

Summary Budget



Higgins Street Bridge crossing the Clark Fork River Missoula, Montana.



Fiscal Year 2013



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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, 2011

Linda C. Danson Jeffrey R. Egan

President

Executive Director

ELECTED OFFICIALS

MAYOR, John Engen
MUNICIPAL COURT JUDGE, Kathleen Jenks

ALDERPERSONS FIRST WARD

TERM EXPIRES FIRST MONDAY IN:

Dave Strohmaier **2014**
Jason Wiener **2016**

ALDERPERSONS THIRD WARD

TERM EXPIRES FIRST MONDAY IN:

Bob Jaffe **2014**
Alex Taft **2012**

ALDERPERSONS FIFTH WARD

TERM EXPIRES FIRST MONDAY IN:

Dick Haines **2014**
Mike O'Herron **2016**

ALDERPERSONS SECOND WARD

TERM EXPIRES FIRST MONDAY IN:

Cynthia Wolken **2014**
Adam Hertz **2016**

ALDERPERSONS FOURTH WARD

TERM EXPIRES FIRST MONDAY IN:

Caitlin Copple **2016**
Jon Wilkins **2014**

ALDERPERSONS SIXTH WARD

TERM EXPIRES FIRST MONDAY IN:

Ed Childers **2016**
Marilyn Marler **2014**

ADMINISTRATIVE OFFICIALS

Bruce Bender, CHIEF ADMINISTRATIVE OFFICER
Jason Diehl, FIRE CHIEF
James P. Nugent, CITY ATTORNEY
Mark Muir, POLICE CHIEF
Brentt Ramharter, FINANCE DIRECTOR/TREASURER
Ellen Buchanan, DIRECTOR, MISSOULA REDEVELOPMENT AGENCY
Martha L. Rehbein, CITY CLERK
Gail Verlanic, DIRECTOR, HUMAN RESOURCES /EEO OFFICER
Carl Horton, DIRECTOR, INFORMATION TECHNOLOGIES
Steve King, DIRECTOR, PUBLIC WORKS
Kevin Slovarp, CITY ENGINEER
Brian Hensel, SUPERINTENDENT, STREET DIVISION
Don Verrue, BUILDING OFFICIAL, BUILDING DIVISION
Starr Sullivan, SUPERINTENDENT, WASTE WATER TREATMENT DIVISION
Jack Stucky, SUPERINTENDENT, VEHICLE MAINTENANCE DIVISION
Donna Gaukler, DIRECTOR, PARKS & RECREATION
Doug Waters, DIRECTOR, MISSOULA CEMETERY
Mike Barton, DIRECTOR, OFFICE OF PLANNING & GRANTS
Anne Guest, DIRECTOR, MISSOULA PARKING COMMISSION
Ellen Leahy, DIRECTOR, CITY/ COUNTY HEALTH DEPARTMENT
Honor Bray, DIRECTOR, CITY/COUNTY LIBRARY

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

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

.....

County Appointments:	<u>Start of Term</u>	<u>End of Term</u>
Vacant	01/01/10	12/31/11
W. Lynn Gontarek-Garberson	01/01/09	12/31/12
City Appointments:		
Richard Williams	01/01/11	12/31/12
Quincie Albrecht	01/01/11	12/31/12
Animal Control Board-Must be a license Veterinarian		
Ken Hannum, DVM (Chair)		<i>Ongoing Appointment</i>

BICYCLE AND PEDESTRIAN ADVISORY BOARD (Term 3 Years)

.....

	<u>Start of Term</u>	<u>End of Term</u>
Jerry Taylor Wolf	09/16/11	09/15/14
Wes Delano	09/21/11	09/21/14
Gabriel Furshlong	09/16/11	09/15/14
Vacant	09/29/09	09/15/12
Gregory Ragan	09/10/12	09/15/15
Bob Wachtel	09/16/09	09/15/12
Vacant	09/21/10	09/15/13
Caleb Kasper	09/21/10	09/15/13
Kathryn Fielding	06/07/10	09/15/13

BOARD OF ADJUSTMENT (Term 3 Years)

.....

	<u>Start of Term</u>	<u>End of Term</u>
F. Russell Lockner	07/23/12	06/30/15
Debra Parker	06/01/20	06/30/15
John Horrell	08/20/12	06/30/15
Gregory Schultz	07/01/11	06/30/14
Carl Posewitz	07/01/11	06/30/14
Michael Nave (Chair)	07/01/11	06/30/14
Michael Kopitzke (Vice Chair)	07/01/11	06/30/14
Sandy Mitchell (Alternate #1)	08/20/12	06/30/14
Marie Wilson (Alternate #2)	08/20/12	06/30/14

Committees, Commissions and Boards

BUILDING CODE BOARD OF APPEALS (Term 3 Years)

	<u>Start of Term</u>	<u>End of Term</u>
Rita Sommers-Flanagan (At-Large)	07/01/11	07/01/14
Jack Moffett (Electrician)	07/01/11	07/01/14
Carl Posewitz (Architect, Chair)	07/01/12	06/30/15
David V. Gray (At-Large)	07/16/12	06/30/15
Clayton Anderson (Plumber)	07/01/12	06/30/15
Roger Petersen (At-Large)	07/01/10	06/30/13
Jonathan Gass (Engineer)	07/01/10	06/30/13

BUSINESS IMPROVEMENT DISTRICT BOARD (Term 4 Years)

	<u>Start of Term</u>	<u>End of Term</u>
Carma Jean Gilligan (Zone 1)	06/01/11	05/31/15
Richard Huffman (Zone 2)	06/01/09	05/31/13
Charlie Beaton (S. of Clark Fork River)	06/01/11	05/31/15
Alan Newell-(Greater than 20,000 sq. ft.)	06/01/12	05/31/16
Tim France-(Less than 20,000 sq. ft.)	06/01/12	05/31/16
Dan Cedarberg-(At-Large Rep)	06/01/09	05/31/13
Ellen Buchanan-(City of Missoula Rep)	06/01/10	05/31/14

CEMETERY BOARD (Term 2 Years)

	<u>Start of Term</u>	<u>End of Term</u>
Marjorie Jacobs	05/01/11	04/30/14
Sharee Fraser (Chair)	05/01/11	04/30/14
Carol Gordon	05/01/11	04/30/14
Patrick J. McHugh	08/27/12	04/30/15
Mary Lou Cordis	08/27/12	04/30/15

CONSERVATION DISTRICT - MISSOULA CITY/COUNTY (Term 2 Years)

	<u>Start of Term</u>	<u>End of Term</u>
Rob Roberts	01/01/11	12/31/13
Tim Hall	07/19/12	07/18/15

City of Missoula

Committees, Commissions and Boards

CONSERVATION LANDS ADVISORY COMMITTEE

	<u>Start of Term</u>	<u>End of Term</u>
Colleen Matt	09/01/11	08/31/12
Paul Parson	09/01/11	08/31/12
Janet Sproull	09/01/11	08/31/12
Bert Linder	09/01/11	12/31/13
Beverly Dupree	09/01/11	12/31/13
Deborah Richie	09/01/11	12/31/13
Giles Thelen	09/01/11	12/31/14
Kathleen Kennedy	09/01/11	12/31/14
Kevin Verlanic	09/01/11	12/31/14

Non-voting members:

Vicki Edwards
L. Allen Byrd

DESIGN REVIEW BOARD (Term 1 to 3 Years)

	<u>Start of Term</u>	<u>End of Term</u>
Tyler Hansen	01/01/11	12/31/13
Kathleen Likvan	01/01/10	12/31/12
Tracy O'Reilly	03/31/10	12/31/12
Matt Loomis	01/01/11	12/31/13
Dennis Lippert	01/01/10	12/31/12
Sheena Comer Winterer	01/01/10	12/31/12
Ron Johnson	09/01/09	12/31/12
Bill Nierson	01/01/10	12/31/12

EXTRAORDINARY EVENTS COMMITTEE

Matt Ellis (Chair)	(Facility Manager-Allegiance Field)
Ellen Buchanan	(Missoula Redevelopment Agency)
Ed Childers	(Mayor's Designee/Ward 6 Rep)
Alex Taft	(City Council Committee)
Gwen Hoppe	(Community Forum)
Dale McCormick	(Riverfront Neighborhood Council)
Linda McCarthy	(Missoula Downtown Association)

City of Missoula

Committees, Commissions and Boards

GREENHOUSE GAS AND ENERGY CONSERVATION TEAM (Term 3 Years)

	<u>Start of Term</u>	<u>End of Term</u>
Julie Osborn (Conservation Sector)	08/01/10	07/31/13
Ben Schmidt (City/Co. Government)	08/01/11	07/31/14
Alexander Sievers (Builders' Sector)	08/01/11	07/31/14
Dan Daly (Transportation Sector)	08/01/11	07/31/14
Molly White (Industry Sector)	08/01/09	07/31/12
Brian Kerns (Institution Sector)	08/01/12	07/31/15
John Freer (Commercial/Business Sector)	08/01/12	07/31/15
Amy Cilimburg (Alternate 1)	02/06/12	07/31/14
Aaron Hanson (Alternate 2)	02/06/12	07/31/14

GREENOUGH PARK ADVISORY COMMITTEE (Term 4 Years)

	<u>Start of Term</u>	<u>End of Term</u>
John Pierce	10/01/09	09/30/13
Barbara Stanley	10/01/09	09/30/13
John Horrell (At-Large)	10/01/09	09/30/13
Kathleen Kennedy	10/01/07	09/30/11
Matthew Koehler	10/01/07	09/30/11
Cyndy Braun	10/01/07	09/30/11
Bill Burnett	08/24/10	09/30/11

HEALTH BOARD- MISSOULA CITY/ COUNTY (Term 2 Years)

	<u>Start of Term</u>	<u>End of Term</u>
County Appointments:		
Teresa Henry	01/01/11	12/31/13
Garon Smith	01/01/09	12/31/11
City Appointments		
Ross Miller	01/01/10	12/31/12
Debbie Johnston	01/01/11	12/31/13

Tom Roberts	<i>Serves at the pleasure of the Health Board</i>
Jean Curtis	<i>Serves at the pleasure of the County Commissioners</i>
Ed Childers	<i>Serves at the pleasure of the City Council</i>
Rob Roberts (Serves on Water Quality Board)	<i>Serves at the pleasure of the CDB</i>

Committees, Commissions and Boards

HISTORIC PRESERVATION COMMISSION (Term 2 Years)

	<u>Start of Term</u>	<u>End of Term</u>
James R. McDonald (Professional)	01/01/10	12/31/12
Kathy Veasey-(Southeast)	07/13/09	12/31/12
Steve Adler (Professional)	01/01/10	12/31/12
Mike Monsos (Northeast)	01/01/11	12/31/13
Cheryl Cote (At-Large)	01/01/11	12/31/13
Solomon Martin (Southwest)	04/12/10	12/31/13
Scott Loken	01/01/12	12/31/13
Joshua Pollarine (Downtown)	01/01/12	12/31/13
Marjorie Heyman (Professional)	01/01/12	12/31/14
Cathy Bickenheuser (Alternate 1)	01/01/12	12/31/14
John Paoli (Alternate 2)	10/19/09	12/31/12
Jaime Ryan-Lockman	<i>Serves at the pleasure of the MRA Board</i>	
Tracy O'Reilly	<i>Serves at the pleasure of the Design Review Board</i>	

IMPACT FEE ADVISORY COMMITTEE (Term 4 Years)

	<u>Start of Term</u>	<u>End of Term</u>
Dick Ainsworth (Mayor)	12/04/08	11/30/12
Collin Bangs (Development Community Rep)	12/04/08	11/30/12
Janet Stevens Donahue (Chair)	12/04/08	11/30/12
John Freer	12/04/08	11/30/12
Jim Galipeau (C.P.A.)	12/04/10	11/30/14
Derek Goldman (City Council)	12/01/08	11/30/12
Jerry Ford	12/11/10	11/30/14
Kate Sutherland	06/13/11	11/30/14
City Appointments:		
Paul Hubbard	12/31/10	11/30/14
Derek Goldman	12/01/08	11/30/12

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

	<u>Start of Term</u>	<u>End of Term</u>
County Appointments:		
Neal Leathers	01/01/09	06/30/13
Christine Prescott	07/01/12	06/30/17
Rita Henkel	01/01/10	06/30/14
Margaret Warstet	11/11/11	06/30/13
City Appointments:		
Becky Mosbacher	11/08/10	12/31/14
Kathryn Doney	07/01/12	06/30/17

Committees, Commissions and Boards

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

.....

	<u>Start of Term</u>	<u>End of Term</u>
Rod Austin	03/01/10	02/28/13
Barbara Berens	03/01/10	02/28/13
Margaret Borg	03/01/10	02/28/13
Vacant	04/03/12	02/28/13
Brenda Desmond	03/01/10	02/28/13
Eran Fowler Pehan	03/01/10	02/28/13
Laurie Johnson	03/01/10	02/28/13
Melinda Mason	03/01/10	02/28/13
David Pierce	03/01/10	02/28/13
Rob Scheben	03/01/10	02/28/13
Alex Taft	04/03/12	02/28/13
Lee Ann Vreeland	03/01/10	02/28/13
Keenan Whitt	03/01/10	02/28/13
Dan Cederberg	04/03/12	02/28/15
Melissa Gordon	04/03/12	02/28/15
Michele Landquist	04/03/12	02/28/15
Susan Hay Patrick	03/01/10	02/28/15
Jason Wiener	03/01/10	02/28/15
Keithi Worthington	03/01/10	02/28/15

MISSOULA CIVIC TELEVISION ADVISORY COMMISSION

.....

	<u>Start of Term</u>	<u>End of Term</u>
City Appointments Mayor:		
Link Starbureiy	01/01/12	12/31/15
John Rettenmayer	01/01/10	12/31/13
City Appointments-City Council		
Ellen Cherry	09/27/10	12/31/13
John Firehammer	12/01/10	12/31/13
City Appointments-City Council Reps:		
Cynthia Wolken	01/16/12	-----
Ed Childers	12/19/05	-----
City Appointments-City Staff Rep		
Ginny Miriam	03/01/06	-----
City Appointments-County Rep		
Jean Curtis	12/19/05	-----
Missoula County Public School Rep		
Leslie Brassfield (Msla Co. Public School Rep)	08/07/06	-----
University of Montana Rep		
Jen Sauer	06/02/06	-----

City of Missoula

Committees, Commissions and Boards

MISSOULA HOUSING AUTHORITY BOARD (Term 2/5 Years)

Resident Member terms are 2 years terms

.....

	<u>Start of Term</u>	<u>End of Term</u>
Betty Zander (Resident Member)	06/26/11	06/25/13
Collin Bangs	06/26/12	06/25/17
David Warren (Resident Member)	06/26/12	06/25/14
Emily Brock	05/19/11	06/25/13
Jamie Hoffman	06/26/09	06/25/14
Sheila Lund	06/25/10	06/25/15
J. Fred. Simpson	06/26/11	06/25/16

MISSOULA PARKING COMMISSION BOARD (Term 4 Years)

.....

	<u>Start of Term</u>	<u>End of Term</u>
John Romer	09/19/11	04/30/13
Rodney Austin	05/01/10	04/30/14
Theresa Cox	05/01/11	04/30/15
Carol Williams	05/01/11	04/30/15
John Smith	05/01/12	04/30/16

MISSOULA REDEVELOPMENT AGENCY BOARD (Term 4 Years)

.....

	<u>Start of Term</u>	<u>End of Term</u>
Daniel Kemmis	05/01/09	04/30/13
Ruth Reineking	05/01/11	04/30/14
Nancy K. Moe	05/01/10	04/30/14
Rosalie Cates	05/01/11	04/30/15
Karl J. Englund	05/01/12	04/30/16
Janet Sproull (MPRB)	-----	-----
Sue Reel (USFS)	-----	-----
Vivica Crowser (MFWP)	-----	-----
Kristine Csorosz (Citizen at Large)	-----	-----

Committees, Commissions and Boards

OPEN SPACE ADVISORY COMMITTEE (Term 3 Years)

.....

	<u>Start of Term</u>	<u>End of Term</u>
Mary Manning	01/26/11	01/25/14
Adam Liljebald	01/26/11	01/25/14
Ethel MacDonald	01/26/11	01/25/14
Gerhard Knudsen	01/26/12	01/25/15
Jenny Tollefson	01/26/12	01/25/15
Gabe Miller	01/26/12	01/25/15
Matt Barnes	01/26/12	01/25/15
Tim Aldrich	01/26/10	01/25/13
Bert Linder	01/26/10	01/25/13
Jed Little	01/26/10	01/25/13
Jeff Stevens	01/26/10	01/25/13
Beth Hahn (Park Board Appointed)	07/18/10	06/19/12

PARKS AND RECREATION (Term 3 Years)

.....

	<u>Start of Term</u>	<u>End of Term</u>
Ross Mollenhauer	06/06/11	04/30/14
Janet Sproull	05/01/11	04/30/14
Johanna Eisenmann	06/06/11	04/30/14
Dale Harris	05/01/10	04/30/13
John O'Conner	05/01/10	04/30/13
Norma Nickerson	05/01/10	04/30/13
Christine Ryan	06/05/12	04/30/13

PLANNING BOARD (Term 3 Years)

.....

	<u>Start of Term</u>	<u>End of Term</u>
County Appointments:		
Dick Ainsworth	03/06/12	12/31/12
Tim Ibey	01/01/10	12/31/12
Jennifer Long	03/02/11	12/31/13
Jerry O'Connell	01/01/11	12/31/13
City Appointments: Mayor		
John Newman	01/01/12	12/31/15
Heidi Kendall	01/01/11	12/31/13
City Appointments-City Council		
John Dibari	01/01/12	12/31/15
Tim Skufca	01/01/11	12/31/15
Planning Board Appointed Member		
Don MacArthur	01/01/12	12/31/15
Alternates		
Pat Little (City Council)	01/01/11	12/31/15
Carol Evans (County)	01/01/10	12/31/12

City of Missoula

Committees, Commissions and Boards

POLICE COMMISSION (Term 3 Years)

	<u>Start of Term</u>	<u>End of Term</u>
Daniel Doyle	06/06/11	04/30/14
Suzanne Peterson	09/17/12	9+ 04/30/15
Raymond Murray (Chair)	05/01/10	04/30/13

PUBLIC ART COMMITTEE (Term 3 Years)

	<u>Start of Term</u>	<u>End of Term</u>
City Appointments-Mayor		
David Nelson	07/01/09	06/30/13
Douglas Olson	08/27/12	06/30/14
Peter Lambros	07/01/10	06/30/14
Dana Broussard	07/01/11	06/30/15
Kathi Olson	07/01/11	06/30/15
Joan Jonikel	01/01/08	06/30/13
City Appointments-City Council		
Linda Richards	07/01/11	06/30/15
Jeff Rolston-Clemmer	07/01/12	06/30/15
City Council Rep		
Caitlin Copple	-----	-----

TOURISM BUSINESS IMPROVEMENT DISTRICT BOARD

	<u>Start of Term</u>	<u>End of Term</u>
Dan Carlino, Chair	11/16/10	11/30/14
Lucy Weeder	11/16/10	11/30/14
Raquel Williams	11/16/10	11/30/13
Jon Bernthal	11/16/10	11/30/12
Kimberly Best	11/16/10	11/30/15

Committees, Commissions and Boards

TRANSPORTATION POLICY COORDINATING COMMITTEE

Voting Members:

Andy Sponseller, Chair	Missoula Urban Transportation District
Jason Wiener	City Council
John Engen	Mayor, City of Missoula
Bill Carey	Board of County Commissioners
Michelle Landquist	Board of County Commissioners
Doug Moeller	Montana Department of Transportation
Heidi Kendall	Missoula Consolidated Planning Board
Lloyd Rue	Federal Highway Administration
Ron Stoltz	Ravalli County Commissioner
Dr. Garon Smith	Missoula City/County Health Board

URBAN TRANSPORTATION BOARD (Term 4 Years)

County Appointments:	<u>Start of Term</u>	<u>End of Term</u>
Richard C. King	01/01/11	12/31/14
Andrew Sponseller	01/01/10	12/31/13
Andrea Davis	01/01/12	12/31/15
Mayor Appointments:		
Eric Gabster	03/14/12	12/31/13
Scott Hollenbeck	02/28/12	12/31/15
Eric Hines	03/08/11	12/31/14
City/County Alternating:		
Don MacArthur (City/County Alternating)	01/01/09	12/31/12

Budget Message

November 27, 2012

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, 2013 (FY 13). 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 the forgoing budget. The table reflects estimated revenues of \$99.64 million, budgeted expenditures of \$108.36 million with expected expenditure savings of \$0.72 million, resulting in a decrease in the ending balances of \$8.00 million. An explanation of the significant changes in fund and cash balances (those greater than 10%) is provided on the following page.

Projected Changes in Fund Balances or Cash Balances Final Budget - July 1, 2012 through June 30, 2013 (FY 13)								
	Governmental Fund Types			Capital Project	Proprietary Fund Types	Fiduciary Fund Types	Component Units	Total All Funds
	General	Special Revenue	Debt Service		Enterprise & Internal Service	Trust & Agency		
Projected Beginning Fund Balance/Cash	\$ 4,696,836	\$ 4,606,414	\$ 3,641,862	\$(3,711,562)	\$ 83,130,273	\$ -	\$ 2,783,101	\$ 95,146,925
Estimated Revenues	47,105,559	15,884,097	3,821,662	1,023,839	21,664,784	410,300	9,726,010	\$ 99,636,251
Approved Budget	(48,066,626)	(19,818,833)	(4,048,762)	(1,478,505)	(21,532,127)	(410,300)	(13,001,263)	\$(108,356,416)
Anticipated Savings	<u>720,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 720,999</u>
Projected Change in Fund Balance/Cash	<u>(240,068)</u>	<u>(3,934,736)</u>	<u>(227,100)</u>	<u>(454,666)</u>	<u>132,657</u>	<u>-</u>	<u>(3,275,253)</u>	<u>\$ (7,999,166)</u>
Projected Ending Fund Balance/Cash	\$ 4,456,769	\$ 671,678	\$ 3,414,762	\$(4,166,228)	\$ 83,262,930	\$ -	\$ (492,152)	\$ 87,147,759

FY 13 Final Operating and Capital Budget



Listed below are explanations of the significant changes in fund balance/cash, for each of the major fund groups.

General Fund

- The General Fund year-end balance increased from \$3.67 million in FY 2011 to \$4.70 million at the end of FY 2012. This continued building of the fund balance was accomplished by budgeting conservatively for revenues and with significant expenditure savings required of many large General Fund departments. Seven special purpose funds under General Fund control were removed from the Special Revenue fund category in FY 2010 and moved to special purpose General Fund accounts in FY 2011. This increased the overall beginning General Fund balance to \$3.45 million from \$2.1 million in FY 2010. The City Council budgeted the overall General Fund balance to decline by \$0.24 million, mainly in the special purpose General Fund budgets in FY 13.

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). The Building Inspection Permits Fund again increased its positive year end fund balance for FY 2012, due to a net reduction of four employees over the past few years and conservative revenue projections. Most of the other special revenue funds are slated to fully spend the beginning fund balance because the balance exists because projects were not completed during the preceding fiscal year.

Debt Service Funds

- The Debt Service year end fund balance is budgeted to be spent for all general obligation debt but not for special improvement district (SID) debt service funds. 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 2011 was negative. This should be eliminated during the course of FY 2013 for the most part, as the projects are completed and the bonds are issued to reimburse the city for the infrastructure constructed.

Enterprise/Internal Service Funds

- The Enterprise Fund balances are slated to decrease by \$.05 million (\$52,302) as certain large construction projects at the Wastewater Treatment plant are completed. Sewer utility rates were not increased for the 2009 budget year but were increased modestly for the FY 2010, FY 2011, FY 12 and FY 13 budget years (5%/year in each year) to accommodate the financing of an upgrade at the wastewater plant head-works. In FY 2009, sewer utility charges declined 2% for the first time in over a decade due to reduced industrial and commercial billings, reflecting the effect of the current national economic recession. However, the city has continued to grow in population and in new sewer connections at a rate of approximately 1.5 percent per year, even though that growth was

FY 13 Final Operating and Capital Budget

offset by a slowdown in the commercial and industrial sewer accounts in FY 09. By FY 10, the decline in revenue had reversed and the sewer revenues began to grow again in the industrial and commercial billings through the current year (FY 12). The residential component of our utility billing has always grown, even during the recession.

- The City's only Internal Service Fund, the City Health Insurance plan, had suffered from significant increases in usage and medical inflation up until eight years ago. At that point, the plan had increased its fund balance every year for seven successive years bringing the plan from a deficit of $-\$4$ million in FY 2003 to an surplus of $\$2.2$ million at the end of FY 2009. The Health Insurance levy within the city's cap was reduced in FY 2010 by $\$484,305$ by reducing the monthly premium for the health insurance from $\$670$ per employee to $\$570$ per employee in order to levy that amount of money within the General Fund general levy, thereby avoiding the necessity of cutting any further than has been done for FY 2010. Because the plan had significantly increased its fund balance every year for the prior six years, the fund balance was not projected to be materially reduced by this reduced funding for one year. However, the plan experienced its worst year ever for claims utilization in FY 2010, with result that the fund balance was reduced by $\$1.3$ million to $\$.98$ million. This increased level of plan utilization coupled with increased costs continued in FY 2011, with the result that the plan's fund balance lost $\$1.3$ million again in FY 2011 even though City contributions were increased by $\$315,000$ in FY 2011. For FY 2012, both the employer and employee contributions were increased such that in excess of $\$1,000,000$ of additional funding was provided to the plan. This did stabilize the declining fund balance for the plan in FY 12. Additional contributions of $\$250,000$ will be made to the plan in FY 2013 even though the plan is stabilized in FY 2012 in order to start rebuilding the plan's fund balance.

Trust and Agency Funds

- The City did prepare a budget for the Tourism Business Improvement District (TBID) in the Trust & Agency fund type. 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 to donate funds to the Tourism Business Improvement District. The goal of the TBID is to increase four season revenues statewide through effective marketing and promotions, focusing on high-value, low-impact visitors by working 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 air service. Destination Missoula and the TBID will focus on increasing overnight visitation to Missoula with emphasis on the months of November through April, by concentrating marketing funds on meetings & conventions, sports & events, tour and group travel and leisure Travel.

