3,293,005	3,289,120	3,528,049	3,838,271	4,091,295	4,434,040	4,769,242	6,375,900
Community development	2,041,498	1,193,372	4,017,676	2,264,947	10,348,859	1,238,419	227,258	1,411,431	1,336,254	1,273,642
Conservation of natural resources	-	-	7,757	450	100	120	120	-	-	-
Miscellaneous	-	-	1,041,180	1,189,351	1,003,472	1,049,647	1,057,905	788,789	818,567	175,515
Debt service - principal	2,973,898	3,026,661	3,121,407	3,484,312	3,689,100	3,057,702	3,695,116	4,696,540	7,128,255	4,738,252
Debt service - interest	1,665,936	1,595,937	1,584,136	1,595,391	1,556,195	2,531,043	841,703	836,167	1,197,723	1,035,880
Capital outlay	7,575,647	5,401,985	8,518,735	7,777,324	6,202,777	6,863,986	5,749,618	8,477,784	6,366,171	6,929,511
<b>Total expenditures</b>	<u>53,678,218</u>	<u>52,064,409</u>	<u>59,128,811</u>	<u>57,977,065</u>	<u>66,096,927</u>	<u>61,409,220</u>	<u>62,458,274</u>	<u>70,678,660</u>	<u>73,917,039</u>	<u>76,120,466</u>
Excess of revenues over (under) expenditures	(4,393,414)	(2,618,396)	(970,298)	(1,688,902)	(1,598,199)	(489,496)	(3,666,738)	(6,868,468)	(7,120,217)	(6,444,059)
<b>Other financing sources (uses)</b>										
Transfers in	4,551,456	5,343,911	5,531,051	4,989,066	7,143,975	7,539,764	7,246,955	7,227,765	7,334,163	9,567,221
Transfers out	(4,665,834)	(5,282,309)	(5,557,582)	(4,797,139)	(7,478,899)	(8,145,604)	(8,060,866)	(8,065,955)	(8,056,043)	(10,284,306)
Payments to Refunded Bond Escrow Agent	-	-	(983,591)	-	-	(5,541,672)	(5,781,508)	-	-	-
Issuance of Refunding Bonds	-	-	1,000,000	-	-	5,480,000	5,860,000	-	-	-
Premium on Refunded Bonds	-	-	-	-	-	152,081	-	-	-	-
Issuance of long term debt/capital leases	2,378,354	-	3,276,941	4,168,336	2,559,396	1,895,150	1,514,851	3,159,644	6,472,883	4,651,112
Proceeds from sale of capital assets	840,620	82,716	56,794	-	-	22,171	465	-	-	-
<b>Total other financing sources (uses)</b>	<u>3,104,596</u>	<u>144,318</u>	<u>3,323,613</u>	<u>4,360,263</u>	<u>2,224,471</u>	<u>1,401,890</u>	<u>779,897</u>	<u>2,321,454</u>	<u>5,751,003</u>	<u>3,934,027</u>
<b>Net change in fund balances</b>	<u>\$ (1,288,818)</u>	<u>\$ (2,474,078)</u>	<u>\$ 2,353,315</u>	<u>\$ 2,671,361</u>	<u>\$ 626,272</u>	<u>\$ 912,394</u>	<u>\$ (2,886,840)</u>	<u>\$ (4,547,014)</u>	<u>\$ (1,369,214)</u>	<u>\$ (2,510,032)</u>
Debt service as a percentage of non-capital expenditures	<u>10.88%</u>	<u>10.55%</u>	<u>10.76%</u>	<u>12.61%</u>	<u>9.96%</u>	<u>12.37%</u>	<u>9.00%</u>	<u>10.72%</u>	<u>14.87%</u>	<u>15.16%</u>

Source: City of Missoula

# STATISTICAL SECTION

## CITY OF MISSOULA, MONTANA OVERLAPPING PROPERTY TAX LEVIES Last Ten Fiscal Years

Taxing Authority	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Taxing Authority</b>										
City of Missoula	222.45	222.45	225.56	233.24	240.90	243.52	245.62	252.81	260.08	252.27
<b>County of Missoula</b>										
County Wide	140.35	138.94	139.80	142.47	145.04	150.32	160.09	167.96	172.32	174.44
County Wide Schools	105.61	104.62	103.45	100.94	100.17	104.60	105.64	104.35	103.73	101.91
Total	245.96	243.56	243.25	243.41	245.21	254.92	265.73	272.31	276.05	276.35
<b>District Schools</b>										
School District One	140.24	142.75	141.50	145.18	141.88	148.94	150.34	149.71	180.04	212.54
High Schools	79.13	76.46	74.63	76.44	71.92	72.19	72.77	75.11	85.01	103.10
Total	219.37	219.21	216.13	221.62	213.80	221.13	223.11	224.82	265.05	315.64
<b>State Levies</b>										
University	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Education Foundation	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Total	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00
Urban Transportation District	14.86	16.30	16.45	17.69	19.51	21.05	34.26	40.47	40.47	36.78
Total Levy on City Residents	<u>748.64</u>	<u>747.52</u>	<u>747.39</u>	<u>761.96</u>	<u>765.42</u>	<u>786.62</u>	<u>814.72</u>	<u>836.41</u>	<u>887.65</u>	<u>927.04</u>
Overall Property Tax Increase(Decrease)	<b>1.78%</b>	<b>-0.15%</b>	<b>-0.02%</b>	<b>1.95%</b>	<b>0.45%</b>	<b>2.77%</b>	<b>3.57%</b>	<b>2.66%</b>	<b>6.13%</b>	<b>4.44%</b>
<b>Other Levies of Interest</b>										
County Only	35.80	35.80	36.18	36.18	36.38	36.37	36.37	37.70	39.57	37.88
Missoula Rural Fire	94.13	94.13	97.97	97.97	100.33	102.39	112.59	112.61	114.33	110.38

Source: County of Missoula Accounting Office

Note: MRA doesn't get University mills.

**CITY OF MISSOULA, MONTANA  
ESTIMATED MARKET VALUE, TAXABLE VALUE AND MILL LEVY  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Estimated Market Value</u>	<u>Taxable Value City Without Tax Increment</u>	<u>Ratio of Total Assessed Value to Total Estimated Market Value</u>	<u>Taxable Value Tax Increment Districts</u>	<u>Mill Levy</u>
2009	\$ 3,369,424,088	\$ 103,000,436	3.06%	\$ 1,909,938	222.45
2010	3,757,969,949	104,408,018	2.78%	4,507,159	222.45
2011	3,965,146,053	106,229,033	2.68%	5,245,004	225.56
2012	4,140,685,284	107,878,992	2.61%	5,114,782	233.24
2013	4,110,699,383	108,167,019	2.63%	4,530,936	240.90
2014	4,305,020,382	109,336,360	2.54%	4,732,437	243.52
2015	4,406,017,003	108,677,495	2.47%	3,946,539	245.62
2016	7,303,174,348	111,843,874	1.53%	4,012,384	252.81
2017	7,390,919,522	113,132,406	1.53%	4,569,578	260.08
2018	8,176,081,623	121,755,578	1.49%	7,588,347	252.27

Source: Missoula County Assessors Office

**CITY OF MISSOULA, MONTANA  
 ASSESSED VALUE AND ESTIMATED TAXABLE VALUE OF PROPERTY  
 Last Ten Fiscal Years  
 (in thousands of dollars)**

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Equipment &amp; Fixtures</b>	<b>Electric, Airline &amp; Telecommunications</b>	<b>Railroad</b>	<b>Electric, Phone Co-ops &amp; Pollution Control</b>	<b>Other</b>	<b>Tax Increment District</b>	<b>Total Taxable Assessed Value</b>
2009 <sup>^</sup>	-	-	-	-	-	-	-	-
2010	96,352	5,133	3,585	348	380	3,117	(4,507)	104,408
2011	96,914	4,785	5,304	397	393	3,681	(5,245)	106,229
2012	98,235	4,851	5,376	402	398	3,732	(5,115)	107,879
2013	98,669	3,852	5,175	440	407	4,155	(4,531)	108,167
2014	99,741	4,086	4,928	587	346	4,381	(4,732)	109,336
2015	101,034	2,242	3,848	501	396	4,604	(3,947)	108,677
2016	103,502	2,058	3,048	604	361	6,283	(4,012)	111,844
2017	104,237	2,546	4,584	521	397	5,417	(4,570)	113,132
2018	116,306	2,623	3,510	654	398	5,852	(7,588)	121,756

\*Property in the City does have a Market Value and is assessed at the actual value at a rate of 2.5%; therefore, the assessed values are equal to actual value.

\*This table presents taxable property assessments at values calculated after certified values were received from the Department of Revenue. These values will not articulate to certified values due to the date that this report is run by the Department of Revenue.

<sup>^</sup> 2009 Values are no longer available due to Department of Revenue (DOR) software constraints and timing issues in FY2009.

Source: Missoula County Assessor's Office and Department of Revenue.

**CITY OF MISSOULA, MONTANA  
PROPERTY VALUE AND NEW CONSTRUCTION  
Last Ten Fiscal Years**

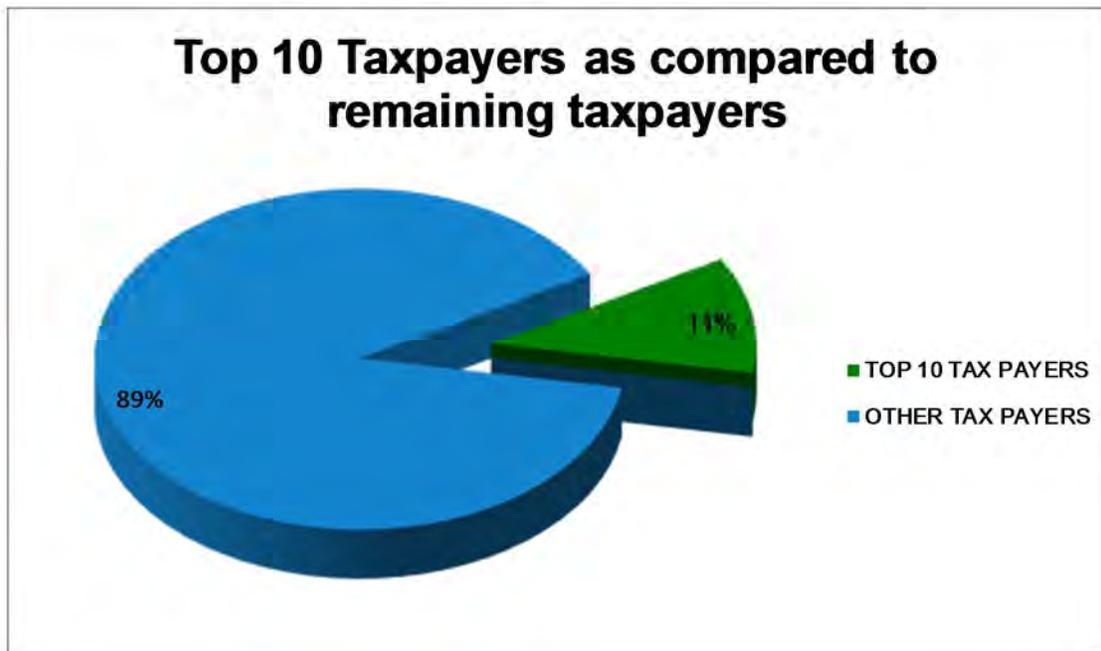
Fiscal Year	Assessed Value City Property	New Construction						% Change Over Last Year
		Single Family		Multi-Family		All Construction		
		Number	Value Estimate	Number	Value Estimate	Number	Value Estimate	
2008	\$ 3,195,587,513	229	\$ 21,554,764	154	\$ 9,711,099	1,530	\$ 133,165,009	49.39%
2009	3,369,424,088	142	11,627,586	73	3,019,865	1,291	63,987,567	-51.95%
2010	3,757,969,949	139	12,643,362	63	2,552,415	1,306	54,867,213	-14.25%
2011	3,965,146,053	95	8,892,276	262	17,010,385	1,283	87,790,572	60.01%
2012	4,140,685,284	96	9,675,751	329	15,186,996	1,395	58,443,007	-33.43%
2013	4,110,699,383	127	11,284,179	371	14,682,857	1,485	68,558,394	17.31%
2014	4,305,020,382	160	18,828,163	210	9,575,271	1,319	74,177,588	8.20%
2015	4,406,017,003	176	18,033,312	302	12,840,095	1,427	122,960,429	65.76%
2016	7,303,174,348	195	20,368,865	150	9,679,420	1,515	117,605,567	-4.35%
2017	7,390,919,522	246	25,059,568	736	41,624,374	1,576	161,435,250	37.27%

Source: City of Missoula Building Inspection Office and Missoula County Assessor

CITY OF MISSOULA  
FOR FY 2017 - FY 2018

Rank	Taxpayer	Taxable Value
1	NORTHWESTERN ENERGY	\$ 5,805,954
2	SOUTHGATE MALL ASSOCIATES	1,101,236
3	CENTURYLINK INC**	993,838
4	RCHP BILLINGS MISSOULA LLC *	978,589
5	VERIZON WIRELESS	924,146
6	MONTANA RAIL LINK	882,775
7	CHARTER COMMUNICATIONS	792,549
8	MOUNTAIN WATER CO	789,887
9	GATEWAY LIMITED PARTNERSHIP	773,118
10	UT MISSOULA LLC	464,151
		\$ 13,506,243

\* Formerly Community Hospital



## STATISTICAL SECTION

**CITY OF MISSOULA, MONTANA  
PROPERTY TAX LEVIES AND COLLECTIONS  
GOVERNMENTAL FUND TYPES  
Last Ten Fiscal Years**

Fiscal Year Ended June 30th	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date*			Percentage of Delinquencies
		Amount	Percentage of Levy	in Subsequent Years	Amount	Percentage of Levy	
2008	\$ 21,454,436	\$20,926,264	97.54%	\$ 56,389	\$20,982,653	97.80%	2.46%
2009	22,914,220	22,301,910	97.33%	317,891	22,619,800	98.72%	2.67%
2010	23,225,564	22,737,517	97.90%	636,697	23,374,213	100.64%	2.10%
2011	23,961,021	22,743,766	94.92%	862,661	23,606,427	98.52%	5.08%
2012	25,161,696	24,607,176	97.80%	211,507	24,818,683	98.64%	2.20%
2013	26,057,435	26,150,721	100.36%	850,849	27,001,570	103.62%	-0.36%
2014	26,625,590	25,882,072	97.21%	140,631	26,022,703	97.74%	2.79%
2015	26,693,366	26,658,963	99.87%	209,372	26,868,335	100.66%	0.13%
2016	28,203,105	27,863,139	98.79%	100,318	27,963,457	99.15%	1.21%
2017	29,423,476	28,786,655	97.84%	98,256	28,884,910	98.17%	2.16%

Source: City of Missoula

\* Delinquent tax collections include amounts collected from penalties, interest, and other delinquent collections. The City does not identify delinquent collections by the year for which the tax was levied.

In 2014 this table was updated to reflect all taxes levied by the City of Missoula, not just the General Fund. While 2014 delinquencies are within a normal range we feel it germane to the reader to mention the passage of SB96 which reduced 2014 tax receipts for strict personal property. The legislature attempted to make taxing jurisdictions whole by one-time payments. The City of Missoula received a one-time payment of \$327,628 which is reflected in Intergovernmental revenues rather than tax receipts.

**CITY OF MISSOULA, MONTANA  
GENERAL OBLIGATION DEBT RATIOS  
REQUIRED CONTINUING DISCLOSURE**

**The following general obligation debt ratios are provided as of June 30, 2017**

Market Valuation	\$	7,390,919,522
Market Valuation (Less Tax Increment)	\$	7,386,349,944
Taxable Valuation	\$	117,701,984
Taxable Valuation (Less Tax Increment)	\$	113,132,406
Population		73,747
Direct Debt Per Capita	\$	264
Direct and Overlapping Debt Per Capita	\$	1,315
Direct Debt to Market Valuation		0.26%
Direct and Overlapping Debt to Market Valuation		1.31%
Direct Debt to Taxable Valuation		16.55%
Direct and Overlapping Debt to Taxable Valuation		82.42%
Market Valuation per Capita	\$	100,220
Taxable Valuation per Capita	\$	1,534

Source: City of Missoula

**SUMMARY OF DIRECT DEBT, INDIRECT DEBT AND DEBT RATIOS  
REQUIRED CONTINUING DISCLOSURE  
AS OF JUNE 30, 2017**

	<b>Summary of Direct Debt</b>		
	<b>Gross Debt</b>	<b>Less: Debt Service Funds</b>	<b>Net Direct Debt</b>
General Obligation Debt Supported by Taxes	\$ 19,478,827	\$ -	\$ 19,478,827
Debt Supported by General Fund	9,790,125	-	9,790,125
Revenue Debt (Sewer)	21,627,526	( a )	21,627,526
Revenue Debt (TIF and Parking)	23,664,636	( b )	23,664,636
Subtotal of Direct Debt	<u>\$ 74,561,114</u>		<u>\$ 74,561,114</u>

- (a) Monies are transferred from the Sewer Enterprise Fund to make the principal and interest payments on these bonds.  
 (b) Monies from the Missoula Parking Commission and tax increment revenues are used to make principal and interest payments on these bonds.

	<b>Summary of Indirect Debt</b>		
	<b>G.O. Debt as of June 30, 2017</b>	<b>Debt Applicable to Tax Capacity of City</b>	
		<b>Percentage<sup>^</sup></b>	<b>Amount</b>
Missoula County High School District	\$ 26,725,000	89.54%	\$ 23,929,565
Missoula County Elementary School District	49,775,000	51.74%	25,753,585
Hellgate Elementary School District	8,660,000	15.43%	1,336,238
School District No. 20 (Desmet)	75,000	2.62%	1,965
Missoula County	48,150,000	55.05%	26,506,575
Subtotal of Indirect Debt	<u>\$ 133,385,000</u>		<u>\$ 77,527,928</u>

**Total of Direct and Indirect Debt**    \$ 152,089,042

	<b>Debt Ratios*</b>	
	<b>G.O. Net Direct Debt</b>	<b>G.O. Indirect &amp; Net Direct Debt</b>
Current Year Estimated Value	0.26%	1.31%
Per Capita	\$ 264	\$ 1,315

\*Includes general obligation debt and debt supported by general fund revenues, excludes revenue supported debt.

<sup>^</sup>The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Local Schools

# STATISTICAL SECTION

**CITY OF MISSOULA, MONTANA  
LEGAL DEBT MARGIN INFORMATION  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 79,890	\$ 84,236	\$ 93,949	\$ 99,129	\$ 103,517	\$ 102,767	\$ 107,626	\$ 110,150	\$ 182,579	\$ 184,773
Total net debt applicable to limit	17,722	16,426	15,224	13,966	12,661	12,124	11,555	10,178	8,731	7,548
Legal debt Margin	\$ 62,167	\$ 67,809	\$ 78,725	\$ 85,163	\$ 90,856	\$ 90,643	\$ 96,071	\$ 99,973	\$ 173,848	\$ 177,225
Total net debt applicable to the limit as a percentage of debt limit	22.18%	19.50%	16.20%	14.09%	12.23%	11.80%	10.74%	9.24%	4.78%	4.08%

**Legal Debt Margin Calculation for Fiscal Year 2017**

Assessed Value of Taxable Property as Ascertained by the last Assessment for Taxes	7,390,919.52
Debt Limit 2.5% of Assessed Value (1)	<u>2.50%</u>
General Obligation Debt Limit	184,773
Less: Outstanding General Obligation Debt, June 30, 2017	<u>7,548</u>
Total net debt applicable to limit	<u>177,225</u>
Legal Debt Margin	<u>177,225</u>

(1) Montana Statute (7-7-4201) prescribes a legal debt limit of 2.5% of the total assessed value of taxable property, which was increased in the I

Source: City of Missoula  
Source: Missoula County Assessors Office

# STATISTICAL SECTION

## CITY OF MISSOULA, MONTANA RATIO OF OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Total Personal Per capita Income*	Total Population	Debt as a Percentage of Personal Income	Debt Per Capita	Debt as a Percentage of Market Value	
	General Obligation Bonds	Limited Obligation Bonds	Special Assessment Bonds	Loans Payable	Capital Leases	Sidewalk & Curb Warrants	Revenue Bonds	Capital Leases							Notes Payable
2008	\$ 17,500,000	\$ 5,360,000	\$ 15,510,165	\$ 222,425	\$ -	\$ 120,923	\$ 15,818,231	-	-	\$ 54,531,744	\$ 35,318	66,000	2.34%	\$ 826	1.62%
2009	16,235,000	5,130,000	14,030,295	191,309	-	100,248	14,801,231	-	-	50,488,083	35,531	66,295	2.14%	762	1.34%
2010	15,065,000	4,935,000	14,350,241	159,063	1,378,125	-	13,883,485	-	-	49,770,914	33,642	66,788	2.22%	745	1.32%
2011	13,840,000	5,625,000	15,021,055	125,646	1,959,752	-	24,579,098	71,250	-	61,221,801	35,936	67,565	2.52%	906	1.63%
2012	12,570,000	5,285,000	15,322,685	91,014	2,174,849	-	23,600,000	385,660	2,525,270	61,954,479	38,046	68,484	2.38%	905	1.50%
2013	11,465,000	4,935,000	14,189,516	659,267	2,215,466	-	22,051,000	337,080	2,236,246	58,088,575	37,486	69,039	2.24%	841	1.41%
2014	11,020,000	4,575,000	12,738,346	534,747	3,201,445	-	20,857,000	232,296	1,962,919	55,121,753	39,211	69,821	2.01%	789	1.28%
2015	9,750,000	4,210,000	11,394,176	427,513	4,967,415	-	19,631,000	149,281	1,430,114	51,959,499	40,803	71,022	1.79%	732	1.18%
2016	8,395,000	5,100,000	10,693,500	336,190	4,989,470	-	18,799,002	92,293	1,392,863	49,798,318	42,297	72,070	1.63%	691	0.68%
2017	7,305,000	4,650,000	12,173,827	242,822	4,897,303	-	19,876,600	397,179	1,353,747	50,896,478	43,481	73,747	1.59%	690	0.69%

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Montana Department of Labor - Research and Analysis Bureau

\*2010 is the most recent data available. Preceding years to 2004-2009 are City estimates.

**CITY OF MISSOULA, MONTANA  
 RATIO OF ANNUAL DEBT SERVICE REQUIREMENTS FOR  
 Last Ten Fiscal Years  
 Amounts expressed in thousands, except population and per capita**

<b>Fiscal Year</b>	<b>General Obligation Bonds*</b>	<b>Total Taxable Assessed Valuation</b>	<b>Percentage of Taxable Value of Property</b>	<b>Estimated Population</b>	<b>Per Capita</b>
2008	\$ 17,500	\$ 99,333	18%	66,000	\$ 265.15
2009	16,235	103,000	16%	66,295	244.89
2010	15,065	104,408	14%	66,788	225.56
2011	13,840	106,229	13%	67,565	204.84
2012	12,570	107,879	12%	68,484	183.55
2013	11,465	108,167	11%	69,039	166.07
2014	11,020	109,336	10%	69,821	157.83
2015	9,750	108,677	9%	71,022	137.28
2016	8,395	111,844	8%	72,070	116.48
2017	7,305	113,132	6%	73,747	99.05

\* Presented as net bonded debt (net bonded debt is balance of outstanding debt less restricted funds collected for debt payment). First year presented is FY2012. All other fiscal years is presented as total bonded debt.