Component Units

- The City of Missoula has three component units, the Missoula Parking Commission (MPC), the Missoula Redevelopment Agency (MRA) and the Business Improvement District (BID). The parking commission has an operating budget of $\$1.93$ million plus debt service requirements of $\$0.87$ million. It maintains a reserve of $\$2.0$ million, part of which is required for coverage pertaining to outstanding bond issues as a result of the construction of additional parking in the downtown business district slated to be available to the public late in the calendar year 2012.
- 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. MRA spent in excess of $\$5.0$ million as the first downtown redevelopment district ended seven years ago. The complete fund balance for that district was spent on construction projects assisting the economic development and infrastructure of the downtown business district. MRA was moving forward with

FY 13 Final Operating and Capital Budget

substantially smaller budgets until the other two newer districts developed in a manner similar to the outstanding growth that occurred in the original district. This has now happened. Expenditures for fiscal year 2012 were related to redevelopment projects such as Silver Park, Milwaukee Trail Construction and Lighting, Civic Stadium Acquisition, West Broadway Island Acquisition, 806 West Spruce Street, Ashlyn Place apartments, 310 & 316 Inez Street project, Allegiance Call Center, Bitterroot Town Homes, Elbow Room Tavern and Restaurant, Southgate Animal Hospital, Missoula County Records Center, California Street Engineering, Urban Streetcar Study, Parking Study, Street Trees and numerous commercial and residential sidewalks.

- 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 began in 2001 with committee development, community education, local media campaigns, meetings with property and business owners, creation of a comprehensive database of property owners, and the required petition process. The process of verifying the petition was finalized at the end of 2004 and the BID was approved by the City Council in April 2005. The BID now serves as an advocate for property owners in the district and address areas such as safety, cleanliness, appearance, marketing, business retention and recruitment, public and private investment in buildings and infrastructure.

Planning Processes

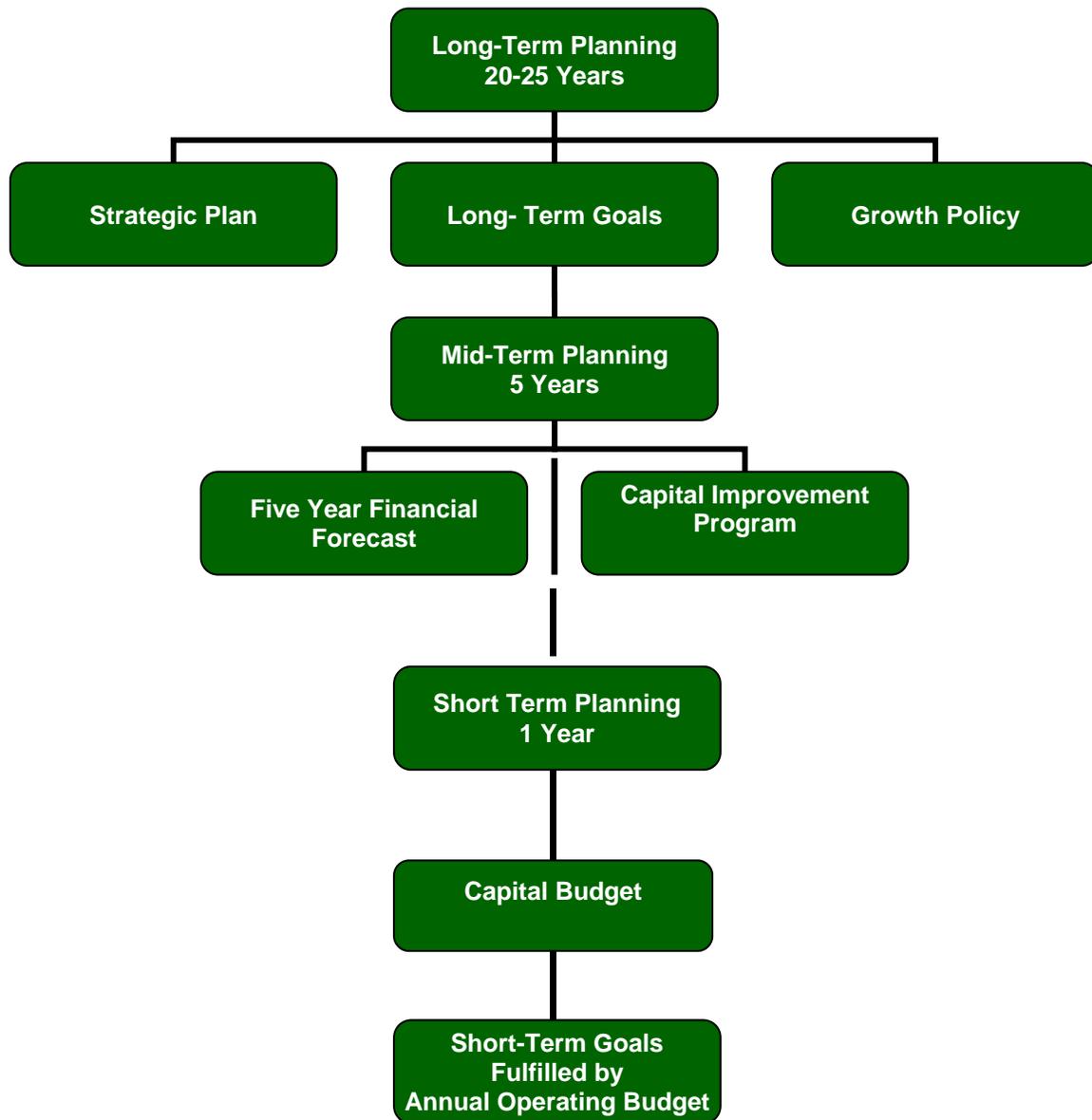


The City of Missoula conducts various planning processes (long-term, mid-term and short-term), to help guide the government and to insure that decisions are made in the context of the organization as a whole and with a long-term perspective. Diligent efforts are made to insure each of these component 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 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—5 years. The Annual Budget and the Capital Budget are short-term—covering a 1 year timeframe. The most important requisite is that they are coordinated efforts.

FY 13 Final Operating and Capital Budget

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. It consists of the process of developing and 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, and functional plans such as the City's Comprehensive Plan for land use, the City of Missoula transportation plan, the City of Missoula wastewater facility plan master plan, and City of Missoula master fire plan.

The fiscal year 2013 budget continues our Strategic Planning initiatives started in FY 1992. This plan was significantly updated in FY 2009. The Strategic Plan is an ongoing dynamic process that will give residents, taxpayers and interested persons a greater understanding of city government. The strategic plan focuses on performance. It provides for measurable goals and objectives the City intends to achieve. Department employees will be held accountable for the implementation and success of the plan.

As part of the 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. Listed below are the results of this planning process:

City of Missoula Strategic Plan 2010-2013

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.

Listed below are the City's Strategies that help guide the development of this budget. These goals and strategies are addressed very specifically at the beginning of each departmental narrative in this budget

document. The extent to which a department can advance these goals and strategies is actually quantified and scored when the individual offices are seeking funding for capital requests. The actual scoring is explained in the capital budget section of this report.

**City of Missoula
Strategies**

Missoula will lead the region in the following three areas:

1. Funding and Service

- We will maintain or improve the level of service to citizens.
- We will work toward sustaining and diversifying fiscal resources.
- We will work with public and private sector partners in greater numbers to find new ways to enhance and diversify Missoula's economy.

2. Harmonious Natural and Built Environment

- We will make sure that our natural and built environments continue to represent Missoula's values of clean water and clear air.
- We will work to provide citizens access to parks, open spaces and the natural environment.
- We will reflect values of sustainability in transportation and building design.

3. Quality of Life for All Citizens

- We will work together to meet basic human needs with dignity for all.
- We will work to provide affordable housing for the work force of Missoula.
- We will support plans and programs that promote a healthy lifestyle for Missoula's citizens.

Departments have developed and are continuing 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).

FY 13 Final Operating and Capital Budget**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 City Council 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 performs financial trend analysis each year in conjunction with the annual mid-year budget analysis. The Five-Year Financial Plan 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.



Capital Improvement Plan

The city prepares a 5-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 and most realistic expectation for completion during the next five years. This approach avoids raising expectations for projects that are not well defined or that the operating budget will not support.

As in recent years, the City continues to face numerous capital funding requests. At the same time, the city has finite resources 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 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. The capital items included in the Annual Operating Budget represent the “Capital Budget”.

A summary of the significant capital projects included in the FY 13 Operating Budget is included in the Capital Projects Section of this budget.

FY 13 Final Operating and Capital Budget

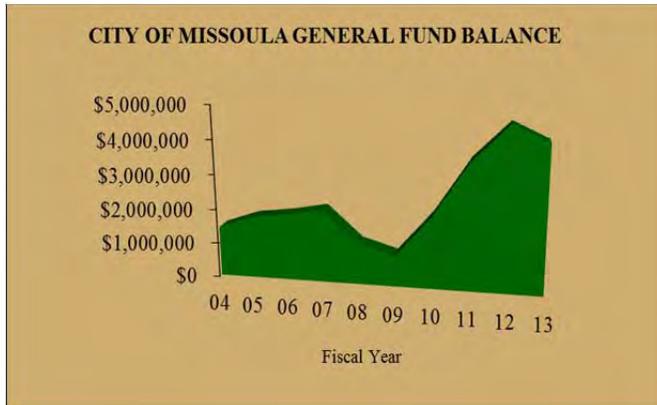
STAFFING CHANGES

The final budget includes a net overall decrease of 10.51 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.

Staffing Changes (FTE)	
DEPARTMENT/DIVISION	Net Increase (Decrease)
General Fund Departments	
Municipal Court	3.10
Public Works - Engineering Department	0.28
Street Division	0.21
Vehicle Maintenance	0.50
Police	7.01
Cemetery	0.01
Parks & Recreation	(0.77)
Total General	10.34
Enterprise Funds	
Parking Commission	0.17
Total Enterprise	0.17
Total for City Departments	10.51

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 above is the city's actual General Fund balance over the course of the last ten

years. The reduction in General Fund balance from fiscal year 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. Since fiscal year 2003, the city has made a conscious effort to rebuild the General Fund balance. At the end of FY 07, the total fund balance of the General Fund was \$2.12 million compared to \$1.0 million at year end in FY 2003. This ending fund balance represented nearly six percent of total General Fund expenditures. The budget for FY 08 anticipated an ending General Fund balance of \$2.1 million, but when the fiscal year was closed out in September of 2008, the year-end balance had decreased to \$1.2 million from \$2.1 million at the end of FY 2007. The City Council budgeted the fund balance to increase by \$83,500 for FY 2009, which would have placed the FY 2009 year end fund balance at approximately \$1.3 million. The decrease in fund balance in FY 08 was due to a decline in expected expenditure savings and slight increase in tax delinquencies. Please note that the city had a 15 year history of always having between 3% - 5% expenditure savings. The city addressed this issue by requiring a mandatory 3.7% holdback on expenditures for FY 09. The FY 08 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 General Fund year-end balance for FY 2009 decreased to \$0.9 million from \$1.2 million at the end of FY 2008. The decrease in fund balance in FY 09 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 FY 09 expenditure savings increased to 6% due to mandatory holdbacks required of all General Fund offices, but was insufficient to offset the revenue declines. The city was prepared to quickly rebuild its fund balance to the level it had at the end of FY 2007 (\$2.1 Million). This was accomplished in FY 2010 when the General Fund year-end balance increased from \$0.9 million in FY 2009 to \$2.1 million at the end of FY 2010. The increased fund balance in FY 10 was achieved by asking offices to hold back in making expenditures and by the receipt of additional revenues, especially taxes. General Fund departments were asked to hold back on spending 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 FY 10 expenditure savings increased to 5% due to mandatory holdbacks required of all General Fund offices and was sufficient to offset the revenue declines. The requested expenditure savings holdback in FY 10 was on top of a mandatory 3.7% reduction in baseline expenditures for the FY 10 budget. 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. This increased the overall FY 2011 ending General Fund balance to \$3.5 million from \$2.1 million.

The City's 2012 budget continued to be structurally balanced and the city increased its General Fund year-end fund balance from \$3.67 million in FY 2011 to \$4.70 million by the end of FY 2012. This continued building of the fund balance was accomplished by budgeting conservatively for revenues and with significant

FY 13 Final Operating and Capital Budget

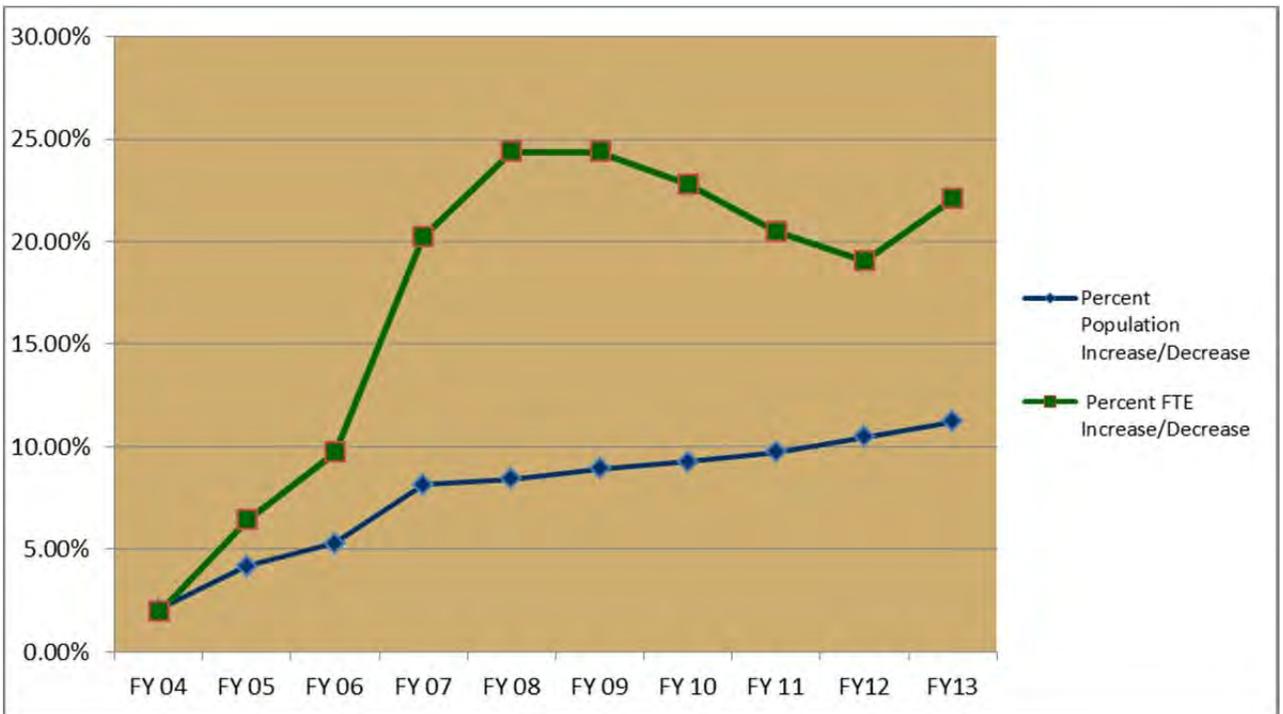
expenditure savings required of many large General Fund departments. The City's goal is to target a fund balance equal to seven percent of the General Fund expenditures for FY 2013.



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 from 419.87 in fiscal year 2004 to 512.13 in 2009, and then were reduced back to 490.36 in 2012. Due to the fact that revenues have stabilized and increased for several years successively, the city added 10.51 FTE's city-wide in the FY 2013 budget, the first increase in a number of years, which

equates to a 19.77% percent increase over this 10 year period, while the City's population is estimated to have increased 15% during this same period of time. Please note that 31 of the new FTE's in FY 06-08 were for staffing of the new aquatics facilities recently opened up to the public and these FTE's are predominantly paid from the revenues generated by these facilities. 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 12.38% compared to the population increase of 15% over the last 10 years.

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 rapid growth of the city. All indications are that the growth Missoula has experienced in the past will continue for the foreseeable future.



FY 13 Final Operating and Capital Budget



As a general rule, all real and personal property in the State of Montana is subject to taxation by the State and its counties, municipalities and other political subdivisions. This rule is subject to exceptions in the case of specified classes of exempt property. Property is classified according to its use and character, and the different classes of property are taxed at different percentages of their market

valuation. Property valuations are based on comprehensive appraisals of all taxable property performed by the Department of Revenue each year. The Department of Revenue certifies market and taxable values to each city on or before the 1st Monday in August. The trend of the City of Missoula's market value is shown by the graph on the left. As reflected by the graph, the city's market value has increased from \$2.636 billion in fiscal year 2004 to \$4.110 billion in fiscal year 2013, for a 55.89% 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 left is a history of the city's actual taxable value since 2004. The increase in taxable values



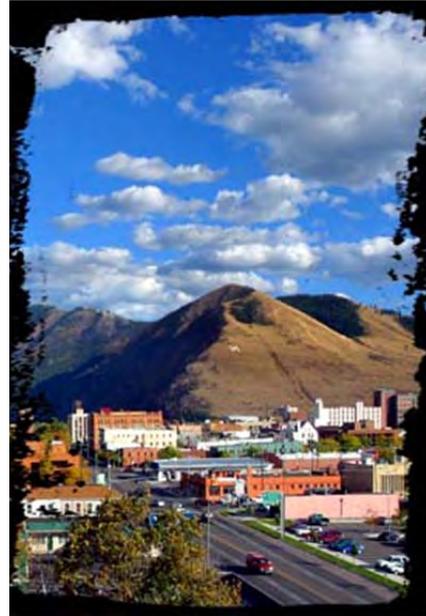
does not coincide with the increase in market values because of adjustments to the percentage ratio by the Montana Legislature and by changes in tax policy implemented through property tax amendments. The adjustments by the Legislature were designed to prevent local taxes from increasing at the same 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 you can see from the graph, the City's taxable value increased from \$84.586 million to \$108.167 million from 2004 to 2013, an increase of only 27.88%, which is half the increase in the market value of the same property.

FY 13 Final Operating and Capital Budget**SHORT TERM INITIATIVES – MAJOR ISSUES & SOLUTIONS**

- The FY 2013 budget, as adopted, was brought to council six weeks sooner than in many previous years, as was the FY 2012 budget. The calculated additional property tax impact for next year is 3.28% for city taxes, which would be about \$23 per year for a typical \$225,000 home.
- The proposed FY 2013 budget also anticipates 4% fee increases in the planning, fire and business licensing areas to become effective at the beginning of the new fiscal year (30 days after the ordinance is adopted – August 5th effective date). The 4% fee increases in the engineering area will not take effect until January 1st. No fee increases were proposed for any of the building permit categories (building/plumbing/ electrical/mechanical). Three years ago, the city chose to not increase any city fees. This year (FY 2013) as well as in the past year (FY 2012), because many of the city's costs had increased, fees were increased by 4 percent in the business licensing, engineering, planning and building inspection areas.
- The actual level of new tax revenue from growth in the city's tax base was \$275,008. This compares to growth of \$389,390 for FY 2012, \$671,312 for FY 2011 and \$1,080,713 for FY 2010. We have budgeted for inflationary trending of property taxes allowed by state law (\$260,363).
- City property taxes were raised to support the increased expenses of the General Fund and the City Health Plan. As to the General Fund tax increase, the city is continuing to honor its union contracts. Because the city worked in partnership with both union and non-union employees two years ago with a wage freeze, the city proposed to move forward in FY 2012 and FY 2013 with the wage increases not given two years ago to both union and non-union employees. Two years ago and the year before, the city froze top managers' salaries, including the mayor's. In addition, Missoula was the only city in the state to freeze all employee wages for that fiscal year. In FY 2010, the decision was made to reduce spending by nearly 4 percent. For FY11, the city administration requested another 2 percent reduction. Thus, in two of the last three years, the city had cut operation budgets by 6 percent. A total of 22 FTE's were removed from city budgets during these years. Aside from the proposed salary increases in FY 2012, virtually no new tax funded requests were proposed, except for several mandatory expenses such as costs associated with elections that occur in alternating budget years. On the expenditure side, the largest expense is wages and benefits. About 70 percent of the General Fund budget is devoted to personnel costs. In FY 2013 the city increased its FTE funding by 10.51, mainly in the public safety areas of police and municipal court. This was increase in position funding in 3 years.
- The second reason property taxes are being raised has to do with funding the increased costs associated with the City's Health Insurance Plan. For FY2012, the city recommended an increase of \$132 per employee per month (\$681,446 per year) in the city's employer contribution to the health plan premium in an attempt to stabilize the funding of the plan with its annual costs. The city also asked employees to contribute an additional 393,012 (\$75/month more) and for retirees to contribute an additional \$118,434 (\$173/month more), together totaling \$511,446 of premium increases for employees and retirees. This would raise the base premium from \$635 per month per employee to \$767 per month per employee. 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 FY10. However, in FY 2010 and 2011, extraordinary claims and medical inflation have hit their highest levels in over a decade, driving the fund balance down to about \$1.0 million at the end of FY 2010 and negative \$336,000 for the end of FY 2011. The city has been committed to maintaining a three-month fund balance, but the demands of simply stabilizing the plan in FY 2012 had to over-ride the need to maintain a 3 month reserve for the FY 2012 budget. The city proposed to rebuild the fund balance in FY 2012 with a \$100,000 one time contribution to the plan and a \$350,000 one time contribution in FY 2013.
- Assessments were increased for the newly created park and road maintenance districts, as the city attempts to increase the level of service delivery in both of these core areas of service. These districts are in place throughout Montana.

FY 13 Final Operating and Capital Budget

- 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. 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 & Poors also recommended that future budgets plan to increase the General Fund year-end unassigned fund balance to \$3.0 million (which is 7 percent of the General Fund expenditures per the City's adopted financial policy). Our present unassigned fund balance for the General Fund as of June 30, 2012 was \$2.1 million (5% of expenditures) out of a total fund balance of \$4.7 million. The city intends to meet this 7% benchmark by the end of FY 2013.
- Funding anticipated from HB124 (city entitlement from the State of Montana) is projected at \$6,740,000 for FY 13, the same level as for FY 12.
- The Building Inspection Fund is recovering nicely as economic conditions continue to improve in the construction portion of the Missoula economy, although we had previously reduced the staffing by four positions in that office several years ago. We will again be able to take on the cost of replacing vehicles for the inspectors and to upgrade the permitting system software, a cost that will generate many benefits to both the building community and city staff.
- Impact fees are expected to generate approximately \$900,000 of revenue for FY2013, the same amount as received in FY2012.
- The City is permitted to levy what is necessary to fund voter-approved General Obligation (GO) Bond debt service. In FY13, the city will levy slightly less than in FY 12, (15.72 mills in FY13 compared to 15.74 mills for FY12).
- General Fund support for the city's capital improvement program will be \$1,005,382 for FY2013, which compares to \$956,558 in FY2012. Only the required General Fund fixed payments (plus the funding for a remodel of the Office of the Neighborhoods) are budgeted for in the FY13 General Fund CIP. 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 (FY09-13) than in the following five years. Three 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 our equipment to provide better service to our 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 this year.
- The General Fund baseline budget appears to be adequate for the new fiscal year for both fuel and energy costs. Due to a concerted focus by the city on energy efficiency, the city has removed \$51,300 from the fuel and energy budgets in the general fund this year reflecting about half of the savings already achieved.
- No inflation 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 2013.
- The program enhancements allowed in the FY 2013 budget are detailed in the appendix.



FY 13 Final Operating and Capital Budget

- 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 Missoula's economic growth for 2012 should be in the 2 percent range, which continues an improvement that began in 2010 when growth overall was negative due to the closure of the Bonner plywood plant in 2007 followed by the Bonner sawmill closure in 2008 and then the closure of the Smurfit-Stone pulp mill in 2010.
- Missoula continues to adjust from the housing downturn, with new home starts lagging from pre-recession numbers. Building-industry activity has a ripple effect in job creation and the Missoula economy.
- 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. The Partnership is working in cooperation with a number of agencies creating easy access to economic-development resources.
- The recession has impacted every part of the State and every industry in the state except health care.
- The Montana economy has been much more in sync with the national economy than has occurred in previous recessions.
- All of these factors were considered in preparing the City of Missoula's budget for the 2013 fiscal year. The decline in revenues in FY 2009, 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 2010.
- Sewer utility rates were increased modestly (5% per year) for four years beginning in FY 2010 to accommodate an upgrade of the wastewater plant head-works and the fact that sewer utility charges declined 2% for the first time in over a decade due to reduced industrial and commercial billings, reflecting the effect of the current national economic recession. However, the city has continued to grow in population and in new sewer connections at a rate of approximately 1.5 percent per year, even though that growth was offset by a slowdown in the commercial and industrial sewer accounts in FY 09. In FY 10, the decline in revenue had reversed and the sewer revenues began to grow again in the industrial and commercial billings. The residential component of our utility billing has always grown, even during the recession.

Closing

We hope the information contained in the FY 2013 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 for starting in FY 08 that continued through the current budget process. We have been actively pursuing a Performance Based Budget process since FY 08. We strongly encourage each and every person using city services to inform us of their ideas, level of satisfaction and problems.



Respectfully,



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 measurers. 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 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 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.

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 Finance Director presents an Ordinance to the City Council at a duly noticed public meeting. The Council considers the Ordinance. 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 information from the public, Department Heads, and the Finance Department. The City Council considers the Ordinance and may approve, table, or deny the Budget Amendment.

The annual appropriations and transfers out 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.

THE BUDGET CALENDAR

January

Finance Office prepares estimated year end working capital (cash), estimates revenue for the coming year, and adjusts current year's budget to project next year's needs - information presented to City Administration and Budget team. Capital Improvement Program initiated for next fiscal year with press release notifying the public and work shop for all city supervisory staff.

February

Finance Office analyses and assimilates proposed capital improvement project (CIP) revenues and expenditures. The CIP is prepared to be reviewed by the CIP budget team. A work shop is held with all supervisory and support staff involved in the operating budget development for next fiscal year. Revenue estimates are made along with salary adjustment parameters and costs for all budgets.