Source Restricted Debt: Combining Balance Sheet - Nonmajor Debt Service Funds

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Bureau of Economic Analysis

**CITY OF MISSOULA, MONTANA  
PLEGDED - REVENUE COVERAGE  
WASTEWATER FACILITY REVENUE BONDS  
Last Ten Fiscal Years**

Fiscal Year	Operating Revenues	Operating Expenses (1)	Revenue Available for Debt	Principal Paid	Debt Service Requirements		
					Interest Paid	Total Debt Service	Coverage (2)
2008	\$ 6,848,299	\$ 3,900,755	\$ 2,947,544	\$ 979,000	\$ 641,677	\$ 1,620,677	182%
2009	6,543,754	3,860,411	2,683,343	1,017,000	605,558	1,622,558	165%
2010	6,705,911	3,769,644	2,936,267	1,050,023	568,464	1,618,487	181%
2011	6,678,968	3,876,659	2,802,309	1,511,485	721,218	2,232,703	126%
2012	7,375,912	4,701,243	2,674,669	979,098	876,018	1,855,116	144%
2013	7,861,126	4,925,194	2,935,932	1,186,000	711,146	1,897,146	155%
2014	8,023,882	4,871,391	3,152,491	1,194,000	616,515	1,810,515	174%
2015	8,208,336	5,104,692	3,103,644	1,226,000	564,953	1,790,953	173%
2016	8,891,549	4,825,009	4,066,540	1,292,000	572,563	1,864,563	218%
2017^	9,087,509	5,369,172	3,718,337	1,383,913	660,995	2,044,908	182%

<b>^ Debt Service Coverage Calculation - 2017</b>	
	FY 2017
<b>Revenues</b>	
Operating Revenue	\$ 9,087,509
Less: Federal Credit	(233,816)
<b>Total Operating Revenue</b>	<b>8,853,693</b>
<b>Expenses</b>	
Operating Expenses	(9,202,393)
Add back Depreciation	2,938,410
<b>Total Operating Expenses</b>	<b>(6,263,983)</b>
<b>Revenues available for Debt Service:</b>	<b>\$ 2,589,710</b>
<b>Debt Service</b>	
Principal	\$ 1,383,913
Interest	894,811
Less: Federal Credit	(233,816)
<b>Net Debt Service</b>	<b>\$ 2,044,908</b>
<b>Coverage</b>	<b>127%</b>

Source: City of Missoula Annual Financial Reports

(1) Does not include depreciation or bond interest.

(2) Net revenues divided by the maximum debt payment due in any future calendar year.

**CITY OF MISSOULA, MONTANA  
 PLEDGED - REVENUE COVERAGE  
 PARKING COMMISSION REVENUE BONDS  
 Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Operating Expenses (A)</b>	<b>Net Available For Debt Service</b>	<b>Principal Paid</b>	<b>Interest Paid</b>	<b>Total Debt Service</b>	<b>Coverage (B)</b>
2008	\$ 1,429,972	\$ 1,008,437	\$ 421,535	\$ 105,000	\$ 58,345	\$ 163,345	2.58%
2009	1,448,179	1,013,313	434,866	110,000	53,162	163,162	2.67%
2010	1,415,863	1,026,254	389,609	115,000	46,778	161,778	2.41%
2011	1,443,085	947,789	495,296	120,000	(86,268)	33,732	14.68%
2012	1,739,234	876,485	862,749	220,000	384,813	604,813	1.43%
2013	1,838,073	958,094	879,979	210,000	302,292	512,292	1.72%
2014	1,840,624	1,066,325	774,299	220,000	317,253	537,253	1.44%
2015	1,896,306	1,095,809	800,497	40,000	268,709	308,709	2.59%
2016	2,152,353	1,170,266	982,087	185,000	272,575	457,575	2.15%
2017 *	2,521,547	1,102,419	1,419,128	250,000	265,850	515,850	2.75%

<b>* Debt Service Coverage Calculation - 2017</b>	
	FY 2017
<b>Revenues</b>	
Total Operating Revenue	2,254,696
MRA Pledge	266,851
Total Revenues Pledged	<u>2,521,547</u>
<b>Expenses</b>	
Operating Expenses	(1,796,393)
Add back Depreciation ^	495,616
Add back administrative charges	198,358
Total Operating Expenses	<u>(1,102,419)</u>
<b>Revenues Available for Debt Service</b>	<u>1,419,128</u>
<b>Debt Service</b>	
Principal	250,000
Interest	265,850
Net Debt Service	<u>515,850</u>
Coverage	2.75%

(A) Does not include depreciation or bond interest.  
 (B) Net available divided by debt service.

Source: City of Missoula Annual Reports

**CITY OF MISSOULA, MONTANA  
 REVOLVING FUND YEAR-END BALANCES  
 REQUIRED CONTINUING DISCLOSURE  
 Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Revolving Fund Cash Balance</b>	<b>Principal Amount of Bonds</b>	<b>Percentage</b>
2008	\$ 779,966	\$ 15,510,165	5.0%
2009	719,399	14,030,295	5.1%
2010	746,320	14,250,241	5.2%
2011	794,547	15,021,055	5.3%
2012	774,812	15,322,685	5.1%
2013	719,735	14,189,516	5.1%
2014	636,917	12,738,346	5.0%
2015	569,709	11,394,176	5.0%
2016	535,000	10,693,500	5.0%
2017	624,223	12,173,827	5.1%

Source: City of Missoula

# STATISTICAL SECTION

## CITY OF MISSOULA, MONTANA REVOLVING FUND CHANGES IN FUND BALANCE REQUIRED CONTINUING DISCLOSURE Last Ten Fiscal Years

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Beginning Balance	\$954,148	\$779,966	\$719,399	\$764,101	\$794,547	\$791,209	\$735,266	\$ 652,449	\$ 586,596	\$ 550,531
Disbursements/Transfers	(174,182)	(60,567)	44,702	30,446	(3,338)	(55,943)	(82,817)	(65,853)	(36,065)	73,691
Ending Balance	<u>\$779,966</u>	<u>\$719,399</u>	<u>\$764,101</u>	<u>\$794,547</u>	<u>\$791,209</u>	<u>\$735,266</u>	<u>\$652,449</u>	<u>\$ 586,596</u>	<u>\$ 550,531</u>	<u>\$ 624,223</u>
Assets:										
Cash	\$776,343	\$702,257	\$746,320	\$793,639	\$774,812	\$719,735	\$636,917	\$ 569,709	\$ 535,000	\$ 624,223
Due from SID Funds	-	-	-	-	865	-	-	569,709	-	41,452
Other Receivables	184,856	182,844	167,952	135,548	134,640	119,108	103,577	88,046	72,514	-
Total Assets	961,200	885,101	914,272	929,187	910,317	838,843	740,494	1,227,463	607,514	665,674
Liabilities:										
Interfund Payable	-	-	-	-	-	-	-	568,353	-	-
Deferred Revenue	181,233	165,702	150,171	134,639	119,108	103,577	88,046	72,514	56,983	41,452
Total Liabilities	181,233	165,702	150,171	134,639	119,108	103,577	88,046	640,867	56,983	41,452
Total Fund Balance	<u>\$779,966</u>	<u>\$719,399</u>	<u>\$764,101</u>	<u>\$794,547</u>	<u>\$791,209</u>	<u>\$735,266</u>	<u>\$652,449</u>	<u>\$ 586,596</u>	<u>\$ 550,531</u>	<u>\$ 624,223</u>

Source: City of Missoula

**CITY OF MISSOULA, MONTANA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
Last Ten Fiscal Years**

Fiscal Year	Population		Income Statistics		State Unemployment Rate	Missoula County Unemployment Rate
	City Population (1)	County Population (1)	Total Personal Income (2)	Capita Income (2)		
2008	66,000	107,565	\$ 3,795,962	\$ 35,318	4.7%	5.0%
2009	66,295	108,000	3,818,772	35,531	5.7%	6.3%
2010	66,788	109,299	3,866,079	33,642	6.5%	7.3%
2011	67,565	110,160	3,958,700	35,936	6.3%	6.7%
2012	68,484	111,077	4,226,000	38,046	5.4%	5.9%
2013	69,039	111,731	4,188,400	37,486	4.8%	5.2%
2014	69,821	112,681	4,418,300	39,211	4.1%	4.5%
2015	71,022	114,181	4,658,900	40,803	3.5%	3.8%
2016	72,070	115,260	4,854,600	42,297	3.5%	3.8%
2017	73,747	119,108	5,000,238 *	43,481 *	4.0%	3.6%

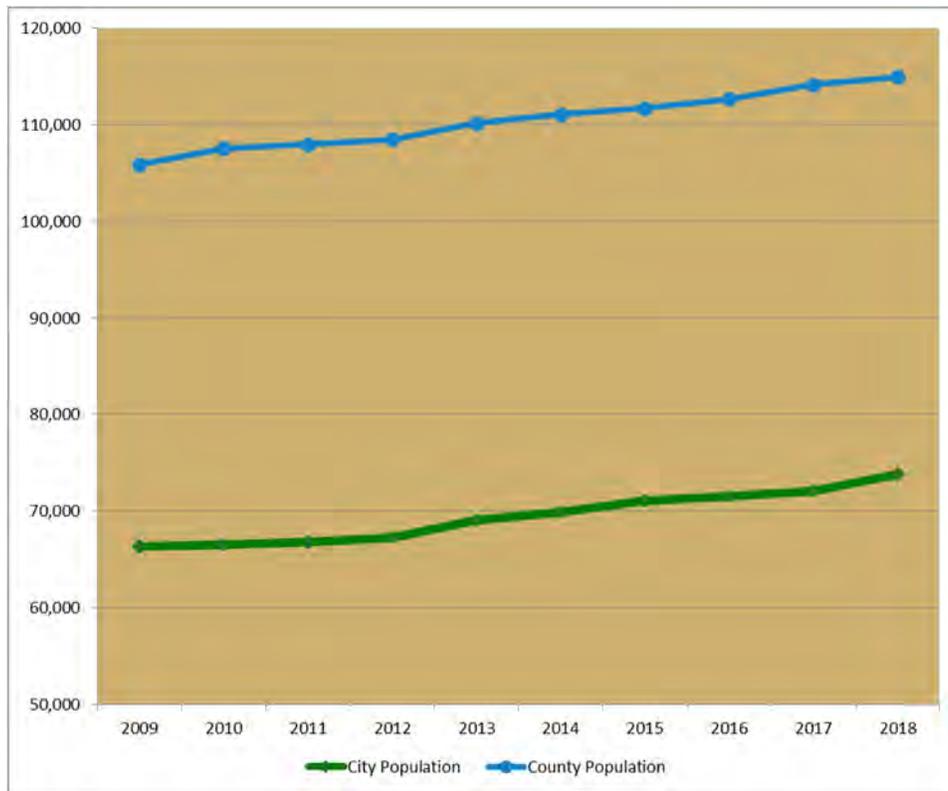
(1) 2010 population is from the US Census Bureau. All other years are estimates based of City building permit data.

(2) Only Missoula County information available.

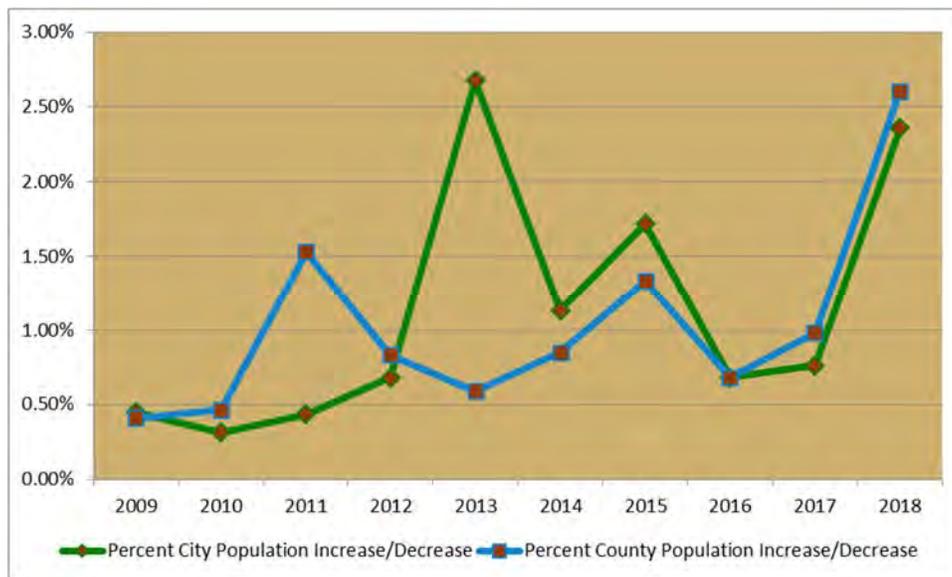
\* Estimate based on average increase of prior years.

Source - Bureau of Economic Analysis, Department of Labor & Industry, Research & Analysis Bureau and City of Missoula, Development Services Department

City and County Population per year



City and County change in population per year



# STATISTICAL SECTION

## City of Missoula Climate Demographics Last 30 years

Temperature	Missoula (1893-2003)	Kalispell (1899-2003)	Butte (1894-2003)	State of Montana	State of Idaho
Latest 30 Year Normal Temperature (1971-2000)	44.8	42.6	39.5	-	-
Average Temperature (Jan-Dec)	44.3	43.1	39.9	-	-
Lowest Temperature	-33 (1/26/57)	-38 (1/30/50 - 1/31/50)	-52 (2/9/33)	-70 Rogers Pass (1/20/54)	-60 Island Park Dam (1/18/43)
Highest Temperature	107 (7/6/2007)	105 (8/4/61)	100 (7/22/31)	117 Medicine Lake (7/5/37)	118 Orofino (7/28/34)

Precipitation	Missoula (1893-2003)	Kalispell (1899-2003)	Butte (1894-2003)	State of Montana	State of Idaho
Latest 30 Year Normal Precipitation (1971-2000)	13.84	17.21	12.78	-	-
Average Precipitation (Jan-Dec)	13.65	16.22	12.97	-	-
Driest Month	Trace August 1967	Trace August 1955	Trace October 1987	-	-
Driest Year	8.16 1931	10.42 1944	6.89 1935	-	-
Greatest 24-hour Precipitation	2.32 inches (11/5/1927)	2.71 inches (6/29/1982)	3.00 inches (06/09/1913)	-	-
Wettest Month	7.38 inches May 1980	6.02 inches July 1983	8.86 inches June 1913	-	-
Wettest Year	21.92 inches 1998	25.23 inches 1996	20.55 inches 1909	-	-
Annual Average Snowfall	44 inches	58.3 inches	61.3 inches	-	-
Greatest 24-hour Snow	27.5 inches (11/30/1893)	20.1 inches (12/27/1911)	30.0 inches (10/10/1911)	-	-
Greatest Monthly Snow	54.1 inches December 1996	55.9 inches December 1936	32.5 inches October 1911	-	-
Greatest Annual Snowfall	106.1 inches 1996	148.8 inches 1996	125.5 inches 1996	-	-
Greatest Snow Depth	27.0 inches (12/29/1996)	61.0 inches (12/30/1996)	27.0 inches (12/29/1996)	-	-

Source: National Weather Service Forecast Office, Missoula, MT

**CITY OF MISSOULA, MONTANA  
TOP EMPLOYERS IN CITY OF MISSOULA  
Current and Ten Years Ago**

<b>Employer</b>	<b>Type of Product or Service</b>	<b>2017</b>	<b>Percentage of Total City Employment</b>	<b>2008<sup>^</sup></b>	<b>Percentage of Total City Employment</b>
University of Montana	Higher Education	2,915	3.95%	3000+	5.00%
St. Patrick Hospital	Healthcare	1,211	1.64%	1000+	2.00%
Montana Rail Link	Rail Transportation	1,167	1.58%	1000+	2.00%
Missoula County Public Schools	Public Education	1,114	1.51%	1000+	2.00%
Community Medical Center	Healthcare	877	1.19%	1000+	2.00%
Missoula County	Government	853	1.16%	500-999	1.00%
Us Forest Service	Federal Government	704	0.95%	500-999	1.00%
AT&T/DirecTV	Service	675	0.92%	500-999	1.00%
Opportunity Resources	Service	615	0.83%	*	0.00%
Wal-Mart	Retail	585	0.79%	500-999	1.00%
Western Montana Clinic				250-499	1.00%

<sup>^</sup> Information was in range format for FY2008

\* Employers were added after 2008

Source - Bureau of Economic Analysis and Department of Labor & Industry, Research & Analysis Bureau

**CITY OF MISSOULA, MONTANA  
CITY SERVICES AND EMPLOYMENT**

<b><u>Bargaining Unit</u></b>	<b><u>Number of Members</u></b>	<b><u>Date of Expired Contract</u></b>
International Association of Firefighters, Local No. 271	89	June 30, 2019
Missoula Police Protective Association	100	June 30, 2019
Montana Public Employees Association		
Maintenance Technicians in Parks and Recreation Dept.	9	June 30, 2019
MPEA Chemists	2	June 30, 2019
Parking Commission	7	June 30, 2019
Wastewater Plant Operators	6	
Teamsters Union, Local No. 2	22	June 30, 2019
Operators' Union, Local No. 4000	12	June 30, 2019
Machinists Union, Local No. 88, District No. 86	8	June 30, 2019
Teamsters, Parks and Recreation Seasonal	19	June 30, 2019
Wastewater Operator's Union, Local 400	8	June 30, 2019
International Brotherhood of Electrical Workers	2	June 30, 2019
MEA-MFT	6	June 30, 2018

Note: Basic services provided through City government include Police and Fire protection, Municipal Sewer and Sanitation, Street Maintenance and Construction, Building Inspection, Zoning Enforcement, Public Works, and Parks and Recreation. As of June 30, 2015, the City employed approximately 626 workers, including Seasonal and Intermittent. Of the total City workforce, approximately 46% were members of organized bargaining units. State law requires Montana Cities to bargain collectively with formally recognized bargaining units. The City considers relations with its bargaining groups to be satisfactory.

^ Newly created Union on July 1, 2015. Members were from WW Operators Union Local 400

Source: City of Missoula

# STATISTICAL SECTION

## MISSOULA, MONTANA METROPOLITAN AREA EMPLOYMENT BY MAJOR INDUSTRY TYPE ANNUAL AVERAGE Last Ten Fiscal Years

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 (A)
Goods Producing	6,100	5,500	4,600	4,700	4,400	4,500	4,600	4,900	4,900	5,100
Trade, Transportation and Utilities	12,900	12,100	11,300	11,400	11,600	11,100	11,900	12,300	12,200	12,200
Professional and Business Service	6,200	6,100	6,900	6,900	6,800	7,000	7,000	6,500	6,400	6,500
Educational and Health Services	8,700	8,900	9,200	9,500	9,800	10,000	10,000	10,300	10,400	10,800
Healthcare and Social Assistance	8,200	8,400	8,700	9,000	9,200	9,300	9,400	9,700	9,800	10,100
Leisure and Hospitality	7,900	7,600	7,000	6,900	7,400	7,300	7,700	8,100	8,100	8,500
Government	9,300	8,300	10,300	8,400	10,300	10,500	10,600	10,800	10,800	11,000
	<b>59,300</b>	<b>56,900</b>	<b>58,000</b>	<b>56,800</b>	<b>59,500</b>	<b>59,700</b>	<b>61,200</b>	<b>62,600</b>	<b>62,600</b>	<b>64,200</b>

Source: Department of Labor & Industry, Research & Analysis Bureau

(A) Most recent data available through June 2017.  
All other years are annual data

# STATISTICAL SECTION

## CITY OF MISSOULA, MONTANA OPERATING INDICATORS BY FUNCTION/PROGRAM Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Government</b>										
Business Licenses Issued	6,386	5,141	5,947	5,103	5,872	5,585	5,418	4,566	5,821	5,658
Amount of SID's Billed	\$ 2,802,979	\$ 2,759,874	\$ 2,788,949	\$ 2,979,149	\$ 2,806,770	\$ 2,565,463	\$ 2,468,350	\$ 2,277,577	\$ 2,221,810	\$ 2,516,030
# Sewer Bills	41,818	42,323	42,860	43,493	44,495	45,042	45,042	45,213	45,664	46,326
<b>Public Safety Activities</b>										
Citations issued	32,219	31,700	25,136	20,232	20,554	18,139	15,420	14,042	13,442	20,791
Orders of Protection issued	400	398	277	209	236	203	318	267	351	245
Attorney's Office - Lawsuits & Claims	49	41	26	24	22	32	29	28	35	46
Attorney - Opened criminal files	2,708	2,372	2,313	3,029	4,007	4,255	3,955	3,023	3,777	4,238
Officers/1,000 population	2	2	1	1	2	2	2	2	2	1
Total sworn officers	101	101	100	100	104	106	109	109	109	106
Police calls for Service	40,981	41,424	41,373	40,272	41,334	42,302	41,728	45,605	42,791	53,206
Total Fire Department Incident Responses*	5,805	5,850	6,217	5,752	6,131	6,548	6,745	7,140	7,865	8,169
<b>Public Works</b>										
Miles of sidewalk installed	7.00	4.00	6.78	5.42	4.72	5.58	9.19	4.35	3.48	4.15
Building Permits Issued	1,530	1,291	1,306	1,283	1,395	1,485	1,319	1,427	1,515	1,576
Construction Value of Bldg permits issued	\$ 133,165,009	\$ 63,987,567	\$ 54,867,213	\$ 87,790,572	\$ 58,443,007	\$ 68,558,394	\$ 74,177,588	\$ 122,960,429	\$ 117,605,567	\$ 161,435,250
Miles of Street	312	383	391	413	416	419	422	428	443	454
Population	66,000	66,295	66,788	67,565	68,484	69,039	69,821	71,022	72,070	73,747

Source: City of Missoula

\* Fire Department Incident Responses are based on Calendar Years. Current Year number through 12/31/16.

# STATISTICAL SECTION

## CITY OF MISSOULA, MONTANA CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM Last Ten Fiscal Years

Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>GENERAL GOVERNMENT</b>										
Vehicles	7	4	4	4	2	2	2	2	2	2
Buildings	3	3	3	3	4	4	5	5	5	5
<b>PUBLIC SAFETY ACTIVITIES</b>										
Fire Stations	5	5	5	5	5	5	5	5	5	5
Fire Engines/Trucks/Vehicles/Vans	26	26	25	25	31	32	32	33	34	31
Police Motorcycles	6	6	6	6	4	5	5	5	5	5
Police Patrol Cars/Passenger Vehicles/Other Vehic	58	62	63	63	66	59	63	63	67	72
<b>PUBLIC WORKS</b>										
Streets (sq. yards)	6,826,850	6,837,927	7,056,869	7,265,469	7,399,746	7,539,539	7,636,873	7,774,642	8,050,257	8,287,391
Curbs (lineal feet)	1,997,728	1,957,574	2,100,819	2,135,361	2,159,796	2,182,153	2,241,246	2,259,480	2,273,980	2,288,394
Sidewalks (sq. feet)	10,015,638	10,232,017	10,599,017	12,699,836	12,824,406	13,345,978	13,588,598	13,703,420	13,795,344	13,904,798
Storm Sewer (lineal feet)	153,275	157,826	162,158	168,148	172,360	179,388	179,888	180,368	183,538	184,199
Sumps	5,307	5,307	5,385	5,496	5,524	4,183	4,209	5,585	5,617	5,624
Signs	53,768	56,635	57,502	58,369	59,236	60,103	60,970	61,837	62,704	63,571
Vehicles	107	161	163	165	163	123	123	123	225	248
Buildings	4	4	4	4	4	5	5	5	5	6
<b>CULTURE AND RECREATION</b>										
Parks	51	67	68	69	70	70	70	70	72	71
Trails	20	22								
Commuter	N/A	N/A	22	22	23	23	23	23	23	23
Recreational	N/A	N/A	55	55	56	56	56	56	58	56
Park Shelter/Band Shells/Pavilions	10	10	12	15	17	18	18	18	24	20
Buildings	23	23	23	23	23	23	23	23	23	23
Vehicles (Including trailers)	55	58	59	59	59	108	112	112	115	112
<b>HOUSING &amp; COMMUNITY DEVELOPMENT</b>										
Vehicles	10	1	1	1	1	1	1	1	1	1
Buildings	2	-	-	-	-	-	-	-	-	-

Capital Asset Statistics by Function information prior to 2007 is not readily available in this format.