March

The CIP budget team meets with all offices who submitted CIP budget requests encompassing requested funding over the next five years. The CIP budget team reviews the scoring of all CIP requests. Referrals are made the the Administration & Finance (A & F) Committee of the City Council to review all CIP budget requests approved for inclusion in the City's CIP. A & F meetings review of the new CIP requests is concluded. Operating Budget meetings are held with the City's operating budget team and all City departments. All funding steams are reviewed and all requests are discussed at length with the budget team that includes the Mayor and City Administrator. The Mayor meets with the budget team to finalize the preliminary budget for the next fiscal year.

April

A & F meetings review of the new CIP requests is concluded. The Mayor and budget team meet with all department heads and staff to discuss the Mayor's proposed preliminary budget. All budget appeals are heard by the Mayor, City Administrator and Finance Director. The preliminary budget is referred to the Council Budget Committee of the Whole for discussion. Public hearings are scheduled.

May

The budget is presented and the council begins its budget meetings with all City departments and outside agencies who are requesting City support. The public hearings are held open until the budget is adopted in June. Finance Office prepares information for Council to send to Departments. Finance Office updates final adopted budget for final personnel changes and adjustments approved by Council. Final Budget Document preparation is started. The Council also continues to meet with City offices on their budget requests. No decisions are made until the budget deliberations begin, which starts in the first half of May.

June

Final Public Meeting held on budget. The City Council continues to take comment on the budget at the public hearings, which are held open until adoption.

The tax levies are estimated and proposed based on reasonable assumptions concerning the economy.

City Council approves Resolutions setting the appropriations.

July

Waiting to receive final tax values from the State Department of Revenue.

August

Final budget document is published on the web-site either in August or September. Tax levies are set based on the receipt of taxable value certification from the State Department of Revenue

On- going review and monitoring of current year budget.

September

On- going review and monitoring of current year budget

Preparations being made for the coming year.

October

On- going review and monitoring of current year budget

Preparations being made for the coming

November

On- going review and monitoring of current year budget

Preparations being made for the coming

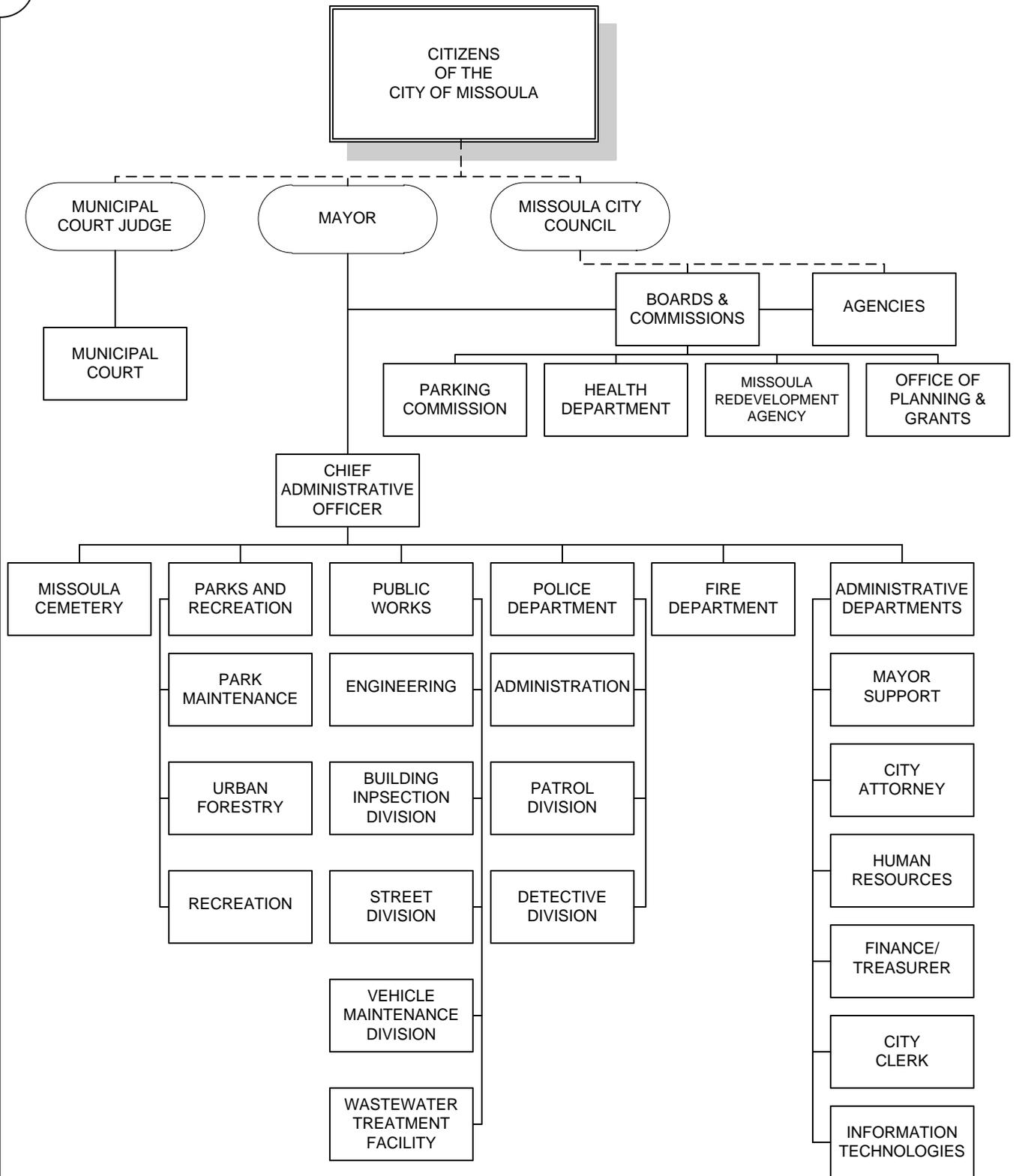
December

On- going review and monitoring of current year budget

Preparations being made for the coming



City of Missoula



DENOTES ELECTED OFFICIALS

CITY OF MISSOULA BUDGET INCREASES FOR FY 2013

REQUESTED AND FUNDED OPERATING BUDGET INCREASES

Department	Ranking	Amount	High-Funded	Medium-Not Funded	Low-Not Funded	One-Time Costs	Ongoing Costs	Non-Budgeted Revenues Funded
General Fund								
Mayor:								
U.S. Conference of Mayors Membership	1	\$ 4,000	\$ 4,000				\$ 4,000	\$ 4,000
Sub-total		4,000	4,000	-	-	-	4,000	4,000
Human Resources:								
Half-Time Secretary	1	21,894	-		21,894	2,830	19,065	-
Contract - Skill Based Pay analysis	2	30,000	30,000			30,000		30,000
Sub-total		51,894	30,000	-	21,894	32,830	19,065	30,000
Information Technologies:								
PC/Server Project	1	67,000	67,000			67,000		67,000
Sub-total		67,000	67,000	-	-	67,000	-	67,000
Municipal Court:								
Misdemeanor Probation Contract	1	172,934	172,934				172,934	172,934
Legal Secretary	4	47,863	47,863			3,084	44,779	47,863
Court Clerk	5	47,863	47,863			3,084	44,779	47,863
Sub-total		268,660	268,660	-	-	6,168	262,492	268,660
Attorney:								
Compliance Legal Assistant	1	60,738	60,738			-	60,738	60,738
Attorney Courtroom Computer Replace	1	2,170	2,170			2,170	-	2,170
Legal Assistant	2	57,776	57,776			6,692	51,084	57,776
Sub-total		120,684	120,684	-	-	8,862	111,822	120,684
Public Works - Engineering:								
Adobe Writer & I-Pads	2	6,278	6,278			5,558	720	6,278
GPS Trimble System	3	8,200	8,200			8,200		8,200
CMAQ Grant Program	4	27,653	27,653			27,653		27,653
Safe Routes to School	5	94,500	94,500			94,500		94,500
Sub-total		136,631	136,631	-	-	135,911	720	136,631
Public Works - Vehicle Maintenance:								
City Energy/Conservation	1	58,897	58,897				58,897	58,897
Sub-total		58,897	58,897	-	-	-	58,897	58,897
Police:								
Reimbursed Overtime	1	64,078	64,078			64,078		64,078
Overtime	2	21,654	21,654				21,654	21,654
Investigative Professional Services	3	10,000	10,000				10,000	10,000
Sub-total		95,732	95,732	-	-	64,078	31,654	95,732
Fire:								
Reimburse Overtime	1	473,962	473,962			473,962		473,962
Sub-total		473,962	473,962	-	-	473,962	-	473,962
Cemetery:								
Increase Fertilizer	1	8,500	-		8,500		8,500	-
Increase Scanning and Copying	2	1,650	-		1,650		1,650	-
Sub-total		10,150	-	-	10,150	-	10,150	-
Parks and Recreation								
Scholarship & Support Programs	1	19,160	19,160				19,160	19,160
Sub-total		19,160	19,160	-	-	-	19,160	19,160

REQUESTED AND FUNDED OPERATING BUDGET INCREASES

Department	Ranking	Amount	High-Funded	Medium-Not Funded	Low-Not Funded	One-Time Costs	Ongoing Costs	Non-Budgeted Revenues Funded
Office of Planning and Grants								
Salary Increase-2% estimate	1	24,017	24,017				24,017	24,017
Director's salary - half year	2	20,210	20,210				20,210	20,210
OPG Office Remodel	3	50,000	50,000			50,000	-	50,000
CVA Outreach/Prevention	2	49,759	7,000		42,759		49,759	7,000
OPG Attorney	3	37,050	-		37,050	1,000	36,050	-
Sub-total		181,036	101,227	-	79,809	51,000	130,036	101,227
Health Department								
Health Department Transfer Salary Increase	1	58,401	44,558	13,843			58,401	44,558
Animal Control Transfer Salary Increase-2%	2	11,459	9,047	2,412			11,459	9,047
0.5 Immunization Nurse	3	27,962	-		27,962		27,962	-
Replace Secretary Staff Cut	4	32,278	-		32,278		32,278	-
Restore 0.75 FTE - Enviro Health Specialist	5	41,246	-		41,246		41,246	-
Accreditation Coordinator	6	16,948	-		16,948		16,948	-
Sub-total		188,294	53,605	16,255	118,434	-	188,294	53,605
Non-Departmental:								
Alternative Dispute Resolution		150	150				150	150
Cultural Council		350	350				350	350
International Choral Festival		3,000	-	3,000		3,000	-	-
Health Insurance Transfer		250,000	250,000			250,000	-	250,000
Salary Reserve - 3% non Union		350,879	350,879				350,879	350,879
Legislative Services		33,000	33,000			33,000	-	33,000
Vehicle Transfer		63,242	63,242			63,242	-	63,242
Pending Litigation		-	-			-	-	-
Employee Safety - w orkers comp consultant		30,000	30,000			30,000	-	30,000
Missoula Symphony Assoc		100,000	-		100,000	100,000	-	-
Aquatics Subsidy		33,000	33,000				33,000	33,000
Sub-total		863,621	760,621	3,000	100,000	479,242	384,379	760,621
General Fund Total		2,539,721	2,190,179	19,255	330,287	1,319,053	1,220,669	2,190,179
NON-GENERAL FUND REQUESTS								
Building:								
Accela Automation Debt Service Upgrade	1	364,000	364,000			364,000		364,000
Computer Replacements	2	3,500	3,500			3,500		3,500
Copier Replacement	3	10,000	10,000			10,000		10,000
Sub-total		377,500	377,500	-	-	377,500	-	377,500
Road District 1:								
Levee Maintenance	1	10,000	10,000				10,000	10,000
A additional .25 FTE Seasonal	2	13,826	13,826				13,826	13,826
GPS Units on Street Equipment	3	21,684	21,684			11,856	9,828	21,684
Mountain Line Transfer Center Improvemen CIP CS-19		8,000	8,000			8,000	-	8,000
Sub-total		53,510	53,510	-	-	19,856	33,654	53,510
Park District 1:								
Sustainable Park Maintenance	1	135,000	75,000	60,000			135,000	75,000
Contract Pruning/Hazard Tree Care	3	20,000	10,000	10,000			20,000	10,000
FY09-FY12 Unfunded Park Maintenance	4	45,692	-	45,692			45,692	-
Unfunded Median Maintenance	5	32,184	32,184			2,000	30,184	32,184
Silver Park	6	45,506	-	45,506			45,506	-
Duncan Field Park	7	4,399	4,399				4,399	4,399
Increased hours for Communication Specia	8	7,733	-	7,733			7,733	-
Conservation Land Request	9	22,705	19,205	3,500			22,705	19,205
Reserve St Median Maintenance	10	65,000	-	65,000			65,000	-
Renovate, Replace and Improvements	CIP PR-05	85,000	70,000	15,000		85,000	-	70,000
Caras Park Improvments	CIP PR-15	100,000	100,000			100,000	-	100,000
Sub-total		563,219	310,788	252,431	-	187,000	376,219	310,788
Parking Commission:								
Inc PT Toll Collector (78 hrs./year)	1	9,788	9,788				9,788	9,788
Sub-total		9,788	9,788	-	-	-	9,788	9,788
Grand Total - All Funds		\$ 3,543,738	\$ 2,941,765	\$ 271,686	\$ 330,287	\$ 1,903,409	\$ 1,640,330	\$ 2,941,765

FY 13 SOURCES & USES OF FUNDS & MILL LEVY CALCULATION

FUND NUMBER	FUND	PROPOSED USES OF FUNDS			PROPOSED SOURCES OF FUNDS				PROPOSED MILL LEVIES			PERCENTAGE CHANGE FY12 TO FY13
		BUDGETED EXPENDITURES	INTER-FUND TRANSFERS OUT	PROJECTED END-OF-YEAR FUND BALANCE	TOTAL FUNDS REQUIRED	ESTIMATED BEGINNING FUND BALANCE	OTHER NON-TAX REVENUES	INTER-FUND TRANSFERS IN	PROPERTY TAX REQUIREMENTS	FY13 MILL LEVY (MILL VALUE = 108,167,019)	FY12 TO FY13	
1000	GENERAL FUND	44,620,306	1,698,624	2,107,432	48,426,362	2,896,000	20,148,060	5,177,984	20,204,318	186,79	179,77	3,90%
	GENERAL FUND 1000- ALL PURPOSE LEVY			2,107,432	48,426,362	2,896,000	20,148,060	5,177,984	20,204,318	186,79	179,77	3,90%
1211	PARK ACQUISITION AND DEVELOPMENT FUND	288,120	-	350,000	638,120	350,000	288,120	-	-	-	-	-
1212	PARK ENTERPRISE FUND	220,000	-	250,000	470,000	250,000	220,000	-	-	-	-	-
1216	PARKS & RECREATION FORESTRY LANDS MEMORIALS	1,053,576	-	295,000	1,348,576	305,000	1,043,576	-	-	-	-	-
1241	CREMAIN WALL & CEMETERY DONATIONS FUND	2,500	-	41,250	43,750	43,750	-	-	-	-	-	-
1242	CEMETERY CARE FUND	75,000	-	207,479	282,479	282,479	-	-	-	-	-	-
1243	CEMETERY MEMORIAL	2,000	-	4,800	6,800	6,800	-	-	-	-	-	-
1265	TITLE I PROJECTS FUND	56,500	-	-	56,500	40,000	16,500	-	-	-	-	-
1306	PROGRAM INCOME REVOLVING LOAN PROGRAM FUND	50,000	-	7,000	57,000	50,000	7,000	-	-	-	-	-
	OTHER GENERAL FUND ACCOUNTS-SUB-TOTALS	1,747,696	-	1,155,529	2,903,225	1,328,029	1,575,196	-	-	-	-	#DIV/0!
	GRAND TOTAL ALL GENERAL FUND ACCOUNTS	46,368,002	1,698,624	3,262,961	51,329,587	4,224,029	21,723,256	5,177,984	20,204,318	186,79	179,77	3,90%
	SPECIAL REVENUE FUNDS											
2321	IMPACT FEE FUND	2,400,000	-	-	2,400,000	1,500,000	900,000	-	-	-	-	-
2322	GEORGE ELMAR - CATTLE DRIVE	15,000	-	-	15,000	15,000	-	-	-	-	-	-
2465	PUBLIC ART FUND	80,800	-	-	80,800	14,000	66,800	-	-	-	-	-
2371	EMPLOYEE HEALTH INSURANCE LEVY FUND	-	1,358,338	-	1,358,338	-	-	-	1,358,338	12,56	13,41	-6,34%
2372	EMPLOYEE HEALTH INSURANCE LEVY FUND (OUTSIDE CAP)	-	2,794,027	-	2,794,027	-	-	-	2,794,027	25,83	24,32	6,21%
2389	CABLE TELEVISION FRANCHISE FUND	589,150	304,338	16,530	910,018	225,018	685,000	-	-	-	-	-
2390	DRUG FORFEITURE FUND	27,800	-	27,800	27,800	11,000	16,800	-	-	-	-	-
2394	BUILDING INSPECTION FUND	1,314,644	-	475,277	1,789,921	750,000	1,020,000	19,921	-	-	-	-
2395	CITY GRANTS & PROGRAM INCOME FUND	2,103	-	2,103	2,103	2,103	-	-	-	-	-	-
2396	ENERGY EFFICIENCY & CONSERVATION LOAN FUND	150,000	-	-	150,000	-	150,000	-	-	-	-	-
2399	DANGEROUS BUILDING DEMOLITION REPAIR FUND	15,000	-	-	15,000	-	15,000	-	-	-	-	-
2512	ROAD DISTRICT 1	353,510	-	-	353,510	-	353,510	-	-	-	-	-
2513	PARKS DISTRICT 1	510,788	-	-	510,788	-	510,788	-	-	-	-	-
2820	STATE GAS TAX FUND	719,449	564,000	-	1,283,449	185,408	1,098,041	-	-	-	-	-
2918	LAW ENFORCEMENT BLOCK GRANT FUND	222,116	-	42,554	264,670	-	264,670	-	-	-	-	-
2919	HDTA	756,643	-	-	756,643	641,643	115,000	-	-	-	-	-
2939	CDBG PROGRAM INCOME FUND	18,407	-	-	18,407	18,407	-	-	-	-	-	-
2940	CDBG FUND	765,266	-	-	765,266	-	765,266	-	-	-	-	-
2941	HOME FUND	777,353	-	-	777,353	109,146	668,207	-	-	-	-	-
2942	ADDI FUND	33,811	-	-	33,811	-	33,811	-	-	-	-	-
2944	NEIGHBORHOOD STABILIZATION	1,060,000	-	-	1,060,000	1,060,000	-	-	-	-	-	-
2987	FEDERAL/STATE TRANSPORTATION FUND	2,072,988	-	-	2,072,988	-	2,072,988	-	-	-	-	-
2988	GRANTS & DONATIONS FUND	2,525,465	-	86,704	2,612,169	-	2,612,169	-	-	-	-	-
	SPECIAL REVENUE FUND SUBTOTALS	14,770,849	5,047,984	752,989	20,571,822	4,687,725	11,711,811	19,921	4,152,365	38,39	37,73	1,75%
	DEBT SERVICE FUNDS											
3065	1998 PUBLIC SAFETY G.O. BONDS	-	-	-	-	-	-	-	-	-	-	-
3070	1996 OPEN SPACE G.O. BONDS	-	-	-	-	-	-	-	-	-	-	-
3075	1997 OPEN SPACE G.O. BONDS	-	-	-	-	-	-	-	-	-	-	-
3080	1994 FIRE EQUIP/CITY HALL REFUND BONDS/REFUNDED	-	-	-	-	-	-	-	-	-	-	-
3085	1993 FIRE STATION G.O. BOND/REFUNDED	-	-	-	-	-	-	-	-	-	-	-
3090	2004A AQUATICS	603,210	-	-	603,210	39,000	564,210	-	564,210	5,22	5,25	-0,57%
3095	2004B GO REFUNDING	259,750	-	-	259,750	32,000	227,750	-	227,750	2,11	2,10	0,48%
3096	FIRE STATION GO BOND	431,899	-	-	431,899	38,050	393,849	-	393,849	3,64	3,65	-0,27%
3097	2007 REFUNDING	547,515	-	-	547,515	33,550	513,965	-	513,965	4,75	4,74	0,21%
	GENERAL OBLIGATION DEBT SUBTOTAL	1,842,374	-	-	1,842,374	142,600	1,699,774	-	1,699,774	15,72	15,74	-0,13%

FY 13 SOURCES & USES OF FUNDS & MILL LEVY CALCULATION

FUND NUMBER	FUND	PROPOSED USES OF FUNDS				PROPOSED SOURCES OF FUNDS				PROPOSED MILL LEVIES		
		BUDGETED EXPENDITURES	INTER-FUND TRANSFERS OUT	END-OF-YEAR FUND BALANCE	TOTAL FUNDS REQUIRED	ESTIMATED FUND BALANCE	OTHER NON-TAX REVENUES	INTER-FUND TRANSFERS IN	SUBTOTAL	FY13 MILL LEVY (MILL VALUE = 108,167,019)	FY12 MILL LEVY (MILL VALUE = 107,878,992)	PERCENTAGE CHANGE FY12 TO FY13
3000	SID REVOLVING FUND	-	130,000	665,500	795,500	750,000	45,500	-	-	-	-	-
3100	SIDEWALK AND CURB WARRANTS	-	-	-	-	-	-	-	-	-	-	-
3200	FY99 SIDEWALK & CURB DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3300	FY06 SIDEWALK & CURB DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3400	FY01 SIDEWALK & CURB DEBT SERVICE	16,105	-	-	16,105	-	16,105	-	-	-	-	-
3410	FY02 SIDEWALK & CURB DEBT SERVICE	11,300	-	-	11,300	-	11,300	-	-	-	-	-
3420	FY03 SIDEWALK & CURB DEBT SERVICE	28,155	-	-	28,155	-	28,155	-	-	-	-	-
3430	FY04 SIDEWALK & CURB DEBT SERVICE	12,220	-	-	12,220	-	12,220	-	-	-	-	-
3433	SID 43 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3440	FY05 SIDEWALK & CURB DEBT SERVICE	85,108	-	-	85,108	-	85,108	-	-	-	-	-
3450	FY06 SIDEWALK & CURB DEBT SERVICE	145,179	-	-	145,179	-	145,179	-	-	-	-	-
3460	FY07 SIDEWALK & CURB DEBT SERVICE	103,850	-	-	103,850	-	103,850	-	-	-	-	-
3461	FY08 SIDEWALK & CURB DEBT SERVICE	65,918	-	-	65,918	-	65,918	-	-	-	-	-
3462	FY09 SIDEWALK & CURB DEBT SERVICE	70,323	-	-	70,323	-	70,323	-	-	-	-	-
3463	FY10 SIDEWALK & CURB DEBT SERVICE	118,058	-	-	118,058	-	118,058	-	-	-	-	-
3470	SID 470 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3491	SID 491 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3492	SID 492 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3494	SID 494 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3495	SID 495 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3496	SID 496 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3497	SID 497 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3498	SID 498 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3500	SID 500 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3501	SID 501 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3502	SID 502 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3503	SID 503 DEBT SERVICE	13,640	-	-	13,640	-	13,640	-	-	-	-	-
3504	SID 504 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3505	SID 505 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3506	SID 506 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3507	SID 507 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3508	SID 508 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3510	SID 510 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3511	SID 511 DEBT SERVICE	14,980	-	-	14,980	-	14,980	-	-	-	-	-
3512	SID 512 DEBT SERVICE	135,908	-	-	135,908	-	135,908	-	-	-	-	-
3513	SID 513 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3514	SID 514 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3515	SID 515 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3517	SID 517 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3518	SID 518 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3519	SID 519 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3520	SID 520 DEBT SERVICE	160,380	-	-	160,380	-	160,380	-	-	-	-	-
3521	SID 521 DEBT SERVICE	616	-	-	616	-	616	-	-	-	-	-
3522	SID 522 DEBT SERVICE	890	-	-	890	-	890	-	-	-	-	-
3524	SID 524 DEBT SERVICE	308,040	-	-	308,040	-	308,040	-	-	-	-	-
3525	SID 525 DEBT SERVICE	32,440	-	-	32,440	-	32,440	-	-	-	-	-
3526	SID 526 DEBT SERVICE	193,560	-	-	193,560	-	193,560	-	-	-	-	-
3527	SID 527 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3530	SID 530 DEBT SERVICE	782	-	-	782	-	782	-	-	-	-	-
3531	SID 531 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
3532	SID 532 DEBT SERVICE	46,498	-	-	46,498	-	46,498	-	-	-	-	-
3533	SID 533 DEBT SERVICE	16,869	-	-	16,869	-	16,869	-	-	-	-	-
3534	SID 534 DEBT SERVICE	18,294	-	-	18,294	-	18,294	-	-	-	-	-

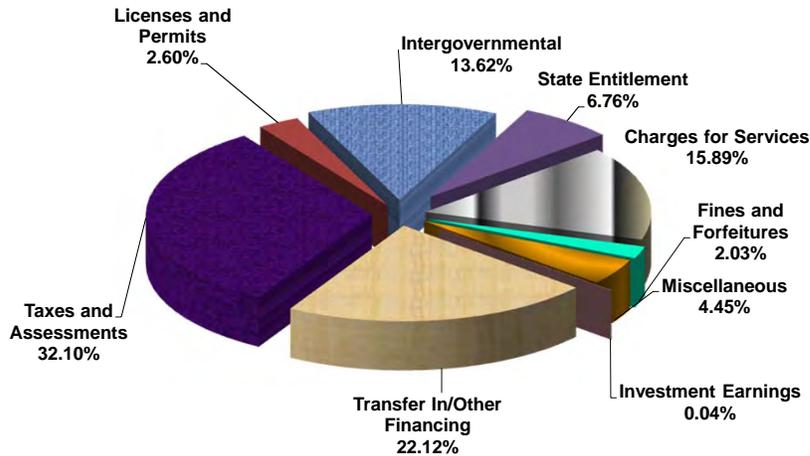
FY 13 SOURCES & USES OF FUNDS & MILL LEVY CALCULATION