Source: City of Missoula Fixed Asset Accounting Module  
Source: Various City of Missoula Departments

**CITY OF MISSOULA, MONTANA  
SPECIAL ASSESSMENTS BILLED AND COLLECTED  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Assessments Billed</b>	<b>Current Assessments Paid</b>	<b>Percent Collected</b>	<b>Delinquent Assessments Paid</b>	<b>Total Assessments Paid</b>	<b>Penalty and Interest Paid</b>
2008	\$ 2,802,979	\$ 2,690,299	95.98%	\$ 107,817	\$ 2,798,116	\$ 11,653
2009	2,759,874	2,666,875	96.63%	109,340	2,776,215	11,539
2010	2,788,949	2,796,909	100.29%	136,607	2,933,516	14,999
2011	2,979,149	2,818,935	94.62%	159,941	2,978,876	18,139
2012	2,806,770	2,760,131	98.34%	160,377	2,920,508	16,070
2013	2,565,463	2,549,864	99.39%	51,388	2,601,252	8,058
2014	2,468,350	2,464,285	99.84%	19,211	2,483,496	11,121
2015	2,277,577	2,308,308	101.35%	8,655	2,316,963	8,359
2016	2,221,810	2,185,888	98.38%	5,286	2,191,174	4,989
2017	2,516,030	2,454,187	97.54%	35,599	2,489,786	4,337

Note: Property tax levies are set in August at the time the City budget is approved and billed November 1 by the County. Half of the taxes are due by November 30 and the other half by May 31. After those dates, the bills are delinquent (and a lien is placed on the property). The interest charged on delinquent taxes is one percent per month, with a two percent penalty.

Source: City of Missoula

## STATISTICAL SECTION

**CITY OF MISSOULA, MONTANA  
SPECIAL IMPROVEMENT DISTRICT 512, 521 AND 522  
REQUIRED CONTINUING DISCLOSURE**

<b>Fiscal Year</b>	<b>Combined Market Value of All Districts</b>	<b>Average Ratio of Market Value to Assessments of Individual Parcels</b>	<b>Highest Ratio of Market Value to Assessments of Individual Parcels</b>	<b>Lowest Ratio of Market Value to Assessments of Individual Parcels</b>	<b>Median Ratio of Market Value to Assessments of Individual Parcels</b>
2008	\$ 211,405,977	317.09	4,977.27	5.04	141.94
2009	234,349,048	954.97	6,111.87	20.47	160.49
2010	236,039,170	1,071.95	30,710.27	22.07	247.40
2011	215,320,296	1,296.29	51,474.37	40.46	823.26
2012	296,665,021	1,601.54	60,391.92	47.21	957.42
2013	343,465,684	43.42	43.42	43.42	43.42
2014	212,236,360	6,153.16	233,364.95	81.73	3,711.41
2015	275,246,631	7,937.62	244,392.70	10.65	5,041.41
2016	281,792,739	9,733.94	483,578.62	11.17	5,382.13
2017	228,884,766	14,537.55	260,053.13	972.25	10,318.56

Source: City of Missoula and Missoula County Assessor's Office

**STATISTICAL SECTION**

**CITY OF MISSOULA, MONTANA  
SPECIAL IMPROVEMENT DISTRICTS  
Current as of June 30, 2017**

<b>SID Number</b>	<b>Combined Market Value of All Districts</b>	<b>Average Ratio of Market Value to Assessments of Individual Parcels</b>	<b>Highest Ratio of Market Value to Assessments of Individual Parcels</b>	<b>Lowest Ratio of Market Value to Assessments of Individual Parcels</b>	<b>Median Ratio of Market Value to Assessments of Individual Parcels</b>
FY2011 Total ^	\$ 2,698,949,941	1,042.61	42,350.68	0.03	341.14
FY2012 Total	3,105,150,944	893.51	26,719.49	1.76	429.81
FY2013 Total	3,365,098,815	352.35	40,261.28	4.87	110.58
FY2014 Total	1,497,286,124	1,737.80	233,364.95	0.22	442.92
FY2015 Total	2,373,479,490	2,861.51	244,392.70	0.17	795.46
FY2016 Total	2,446,652,631	4,299.09	1,131,599.24	0.17	832.07
512/521/522	\$ 228,884,766	14,537.55	260,053.13	972.25	10,318.56
0520	77,427,253	1,866.94	12,076.92	172.68	1,582.52
0524	691,275,830	7,634.75	310,647.67	354.08	5,192.17
0525	21,479,720	2,154.25	5,813.04	609.11	1,760.04
0526	97,154,524	2,181.79	12,312.90	69.97	1,689.52
0532	58,918,295	3,867.04	6,695.88	2,000.00	3,818.09
0533	9,475,776	1,951.45	10,132.68	923.37	1,490.19
0534	11,843,958	1,653.52	3,093.69	370.20	1,620.43
0536	20,018,768	1,611.06	3,657.41	40.59	1,572.27
0540	97,342,731	2,469.77	4,024.57	1,175.16	2,431.37
0541	424,504,626	18,355.68	120,841.91	0.33	17,131.74
0543	72,437,763	18,111.11	37,011.80	9,239.27	17,280.04
0544	78,862,134	1,267.88	4,016.34	19.79	1,261.06
0545	12,521,144	14,708.95	32,994.24	3,398.30	14,277.70
0546	9,623,096	14,887.68	18,148.15	11,516.75	14,632.57
0548	9,337,312	41.17	83.46	0.18	45.12
0549	169,182,557	3,372.96	10,329.75	75.93	2,946.77
CS08	7,908,154	910.10	2,401.64	268.64	1,200.82
CS09	8,591,462	983.01	2,893.38	131.22	748.75
CS10	27,073,595	1,518.09	18,380.68	103.28	882.48
CS12	49,643,684	7,322.77	80,165.68	291.87	3,078.90
CS13	64,139,055	18,482.57	143,050.85	110.17	8,813.24
CS15	21,671,236	3,432.93	55,800.98	163.71	1,447.30
CS16	14,970,059	5,994.43	80,376.57	121.96	1,539.54
CS345	18,905,346	1,535.01	3,883.63	211.69	1,273.10
CS346	16,909,229	750.99	2,878.05	107.69	540.23
<b>FY2017 Total</b>	<b>\$ 2,320,102,073</b>	<b>\$ 5,830.90</b>	<b>\$ 310,647.67</b>	<b>\$ 0.18</b>	<b>\$ 1,654.98</b>

Source: City of Missoula and Missoula County Assessor's Office

^ First year to disclose information for all City SID's is FY 2011

**CITY OF MISSOULA, MONTANA  
MISSOULA PARKING COMMISSION RATES AND FEES  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>On-Street Hourly Parking</b>	<b>Garage Hourly Parking</b>	<b>Parking Garage Lease Space Range</b>	<b>Off-Street Lease Space Range</b>	<b>Average Off-Street and Garage Lease Rate</b>
2008	\$ 0.50	\$ 0.25	55.00 TO 65.00	30.00 TO 50.00	\$ 45.00
2009	0.50	0.25	55.00 TO 65.00	30.00 TO 50.00	45.00
2010	0.50	0.25	55.00 TO 65.00	30.00 TO 50.00	45.00
2011	0.50	1.00	65.00 TO 75.00	35.00 TO 55.00	49.00
2012	0.50	1.00	65.00 TO 75.00	30.00 TO 55.00	51.00
2013	0.50	1.00	65.00 TO 75.00	30.00 TO 55.00	51.00
2014	0.50	1.00	65.00 TO 75.00	30.00 TO 55.00	53.00
2015	0.50	1.00	65.00 TO 75.00	30.00 TO 55.00	53.00
2016*	0.50 - 4.00	1.00	65.00 TO 75.00	30.00 TO 55.00	56.25
2017	0.50 - 4.00	1.00	75.00 TO 85.00	40.00 TO 60.00	65.00

Source: Missoula Parking Commission

\* First year of new LUKE on street parking meter machines

# STATISTICAL SECTION

## CITY OF MISSOULA, MONTANA MISSOULA PARKING COMMISSION OPERATIONS AND FACILITIES Last Ten Fiscal Years

Fiscal Year	Parking Meters	Leased Parking Spaces	Parking Lots Throughout Downtown Missoula	Leased Parking Garage Spaces	University District Parking Permits	Percentage of Parking Ticket Revenue	Percentage of Parking Meter Revenue	Percentage of Garage Parking Revenue	Percentage of Leased Parking Revenue other than Parking Garage	Percentage of Other Revenue
2008	1,075	801	13	257	1,592	18%	31%	16%	21%	14%
2009	1,129	800	12	257	1,011	19%	35%	16%	21%	10%
2010	1,061	800	12	257	1,166	18%	37%	18%	23%	4%
2011	1,061	800	12	257	1,198	18%	37%	18%	23%	4%
2012	1,015	855	12	257	1,012	17%	38%	14%	29%	3%
2013	1,015	890	12	460	1,025	16%	34%	16%	32%	1%
2014	1,015	1,133	12	522	870	14%	33%	19%	31%	1%
2015	1,061	1,275	15	523	918	12%	38%	21%	27%	3%
2016*	134	1,226	15	529	821	8%	39%	25%	24%	4%
2017	134	1,244	15	541	760	10%	46%	26%	16%	2%

Source: Missoula Parking Commission

\* FY2016 first year of LUKE on street parking meter machines

**CITY OF MISSOULA, MONTANA  
COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY  
HISTORICAL VALUE OF TAX INCREMENT DISTRICTS  
For the Last Ten Fiscal Years**

**Urban Renewal District II (1-1C, 4-1C)**

Fiscal Year	Personal Property		Total Taxable Value
	Personal Attached Taxable Value	(Unattached) Taxable Value	
2008	\$ 2,718,817	\$ 342,487	\$ 3,061,304
2009	3,162,083	358,422	3,520,505
2010	3,302,146	318,269	3,620,415
2011	3,415,110	336,897	3,752,007
2012	3,371,473	309,233	3,680,706
2013	3,379,411	262,535	3,641,946
2014	3,436,681	249,282	3,685,963
2015	3,586,154	216,449	3,802,603
2016	3,696,539	195,043	3,891,582
2017	4,477,327	265,612	4,742,939

**Urban Renewal District III (1-1D)**

Fiscal Year	Real Property & Personal Property		Total Taxable Value
	Personal Attached Taxable Value	(Unattached) Taxable Value	
2008	\$ 7,306,424	\$ 406,379	\$ 7,712,803
2009	8,468,861	468,589	8,937,450
2010	9,027,375	514,481	9,541,856
2011	8,939,540	568,590	9,508,130
2012	9,118,547	552,532	9,671,079
2013	8,797,853	381,195	9,179,048
2014	8,964,779	393,662	9,358,441
2015	8,293,647	177,106	8,470,753
2016	8,540,441	230,608	8,771,049
2017	10,846,954	355,738	11,202,692

**Front Street URD (1-1F)**

Fiscal Year	Real Property & Personal Property		Total Taxable Value
	Personal Attached Taxable Value	(Unattached) Taxable Value	
2009 *	\$ 1,362,450	\$ 51,225	\$ 1,413,675
2010	1,571,488	50,604	1,622,092
2011	2,105,933	124,059	2,229,992
2012	1,908,040	121,154	2,029,194
2013	1,903,163	83,983	1,987,146
2014	1,885,618	78,619	1,964,237
2015	1,911,595	38,792	1,950,387
2016	1,804,310	34,789	1,839,099
2017	1,881,011	34,435	1,915,446

**Riverfront Triangle URD**

Fiscal Year	Real Property & Personal Property		Total Taxable Value
	Personal Attached Taxable Value	(Unattached) Taxable Value	
2010 ^	\$ 133,871	\$ -	\$ 133,871
2011	153,701	36,236	189,937
2012	132,286	36,579	168,865
2013	112,584	279	112,863
2014	113,735	3,259	116,994
2015	119,533	1,337	120,870
2016	130,687	2,196	132,883
2017	344,129	1,399	345,528

**Hellgate URD (1-1H) #**

Fiscal Year	Real Property & Personal Property		Total Taxable Value
	Personal Attached Taxable Value	(Unattached) Taxable Value	
2016 #	\$ 960,528	\$ -	\$ 960,528
2017	\$ 1,162,396	\$ 2,433	1,164,829

**North Reserve / Scott Street URD (1-1N, 4-1N) #**

Fiscal Year	Real Property & Personal Property		Total Taxable Value
	Personal Attached Taxable Value	(Unattached) Taxable Value	
2016 #	\$ 1,563,956	\$ -	\$ 1,563,956
2017	2,332,473	4,653	2,337,126

\* First year data available as district was created in FY 2009

^ First year data available as district was created in FY 2010

# First year data available as district was created in FY 2016

CITY OF MISSOULA, MONTANA  
 COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY  
 TAXABLE VALUE OF DISTRICTS COMPARED TO CITY  
 For the Last Ten Fiscal Years

**Urban Renewal District II**

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment		Incremental Taxable Value Within Tax		Tax Increment as Percentage of City's Taxable Value
		District	Tax Increment	Increment District	Taxable Value	
2008	\$103,000,436	\$ 3,061,304		\$ 1,201,481		1.2%
2009	106,334,891	3,520,504		1,392,741		1.3%
2010	107,159,214	3,620,415		1,760,592		1.6%
2011	111,474,037	3,752,007		1,892,184		1.7%
2012	112,993,774	3,680,706		1,820,883		1.6%
2013	112,697,955	3,641,946		1,782,123		1.6%
2014	109,336,360	3,685,963		1,826,140		1.7%
2015	112,624,034	3,802,603		1,942,780		1.7%
2016	115,856,258	3,891,582		2,031,759		1.8%
2017	117,701,984	3,948,513		2,088,690		1.8%
2018	129,343,925	4,742,939		2,883,116		2.2%

**Urban Renewal District III**

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment		Incremental Taxable Value Within Tax		Tax Increment as Percentage of City's Taxable Value
		District	Tax Increment	Increment District	Taxable Value	
2008	\$103,000,436	\$ 7,712,803		\$ 708,457		0.7%
2009	106,334,891	8,937,450		1,933,104		1.8%
2010	107,159,214	9,541,856		2,537,510		2.4%
2011	111,474,037	9,508,130		2,503,784		2.2%
2012	112,993,774	9,671,079		2,666,733		2.4%
2013	112,697,955	9,179,048		2,174,702		1.9%
2014	109,336,360	9,358,441		2,355,095		2.2%
2015	112,624,034	8,470,753		1,466,407		1.3%
2016	115,856,258	8,771,049		1,766,703		1.5%
2017	117,701,984	10,131,604		1,958,760		1.7%
2018	129,343,925	11,202,692		3,029,848		2.3%

**Front Street URD**

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment		Incremental Taxable Value Within Tax		Tax Increment as Percentage of City's Taxable Value
		District	Tax Increment	Increment District	Taxable Value	
2009 *	\$106,334,891	\$ 1,413,675		\$ 640		0.0%
2010	107,159,214	1,622,092		209,057		0.2%
2011	111,474,037	2,229,992		816,957		0.7%
2012	112,993,774	2,029,197		616,159		0.5%
2013	112,697,955	1,987,146		574,111		0.5%
2014	109,336,360	1,964,237		551,202		0.5%
2015	112,624,034	1,950,387		537,352		0.5%
2016	115,856,258	1,839,099		426,064		0.4%
2017	117,701,984	1,828,962		415,927		0.4%
2018	129,343,925	1,915,446		502,411		0.4%

**Riverfront Triangle**

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment		Incremental Taxable Value Within Tax		Tax Increment as Percentage of City's Taxable Value
		District	Tax Increment	Increment District	Taxable Value	
2010 ^	\$104,408,018	\$ 133,871		\$ -		0.0%
2011	111,474,037	189,937		32,079		0.0%
2012	112,993,774	168,865		11,007		0.0%
2013	112,697,955	112,863		-		0.0%
2014	109,336,360	116,994		-		0.0%
2015	112,624,034	120,870		-		0.0%
2016	115,856,258	132,883		-		0.0%
2017	117,701,984	112,904		-		0.0%
2018	129,343,925	345,528		187,670		0.1%

**Hellgate Urban Renewal District #**

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment		Incremental Taxable Value Within Tax		Tax Increment as Percentage of City's Taxable Value
		District	Tax Increment	Increment District	Taxable Value	
2016 *	\$115,856,258	\$ 960,528		\$ -		0.0%
2017	117,701,984	985,733		-		0.0%
2018	129,343,925	1,164,829		139,381		0.1%

**North Reserve / Scott Street Urban Renewal District #**

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment		Incremental Taxable Value Within Tax		Tax Increment as Percentage of City's Taxable Value
		District	Tax Increment	Increment District	Taxable Value	
2016 *	\$115,855,770	\$ 1,563,946		\$ 72,741		0.1%
2017	117,701,984	1,567,859		106,201		0.1%
2018	129,343,925	2,337,126		845,921		0.7%

\* First year data available as district was created in FY 2009  
 ^ First year data available as district was created in FY 2010  
 # First year data available as district was created in FY 2016  
 Source: City of Missoula and Missoula County Assessor's Office

# STATISTICAL SECTION

**CITY OF MISSOULA, MONTANA  
COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY  
TRENDS IN PROPERTY VALUATION IN CITY  
For the Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>City Appraised Value</b>	<b>City Taxable Value (includes district)</b>	<b>Incremental Taxable Value District II</b>	<b>Incremental Taxable Value District III</b>	<b>Incremental Taxable Value Front Street URD</b>	<b>Incremental Taxable Value Riverfront Triangle URD</b>	<b>Hellgate Urban Renewal District</b>	<b>North Reserve / Scott Street Urban Renewal District</b>	<b>City Taxable Value (without district)</b>
2009	\$ 3,412,313,560	\$ 106,334,891	\$ 1,392,741	\$ 1,933,104	\$ 640	\$ -	\$ -	\$ -	\$ 103,008,406
2010	3,684,720,974	107,159,214	1,760,592	2,537,510	209,057	-	-	-	102,652,055
2011	3,965,146,053	111,474,037	1,892,184	2,503,784	816,957	32,079	-	-	106,229,033
2012	4,140,685,284	112,993,774	1,820,883	2,666,733	616,159	11,007	-	-	107,878,992
2013	4,110,699,383	112,697,955	1,782,123	2,174,702	574,111	-	-	-	108,167,019
2014	4,305,020,382	114,068,797	1,826,140	2,355,095	551,202	-	-	-	109,336,360
2015	4,406,017,003	112,624,034	1,942,780	1,466,407	537,352	-	-	-	108,677,495
2016	7,303,174,348	115,856,258	2,031,759	1,766,703	426,064	-	-	72,741	111,558,991
2017	7,390,919,522	117,701,984	2,088,690	1,958,760	415,927	-	-	106,201	113,132,406
2018	8,176,081,623	129,343,925	2,883,116	3,029,848	502,411	187,670	139,381	845,921	121,755,578

Source: City of Missoula and Missoula County Assessor's Office

**CITY OF MISSOULA, MONTANA  
 MISSOULA REDEVELOPMENT AGENCY  
 COMPONENT UNIT TAX INCREMENT REVENUE BOND COVERAGE  
 URD II: MILLSITE \$3.6M BONDS**

<b>FISCAL YEAR</b>	<b>PROJECTED PLEGDED TAX INCREMENT</b>	<b>MAXIMUM PROJECTED DEBT</b>	<b>COVERAGE</b>
<b>2009</b>			
With State Entitlement	1,302,970	250,400	520%
Without State Entitlement	1,019,348	250,400	407%
<b>2010</b>			
With State Entitlement	1,369,859	250,400	547%
Without State Entitlement	1,113,237	250,400	445%
<b>2011</b>			
With State Entitlement	1,493,995	250,400	597%
Without State Entitlement	1,210,373	250,400	483%
<b>2012</b>			
With State Entitlement	1,429,000 A	250,400 B	571%
Without State Entitlement	1,173,740	250,400	469%
<b>2013</b>			
With State Entitlement	1,474,944 C	250,400	589%
Without State Entitlement	1,157,656	250,400	462%
<b>2014</b>			
With State Entitlement	1,522,881	676,428 D	225%
Without State Entitlement	1,208,093	676,428	179%
<b>2015</b>			
With State Entitlement	1,668,283 E	676,428	247%
Without State Entitlement	1,225,692	676,428	181%
<b>2016</b>			
With State Entitlement	1,713,113	676,428	253%
Without State Entitlement	1,270,522	676,428	188%
<b>2017</b>			
With State Entitlement	2,274,167	676,428	336%
Without State Entitlement	1,831,576	676,428	271%
<b>2018</b>			
With State Entitlement	3,089,882	676,428	457%
Without State Entitlement	2,647,291	676,428	391%

State Entitlement amount reduced by 10% to \$255,260 by 2011 Legislative action  
 Civic Stadium Note issued February 2012 is subordinate to the Series 2006 bonds so not included in  
 Max. Projected DS. Civic Stadium DS is \$500K Max Annual through FY 15.  
 Personal Property Tax Reduction Reimbursement approved by 2011 Legislature under SB372.  
 Annual Reimbursement is \$62,028.  
 Series 2013 \$5.75M Bond issued March 2013 on parity with Series 2006 Bond. Max. Annual DS  
 \$426,028  
 Personal Property Tax Reduction Reimbursement approved by 2013 Legislature under SB96. Annual  
 Reimbursement is \$125,303.