FUND NUMBER	FUND	PROPOSED USES OF FUNDS				PROPOSED SOURCES OF FUNDS				PROPOSED MILL LEVIES			
		BUDGETED EXPENDITURES	INTER-FUND TRANSFERS OUT	END-OF-YEAR FUND BALANCE	TOTAL FUNDS REQUIRED	ESTIMATED FUND BALANCE	OTHER REVENUES	NON-TAX REVENUES	INTER-FUND TRANSFERS IN	PROPERTY TAX REQUIREMENTS	FY13 MILL LEVY (MILL VALUE = 108,167,019)	FY12 TO FY13	PERCENTAGE CHANGE
3535	SID 535 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-	-
3536	SID 536 DEBT SERVICE	30,544	-	-	30,544	-	-	30,544	-	-	-	-	-
3539	SID 536 DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-	-
3544	SID 544 DEBT SERVICE	139,736	-	-	139,736	-	-	139,736	-	-	-	-	-
	DEBT SERVICE FUNDS SUBTOTALS	3,918,762	130,000	665,500	4,714,262	892,600	2,121,888	1,699,774	1,699,774	15.72	15.74	-0.13%	
4060	CAPITAL IMPROVEMENT PROGRAM (CIP) FUND	1,023,839	-	-	1,023,839	-	-	18,457	1,065,382	-	-	-	-
4130	1997 GO BOND OPEN SPACE PURCHASE FUND	382,102	-	-	382,102	382,102	-	-	-	-	-	-	-
4190	2004 AQUATICS BOND ISSUE	-	-	-	-	-	-	-	-	-	-	-	-
4191	2004 AQUATICS NON GO BOND PROJECT FUND	-	-	-	-	-	-	-	-	-	-	-	-
4196	2006 FIRE STATION GO BOND	72,564	-	-	72,564	72,564	-	-	-	-	-	-	-
	CAPITAL PROJECTS FUNDS SUBTOTALS	1,478,505	-	-	1,478,505	454,666	18,457	1,065,382	-	-	-	-	-
5020	CIVIC STADIUM	120,000	-	-	120,000	-	120,000	-	-	-	-	-	-
	ENTERPRISE FUNDS	4,283,825	6,828,714	6,000	4,289,825	-	85,000	4,204,825	-	-	-	-	-
5310	SEWER OPERATING BUDGET FUND	-	-	-	-	-	-	-	-	-	-	-	-
5311	SEWER REVENUE COLLECTION & CLEARING FUND	20,000	6,828,714	-	6,828,714	20,000	-	6,828,714	-	-	-	-	-
5315	SEWER LOAN FUND	484,544	-	-	484,544	-	-	-	730,613	-	-	-	-
5320	SEWER REPLACEMENT & DEPRECIATION FUND	764,347	-	-	764,347	-	-	-	450,000	-	-	-	-
5325	SEWER DEVELOPMENT FEE FUND	33,280	-	-	33,280	-	-	-	33,280	-	-	-	-
5340	SEWER CONSTRUCTION FUND	52,900	-	-	52,900	-	-	-	52,900	-	-	-	-
5361	01 SEWER REVENUE BONDS DEBT SERVICE	132,202	-	-	132,202	-	-	-	132,202	-	-	-	-
5362	00 SEWER REVENUE BONDS SERIES B DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-	-
5363	92 SEWER REVENUE BONDS - SERIES A DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-	-
5364	92 SEWER REVENUE BONDS - SERIES B DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-	-
5365	99 SEWER REVENUE BONDS DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-	-
5366	92 SEWER REVENUE BONDS SERIES A BOND RESERVE	-	-	-	-	-	-	-	-	-	-	-	-
5367	92 SEWER REVENUE BONDS SERIES B BOND RESERVE	-	-	-	-	-	-	-	-	-	-	-	-
5368	00 SEWER REVENUE BOND RESERVE	-	-	-	-	-	-	-	-	-	-	-	-
5369	01 SEWER REVENUE BONDS SERIES BOND RESERVE	-	-	-	-	-	-	-	-	-	-	-	-
5370	99 SEWER REVENUE BOND RESERVE	-	-	-	-	-	-	-	-	-	-	-	-
5371	02 SEWER REVENUE BONDS DEBT SERVICE	93,560	-	-	93,560	102,780	-	-	93,560	-	-	-	-
5372	02 SEWER REVENUE BONDS RESERVE	365,100	-	-	365,100	366,080	-	-	365,100	-	-	-	-
5373	02 SEWER REVENUE BONDS DEBT SERVICE-WVTP upgrade	271,475	-	-	271,475	272,363	-	-	271,475	-	-	-	-
5374	02 SEWER REVENUE BONDS RESERVE-WVTP upgrade	264,375	-	-	264,375	265,206	-	-	264,375	-	-	-	-
5375	03 SEWER REVENUE BONDS DEBT SERV.-3.8M SRF Loan	271,475	-	-	271,475	272,363	-	-	271,475	-	-	-	-
5376	03 SEWER REVENUE BONDS RESERVE-3.8M SRF Loan	264,375	-	-	264,375	265,206	-	-	264,375	-	-	-	-
5377	04 SEWER REVENUE BONDS DEBT SERV.-3.023M SRF Loan	120,319	-	-	120,319	143,956	-	-	120,319	-	-	-	-
5378	04 SEWER REVENUE BONDS RESERVE-3.023M SRF Loan	20,400	-	-	20,400	30,656	-	-	20,400	-	-	-	-
5379	05 BIRCHBRODY/LIN/GIL SRF BOND DEBT SERV.	4,156	-	-	4,156	4,156	-	-	4,156	-	-	-	-
5380	05 BIRCHBRODY/LIN/GIL SRF BOND RESERVE	39,313	-	-	39,313	66,438	-	-	39,313	-	-	-	-
5381	05 LINCOLNWOOD PHASE II SRF BOND DEBT SERV.	697,068	-	-	697,068	707,788	-	-	697,068	-	-	-	-
5382	05 LINCOLNWOOD PHASE II SRF BOND RESERVE	99,880	-	-	99,880	99,880	-	-	99,880	-	-	-	-
5383	10 LOLO ST SRF BOND DEBT SERVICE-NON ARRA	4,156	-	-	4,156	4,156	-	-	4,156	-	-	-	-
5384	10 LOLO ST SRF BOND DEBT SERVICE-NON ARRA	39,313	-	-	39,313	66,438	-	-	39,313	-	-	-	-
5385	10 MSIA RATTLESNAKE SRF ARRA-B RESERVE	66,438	-	-	66,438	66,438	-	-	66,438	-	-	-	-
5386	10 MSIA HEADWORKS RESERVE	707,788	-	-	707,788	707,788	-	-	707,788	-	-	-	-
5387	10 MSIA HEADWORKS DEBT SERVICE	697,068	-	-	697,068	697,068	-	-	697,068	-	-	-	-
5388	10 MSIA SEWER REVENUE BONDS DEBT SERVICE	99,880	-	-	99,880	99,880	-	-	99,880	-	-	-	-
	SEWER ENTERPRISE FUND SUBTOTALS	7,746,744	6,828,714	2,575,399	17,150,857	2,657,677	7,621,145	6,872,035	-	-	-	-	-
5711	AQUATICS	1,333,279	-	204,976	1,538,255	175,000	1,175,255	188,000	-	-	-	-	-
	TOTAL ENTERPRISE FUND SUBTOTALS	9,200,023	6,828,714	2,780,375	18,809,112	2,832,677	8,916,400	7,060,035	-	-	-	-	-

FY 13 SOURCES & USES OF FUNDS & MILL LEVY CALCULATION

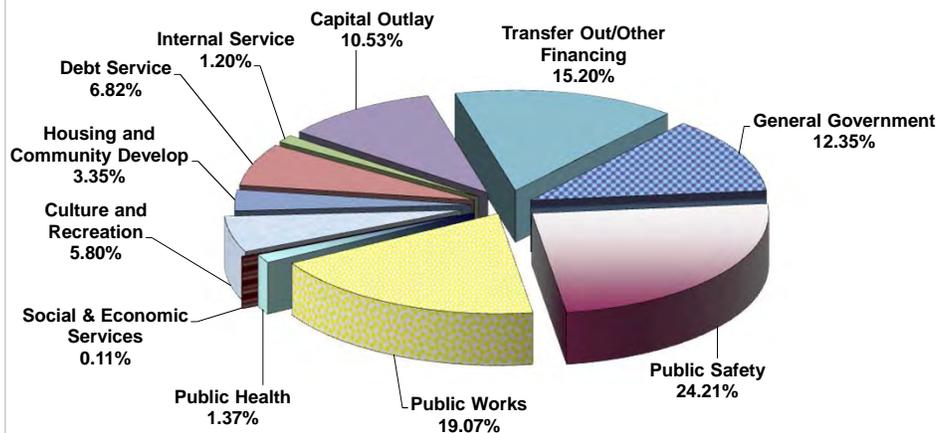
FUND NUMBER	FUND	PROPOSED USES OF FUNDS				PROPOSED SOURCES OF FUNDS				PROPOSED MILL LEVIES			
		BUDGETED EXPENDITURES	INTER-FUND TRANSFERS OUT	END-OF-YEAR FUND BALANCE	TOTAL FUNDS REQUIRED	ESTIMATED BEGINNING FUND BALANCE	OTHER REVENUES	NON-TAX REVENUES	INTER-FUND TRANSFERS IN	PROPERTY TAX REQUIREMENTS	FY13 MILL LEVY (MILL VALUE = 108,167,019)	FY12 TO FY13 CHANGE	PERCENTAGE
INTERNAL SERVICE FUNDS													
6050	EMPLOYEE BENEFIT PLAN FUND	5,603,390	-	34,959	5,538,349	(150,000)	5,246,349	442,000	-	-	-	-	-
PROPRIETARY FUNDS SUBTOTALS		14,703,413	6,828,714	2,815,334	24,347,461	2,682,677	14,162,749	7,502,035	-	-	-	-	-
TOTALS FOR CITY BUDGETED FUNDS		81,239,531	13,705,332	7,496,784	102,441,637	12,941,697	49,738,161	13,705,332	26,056,457	26,056,457	240,90	23,224	3,28%
7370	PARKING COMMISSION	1,295,641	372,232	1,928,342	3,596,215	2,000,000	1,596,215	-	-	-	-	-	-
7371	PARKING INTEREST FUND SERIES 2010B BONDS	532,735	117,044	649,779	-	-	356,933	292,846	-	-	-	-	-
7372	PARKING SINKING FUND SERIES 2010B BONDS	70,000	-	30,250	100,250	-	28,000	72,250	-	-	-	-	-
7373	PARKING REVENUE BONDS SERIES 2010 B BONDS CONSTRUCT.	-	-	-	-	-	-	-	-	-	-	-	-
7374	PARKING RESERVE FUND SERIES 2010 B BONDS	-	-	750,000	750,000	750,000	-	-	-	-	-	-	-
7375	PARKING PLEDGED IIF SERIES 2010 B BONDS	123,009	145,202	97,881	366,092	97,670	268,422	-	-	-	-	-	-
7376	PARKING INTEREST FUND SERIES 2010A BONDS-TAX EXEMPT	9,288	-	-	9,288	700	-	8,588	-	-	-	-	-
7377	PARKING SINKING FUND SERIES 2010A BONDS-TAX EXEMPT	140,000	-	3,750	143,750	-	-	143,750	-	-	-	-	-
7378	PARKING SINKING FUND SERIES 2010A BOND RESERVE	-	-	63,500	63,500	63,500	-	-	-	-	-	-	-
7379	PARKING SINKING FUND SERIES 2010A BONDS-CONSTRUCTION	-	-	-	-	-	-	-	-	-	-	-	-
PARKING SUBTOTAL		2,170,673	517,434	2,990,767	5,678,874	2,911,870	2,249,570	517,434	-	-	-	-	0.00%
7380	BUSINESS IMPROVEMENT DISTRICT	331,167	-	52,111	383,278	67,676	315,602	-	-	-	-	-	-
7381	TOURISM BUSINESS IMPROVEMENT DISTRICT	410,300	-	25,000	435,300	185,300	250,000	-	-	-	-	-	-
7383	MISSOULA REDEVELOPMENT - RIVERFRONT TRIANGLE URD	23,036	-	-	23,036	14,715	8,321	-	-	-	-	-	-
7385	MISSOULA REDEVELOPMENT - FRONT ST URD	332,296	-	-	332,296	184,139	139,157	-	-	-	-	-	-
7386	MISSOULA REDEVELOPMENT - URD II - SAFEWAY	162,682	-	81,341	244,023	81,341	162,682	-	-	-	-	-	-
7387	MISSOULA REDEVELOPMENT URD II- REVOLVING LN FD	41,295	-	-	41,295	128	-	41,167	-	-	-	-	-
7391	MISSOULA REDEVELOPMENT AGENCY - URD I	-	-	4,941	4,941	4,941	-	-	-	-	-	-	-
7392	MISSOULA REDEVELOPMENT AGENCY - URD II	2,395,965	250,000	-	2,645,965	1,708,758	514,592	422,615	-	-	-	-	-
7393	MISSOULA REDEVELOPMENT AGENCY - URD III	3,725,417	-	300,000	4,025,417	1,752,374	2,023,043	250,000	-	-	-	-	-
7388	MRA TAX INCREMENT BOND RESERVE	751,125	-	250,400	1,001,525	250,400	-	-	-	-	-	-	-
7389	MRA TAX INCREMENT DEBT SERVICE	-	-	1,435	1,435	1,435	-	-	-	-	-	-	-
7390	MRA TAX INCREMENT DEBT SERVICE CLEARING	-	-	1,377,589	1,377,589	1,377,589	-	-	-	-	-	-	-
7400	MRA TAX INCREMENT FRONT STREET URD BOND CLEARING	-	-	465,792	465,792	-	-	465,792	-	-	-	-	-
7401	MRA TAX INCREMENT FRONT ST. BOND - PARKING STRUCTURE	145,202	123,230	-	268,432	-	-	268,432	-	-	-	-	-
7402	MRA TAX INCREMENT FRONT ST. BOND - SUB. LIEN NOTE	181,433	15,937	-	197,370	-	-	197,370	-	-	-	-	-
MRA SUBTOTAL		7,749,451	2,232,538	638,117	10,620,106	3,998,231	4,389,337	2,232,538	-	-	-	-	-
COMPONENT UNIT TOTALS		10,661,591	2,749,972	3,705,995	17,117,558	7,163,077	7,204,509	2,749,972	-	-	-	-	0.00%
TOTALS FOR ALL BUDGETED FUNDS		91,901,122	16,452,294	11,202,779	119,556,195	20,104,774	56,942,670	16,452,294	26,056,457	26,056,457	240,90	23,224	3,28%

ALL CITY - WHERE THE MONEY COMES FROM - FY 2013



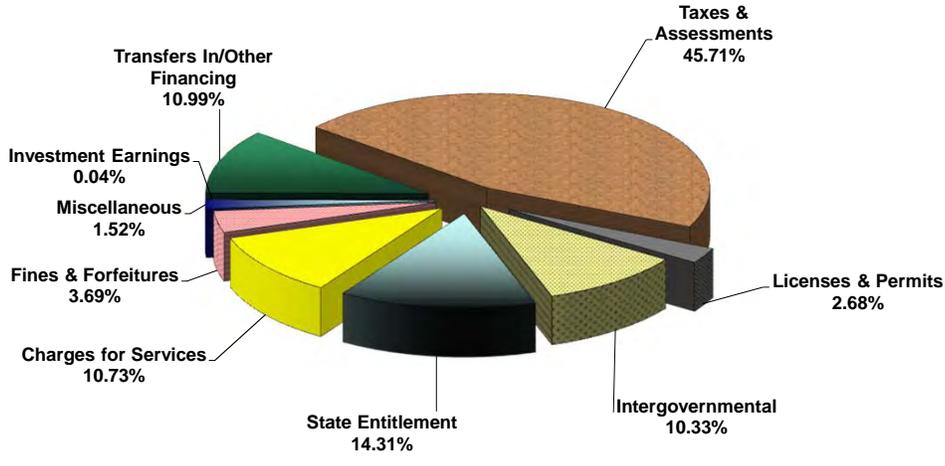
	FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	Budget Increase (Decr)
Taxes and Assessments	\$ 28,959,836	\$ 33,558,982	\$ 31,979,348	\$ (1,579,634)
Licenses and Permits	3,085,430	2,866,230	2,965,461	99,231
Intergovernmental	11,113,612	19,071,142	13,574,390	(5,496,752)
State Entitlement	7,023,622	6,740,000	6,740,000	-
Charges for Services	18,234,437	14,680,584	15,832,640	1,152,056
Fines and Forfeitures	1,268,444	1,594,881	2,026,800	431,919
Miscellaneous	4,448,348	886,930	4,436,037	3,549,107
Investment Earnings	76,248	30,938	42,000	11,062
Transfer In/Other Financing	41,757,112	22,121,939	22,039,575	(82,364)
Total City Revenues	\$ 115,967,088	\$ 101,551,626	\$ 99,636,251	\$ (1,915,375)

ALL CITY - WHERE THE MONEY GOES - FY 2013



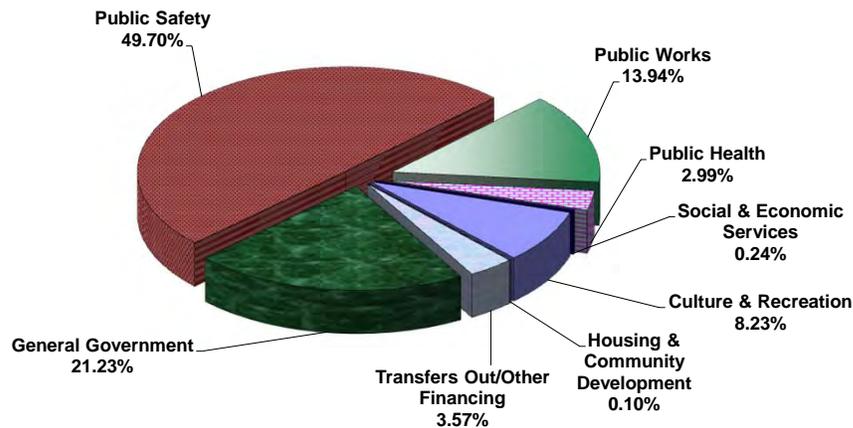
	FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	Budget Increase (Decr)
General Government	\$ 7,230,397	\$ 12,041,048	\$ 13,381,523	\$ 1,340,475
Public Safety	23,004,017	23,834,156	26,229,625	2,395,469
Public Works	26,738,550	29,706,370	20,666,853	(9,039,517)
Public Health	1,381,808	2,593,971	1,485,036	(1,108,935)
Social & Economic Services	116,000	116,000	116,000	-
Culture and Recreation	4,678,132	4,730,868	6,283,068	1,552,200
Housing and Community Develop	2,570,086	10,348,860	3,629,940	(6,718,920)
Debt Service	4,852,899	7,284,730	7,389,294	104,564
Internal Service	5,520,638	1,003,472	1,297,519	294,047
Capital Outlay	11,934,861	6,202,778	11,405,506	5,202,728
Transfer Out/Other Financing	15,215,435	10,329,831	16,472,052	6,142,221
Total City Expenditures	\$ 103,242,824	\$ 108,192,085	\$ 108,356,416	\$ (4,860,308)

FY 2013 GENERAL FUND REVENUES BY CATEGORY



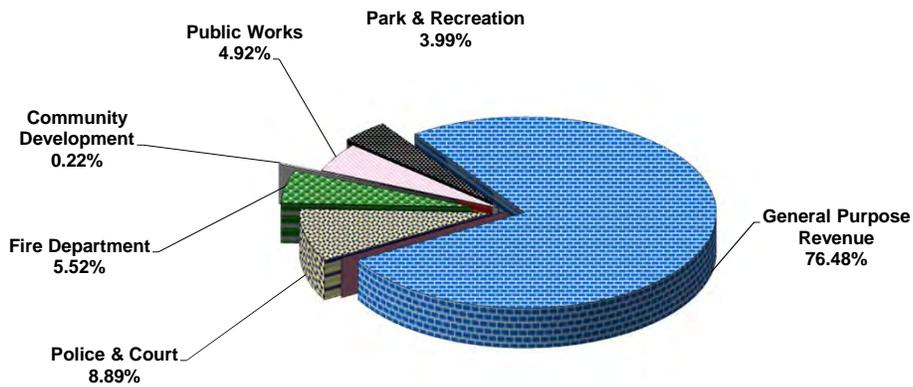
	FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	Budget Increase (Decr)
Taxes & Assessments	\$ 19,909,742	20,393,231	\$ 21,531,118	\$ 1,137,887
Licenses & Permits	1,212,898	1,099,709	1,261,994	162,285
Intergovernmental	4,047,377	4,357,623	4,866,058	508,435
State Entitlement	6,740,000	6,740,000	6,740,000	-
Charges for Services	4,268,640	3,907,579	5,054,384	1,146,805
Fines & Forfeitures	978,351	1,321,429	1,740,000	418,571
Miscellaneous	208,242	310,004	714,021	404,017
Investment Earnings	5,277	26,787	20,000	(6,787)
Transfers In/Other Financing	3,884,214	5,295,781	5,177,984	(117,797)
Total Sources	\$ 41,254,741	\$ 43,452,142	\$ 47,105,559	\$ 3,653,417

FY 2013 GENERAL FUND EXPENDITURES BY CATEGORY



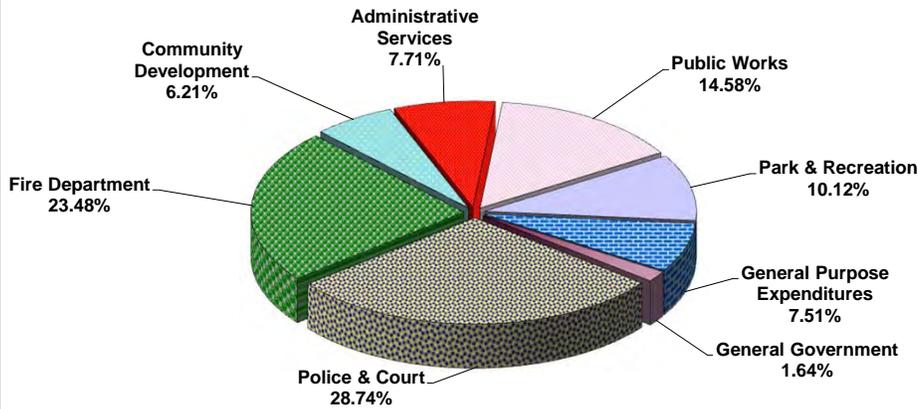
	FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	Budget Increase (Decr)
General Government	\$ 6,190,137	\$ 7,927,898	\$ 10,205,117	\$ 2,277,219
Public Safety	20,633,369	21,675,033	23,887,940	2,212,907
Public Works	6,732,977	6,580,494	6,699,249	118,755
Public Health	1,372,380	1,431,431	1,438,736	7,305
Social & Economic Services	116,000	116,000	116,000	-
Culture & Recreation	3,310,194	3,310,684	3,957,902	647,218
Housing & Community Development	52,000	46,300	46,300	-
Transfers Out/Other Financing	2,746,689	1,338,053	1,715,382	377,329
Total Uses	\$ 41,153,746	\$ 42,425,893	\$ 48,066,626	\$ 5,640,733

FY 2013 GENERAL FUND REVENUES BY SUB-FUND



	FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	Budget Increase (Decr)
General Purpose Revenue	\$ 33,532,028	\$ 34,444,506	\$ 36,024,871	\$ 1,580,365
General Government	-	-	-	-
Police & Court	3,106,746	3,856,499	4,186,300	329,801
Fire Department	1,917,265	1,753,980	2,598,770	844,790
Community Development	375,204	199,121	101,800	(97,321)
Administrative Services	-	-	-	-
Public Works	1,944,247	2,560,559	2,316,086	(244,473)
Park & Recreation	379,252	680,877	1,877,732	1,196,855
Total	\$ 41,254,742	\$ 43,495,542	\$ 47,105,559	\$ 3,610,017

FY 2013 GENERAL FUND EXPENDITURES BY SUB-FUND



	FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	Budget Increase (Decr)
General Purpose Expenditures	\$ 3,229,385	\$ 2,628,903	\$ 3,607,941	\$ 979,038
General Government	2,119,060	753,001	788,489	35,488
Police & Court	11,965,344	12,314,703	13,814,426	1,499,723
Fire Department	10,130,920	10,307,045	11,288,289	981,244
Community Development	669,367	2,755,552	2,987,040	231,488
Administrative Services	2,289,732	3,400,752	3,707,526	306,774
Public Works	7,366,263	6,937,682	7,006,974	69,292
Park & Recreation	3,383,676	3,371,655	4,865,940	1,494,285
Total	\$ 41,153,746	\$ 42,469,293	\$ 48,066,626	\$ 5,597,333

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.
 - 1) **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.
 - 2) **Current Revenues for Current Uses.** The city will make all current expenditures with current revenues.
 - 3) **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.
 - 4) **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.
 - 5) **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.
 - 6) **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 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 Borrow 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 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 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 a 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 with 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.

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.

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

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 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.

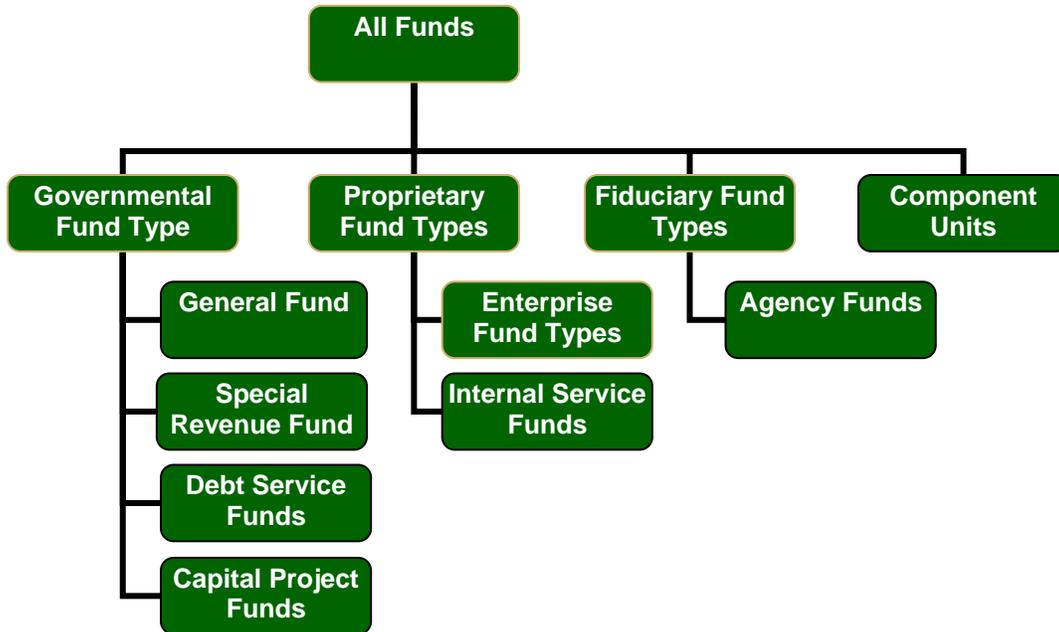
FIDUCIARY FUND TYPES

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. Examples include: Business Improvement District.

CONSISTENCY WITH AUDITED FINANCIAL STATEMENTS

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

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. Attorney
 - ix. Public Works – Administration
 - x. Public Works- Streets
 - xi. Public Works – Vehicle Maintenance
 - xii. Police
 - xiii. Fire
 - xiv. Cemetery
 - xv. Parks and Recreation
 - b. General Fund - Special Purpose Funds
 - i. Park Acquisition and Development
 - ii. Park Enterprise
 - iii. Parks and Recreation Trails and Development
 - iv. Cemetery Cremain Wall and Cemetery Donations
 - v. Cemetery Care
 - vi. Cemetery Memorial
 - vii. Title I Projects
 - viii. Program Income Revolving Loan Program
 - c. Special Revenue Funds

- i. Impact Fee
 - ii. Public Art
 - iii. Employee Health Insurance Levy
 - iv. Employee Health Insurance Levy (outside cap)
 - v. Cable Television Franchise
 - vi. Drug Forfeiture
 - vii. Building Inspection
 - viii. City Grants and Program Income
 - ix. Dangerous Building Demolition Repair
 - x. Street Lighting Assessment
 - xi. Street Maintenance Assessment
 - xii. Road District I
 - xiii. Parks District I
 - xiv. State Gas Tax
 - xv. Law Enforcement Block Grant
 - xvi. HIDTA
 - xvii. CDBG
 - xviii. HOME
 - xix. ADDI
 - xx. Neighborhood Stabilization
 - xxi. Federal/State Transportation
 - xxii. Grants and Donation
 - d. Debt Service
 - i. General Obligation
 - 1. 2004 Aquatics
 - 2. 2004b GO Refunding
 - 3. Fire Station
 - 4. 2007 Refunding
 - ii. Special Improvement
 - 1. Sidewalk and Curb Bonded Debt Service
 - 2. SID Bonded Debt Service
 - e. Capital Projects
 - i. Capital Improvement Program (CIP)
 - ii. 1997 GO Open Space Purchase
 - iii. 2006 GO Fire Station
- 2. Proprietary Funds
 - a. Enterprise Funds
 - i. Sewer
 - ii. Aquatics
 - b. Internal Service
 - i. Employee Benefit Plan
- 3. Fiduciary Funds
 - a. Agency Funds
- 4. Component Units
 - a. Parking Commission
 - b. Business Improvement District (BID)
 - c. Missoula Redevelopment Agency (MRA)

ORGANIZATIONAL UNITS

FUNCTIONS, DEPARTMENTS, PROGRAMS/ACTIVITIES

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.

OVERVIEW OF BUDGETED RESOURCES

OVERVIEW OF BUDGETED RESOURCES

SUMMARY OF MAJOR REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES/USES Budgeted July 1, 2012 through June 30, 2013 (FY 13)

	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		
Fund Balance/Net assets- July 1, 2012	\$ 4,696,836	\$ 4,606,414	\$ 3,641,862	\$ (3,711,562)	\$ 83,376,112	\$ (245,839)	\$ -	\$ 2,783,101	\$ 95,146,925
Estimated Revenues									
Taxes & Assessments	2,153,118	4,152,365	1,699,774	-	-	-	410,300	4,185,791	31,979,348
Licenses & Permits	1,261,994	1,703,467	-	-	-	-	-	-	2,965,461
Intergovernmental	11,606,058	7,570,286	-	-	257,431	-	-	880,615	20,314,390
Charges for Services	5,054,384	1,064,087	-	-	8,388,969	-	-	1,325,200	15,832,640
Fines & Forfeitures	1,740,000	16,800	-	-	-	-	-	270,000	2,026,800
Miscellaneous	714,021	1,357,171	2,076,388	18,457	270,000	-	-	-	4,436,037
Investment Earnings	20,000	-	-	-	-	-	-	22,000	42,000
Long Term Debt proceeds	-	-	-	-	-	-	-	-	-
Transfers In/Other Financing	5,177,984	19,921	45,500	1,005,382	7,060,035	442,000	-	3,042,404	16,793,226
Internal Service	-	-	-	-	-	5,246,349	-	-	5,246,349
Total Estimated Revenues	47,105,559	15,884,097	3,821,662	1,023,839	15,976,435	5,688,349	410,300	9,726,010	99,636,251
Budgeted Expenditures									
General Government	7,476,413	401,720	-	-	-	5,503,390	-	-	13,381,523
Public Safety	23,887,940	2,341,685	-	-	-	-	-	-	26,229,625
Public Works	6,699,249	680,402	-	-	7,746,744	-	-	5,540,458	20,666,853
Public Health	1,485,036	-	-	-	-	-	-	-	1,485,036
Social and Economic Services	116,000	-	-	-	-	-	-	-	116,000
Culture and Recreation	3,957,902	461,587	-	-	1,453,279	-	410,300	-	6,283,068
Housing & Community Devel.	-	3,629,940	-	-	-	-	-	-	3,629,940
Debt Service	321,646	364,000	3,918,762	-	-	-	-	2,784,886	7,389,294
Internal Service	1,111,231	186,288	-	-	-	-	-	-	1,297,519
Capital Outlay	1,295,827	6,705,227	-	1,478,505	-	-	-	1,925,947	11,405,506
Transfers Out/Other Financing	1,715,382	5,047,984	130,000	-	6,828,714	-	-	2,749,972	16,472,052
Total Budgeted Expenditures	48,066,626	19,818,833	4,048,762	1,478,505	16,028,737	5,503,390	410,300	13,001,263	108,356,416
Projected Change in									
Fund Balance/Net assets	(961,067)	(3,934,736)	(227,100)	(454,666)	(52,302)	184,959	-	(3,275,253)	(8,720,165)
Anticipated Exp. Savings	720,999	-	-	-	-	-	-	-	720,999
Projected Ending									
Fund Balance/Net assets- June 30, 2013	\$ 4,456,769	\$ 671,678	\$ 3,414,762	\$ (4,166,228)	\$ 83,323,810	\$ (60,880)	\$ -	\$ (492,152)	\$ 87,147,759

OVERVIEW OF BUDGETED RESOURCES

OVERVIEW OF BUDGETED RESOURCES

SUMMARY OF MAJOR REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES/USES

Actual* July 1, 2011 through June 30, 2012 (FY 12)

	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		
Fund Balance/Net assets- July 1, 2011	\$ 3,670,187	\$ 3,945,816	\$ 4,095,636	\$ (3,237,576)	\$ 85,583,676	\$ (332,592)	\$ -	\$ 8,061,836	\$ 101,786,983
Estimated Revenues									
Taxes & Assessments	20,393,231	4,840,395	4,162,390	-	-	-	-	4,162,967	33,558,982
Licenses & Permits	1,099,709	1,766,520	-	-	-	-	-	-	2,866,230
Intergovernmental	11,097,623	13,047,541	-	985,397	259,443	-	-	421,137	25,811,142
Charges for Services	3,907,579	1,198,820	-	-	8,337,271	-	-	1,236,914	14,680,584
Fines & Forfeitures	1,321,429	23,149	-	-	-	-	-	250,303	1,594,881
Miscellaneous	310,004	5,918	-	297,333	85,677	-	-	187,998	886,930
Investment Earnings	26,787	2,129	12,487	(1,107)	-	-	-	(9,357)	30,938
Long Term Debt proceeds	-	-	-	2,559,396	-	-	-	-	2,559,396
Transfers In/Other Financing	5,295,781	28,676	580,023	1,239,494	2,157,724	192,767	-	4,948,083	14,442,549
Internal Service	-	-	-	-	-	5,119,995	-	-	5,119,995
Total Estimated Revenues	43,452,142	20,913,150	4,754,900	5,080,513	10,840,115	5,312,762	-	11,198,045	101,551,626
Budgeted Expenditures									
General Government	6,229,514	542,801	125	42,599	-	5,226,009	-	-	12,041,048
Public Safety	21,675,033	2,159,122	-	-	-	-	-	-	23,834,156
Public Works	6,580,494	689,607	-	167,436	10,649,684	-	-	11,619,149	29,706,370
Public Health	1,431,431	-	-	-	-	-	-	1,162,540	2,593,971
Social and Economic Services	116,000	-	-	-	-	-	-	-	116,000
Culture and Recreation	3,310,684	215,308	-	2,157	1,202,719	-	-	-	4,730,868
Housing & Community Devel.	46,300	10,302,560	-	-	-	-	-	-	10,348,860
Debt Service	176,285	-	4,240,807	828,204	1,170,276	-	-	869,159	7,284,730
Internal Service	1,003,472	-	-	-	-	-	-	-	1,003,472
Capital Outlay	518,627	1,530,808	-	4,153,342	-	-	-	-	6,202,778
Transfers Out/Other Financing	1,338,053	4,812,345	967,742	360,760	25,000	-	-	2,825,932	10,329,831
Total Budgeted Expenditures	42,425,893	20,252,551	5,208,673	5,554,499	13,047,679	5,226,009	-	16,476,780	108,192,085
Projected Change in									
Fund Balance/Net assets	1,026,249	660,598	(453,774)	(473,986)	(2,207,564)	86,753	-	(5,278,735)	(6,640,458)
	-	-	-	-	-	-	-	-	-
Restatement	400	-	-	-	-	-	-	-	400
Fund Balance/Net assets- June 30, 2012	\$ 4,696,836	\$ 4,606,414	\$ 3,641,862	\$ (3,711,562)	\$ 83,376,112.00	\$ (245,839)	\$ -	\$ 2,783,101	\$ 95,146,925

* Unaudited numbers

OVERVIEW OF BUDGETED RESOURCES

OVERVIEW OF BUDGETED RESOURCES

SUMMARY OF MAJOR REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES/USES Actual July 1, 2010 through June 30, 2011 (FY 11)

	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		
Revenues									
Taxes & Assessments	19,909,742	3,922,825	4,424,020	-	-	-	-	4,090,644	32,347,232
Licenses & Permits	1,212,898	1,879,538	-	-	-	-	9,533	-	3,101,969
Intergovernmental	10,798,635	4,942,365	-	1,790,470	176,855	-	-	587,135	18,295,460
Charges for Services	4,028,686	1,124,053	-	27,587	7,570,885	4,143,974	1,779	1,113,268	18,010,231
Fines & Forfeitures	978,351	30,594	-	-	-	-	5,881	254,793	1,269,620
Miscellaneous	221,456	30,152	-	954,353	5,107	-	-	121,900	1,332,968
Investment Earnings	5,266	10,569	14,036	2,537	-	-	1	81,400	113,810
Total Revenues	37,155,034	11,940,096	4,438,056	2,774,947	7,752,847	4,143,974	17,194	6,249,140	74,471,289
Expenditures									
General Government	6,010,334	396,358	507	86,667	-	-	-	-	6,493,866
Public Safety	20,633,093	1,797,994	-	-	-	-	542	-	22,431,629
Public Works	6,727,901	970,506	-	264,429	6,404,165	-	39,392	8,679,510	23,085,903
Public Health	1,372,380	-	-	-	-	-	9,428	-	1,381,808
Social and economic services	116,000	-	-	-	-	-	-	-	116,000
Culture and recreation	3,107,799	178,516	-	2,805	1,613,486	-	-	-	4,902,606
Housing & Community Development	52,000	2,212,947	-	-	-	-	-	316,008	2,580,955
Miscellaneous	1,183,362	450	-	5,989	-	-	-	-	1,189,801
Debt Service	99,961	-	4,224,680	755,063	-	-	-	176,317	5,256,021
Capital Outlay	608,374	1,359,532	-	5,809,418	-	-	-	(354,691)	7,422,633
Business-type	-	-	-	-	-	5,523,058	-	-	5,523,058
Total Expenditures	39,911,204	6,916,303	4,225,187	6,924,371	8,017,651	5,523,058	49,361	8,817,145	80,384,280
Other Financing Sources (Uses)									
Transfers In	4,012,814	19,052	3,931	933,299	142,949	65,124	-	5,506,977	10,684,146
Transfers Out	(1,125,841)	(3,579,836)	(91,462)	-	(400,000)	-	-	(3,577,508)	(8,774,647)
Payments - Refunded Bond Escrow	-	-	-	-	-	-	-	-	-
Proceeds from Refunding Bond	-	-	-	-	-	-	-	293,560	293,560
Proceeds from LT Debt	-	-	100,743	4,067,593	-	-	-	-	4,168,336
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-
Contributions from Property owners	-	-	-	-	1,437,382	-	-	-	1,437,382
Contributions- government activities	-	-	-	-	-	-	-	3,051,509	3,051,509
Intergovernmental Revenues	-	-	-	-	-	-	-	-	-
Investment & Royalty Earnings	-	-	-	-	21,457	(321)	-	-	21,136
Debt Service Interest	-	-	-	-	(886,428)	-	-	-	(886,428)
Total Other Financing Sources (Uses)	2,886,973	(3,560,784)	13,212	5,000,892	315,360	64,803	-	5,274,539	9,994,995
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	130,803	1,463,009	226,081	851,468	50,556	(1,314,281)	(32,167)	2,706,534	4,082,004
Fund Balance/Net assets - July 1, 2010	2,088,984	4,124,600	3,869,555	(4,089,044)	85,102,915	981,690	317,412	8,055,310	100,451,422
Change in Accounting Principle	-	-	-	-	-	-	-	-	-
Restatement	-	(29,302)	-	-	430,205	-	-	-	400,903
Residual Equity Transfer	1,450,400	(1,450,400)	-	-	-	-	-	-	-
Fund Balance/Net assets - June 30, 2011	3,670,187	4,107,907	4,095,636	(3,237,576)	85,583,676	(332,592)	285,245	10,761,845	104,934,329

Assumptions, Estimates, & Trends

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.

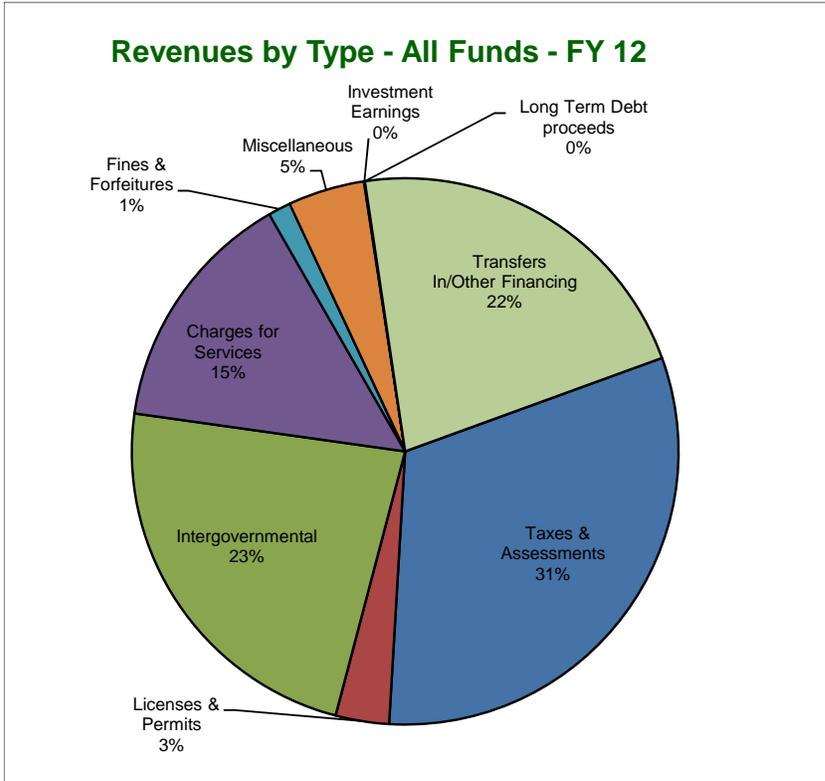
Fines and Forfeitures: Revenues received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations, and for neglect of official duty. Examples include: traffic fines, court fines, victim witness fines and bonds forfeited.

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.

Assumptions, Estimates, & Trends

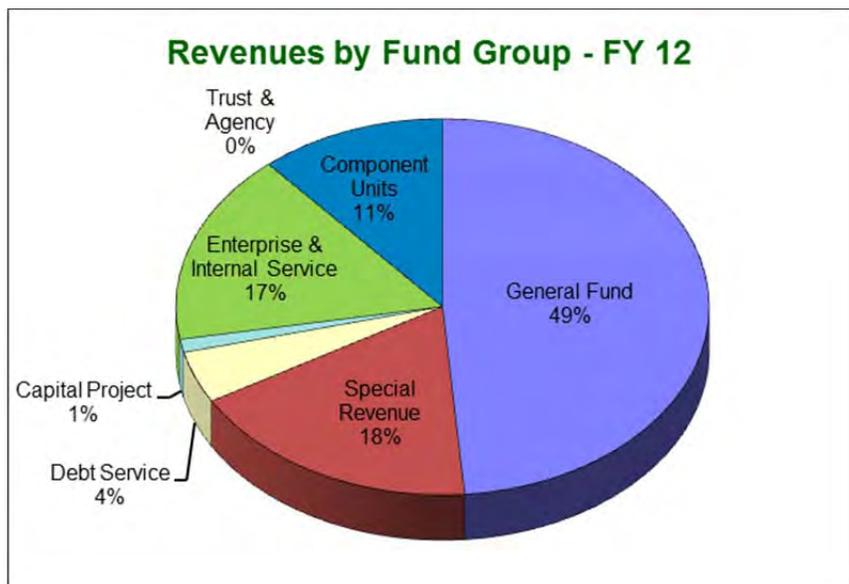


Interfund Transfers:
Transfers between individual funds of a governmental unit are not repayable and are not considered charges for goods or services. An example is matching funds transferred from the General Fund and other special revenue funds to the Capital Improvement Fund for the funding of capital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

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

As depicted by the graph of revenues by type, the taxes and assessments category and transfers make up the two largest categories of city revenues for FY 12 (53%). Intergovernmental revenues make up the next largest category (23%). Finally, Charges for Services (15%) makes up the fourth largest category. These four revenue categories make up 91% 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 (49%), Enterprise & Internal Service funds (17%), Special Revenue Funds (18%), and Component Units (11%), make up 95% of the city’s revenues.



Assumptions, Estimates, & Trends

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 affect 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

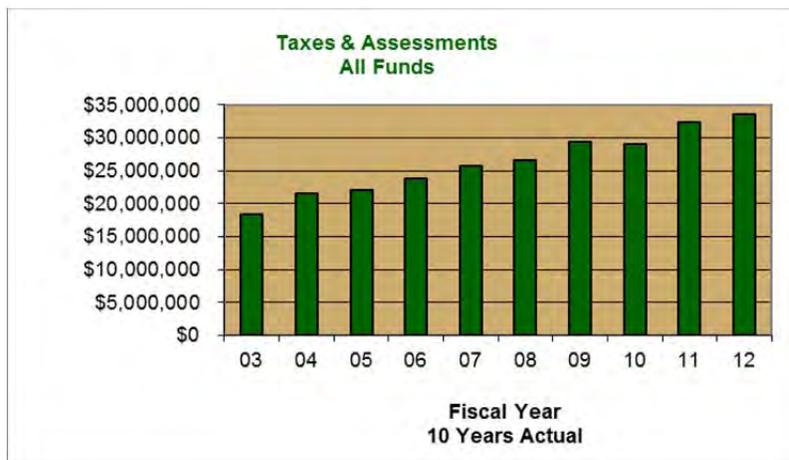
MAJOR REVENUE SOURCES

Assumptions, Estimates, & Trends

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. Our approach to forecasting, in general, is to apply a conservative philosophy that will produce our 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 2011-13 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 89% of total City revenues.

Key Revenue Estimates & Trends

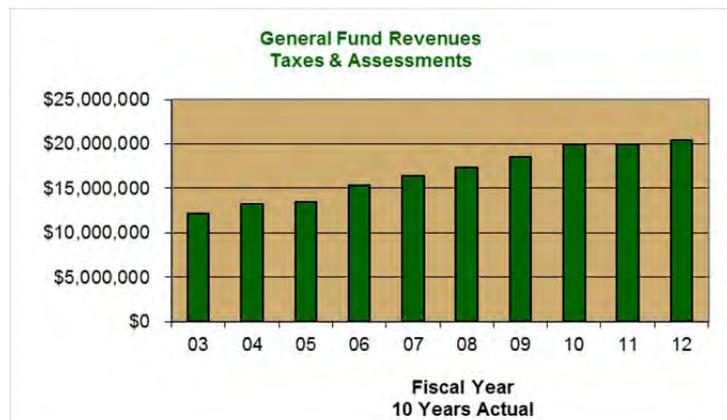


Shown by the graph to the left are Taxes and Assessments for all City funds, over a 10-year period (10 years actual from FY 2003- FY 2012).

The graph reflects the steady growth the City of Missoula is experiencing. Property taxes, which comprise the majority of this revenue category, are dependent upon a combination of taxable values

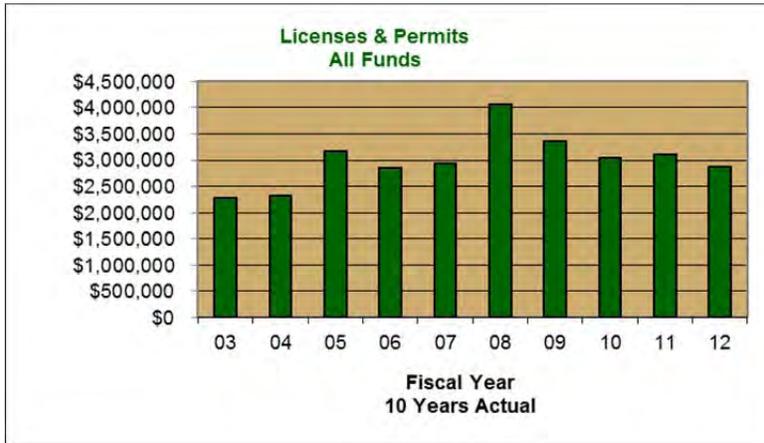
and mill levies. A small increase was budgeted for the budget year FY 2013.

The graph on the right shows actual General Fund Taxes & Assessments for the last 10 years. 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 in the last ten years.



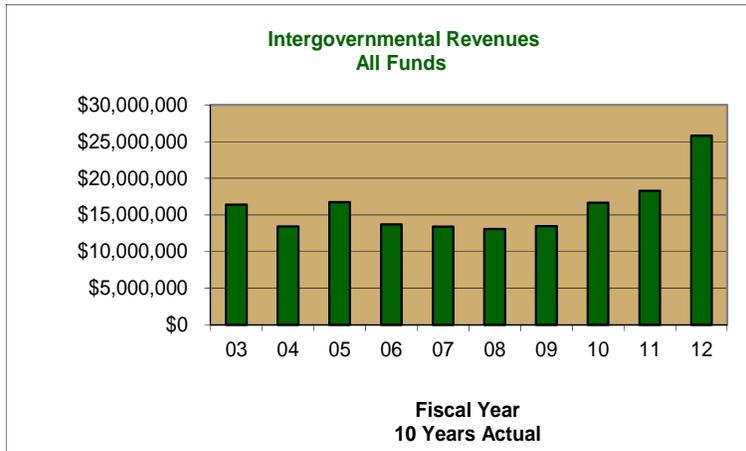
MAJOR REVENUE SOURCES

Assumptions, Estimates, & Trends



Licenses & Permits for all City funds are shown on the left. A decline occurred between FY 01 (not shown) and FY 02 due to the state Legislature's elimination of several revenue sources (categorized as Licenses & Permits) which the Legislature replaced with entitlement revenues. The decline from FY 08 to 09 was

due to the economic slowdown experienced by the nation and the City of Missoula.



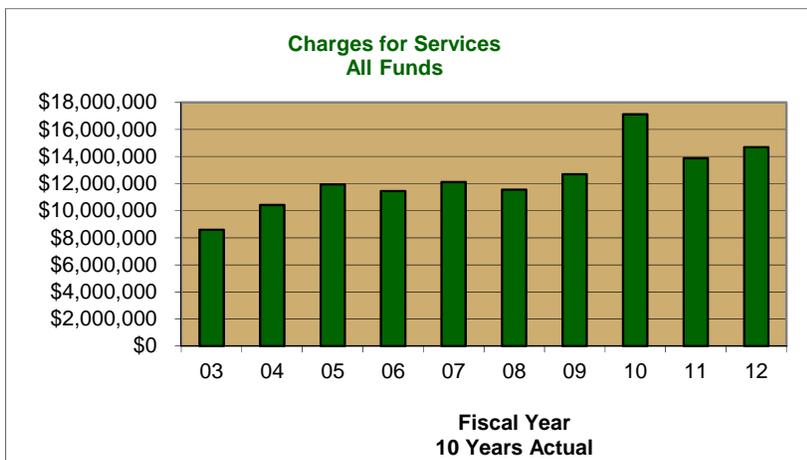
The increases in intergovernmental revenues (especially from 01 through 03) reflect the State Legislature's distribution of entitlement revenues to city governments. Since the peak in FY 03, these revenues have remained relatively stable although the level of grant receipts does fluctuate from year to year. In addition to the entitlement revenues, this category also includes grants, and

state reimbursement for services provided by the city.