Source: City of Missoula Annual Reports

# STATISTICAL SECTION

## CITY OF MISSOULA, MONTANA PROPERTY TAX LEVIES IN THE URBAN RENEWAL DISTRICT II Last Ten Fiscal Years

Taxing Authority	Fiscal Year									
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
State University Mill Levy	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
State Statewide School Equalization	25.44	26.92	26.60	26.28	26.55	26.15	19.23	18.78	18.44	15.26
General Countywide School Levy	67.17	54.71	53.28	51.18	51.46	52.68	50.80	49.00	47.82	38.88
Missoula County	89.27	72.66	72.00	72.24	74.51	75.71	76.98	78.86	79.44	66.56
Missoula High school District	50.33	39.98	38.44	38.76	36.94	36.36	34.99	35.27	39.19	39.34
City of Missoula	141.49	116.33	116.17	118.27	123.75	122.64	118.10	118.70	119.89	96.25
Urban Transportation District	9.45	8.52	8.47	8.97	10.02	10.60	16.47	19.00	18.66	14.03
Increment 1-1C *	270.27	353.75	359.55	372.64	369.31	387.47	419.86	440.51	475.22	569.62
Subtotal	<u>659.42</u>	<u>678.87</u>	<u>680.51</u>	<u>694.34</u>	<u>698.54</u>	<u>717.61</u>	<u>742.43</u>	<u>766.12</u>	<u>804.66</u>	<u>845.95</u>
School District 1-1C	89.20	74.65	72.88	73.61	72.88	75.01	72.29	70.29	83.00	81.09
Total levies for property in the District lying within School District 1-1C	<u>748.62</u>	<u>753.52</u>	<u>753.39</u>	<u>767.95</u>	<u>771.42</u>	<u>792.62</u>	<u>814.72</u>	<u>836.41</u>	<u>887.66</u>	<u>927.04</u>
<b>Taxing Authority</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
State University Mill Levy	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
State Statewide School Equalization	18.77	24.90	22.73	25.87	25.85	26.37	21.37	20.96	18.89	18.17
General Countywide School Levy	49.56	49.44	43.27	50.14	49.71	53.27	56.44	54.68	49.00	46.29
Missoula County	65.86	65.66	58.47	70.77	71.98	76.55	85.54	88.01	81.40	79.23
Missoula High school District	37.13	36.13	31.21	37.97	35.69	36.76	38.88	39.36	40.16	46.83
City of Missoula	104.38	105.12	94.34	115.86	119.55	124.01	131.23	132.48	122.85	114.58
Urban Transportation District	6.97	7.70	6.88	8.79	9.68	10.72	18.31	21.21	19.12	16.71
Increment 4-1C *	402.98	398.69	441.03	384.35	384.05	382.13	378.47	387.52	446.55	490.85
Subtotal	<u>691.65</u>	<u>693.64</u>	<u>703.93</u>	<u>699.75</u>	<u>702.51</u>	<u>715.81</u>	<u>736.24</u>	<u>750.22</u>	<u>783.97</u>	<u>818.66</u>
School District 4-1C	73.61	74.27	66.18	75.98	71.89	74.84	82.45	69.94	68.36	86.69
Total levies for property in the District lying within School District	<u>765.26</u>	<u>767.91</u>	<u>770.11</u>	<u>775.73</u>	<u>774.40</u>	<u>790.65</u>	<u>818.69</u>	<u>820.16</u>	<u>852.33</u>	<u>905.35</u>

\* Note: Tax Increment districts are not taxing authorities and do not levy taxes, i.e. levy mills. Total incremental taxable value can be viewed as a percentage of total taxable value in a district, from information provided by the Montana Department of Revenue. For purposes of disclosure, this report shows that same percentage broken down as a portion of the total mills levied in the district.

**CITY OF MISSOULA, MONTANA  
Urban Renewal District II - Top 10 Taxpayers  
Tax Year 2017 (FY2018)**

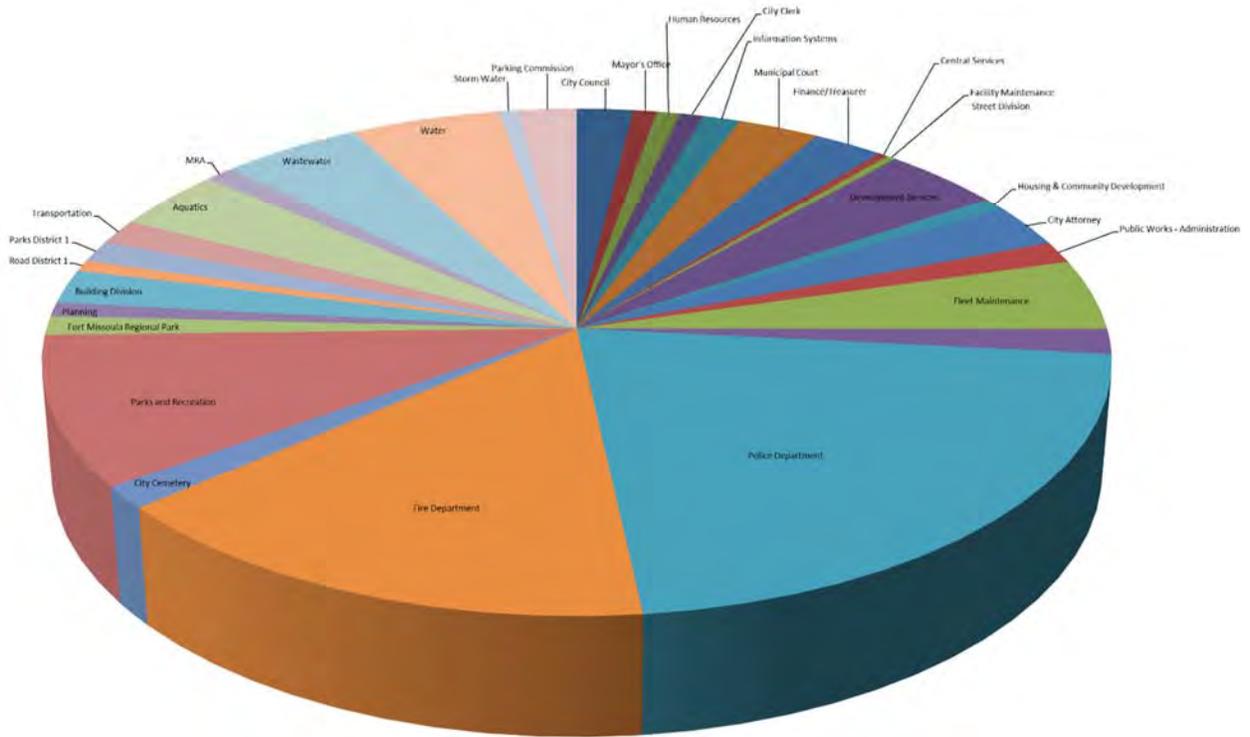
<b>Taxpayer</b>	<b>Type of Business</b>	<b>2017 Total Tax</b>	<b>2017 Market Value</b>	<b>2017 Taxable Value</b>
1 Millsite Revitalization Project LLC	Residential/Commercial Developers	\$ 251,981	\$ 8,469,180	\$ 154,673
3 MW Corso Associates	Residential - Apartments	251,038	19,061,700	257,332
5 Spirit Master Funding IX LLC	Grocery Store (real property)	134,084	7,064,265	133,515
4 Nutritional Laboratories	Food Supplement Manufacturer	131,830	8,506,774	141,362
7 Good Food Store	Grocery Store	123,314	6,889,926	125,408
6 Blackfoot Telephone	Coop Communications	110,463	4,065,734	121,972
2 Gregg Mario Company LLC	Residential - Apartments	109,095	8,285,800	111,858
9 Mountain Water Company	Water Utility	108,411	9,234,381	116,910
8 Missoula Electric Coop	Coop Electric Utility	88,792	3,202,737	96,083
10 Like-Nu Auto Services	Automotive Repair	87,082	4,831,392	91,311
	<b>Total</b>	<b>\$ 1,396,090</b>	<b>\$ 79,611,889</b>	<b>\$ 1,350,424</b>

CITY OF MISSOULA

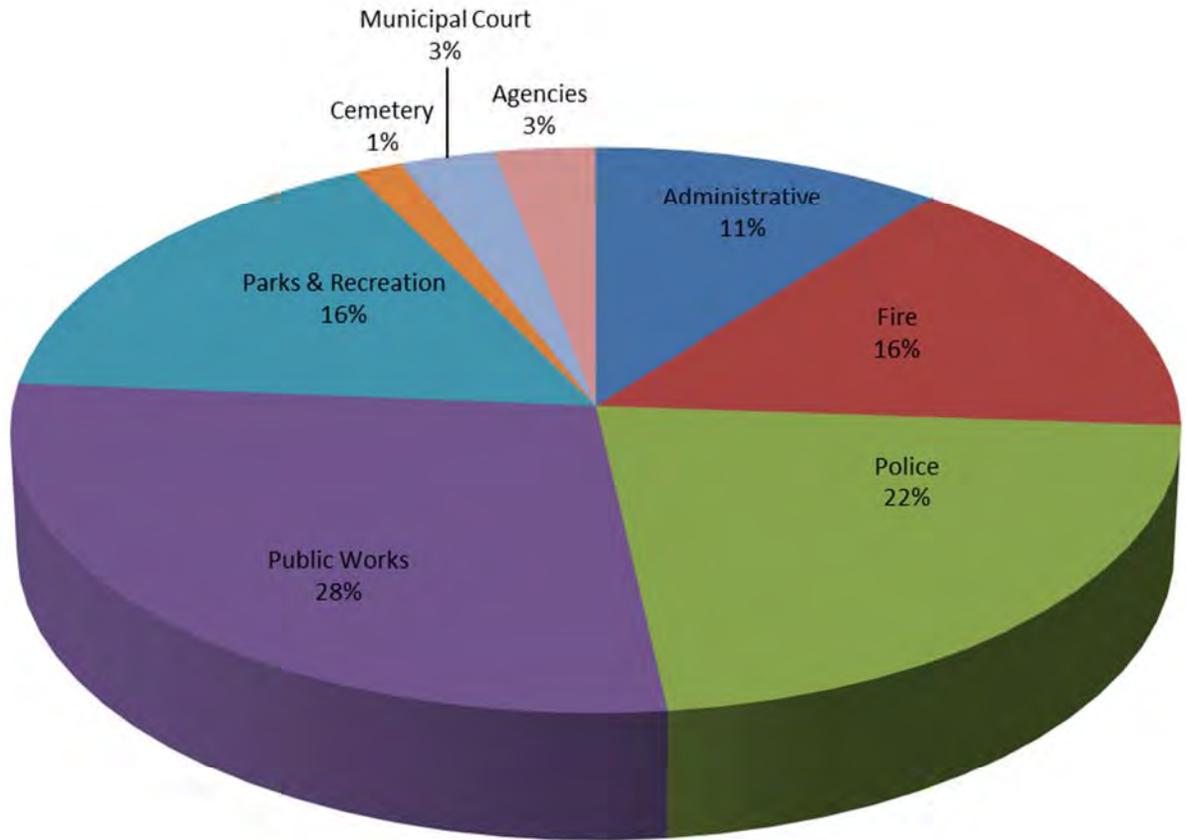
SCHEDULE OF FTE TRENDS FY 2014 – FY 2017

	2014	2015	2016	2017	2018
	# FTE	#FTE	#FTE	#FTE	Adopted
<b>City Departments</b>					
City Council	12.00	12.00	12.00	12.00	12.00
Mayor's Office	5.00	5.00	5.00	5.00	5.00
Human Resources	4.00	4.00	4.00	4.00	5.00
City Clerk	4.00	5.00	5.00	5.00	5.00
Information Systems	6.00	6.00	8.00	8.00	8.00
Municipal Court	16.85	17.85	17.85	18.85	17.35
Finance/Treasurer	15.50	15.00	15.00	16.00	15.00
Central Services	1.50	3.00	3.00	3.00	2.00
Facility Maintenance	-	-	-	-	2.00
Development Services	35.21	23.50	23.75	23.87	25.60
Housing & Community Development	-	-	-	3.00	5.00
GIS	3.00	3.00	-	-	-
City Attorney	16.00	16.00	16.00	16.00	17.00
Public Works - Operations	8.42	8.42	8.42	8.53	8.53
Street Division	28.79	28.79	28.79	29.50	28.00
Fleet Maintenance	11.50	10.50	10.50	11.05	9.75
Police Department	126.00	130.00	132.00	134.51	134.50
Fire Department	95.00	95.00	95.00	95.00	95.00
City Cemetery	8.92	8.92	8.92	8.91	8.91
Parks and Recreation	55.80	57.00	57.59	59.60	59.58
<b>Total General</b>	<b>453.49</b>	<b>448.98</b>	<b>450.82</b>	<b>461.82</b>	<b>463.22</b>
<b>General Fund % Increase</b>	<b>1.49%</b>	<b>-0.99%</b>	<b>0.41%</b>	<b>2.44%</b>	<b>0.30%</b>
<b>General Fund Special &amp; Special Revenue Funds</b>					
Fort Missoula Regional Park	-	-	-	1.75	7.46
Planning	-	4.50	4.50	4.50	5.50
Building Division	10.99	11.10	12.00	11.88	13.40
Road District 1	0.25	0.25	0.75	2.66	4.38
Parks District 1	1.20	1.98	2.73	7.22	8.49
Transportation	-	8.40	9.57	9.67	9.77
<b>Total Special District</b>	<b>12.44</b>	<b>26.23</b>	<b>29.55</b>	<b>37.68</b>	<b>49.00</b>
<b>Enterprise &amp; Component Unit Funds</b>					
Aquatics	26.81	25.45	23.88	23.77	24.13
MRA	6.00	6.00	6.00	6.00	6.00
Wastewater	22.50	22.50	24.00	24.00	30.16
Water	-	-	-	-	32.00
Storm Water	-	-	-	2.00	4.00
Parking Commission	11.50	11.50	11.50	11.50	12.50
<b>Total Enterprise &amp; Comp Unit</b>	<b>66.81</b>	<b>65.45</b>	<b>65.38</b>	<b>67.27</b>	<b>108.79</b>
<b>Non-General Fund % Increase</b>	<b>3.92%</b>	<b>15.68%</b>	<b>3.54%</b>	<b>10.56%</b>	<b>50.35%</b>
<b>Total for City Departments</b>	<b>532.74</b>	<b>540.66</b>	<b>545.75</b>	<b>566.77</b>	<b>621.01</b>

City FTE Count by Department - FY 2018



### City FTE Count by Function - FY2018



## GLOSSARY

**Accrual Basis** - A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

**Appropriation** – An authorization made by the City Council which permits the City to incur obligations to make expenditures for specific purposes.

**Assessed Valuation** - A value that is established for real and personal property for use as a basis for levying property taxes.

**Asset** - Resources owned or held by a government which have monetary value.

**Assigned Fund Balance** – Amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed.

**Available (Undesignated) Fund Balance** - Refers to the funds remaining from the prior years which are available for appropriation and expenditure in the current year.

**Balanced Budget** – The city will maintain a balanced budget. This means that:

- Operating revenues must fully cover operating expenditures, including debt service.
- Ending fund balance (or working capital in proprietary funds) must meet minimum policy levels.
- Under this policy, it is allowable for total expenditures to exceed revenues in a given year as long as the projected ending fund balance meets minimum policy levels.

**Base Budget Allowances** – Funding for ongoing expenditures for personnel, commodities, contractual services and replacement of existing equipment previously authorized. The base budget allowance provides funding to continue previously authorized services and programs.

**Bonds** – A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation, revenue bonds, and special improvement district bonds. These are most frequently used to finance capital projects.

**Bond Rating** – An evaluation of a bond issuer's credit quality and perceived ability to pay the principal and interest on time and in full.

**Bond Refinancing** - The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.

**Budget** – A plan of financial operation for a specific time period (City of Missoula's budget is for a fiscal year July 1 - June 30). The budget contains the estimated expenditures needed to continue the county's operations for the fiscal year and revenues anticipated to finance them.

**Budget Calendar** - The schedule of key dates or milestones which the City follows in the preparation, adoption, and administration of the budget.

**Budget Message** - The opening section of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and recommendations regarding the financial policy for the upcoming period.

**Budgetary Basis** - This refers to the form of accounting utilized throughout the budget process. These generally take one of three forms: GAAP, Cash, and Modified Accrual.

**Budgetary Control** - The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenues.

**Capital Budget** – See Capital Improvement Program

**Capital Expenditures** – The item has a unit cost over \$5,000, it benefits future periods, it has a normal useful life of 1 year or more, it has an identity that does not change with use (i.e., retains its identity throughout its useful life), and it is identifiable and can be separately accounted for. Improvements to existing assets must add value and life to be included in the value of any Capital item.

**Capital Improvements** - Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; also referred to as infrastructure.

**Capital Improvement Program (CIP)** – A plan for capital expenditures needed to maintain, replace and expand the City's heavy equipment and public infrastructure (for example, streets, parks, buildings, etc). The CIP projects these capital equipment and infrastructure needs for a set number of years (normally 5) and is updated annually to reflect the latest priorities, cost

## GLOSSARY

estimates or changing financial strategies. The first year of the adopted Capital Improvement Program becomes the Annual Capital Budget.

**Capital Outlay** – Items that cost more than \$5,000 and have a useful life of more than one year.

**Capital Project** – New facility, technology system, land acquisition or equipment acquisition, or improvements to existing facilities beyond routine maintenance. Capital projects are included in the Capital Improvement Program and become fixed assets.

**Cash Basis** - A basis of accounting in which transactions are recognized only when cash is increased or decreased.

**CDBG** – Community Development Block Grant.

**CIP** – See Capital Improvement Program

**Committed Fund Balance** – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.

**Contingency** - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

**Contractual Services** – Expenditures for services performed by firms, individuals or other city departments.

**Debt Ratios** - Ratios which provide a method of assessing debt load and the ability to repay debt which plays a part in the determination of credit ratings. They are also used to evaluate the City's debt position over time and against its own standards and policies.

**Debt Service** – Payment of principal and interest on an obligation resulting from the issuance of bonds.

**Debt Service Fund** - Debt Service Funds are set up to receive dedicated revenues used to make principal and interest payments on City debt. They are used to account for the accumulation of resources for, and the payment of, general obligation and special assessment debt principal, interest and related costs.

**Debt Service Fund Requirements** - The amounts of revenue which must be provided for a Debt Service Fund so that all principal and interest payments can be made in full on schedule.

**Deficit** -The excess of an entity's liabilities over its assets or the excess of expenditures over revenues during a single accounting period.

**Department** - A major administrative division of the City which indicates overall management responsibility for an operation or a group of related operations within a functional area.

**Depreciation** - Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence.

**Distinguished Budget Presentation Awards Program** - A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

**Division** - A group of homogeneous cost centers within a department, i.e. Administration, Engineering, Signing & Striping, Traffic Sign Maintenance, Communications Maintenance, Street Lighting, Bike-Ped Program and Weed Cutting all make up the Engineering Division within the Public Works Department.

**Enterprise Funds** – Funds that are accounted for in a manner similar to a private business. Enterprise funds usually recover their costs (including depreciation) through user fees. The City has one such self-supporting fund in its primary governmental reporting unit: Wastewater Treatment Fund.

**Estimate** – The most recent prediction of current year revenue and expenditures. Estimates are based upon many months of actual expenditure and revenue information and are prepared to consider the impact of unanticipated costs or other economic changes.

**Estimated Revenue** - The amount of projected revenue to be collected during the fiscal year.

**Fixed Assets** - Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

**FTE** – See Full-Time Equivalent

**Full Faith and Credit** - A pledge of a government's taxing power to repay debt obligations.

**Full-Time Equivalent (FTE)** – A position converted to the decimal equivalent of a full-time position based on 2,088 hours per year. For example, a part-time clerk working for 20 hours

per week would be equivalent to one-half of a full-time position or 0.5 FTE.

**Fund** – An independent governmental accounting entity with a self-balancing group of accounts including assets, liabilities and fund balance, which record all financial transactions for specific activities of government functions.

**Fund Balance** – As used in the budget, the excess of resources over expenditures. The beginning fund balance is the residual funds brought forward from the previous fiscal year.

**GAAP** – See Generally Accepted Accounting Principles

**GASB** – Governmental Accounting Standards Board

**General Fund** - accounts for all financial resources except those required to be accounted for in another fund. The General Fund is the City's primary operating fund.

**General Obligation Bonds (G.O. Bonds)** – Bonds that require voter approval and finance a variety of public capital projects such as roads, buildings, parks and improvements. The bonds are backed by the “full faith and credit” of the issuing government.

**Goal** – A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given time period.

**G. O. Bonds** – See General Obligation Bonds

**Governmental Funds** - are those through which most governmental functions of the city are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds.

**Grant** – A contribution by one government unit or funding source to another. The contribution is usually made to aid in the support of a specified function (e.g., public safety or drug enforcement, but it is sometimes for general purposes).

**Infrastructure** – Facilities that support the daily life and growth of the city, for example, streets, public buildings, wastewater treatment and parks.

**Improvement Districts** – Special assessment districts formed by property owners who desire and are willing to pay for mutually enjoyed improvements such as roads or maintenance districts.

**Intergovernmental Revenue** - Funds received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

**Levy** – See Tax Levy

**Line-Item Budget** - A budget that lists each expenditure category (salary, materials, telephone service, travel, etc.) separately, along with the dollar amount budgeted for each specified category.

**Mandate** – Legislation passed by the state or federal government requiring action or provision of services and/or programs. Examples include the Americans with Disabilities Act, which requires actions such as physical facility improvements and provision of specialized transportation services.

**Non-spendable Fund Balance** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale.

**NVRA** – National Voter Registration Act.

**Objective** – A desired output-oriented accomplishment that can be measured and achieved within a given time frame, and advances the activity and organization toward a corresponding goal.

**Operating Budget** - The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel; supplies, utilities, materials, travel, and fuel.

**Operating Funds** – Resources derived from continuing revenue sources used to finance ongoing operating expenditures and “pay-as-you-go” capital projects.

**Ordinance** – A formal legislative enactment by the City Council. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the city.

**Outstanding Bonds** – Bonds not yet retired through principal and interest payments.

**Overlapping Debt** - The City's proportionate share of the debt of other local governmental units which either overlap it or underlie it. The debt is generally apportioned based on relative assessed value.

**Pay-As-You-Go Capital Projects** – Capital projects whose funding comes from day-to-day City operating revenue sources.

**Performance Budget** - A budget that focuses upon departmental goals and objectives rather than line items, programs, or funds. Workload and unit cost data are collected in order to assess the effectiveness and efficiency of services.

**Personal Services** – All costs related to compensating City employees including employee benefits costs such as contributions for retirement, social security, and health and workers' compensation insurance. It also includes fees paid to elected officials, jurors, and election judges and clerks. It does not include fees for professional or other services.

**PILT** - Payment in Lieu of Taxes from another government, non-profit or another entity.

**Program Budget** - A budget that focuses upon broad functions or activities of an agency or jurisdiction rather than upon its organizational budget units or object classes of expenditure.

**Property Tax** – A levy upon each \$100 of assessed valuation of property within the City of Missoula.

**Resolution** - A special or temporary order of a legislative body (City Council) requiring less legal formality than an ordinance or statute.

**Resources** – Total amounts available for appropriation including estimated revenues, fund transfers and beginning fund balances.

**Restricted Fund Balance** – Amounts that are restricted to specific purposes, pursuant to the definition of *restricted*. Fund balance should be restricted when constraints place on the use of resources are either:

- Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- Imposed by law through constitutional provisions or enabling legislation.

**Restricted Funds** – See Special Revenue Fund.

**Revenue** - Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

**Revenue Bonds** – Bonds usually sold for constructing a project that will produce revenue for the government. That revenue is pledged to pay the principal and interest of the bond.

**Risk Management** - An organized attempt to protect a government's assets against accidental loss in the most economical method.

**Salary Savings** – Budget savings realized through normal employee turnover.

**Special Purpose Funds** – Items in the budget categorized by use or type, but with a specific purpose and legal basis. Usually lump sum in nature, as the projects have not yet been identified during budget preparation.

**Special Revenue Fund** – A fund used to account for receipts from revenue sources that have been earmarked for specific activities and related expenditures. Examples include funds such as Cemetery Perpetual Care, Drug Forfeiture and Law Enforcement Block Grant.

**State-Shared Revenues** – Revenues levied and collected by the state but shared with local governments as determined by state government each year. Entitlement funds received by the City from the state is the largest of such shared revenues.

**Taxes** - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

**Tax Levy** - The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

**Transfers In/Out** - Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

**Unassigned Fund Balance** – The residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes with the general fund.

## GLOSSARY

**Unreserved Fund Balance** - The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

**User Fees or User Charges** – A fee paid for a public service or use of a public facility by the

individual or organization benefiting from the service.

**Workload Indicator** - A unit of work to be done (e.g., number of permit applications received or the number of burglaries to be investigated).

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