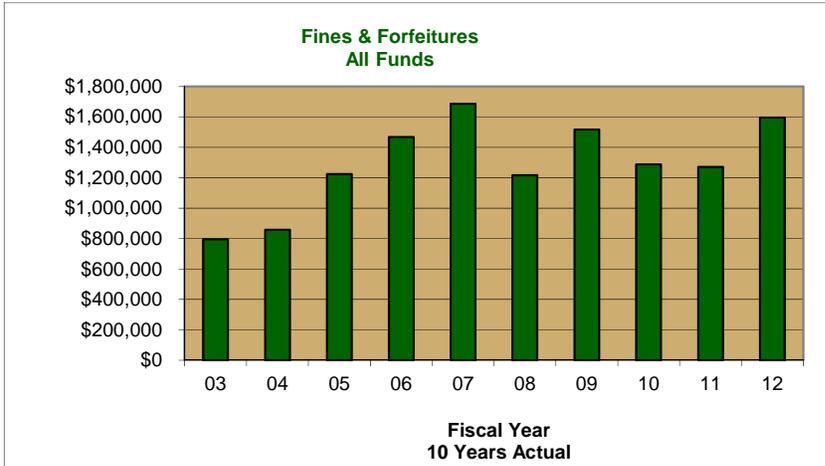
Charges for services, for all funds, represent 15% of total city revenues. This category is dominated by revenues in the City's enterprise funds, which include the Sewer charges and City Health Plan premiums. Many of these revenues are growth related. These include engineering fees, zoning fees, subdivision fees, building permits, impact fees and similar revenues.

This source is anticipated to

be maintained at the FY 12 level or greater for the foreseeable future.

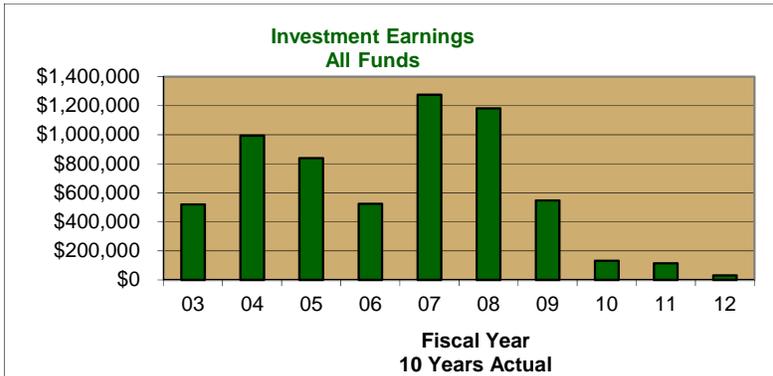


Assumptions, Estimates, & Trends



Fines and forfeitures, within the General Fund, to a large extent, reflect the growth in the City of Missoula. As shown by the graph, fines and forfeitures have increased from \$795,329 to \$1,594,881 over this ten year period. The decrease that occurred from FY 2001 (not shown) – FY 2004 was mainly due to legislative changes by the

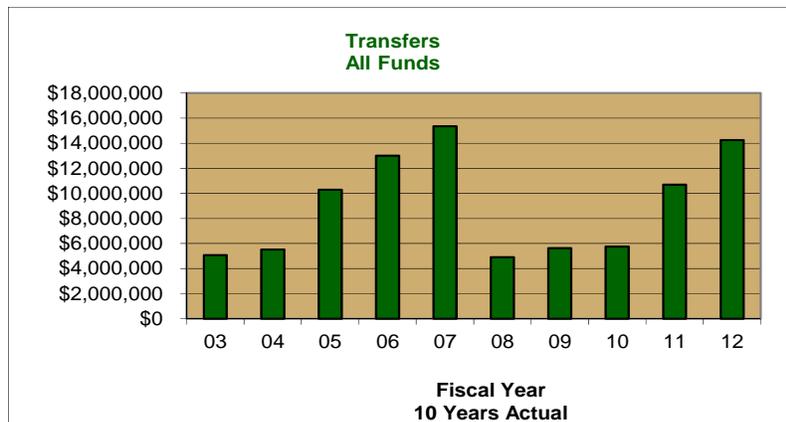
Montana legislature that preempted the collection of City Fines. The decrease in FY 08 and FY 10 was the result of staffing shortages in Police due to officers being called up to active duty in the armed forces and a significant number of workers compensation injuries that temporarily reduced staffing. This revenue stream is dependent on being fully staffed in the Police department.



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 03, FY 06 and FY 10 through FY 12 which correspond to the decline in interest rates nationally in

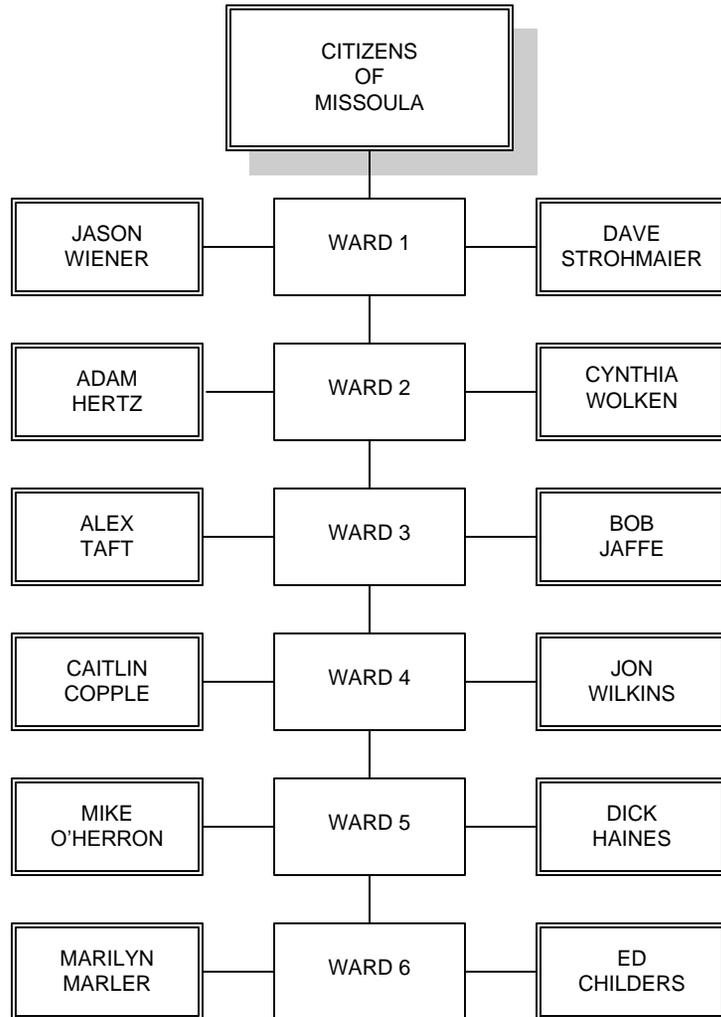
those years. Interest earnings in FY 13 are expected to be similar to FY 2012, as interest rates are extremely low nationally.

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





City Council



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.
-

2013 Budget Highlights

There are no budget Highlights for 2013

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual ^ FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 252,485	\$ 293,058	\$ 274,239	\$ 298,318	\$ 5,260	2%
Supplies	265	500	424	500	-	0%
Purchased Services	27,400	29,176	28,043	27,615	(1,561)	-5%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 280,150	\$ 322,734	\$ 302,706	\$ 326,433	\$ 3,699	1%

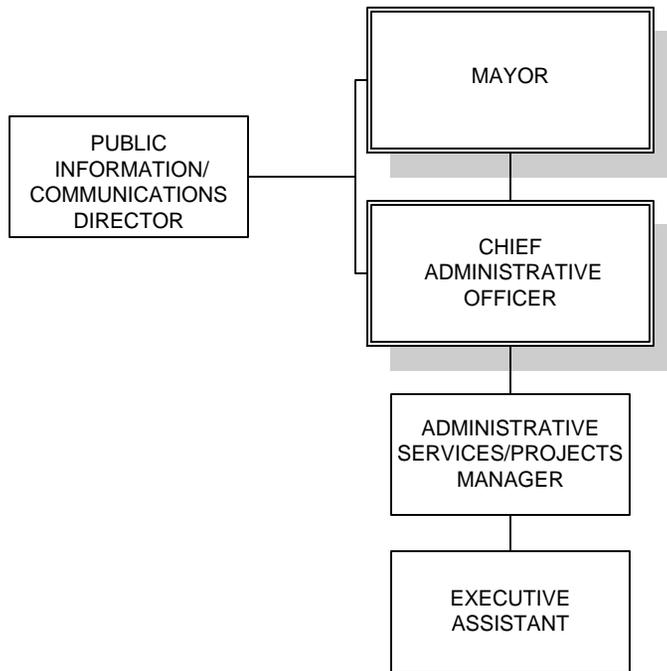
^ Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
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
Total	12.00	12.00	12.00	12.00



Mayor's Office



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).

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 work with staff, the Missoula City Council and the community to ensure the city's water system is secure and sustainable in perpetuity.
- 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 mayor's office will work with the Missoula Economic Partnership to implement its strategic plan to create jobs and attract and retain businesses

Goal #2: Harmonious Natural and Built Environment

- Strategy: We will reflect values of sustainability in transportation and building design.
 - The mayor's office will work with staff to implement the recommendations in the "Working Together" report to enhance community development.

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.
 - The mayor's office will continue to work with public and private partners to create and implement a plan to end homelessness
- Strategy: We will work together to meet basic human needs with dignity for all.
 - The mayor's office will restructure the office of neighborhoods based on a report from an advisory panel to better serve the community.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 398,997	\$ 426,138	\$ 425,141	\$ 432,504	\$ 6,366	1%
Supplies	2,565	3,317	2,829	3,217	(100)	-3%
Purchased Services	13,724	21,497	22,325	26,336	4,839	23%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 415,286	\$ 450,952	\$ 450,295	\$ 462,057	\$ 11,105	2%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2010	Actual FY 2011	Actual FY 2012	Proposed FY 2013
MAYOR***	1.00	1.00	1.00	1.00
CHIEF ADMINISTRATIVE OFFICER	1.00	1.00	1.00	1.00
ADMIN. SERVICES/PROJECTS MANAGER	1.00	1.00	1.00	1.00
ADMINISTRATIVE SECRETARY	1.00	1.00	1.00	1.00
COMMUNICATIONS INFORMATION OFFIC	1.00	1.00	1.00	1.00
Total	5.00	5.00	5.00	5.00

*** Denotes: Elected Official

2013 Budget Highlights

Purchased Services

- Purchased services will be limited to essential operational needs.

Capital Outlay

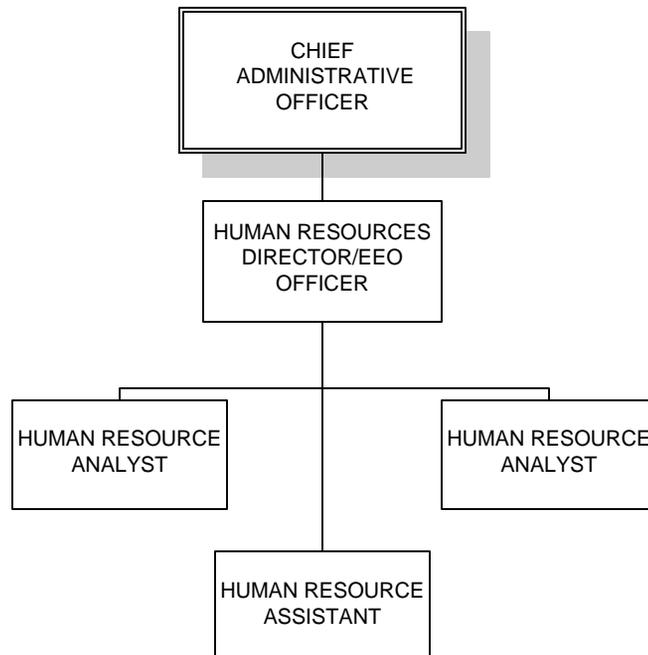
- There are no capital outlay projects in the Mayor's FY 2013 budget.

Budget

- Manage a balanced budget and maintain services.



Human Resources



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.

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

Listed below are the goals and objectives of the Human Resources department

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.
 - Work with safety and risk management consultant to lower workers' compensation mod factor to 1.00
- Strategy: We will work toward sustaining and diversifying fiscal resources
 - Implement skill and competency based pay program for mid level management group
 - Begin "go green" initiative by converting paper personnel files to computer records

Goal #2: Quality of Life for All People and All Places

- Strategy: We will support plans and programs that promote a healthy lifestyle for Missoula's citizens.
 - Partner with other organizations to take advantage of economies of scale in providing health and wellness benefits, work with consultants/partners to develop model for efficient follow-up and cost reduction of chronic diseases.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 243,918	\$ 267,797	\$ 259,359	\$ 262,599	\$ (5,198)	-2%
Supplies	1,588	2,178	1,622	2,178	-	0%
Purchased Services	32,300	36,110	30,138	67,584	31,474	87%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 277,807	\$ 306,085	\$ 291,119	\$ 332,361	\$ 26,276	9%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
HUMAN RESOURCES/EEO OFFICER	1.00	1.00	1.00	1.00
HUMAN RESOURCES ANALYST	1.00	1.00	1.00	1.00
HUMAN RESOURCES ANALYST	1.00	1.00	1.00	1.00
HUMAN RESOURCES ASSISTANT INTERN	1.00 0.15	1.00 -	1.00 -	1.00 -
Total	4.15	4.00	4.00	4.00

2013 Budget Highlights

Professional Services

- Research and develop more efficient and effective methods of training and staff development for all employees.
 - 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 & Workload Indicators

Performance Measures

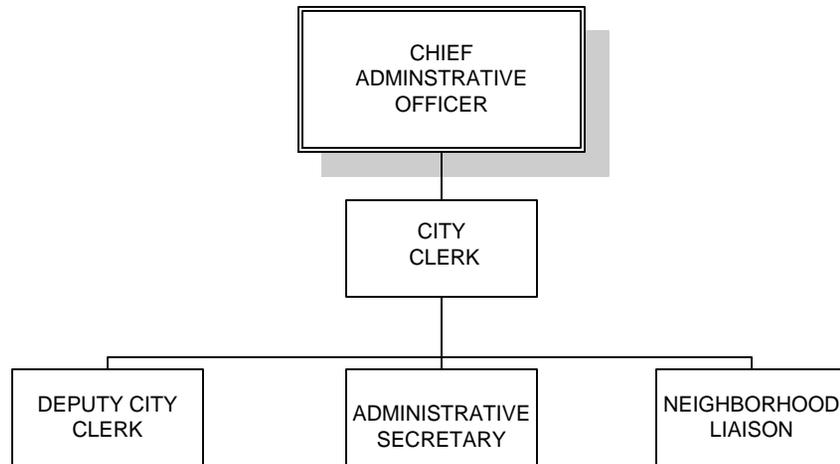
Measure	Actual FY2011	Amended FY 2012	Actual FY 2012	Adopted FY 2013
1 . Recruitment - Vacant positions generating <50 applications turned over to the department within 10 working days.	89%	90%	89%	95%
2 . Recruitment - Vacant positions generating >50 applications turned over to the department within 15 days.	35%	50%	35%	75%
3 . Increase safety awareness and practices reduce number of medical claims filed through MMIA	62	35	62	40
4 . Through safety awareness reduce number of days lost due to work related injuries.	699	300	342	300
5 . Work with department personnel to lower Worker's Compensation mod factor to 1	1.34	1.27	1.24	1.00
5 . Reduce number of employee complaints that are not settled at the organizational level.	5	-	5	-
6 . Provide successful defense of employee complaints that go beyond organizational level.	4	-	2	-

Workload Indicators

Indicator	Actual FY2011	Amended FY 2012	Actual FY 2012	Adopted FY 2013
1 . Number of applications for recruitments.	1,490	800	1,162	1,500
2 . Workers' compensation claims	62	35	48	35
3 . New Hires	225	10	67	150
4 . Terminations	70	60	259	220
4 . Grievances	2	-	3	1
5 . Employment related complaints	5	-	1	0
6 . Health Plan changes and amendments	2	2	7	3
7 . Reclassification requests	4	3	13	10
8 . Collective Bargaining Agreements to negotiate	7	1	2	2
9 . Health insurance appeals	1	1	8	1
10 . Employee disciplinary issues and terminations	12	5	9	5
11 . Employee pay, benefit and status changes				



City Clerk's Office



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 organizations, and city employees. The City's neighborhood office is part of the City Clerk Office providing community outreach and communication services to Missoula's neighborhoods, volunteer coordination, training and grant administration.

City Strategic Plan & Department's Implementation Strategy

Goal #1: Fiscal Sustainability

- Strategy: We will maintain or improve the level of service to citizens.
 - Deploy audio/video streaming and agenda management software to provide citizens a more efficient access to live and on-demand video, agendas, minutes and attachments for City Council, boards and commissions meetings via the internet.
- Strategy: We will work with public and private sector partners in greater numbers to find new ways to enhance and diversify Missoula's economy.
 - Develop additional revenue sources to fund initiatives that benefit Missoula's neighborhoods

Goal #2: Harmonious Natural and Built Environment

- Strategy: We will work to provide citizens access to parks, open spaces and the natural environment.
 - Implement Community Forum's communication and marketing plan to increase awareness and participation in neighborhood councils.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 197,467	\$ 224,987	\$ 217,902	\$ 224,490	\$ (497)	0%
Supplies	1,685	3,456	1,607	2,856	(600)	-17%
Purchased Services	26,923	151,918	78,474	41,008	(110,910)	-73%
Miscellaneous	29,523	59,365	19,043	37,700	(21,665)	-36%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 255,598	\$ 439,726	\$ 317,027	\$ 306,055	\$ (133,671)	-30%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2010	Actual FY 2011	Actual FY 2012	Proposed FY 2013
CITY CLERK	1.00	1.00	1.00	1.00
DEPUTY CITY CLERK	1.00	1.00	1.00	1.00
SECRETARY	1.50	1.50	1.50	1.00
NEIGHBORHOOD LIAISON	1.00	1.00	-	1.00
Total	4.50	4.50	3.50	4.00

2013 Budget Highlights

City Council meetings/minutes

Calendar Year	# of Meetings	# of hours of Council mtgs.	Ave. mtg Length in hr. & min.	Total # of Pages Transcribed	Cost to transcribe	% Ready by next mtg	% Approved w/ no corrections
2007	40	83.35	3:08	719	\$8,894.00	83%	95%
2008	41	89.89	2:19	1,075	\$11,723.75	61%	95%
2009	43	72.53	1:39	812.50	\$5,973.25	98%	95%
2010	42	76.92	1:42	866	\$6,597.24	90%	83%
2011	42	68.00	1:36	653.25	\$5,879.28	95%	81%
2012	38	35.00	1:47	454.67	\$4,092.00	87%	9%

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . Customer Requests Served in Less than 10 Minutes	90%	90%	90%	90%
2 . Council Meeting Minutes Ready By Next Meeting	90%	95%	87%	90%
3 . Council Minutes Approved With No Corrections	90%	81%	92%	90%

Historical data has been estimated.

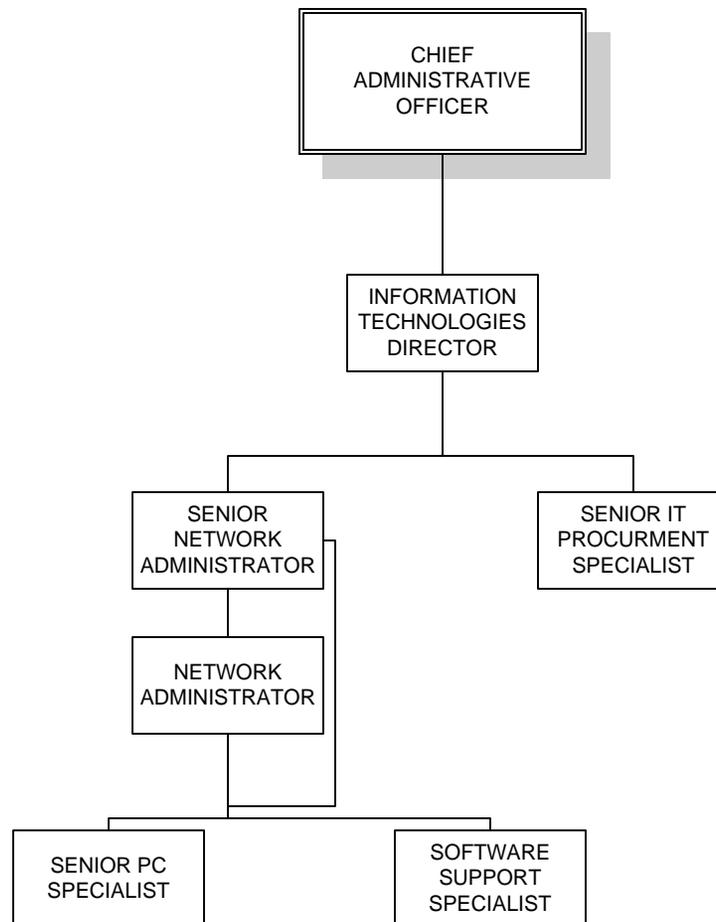
Workload Indicators

Indicator	Actual FY 2010	Actual FY 2011	Actual FY2012	Adopted FY 2013
1 . Agreements Processed	369	227	246	260
2 . Deeds Processed	15	2	8	10
3 . Easements Processed	99	56	40	100
4 . Miscellaneous Documents Processed	35	12	47	30
5 . Sew er Agreements Processed	127	290	65	100
6 . Ordinances Processed	35	32	14	30
7 . Petitions Processed	51	44	49	75
8 . Resolutions	107	86	82	100
9 . Average Length of Council Meetings (in hours)	1:45	1:40	1:49	2:00

Historical data has been estimated.



Information Technologies



Program Description

It is the mission of Information Technologies (IT) to deliver network services critical to the achievement of citywide goals and objectives. IP Communications solutions that will help minimize costs while maximizing productivity and collaboration with employees, partners, and citizens is a main focus of the department. As the requirements for government success continue to evolve, network and IT infrastructures must evolve with them. Greater security, mission-critical application availability, simplification, and increased transparency of the IT infrastructure are challenges that the IT organization must meet to remain efficient, while continuing to provide new products and services to the departments and the Cities customers. It is the ongoing goal of the IT Department to provide interoperability, efficiencies and diversity in the ways City personnel share information.

The Information Technologies department researches and deploys a variety of suitable technologies to government employees, thereby enabling them to be more successful and efficient in doing their jobs. These technologies increase their job satisfaction and productivity while helping them to respond to citizens ever changing needs.

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 and implement 50 thin clients at Parks and finish White Pines.
 - Increase number of virtual servers while decreasing the number of physical servers.
 - Expand application deployment to mobile workers through web based remote software.
 - Implement new function of our website from online fine payments.
 - Reduce desktop cost with a deployment of Thin Client PC's, server virtualization and hardware consolidation.
 - Review and assure 100% software license compliance. Streamline software purchasing process.
 - Enhance fast Ethernet to all locations. Thus allowing all offsite workforce to be more productive by having faster speeds.
 - Help Desk Self Service.

Goal #2: Fiscal Sustainability

- We will maintain or improve the level of service to citizens.
 - Work on Sire video/agenda software.
 - Update City website including online job application process.
 - Work on citizen access portal both Accela permitting and Microsoft dynamics.
 - Work with the police department to develop a point to point wireless system & police department smart car technologies.
 - Work on COPS grant with point to point wireless project.
 - Work with Municipal Court on scanning project/audio project. Update full court system
 - Complete move to online permitting and business licensing with Accela Automation.
 - Working with police department and other City & County entities on a replacement police department Report Management System & Computer Aided Dispatch system.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 380,186	\$ 399,622	\$ 398,443	\$ 397,990	\$ (1,632)	0%
Supplies	11,523	20,410	11,702	20,410	-	0%
Purchased Services	223,333	250,506	235,379	256,236	5,730	2%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	71,157	70,000	64,349	67,000	(3,000)	-4%
Total	\$ 686,198	\$ 740,538	\$ 709,874	\$ 741,636	\$ 1,098	0%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
INFORMATION TECHNOLOGIES DIRECTOR	1.00	1.00	1.00	1.00
SENIOR NETWORK SYSTEM ADMINISTRATOR	-	-	-	1.00
NETWORK SYSTEMS ADMINISTRATOR	1.00	1.00	1.00	1.00
DATABASE ARCHITECT	1.00	1.00	1.00	-
SENIOR PC SPECIALIST	1.00	1.00	2.00	1.00
PC SPECIALIST	1.00	1.00	-	-
SOFTWARE SUPPORT SPECIALIST	-	-	-	1.00
PROCUREMENT SPECIALIST	1.00	1.00	1.00	1.00
Total	6.00	6.00	6.00	6.00

2013 Budget Highlights

New Operating Requests Funded:

- Thin Client Rollout \$26,464
- Server Virtualization Consolidation and Maintenance Program \$40,536

Total \$67,000

Performance Measures & Workload Indicators

Performance Measures

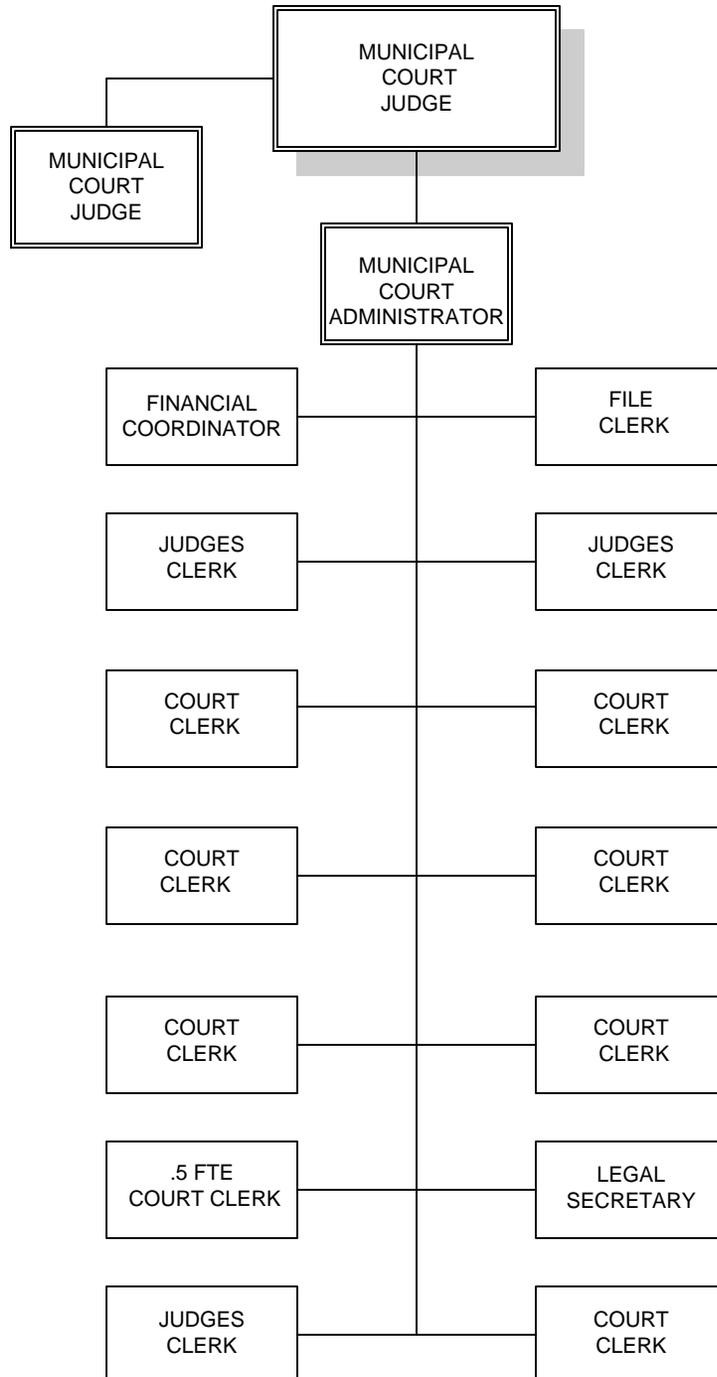
Measure	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . Percent of requests that met service level agreements	83.00%	92.46%	98.50%	100.00%
2 . Average ratio of open to complete incidents per month	138/140	162/163	153/153	137/137
3 . Percent of network service availability	99.00%	99.00%	99.00%	99.00%
4 . Customer satisfaction rating based on Customer Survey. Percent rating of good to excellent.	n/a	n/a	100.00%	100.00%
5 . Average percent of computers with current updates.	80.00%	50.00%	88.00%	88.00%

Workload Indicators

Indicator	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . Users supported	490	504	490	452
2 . Average number of Helpdesk requests per month	138	162	153	137
3 . Computers and laptops supported	288	207	169	152
4 . Thin Clients supported	12	147	220	237
5 . Servers supported	67	73	72	72
6 . Tier 1 software applications supported	28	37	41	41
7 . Tier 2 software applications supported	18	18	21	21
8 . Tier 3 software applications supported	31	42	45	45
9 . Phones supported	349	392	387	387
10 . Purchase Orders per year	116	158	156	160



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 and the Health Department. The Court also handles the issuance of Temporary Restraining Orders and Protective Orders in domestic violence and stalking situations.

The Municipal Court is a 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.

City Strategic Plan & Department's Implementation Strategy

Goal #1: Fiscal Sustainability

- Strategy: We will maintain or improve the level of service to citizens.
 - Increase accuracy in data collection and reporting in the Court database through incumbent worker training.
 - Develop performance measurements for staff.
 - Encourage staff development through training and task rotation to improve services to citizens, improve staff's skill set and increase promotional opportunities.

Goal #2: Quality of Life for All People in All Places

- Strategy: We will work together to meet the needs with dignity for all.
 - Utilize statutory authority over defendants to ensure accountability for all sentencing orders.
 - Increase use of a Work Release and the alternative jail program to help resolve the issue of lack of space for incarcerating defendants.
 - Institute of use of a Misdemeanor Probation Program as a standard sentencing for DUI and PFMA cases to help bring offenders into compliance and reduce recidivism.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 744,648	\$ 815,720	795,561	959,063	\$ 143,343	18%
Supplies	8,187	27,243	41,168	17,655	(9,588)	-35%
Purchased Services	42,743	104,395	98,166	243,057	138,662	133%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 795,578	\$ 947,358	\$ 934,896	\$ 1,219,775	\$ 272,417	29%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
MUNICIPAL JUDGE	1.00	1.00	1.00	1.00
JUDGE	0.75	0.75	0.75	0.85
MUNICIPAL COURT MANAGER	1.00	1.00	1.00	-
MUNICIPAL COURT ADMINISTRATOR	-	-	-	1.00
COURT REPORTER	2.00	2.00	2.00	2.00
JUDGES CLERK	-	-	-	3.00
COURT CLERK	7.50	7.00	7.00	7.00
FILE CLERK	1.00	1.00	1.00	-
LEGAL SECRETARY	-	-	-	1.00
COLLECTIONS CLERK	1.00	1.00	1.00	-
LEAD FINANCIAL CLERK	-	-	-	1.00
Total	14.25	13.75	13.75	16.85

The Court also makes use of a volunteer worker, who works five days a week, 6 hours a day.

2013 Budget Highlights

New Requests –

- **Misdemeanor Probation Contract with Missoula Corrections Services:** Contract will cover a rolling caseload of 160 offenders at any given time. Cost = \$172,934
- **1 FTE, Legal Secretary, \$47,863**
- **1 FTE, Court Clerk, \$47,863**
- **Court added 1 FTE, Judges Clerk, \$53,352 as an amendment to FY12 budget.**

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . Monies collected that stay w ith the City w hich include fines, city surcharge, atty fees, NSF fees, and time payment fees.	\$1,422,000	\$1,142,000	\$1,196,620	\$ 1,560,000
2 . Monies collected that go to other agencies w hich include state tech surcharges, crime victim surcharges, and police academy surcharges.	\$264,000	\$233,155	\$223,617	\$ 252,000
3 . Monies collected as restitution for victims.	\$58,400	\$68,533	\$63,168	\$ 72,000

Workload Indicators

Indicator	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . Citations processed	26,500	23,268	27,256	27,580
2 . Judge Trials Set	6,550	7,328	521	625
3 . Jury Trials Set	1,750	1,668	424	832
3 . Warrants issued	6,950	6,464	6,019	^
4 . Programs monitored	3,600	2,916	2,796	4000
5 . Bonds entered	1,718	1,598	1,857	2000
6 Jail time served in days ‡	516	2,492	3,538	^
7 Orders of Protection filed	398	273	374	330
8 Accounts turned to collecitions ?	3,400	3,680	4,116	^
9 Alcohol Monitoring *		60	79	250
10 GPS Tracking **		3	-	^
11 Work Release ***		266	476	^

* Alcohol Monitoring started February 1, 2010

** GPS Tracking is still in process of being set up for PFMA violations

*** Work Release is now being used in leau of jail due to jail space constraints

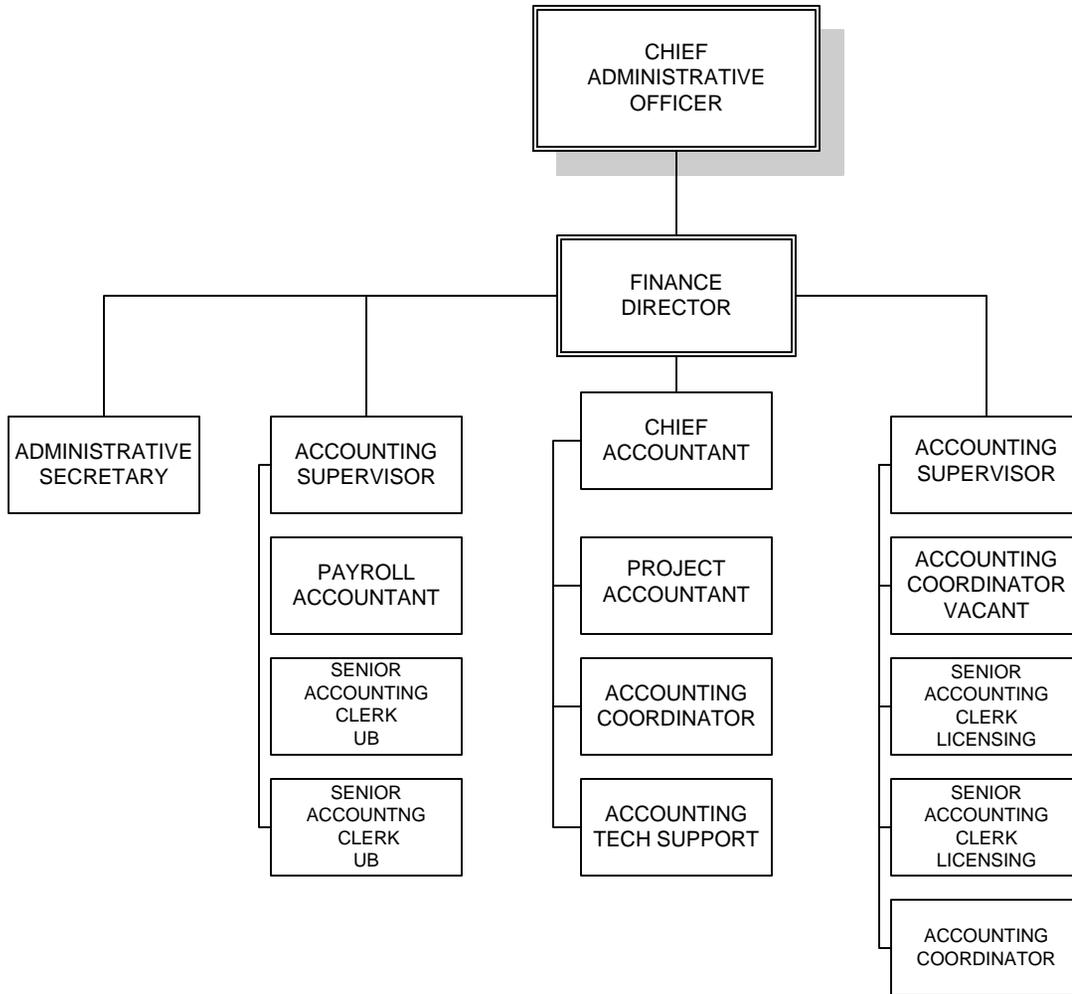
‡ Jail will decrease as the use of Work Release, Alternative Jail, and Home Arrest Monitoring increase

? New Legislative action may have some effect on this projected figure

^ No longer Tracking



Finance Department



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 FY2013. 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 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 831,378	\$ 918,888	\$ 861,519	\$ 922,770	\$ 3,882	0%
Supplies	10,761	10,115	12,180	10,115	-	0%
Purchased Services	253,165	246,451	223,332	241,353	(5,098)	-2%
Miscellaneous	-	500	-	500	-	0%
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total	\$ 1,095,304	\$ 1,175,954	\$ 1,097,030	\$ 1,174,738	\$ (1,216)	0%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
FINANCE DIRECTOR/TREASURER	1.00	1.00	1.00	1.00
LEAD ACCOUNTANT	1.00	1.00	1.00	-
CHIEF ACCOUNTANT	-	-	-	1.00
SENIOR ACCOUNTANT	1.00	1.00	-	-
ACCOUNTING SUPERVISOR	2.00	2.00	2.00	2.00
PROJECT ACCOUNTANT	1.00	1.00	1.00	1.00
ACCOUNTING COORDINATOR	3.00	3.00	3.00	2.00
ACCOUNTING TECHNICIAN	-	-	-	1.00
PAYROLL ACCOUNTANT	1.00	1.00	1.00	1.00
SENIOR ACCOUNTING CLERK	2.00	2.00	3.00	3.00
ADMINISTRATIVE SECRETARY	1.00	1.00	1.00	1.00
BUSINESS LICENSE SPECIALIST	2.00	2.00	2.00	2.00
Total	15.00	15.00	15.00	15.00

2013 Budget Highlights

The City received its fourth Distinguished Budget Award from the Government Finance Office Association (GFOA) for its FY2012 published budget document. The City also received its fourteenth Certificate of Achievement from the GFOA for its FY2011 Comprehensive Annual Financial Report (CAFR).

Performance Measures & Workload Indicators

Performance Measures

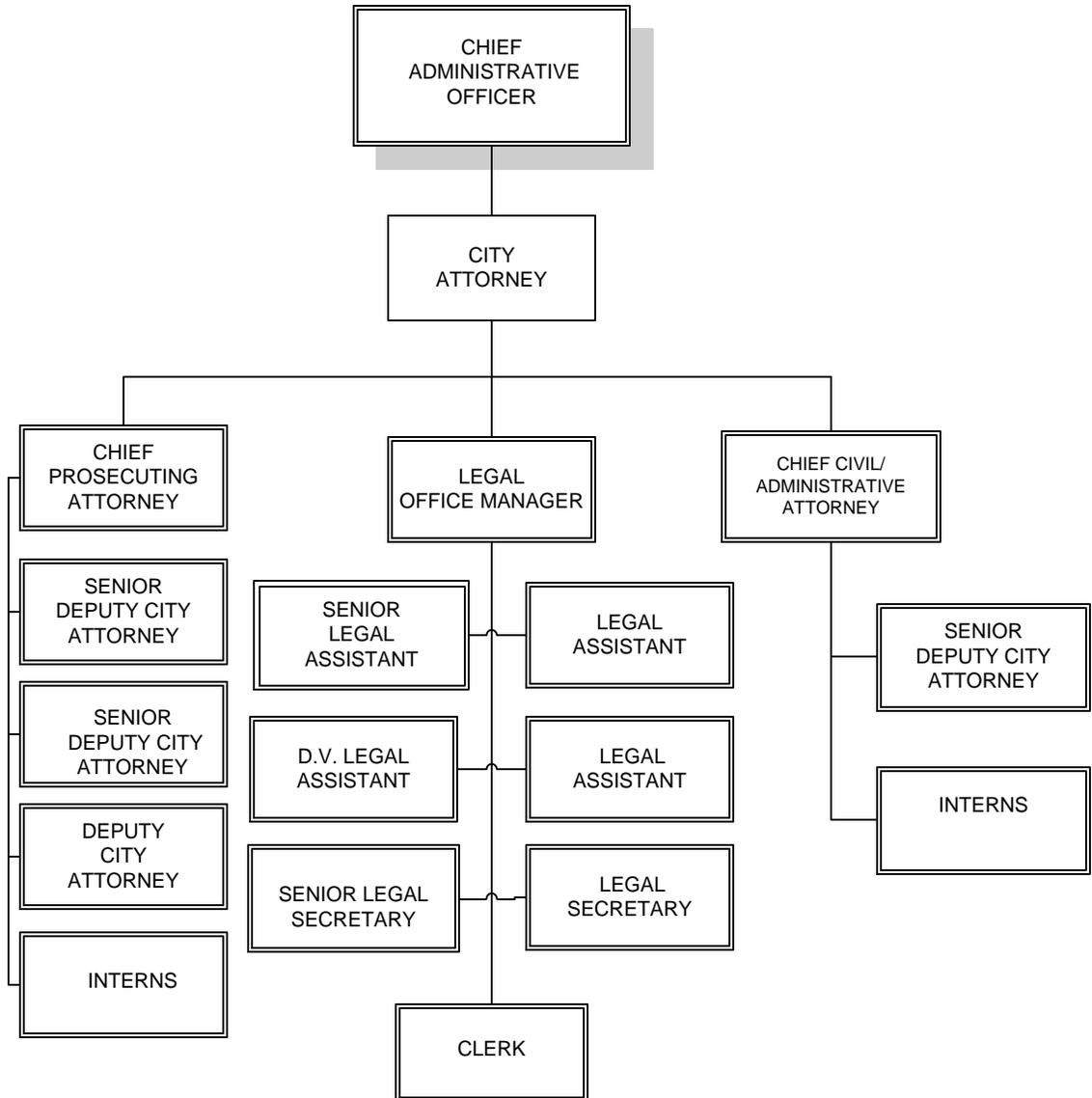
Measure	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . The Finance Department will produce a clean "unqualified" audit opinion.	100%	100%	100%	100%
2 . The Finance Department will produce client prepared work papers which are delivered to the auditors by the agreed delivery date.	100%	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 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . Accounts Payable (Total claims paid)	\$44,124,188	\$43,729,075	\$43,596,302	\$45,000,000
2 . Sewer/Utility Billing (Total billed)	5,641,027	5,825,184	6,295,142	6,447,367
3 . Business License (Total billed)	663,518	813,488	826,058	909,756
4 . Special Improvement District (Total billed)	2,759,874	2,788,949	2,979,149	3,680,000
5 . Payroll (Total salary wages paid)	21,889,367	33,818,417	36,399,138	39,338,046



City Attorney's Office



Program Description

The City Attorney's Office is responsible for protecting the legal interests of the City of Missoula. The City Attorney and staff provide legal counsel for the City Council, Mayor, city departments and city board/commissions. The City Attorney and staff represent the city before all courts, administrative agencies, and all legal proceedings involving the city; prosecute misdemeanors and traffic offenses committed within city limits; provide legal advice to the City Council, Mayor, and all departmental staff; and review contracts, deeds, resolutions, ordinances, and other municipal documents.

City Strategic Plan & Department's Implementation Strategy

Goal #1: Funding and Service

- Deliver high quality, cost effective legal services to the City Administration and City officials 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.
 - Strive to timely keep abreast of legislative and judicial changes in the law as well as to 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 exposure 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 strives to attain experience modification factors significantly less than 1.0.

Goal #2: Quality of Life for All Citizens

- Increase the safety of victims of domestic violence and the community by working to increase compliance with sentencing mandates including anger management counseling by offenders.
 - Manage the grant funded Domestic Violence Accountability Project including monitoring of domestic violence offenders through the criminal justice system, including compliance with sentencing imposed.
- Enhance the public's sense of safety in their communities.
 - Aggressively prosecute high misdemeanor crimes that occur in the City of Missoula.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 895,763	\$ 949,307	\$ 937,397	\$ 1,054,023	\$ 104,716	11%
Supplies	4,589	7,631	6,643	9,101	1,470	19%
Purchased Services	41,378	57,604	39,420	63,797	6,193	11%
Miscellaneous	1,317	1,500	2,244	1,500	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	2,421	2,421	
Total	\$ 943,048	\$ 1,016,042	\$ 985,704	\$ 1,130,842	\$ 114,800	11%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
City Attorney	1.00	1.00	1.00	1.00
Assistant City Attorney	1.00	-	-	-
Chief Civil/Admin Attorney	-	1.00	1.00	1.00
Chief Prosecuting Attorney	-	1.00	1.00	1.00
Senior Deputy City Attorney	3.00	1.00	1.00	3.00
Deputy City Attorney	2.00	3.00	3.00	1.00
Legal Office Manager	1.00	1.00	1.00	1.00
Senior Legal Assistant	1.00	1.00	1.00	1.00
Legal Assistant	1.00	1.00	1.00	2.00
Senior Legal Secretary	1.00	1.00	1.00	1.00
Legal Secretary	1.00	1.00	1.00	1.00
Legal Intern (\$15.45/hour)	0.50	-	-	-
Clerk	0.75	0.75	0.75	0.85
DV Compliance Legal Assistant			1.00	0.40
DV Compliance Legal Assistant (Grant)				0.60
Clerk (Grant)			0.25	0.15
Total	13.25	12.75	14.00	15.00

2013 Budget Highlights

The City Attorney's Office (CAO) received funds from the Montana Board of Crime Control to demonstrate that coordinated information-sharing within the CAO and among criminal justice agencies increases both pre-trial and post-sentencing accountability of offenders charged with and convicted of Partner or Family Member Assault, No Contact Order Violation and/or Order of Protection Violation. Grant funds are used to increase offender accountability by assisting in funding a fulltime Domestic Violence Compliance Legal Assistant. The increased staffing enhances the CAO's ability not only to ensure compliance with pretrial conditions of release in DV cases, but to also monitor post sentence compliance with conditions of sentence and improve the process of filing petitions to revoke the sentences of those offenders who fail to comply.

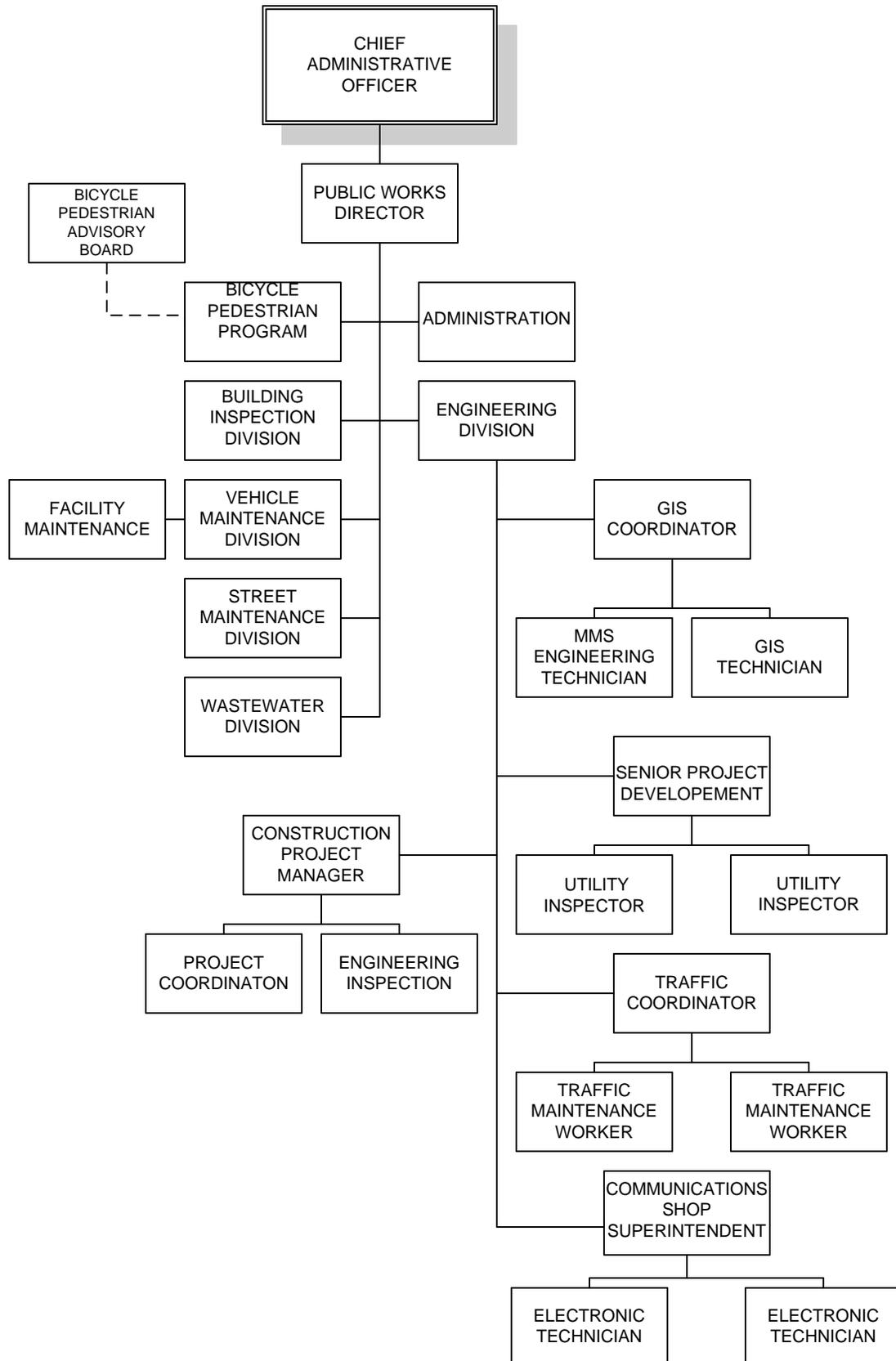
The CAO added a legal assistant FTE position in FY 2013. The position was necessary to manage workload increases brought on by changes in the municipal court after Judge Loudon retired. Increased programs and new practices implemented by the subsequent municipal court judge necessitated the increased staffing in the CAO.

Workload Indicators

Indicator	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . Contracts/agreements review ed	431	491	349	436
2 . Subdivision plats review ed	30	22	19	24
3 . Subdivision exemption affidavits review ed	30	24	13	16
4 . Legal opinions issued	17	18	22	28
5 . Total criminal cases opened	2,313	3,029	4,007	5,009
6 . Total charges added	4,716	6,687	8,684	10,855
7 . DUI cases (§ 61-8-401 / § 61-8-465* MCA) opened	391	389	576	720
8 . PFMA/OP violation cases opened	277	209	236	295



Public Works Administration



Program Description

The Public Works Department promotes and manages construction and maintenance of the City's public infrastructure; facilities that together, constitute the physical plant upon which the local economy and citizen quality of life depends. Public Works Administration manages a variety of divisions including Building Inspection, Engineering, Street Maintenance, Vehicle Maintenance and Wastewater.

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 implementation of web-based Accela Automation permitting system to increase convenience and accessibility to customers.
 - Implement sidewalk funding policy as adopted by City Council.
 - Prioritize Bicycle/Pedestrian Program functions and maintain essential functions in light of reduced staffing.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 1,773,248	\$ 1,808,441	\$ 1,773,585	\$ 1,753,651	\$ (54,791)	-3%
Supplies	113,341	143,733	167,105	133,090	(10,643)	-7%
Purchased Services	270,624	426,052	435,416	485,534	59,482	14%
Miscellaneous	8,665	1,125	3,245	409	(716)	-64%
Debt Service	-	-	-	-	-	
Capital Outlay	3,065	-	-	-	-	
Total	\$ 2,168,944	\$ 2,379,351	\$ 2,379,350	\$ 2,372,683	\$ (6,668)	0%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
PUBLIC WORKS DIRECTOR	1.00	1.00	1.00	1.00
SPECIAL SERVICE ADMINISTRATOR	1.00	1.00	0.10	0.10
ADMIN. SVCS MANAGER/PROJECTS COOR.	-	-	1.00	1.00
OFFICE MANAGER	1.00	1.00	-	-
P.W. PERMIT SPECIALIST	1.00	1.00	1.00	1.00
PROGRAM SPECIALIST	2.00	2.00	2.00	1.00
SECRETARY	1.00	1.00	1.00	-
ADMINISTRATIVE SECRETARY	-	-	-	1.00
BICYCLE/PEDESTRIAN PROGRAM MANAGER	1.00	1.00	1.00	1.00
CITY ENGINEER	1.00	1.00	1.00	1.00
PROJECT DEVELOPMENT COORDINATOR	1.00	1.00	0.50	-
SENIOR PROJECT DEVELOPMENT/ UTILITY CC	-	-	0.50	1.00
CONSTRUCTION PROJECT MANAGER	1.00	1.00	1.00	1.00
ENGINEERING TECHNICIAN/INSPECTOR	2.00	2.00	2.00	1.00
SENIOR ENGINEERING TECHNICIAN/INSPECTOR				1.00
CONSTRUCTION PROJECT COORDINATOR	2.00	2.00	1.00	1.00
SENIOR CONSTRUCTION PROJECT COORDIN/	-	-	1.00	1.00
UTILITY COORDINATOR	1.00	1.00	0.50	-
SENIOR UTILITY INSPECTOR	1.00	1.00	-	-
UTILITY INSPECTOR	1.00	1.00	1.00	1.00
SEASONAL UTILITY INSPECTOR			0.67	0.50
G.I.S. COORDINATOR	1.00	1.00	1.00	1.00
G.I.S. ANALYST	1.00	1.00	0.10	-
G.I.S. TECHNICIAN	1.00	1.00	1.00	1.00
M.M.S. TECHNICIAN	1.00	1.00	1.00	-
SENIOR G.I.S. TECHNICIAN				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	1.42	1.42
COMMUNICATION SHOP SUPERVISOR	1.00	1.00	1.00	1.00
ELECTRONIC TECHNICIAN	2.00	2.00	2.00	2.00
BIKE AMBASSADOR	0.45	0.40	0.40	0.40
Total	29.87	29.82	27.19	25.42

2013 Budget Highlights

Grant Programs

- The Public Works Department expects our 17th year of CMAQ Grant funds, which is coordinated by the Bicycle/Pedestrian Office. The funds are used to help promote bicycle and pedestrian safety throughout the City.
- The Department is also expecting another year of Safe Routes to School Grant that will also be coordinated by the Bicycle/Pedestrian Office. These funds are geared toward encouraging school children to walk to school and for the construction of the infrastructure to assist this goal.

Project Activity

- This is the 4th year for this new budget activity. The Department continues to use the activity to better monitor the impacts and benefits of curb and sidewalk projects throughout the City.

Budget Reductions/Changes

- Not filling the vacant Program Specialist position has resulted in the reduction of one full-time employee. Existing administrative staff have taken on additional duties and the department is requesting reclassification of one employee and a senior position for the other. The net savings to the department is \$43,889.
- The Bicycle/Pedestrian Program Manager will be retiring near the beginning of the fiscal year. The Department intends to sustain the obligations and the position at their current levels.
- Postage costs have been split out from Administration into the appropriate programs. The total budget for this line item is the same, but the costs are now being tracked separately in Engineering, Administration, and Projects. Postage is in the 310 account.
- Professional Services in Administration is requested to be funded at \$1,000. This will fund miscellaneous projects that cannot easily be paid from other funds such as levee maintenance and energy conservation projects.
- Restored travel and training to FY09 levels as the City is heading toward skill-based pay. Staff reductions have required that more staff be cross-trained for additional duties. Increased regulations also require more training so staff can stay current with requirements and best practices.

New Requests

- The new permit software expected to roll out at the end of FY12 will allow staff to perform electronic plan review as well as to enter inspection information into the system while out in the field. To make this possible, Adobe Acrobat licenses and additional monitors, as well as iPad's for field inspectors are necessary.
- The purchase of a GPS Trimble system will allow field inspectors to perform faster infrastructure inventory and updating of Asset Management and GIS databases for the sidewalk repair program and project creation.

Performance Measures & Workload Indicators

Performance Measures

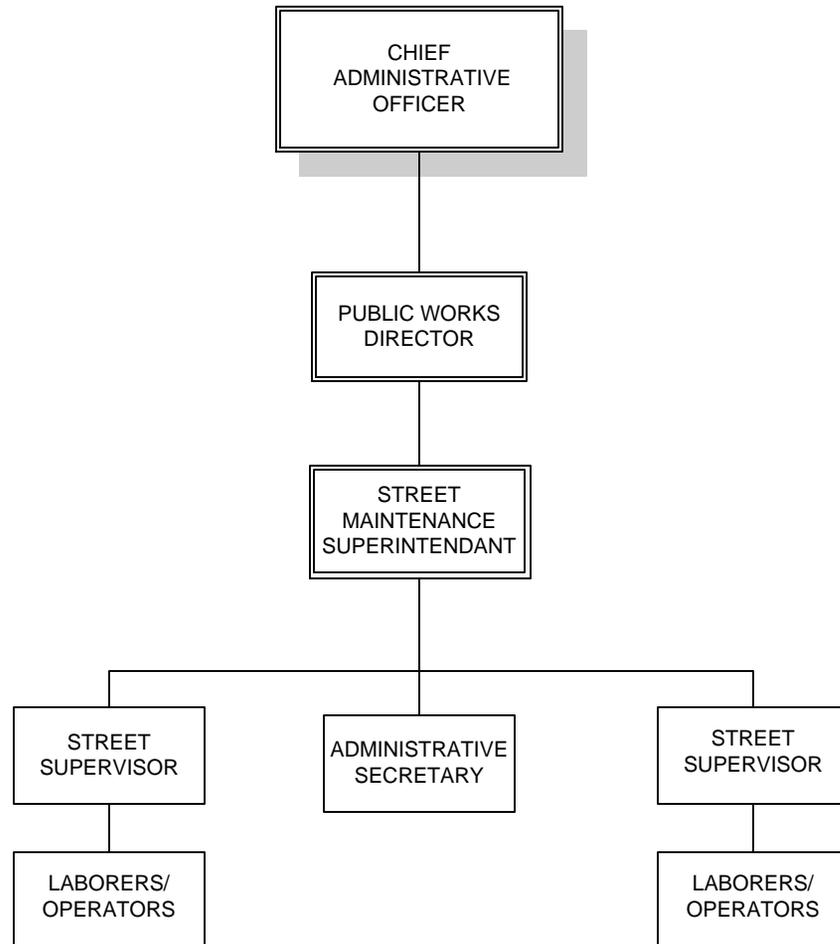
Measure	Actual FY 2010	Actual FY2011	Actual FY2012	Adopted FY2013
1 . City Engineering Division's planned work flow for managing building permit review typically results in completion of each review within three weeks or less.	99%	99%	99%	99%
2 . Public Works Administration Office and City Engineering efforts to meet mandated objectives and customer service goals within adopted budgetary authority have typically resulted in a modest annual savings.	\$50,000	\$28,000	\$25,000	\$10,000
3 . The ratio of annual street construction that includes pedestrian facilities and improvements has increased yearly due to efforts by Public Works Administration and the City Engineering Division.	92%	90%	93%	95%

Workload Indicators

Indicator	Actual FY2010	Actual FY2011	Actual FY2012	Adopted FY2013
1 . Miles of streets/alleys in the City limits	383	385	387	387
2 . Miles of sidewalk installed annually	10	14	11	9
3 . Pedestrian snow violations mitigated	88	426	104	100
4 . Permanent traffic calming devices installed	7	-	-	1
5 . Bicycle racks installed	36	41	42	38
6 . Hours of traffic signal maintenance annually	1,175	2,837	976	2,440
7 . Hours of street/traffic sign maintenance annually	1,856	1,805	1,850	2,000
8 . Hours of street painting and striping annually	1,384	1,398	750	1,500
9 . Acres of newly annexed property	134	874	-	80
10 . Building permits reviewed	907	1,048	636	1,000
11 . Subdivision preliminary plats reviewed	-	5	-	2
12 . Right-of-way permits issued	234	196	128	150
13 . Excavation permits issued	1,387	1,134	655	400
14 . Lineal feet of sanitary sewer main installed	91,010	5,361	2,723	2,000
15 . New sanitary sewer services installed	605	440	158	100
16 . Hours to install fleet radios/electronics annually	748	583	650	1,020
17 . Hours to repair/maintain fleet radios/electronics annually	1,723	1,779	799	1,680
18 . Hazardous vegetation/visibility obstruction sites investigated	436	290	262	300
19 . Sewer utility locates completed	662	598	394	500



Public Works- Street Maintenance Division



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.

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 2011	Amended FY 2012	Actual * FY 2012	Proposed FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 1,660,131	\$ 1,858,881	\$ 1,048,404	\$ 1,890,621	\$ 31,740	2%
Supplies	740,146	392,289	300,047	399,735	7,446	2%
Purchased Services	39,302	54,771	26,488	56,051	1,280	2%
Miscellaneous	382,514	116,331	130,596	92,763	(23,568)	-20%
Debt Service	-	-	-	23,568	23,568	
Capital Outlay	503,126	175,000	283,232	132,544	(42,456)	-24%
Total	\$ 3,325,220	\$ 2,597,272	\$ 1,788,767	\$ 2,595,282	\$ (1,990)	0%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2010	Actual FY 2011	Actual FY 2012	Proposed FY 2013
STREET SUPERINTENDENT	1.00	0.89	1.00	1.00
ADMINISTRATIVE SECRETARY	1.00	0.89	1.00	1.00
STREET MAINTENANCE SUPERVISOR	-	-	-	-
STREET CONSTRUCTION SUPERVISOR	-	-	-	-
STREET SUPERVISOR	1.00	0.89	1.00	1.00
STREET SUPERVISOR	1.00	0.89	1.00	1.00
FINISH BLADE OPERATOR	1.00	0.89	1.00	1.00
SECOND BLADE OPERATOR	1.00	0.89	1.00	1.00
LABORER/OPERATOR	6.00	5.34	6.00	6.00
SEASONAL OPERATOR	0.50	0.44	0.50	0.50
SEASONAL OPERATOR	0.50	0.44	0.50	0.50
SEASONAL OPERATOR	0.50	0.44	0.50	0.50
SEASONAL OPERATOR	0.50	0.44	0.50	0.50
SEASONAL OPERATOR	0.25	0.22	0.25	0.25
SEASONAL OPERATOR	0.25	0.22	0.25	0.25
SEASONAL OPERATOR	-	-	0.25	0.25
OPERATOR	9.00	8.00	9.00	9.00
TANDEM TRUCK OPERATOR	1.00	0.89	1.00	1.00
TANDEM TRUCK OPERATOR	1.00	0.89	1.00	1.00
TANDEM TRUCK OPERATOR	1.00	0.89	1.00	1.00
TANDEM TRUCK OPERATOR	1.00	0.89	1.00	1.00
LABORER/OPERATOR	1.00	0.89	1.00	1.00
ANNEXATION REQUEST	0.04	0.04	0.04	0.04
Total	28.54	25.38	28.79	28.79

2013 Budget Highlights

Special State/MRA Projects

The Street Maintenance Division completes special paving and maintenance projects on State routes pursuant to negotiated additions to the State Maintenance Program. The Division anticipates completing the following projects during FY 11.

- **MDT 5th Street: Arthur to Higgins:** Chip Seal \$ 31,874
 - **MDT 6th Street: Arthur to Higgins:** Chip Seal \$ 31,874
 - **MDT E Broadway Van: Buren to Easy Street:** Chip Seal \$ 118,746
 - **MRA URD III various streets:** Chip Seal \$ 83,318
- \$ 265,812**

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . Percentage of planned City blocks chip and sealed.	100%	100%	100%	100%
2 . Percentage of planned City blocks reclaimed.	n/a	n/a	n/a	100%
3 . Percentage of City blocks overlayed w ith asphalt.	100%	100%	100%	100%
4 . Operate Roscoe patch truck 400 hours per year, depending on oil availability	84%	79%	60%	100%
5 . Crack seal pavement of City streets 2000 hours	35%	11%	14%	100%
6 . Clean 500 of drainage sumps.	45%	47%	17%	100%
7 . Install 15 new sumps.	100%	110%	110%	100%
8 . Re-dig 15 existing sumps	66%	73%	53%	100%
9 . Sweep all commercial areas and state routes once per month	100%	100%	100%	100%
10 . Sweep the downtown business district once per week.	100%	100%	100%	100%

Historical data has been estimated.

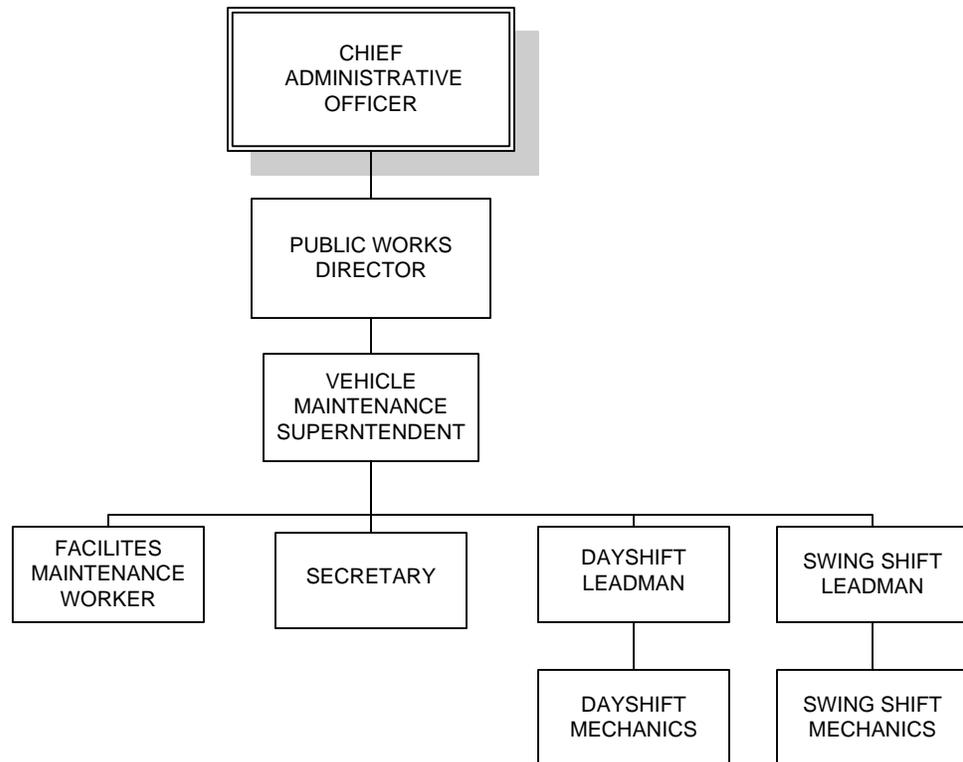
Workload Indicators

Indicator	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . Pothole Patching				
-Hours worked	2,917	3,575	3,405	3,600
-Labor cost	\$ 89,980	\$ 123,155	\$ 114,437	\$ 99,908
-Equivalent leased equipment cost	\$ 121,044	\$ 143,866	\$ 143,867	\$ 105,460
-Total Cost	\$ 211,024	\$ 267,021	\$ 258,303	\$ 205,368
-Cost Per Hour	\$ 72	\$ 75	\$ 76	\$ 57
2 . Alley Maintenance				
-Hours worked	520	699	665	1,000
-Labor cost	\$ 16,521	\$ 23,853	\$ 18,893	\$ 27,507
-Equivalent leased equipment cost	\$ 32,573	\$ 45,591	\$ 45,959	\$ 62,021
-Total cost	\$ 49,094	\$ 69,444	\$ 62,852	\$ 89,528
-Cost per hour	\$ 95	\$ 99	\$ 95	\$ 90
-Tons asphalt millings laid in alleys	1,812	405	683	2,300
-Miles of alleys graded	181	153	102	200
-Cost per mile	\$ 271	\$ 454	\$ 776	\$ 448
3 . Street Cleaning				
-Hours worked	8,011	6,667	7,219	8,000
-Labor cost	\$ 254,429	\$ 227,202	\$ 202,978	\$ 217,305
-Equivalent leased equipment cost	\$ 757,626	\$ 660,270	\$ 824,146	\$ 686,910
-Actual equipment cost	\$ 129,611	\$ 164,301	\$ 145,943	\$ 157,754
-Actual equipment cost per hour	\$ 16	\$ 25	\$ 20	\$ 19
-Cubic yards of sweepings hauled to Allied Waste	1,650	590	2,050	4,800
-Disposal cost (labor & equivalent leased equipment cost)	\$ 9,973	\$ 21,600	\$ 39,366	\$ 38,337
-Total equivalent leased equipment/labor cost	\$ 1,022,028	\$ 887,472	\$ 1,027,124	\$ 893,346
-Total equivalent leased equipment/labor cost per hour	\$ 128	\$ 133	\$ 142	\$ 186
-Miles Swept Per Day	17	14	16	17
-PM ₁₀ Levels	18	n/a	n/a	n/a
4 . Leaf Removal				
-Hours worked	2,910	3,325	3,595	3,000
-Labor cost	\$ 86,790	\$ 112,980	\$ 124,803	\$ 82,211
-Equivalent leased equipment cost	\$ 159,801	\$ 22,482	\$ 282,481	\$ 202,877
-Material Loads Hauled to EKO Compost	1,047	897	1,070	1,200
-Total cost	\$ 246,591	\$ 135,462	\$ 407,284	\$ 285,088
-Cost per hour	\$ 85	\$ 41	\$ 113	\$ 95
-Cost per load	\$ 235	\$ 151	\$ 381	\$ 237
5 . Loads of Sand Used	1,092	1,397	473	2,500
6 . Tons of Sand Collected	2,587	920	n/a	2,000
7 . Gallons of Deicer Used	155,363	368,391	85,581	170,000

Historical data has been estimated.



Public Works Vehicle Maintenance Division



Program Description

The Vehicle Maintenance Division of the Public Works Department is responsible for providing fleet and facility management services to vehicles, equipment, and facilities owned by the City of Missoula. The facilities managed by this division include City Hall, the Central Maintenance Facility, the Street Division Building, the Council Chambers Building, and the Missoula Art Museum. 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 Public Works also provides some welding and fabrication services.

City Strategic Plan & Department's Implementation Strategy

Goal #1: Funding and Service

- Strategy: We will maintain the level of service to citizens.
 - Finalize planning in FY13 and prepare for FY14 implementation of Central Maintenance Building and Tools upgrades for City Shops. The upgrades will improve service by increasing response times of the vehicles and equipment stored at the Central maintenance Facility.
 - Furnish and install Automatic Electronic Defibrillators in Council Chamber, City Hall, and the Central Maintenance Facility for first care response.

Goal #2: Harmonious Natural and Built Environment

- Strategy: We will reflect values of sustainability in transportation and building design.
 - Evaluate success of energy conservation project with Johnson Controls.
 - Begin HVAC energy conservation at City Hall and Fire Station One.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 689,796	\$ 766,075	\$ 743,756	\$ 846,979	\$ 80,904	11%
Supplies	61,569	76,370	64,486	79,777	3,407	4%
Purchased Services	373,476	454,149	374,164	414,804	(39,345)	-9%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	8,000	8,000	
Total	\$ 1,124,841	\$ 1,296,594	\$ 1,182,405	\$ 1,349,560	\$ 52,966	4%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
VEHICLE MAINTENANCE SUPERVISOR	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
SERVICE 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	1.00	0.50	0.50	0.50
FACILITIES MAINTENANCE WORKER	1.00	1.00	1.00	1.00
Total	11.00	10.50	10.50	10.50

2013 Budget Highlights

No budget Highlights for 2013



Performance Measures & Workload Indicators

Performance Measures

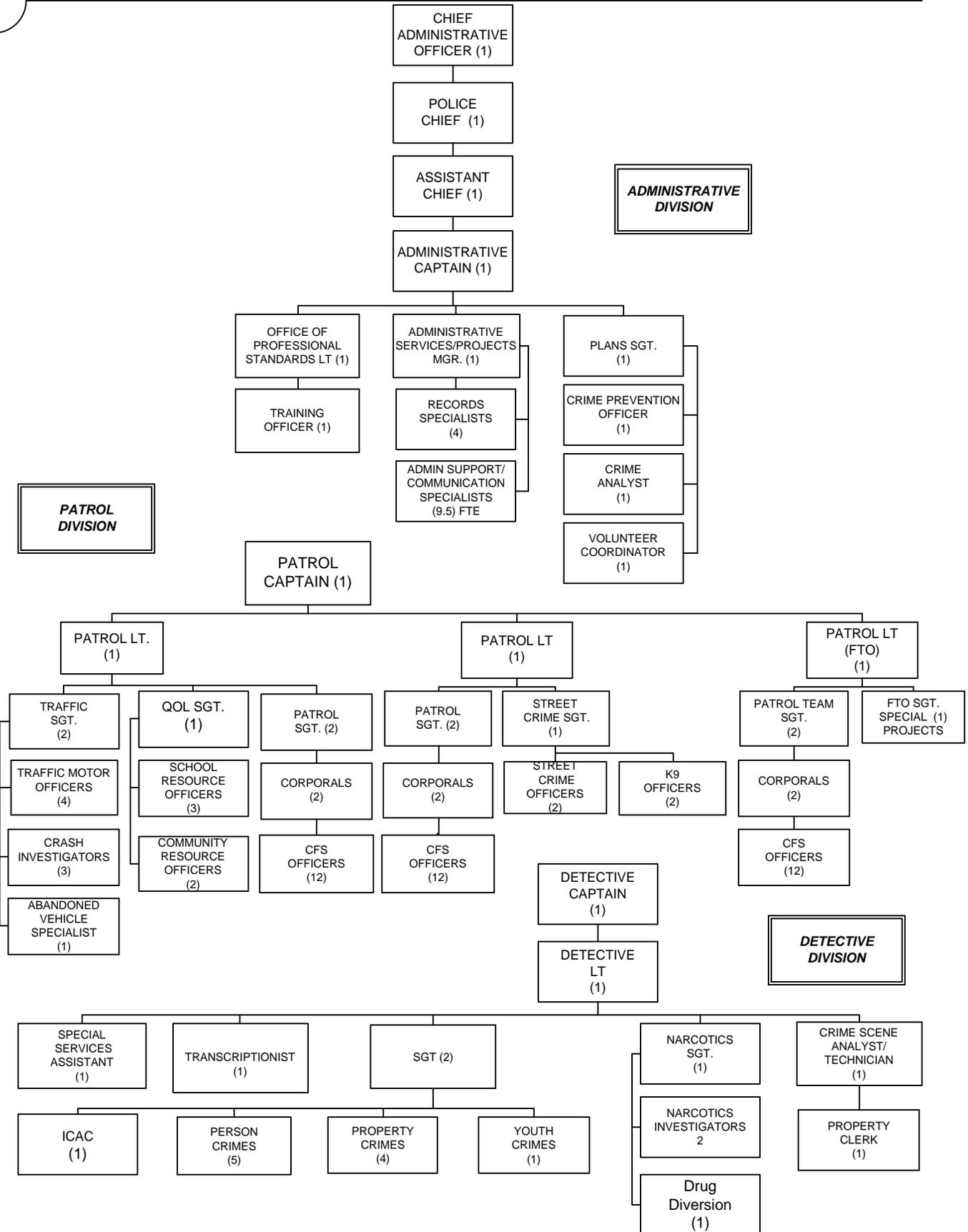
Measure	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . Scheduled repair work is an indication of proactive maintenance. Scheduled work cost less and results in far less downtime than unscheduled work. Unscheduled work costs 50% more and results in higher downtime rates. The goal is 70% scheduled repair work.	98.85%	98.16%	98.16%	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 65% direct PM work. Note, indirect time was factored out in FY 2012.	78.37%	74.30%	71.53%	65%
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> .	Value is expressed in Years			
	10.82	10.86	10.81	7.00
4 The total percent of "breakdown" repairs. The goal is less than 5% of the total number of repair jobs.	1.4%	2.1%	2.2%	5.0%

Workload Indicators

Indicator	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . Total number of equipment repair jobs completed.	5,224	6,116	6,634	6,100
2 . Total number of facility repair jobs completed.	2,774	2,178	2,730	2,730
3 . Total available facility labor hours budgeted.	2,080	2,080	2,080	2,080
4 Total number of direct facility labor hours available.	2,026	1,677	1,825	1,825
5 . Total number of mechanic labor hours budgeted.	15,735	16,640	16,640	16,640
6 . Total number of mechanic labor hours on work orders	14,053	15,606	16,388	16,640
7 . Total vehicle and equipment count excluding small equipment and emergency fire equipment.	362	358	350	350
8 . Total number of repair jobs resulting from accidents.	13	97	52	35
9 . Total parts and labor dollars spent on accident repairs.	\$9,968	\$50,005	\$27,677	\$15,000
10 . Total gallons of diesel fuel used. (CFA Records)	72,158	77,584	70,375	70,000
11 . Total gallons of unleaded fuel used. (CFA Records)	103,355	101,618	106,169	102,000
12 . Total gallons of fuel used. (CFA Records)	175,513	179,202	176,544	172,000



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:

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

City Strategic Plan & Department's Implementation Strategy

Goal #1: Fiscal Sustainability

- Strategy: We will maintain or improve the level of service to citizens.
 - Develop a comprehensive plan for future delivery of services in the city's parks, trails and open spaces with the use of Community Service Officers.

Goal #2: 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
 - Participate in public engagement opportunities to share information about significant health and safety issues of the community.
 - Participate in educating and communicating with the community and the University of Montana in an effort to identify and reduce sexual violence incidents in the community.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 10,402,504	\$ 11,185,765	\$ 10,812,960	\$ 12,012,460	\$ 826,695	7%
Supplies	304,921	307,135	318,690	319,135	12,000	4%
Purchased Services	209,209	227,236	219,603	236,906	9,670	4%
Miscellaneous	25,150	26,150	28,556	26,150	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 10,941,783	\$ 11,746,286	\$ 11,379,808	\$ 12,594,651	\$ 848,365	7%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
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	14.00	14.00	15.00
CORPORAL	6.00	6.00	6.00	6.00
POLICE OFFICERS	71.00	69.00	63.00	67.00
CRIME ANALYST	1.00	-	1.00	1.00
ADMIN SERVICES/PROJECTS MGR	2.00	2.00	1.00	1.00
ADMINISTRATIVE SECRETARY	1.00	1.00	2.00	2.00
SECRETARY	1.00	1.00	1.00	1.00
RECORDS SPECIALIST	3.00	3.00	4.00	4.00
SUPPORT SPECIALIST	5.00	5.00	5.00	5.00
CALL-IN SUPPORT SPECIALIST	1.00	1.00	1.50	1.50
EVIDENCE TECHNICIAN	1.00	1.00	1.00	1.00
PROPERTY CLERK	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	0.50	0.50
ACCIDENT INVESTIGATORS	3.00	3.00	3.00	3.00
ABANDONED VEHICLE SPECIALIST	1.00	1.00	1.00	1.00
Total	124.50	120.50	117.00	122.00

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual CY 2009	Actual CY 2010	Actual CY 2011	Forecast CY 2012
1 . Controlling Fear and Crime				
* Reducing Part I and Part II crimes (Reported)	9,150	9,451	10,200	10,000
* Reduce fear and blight, enhance personal safety:				
* Increasing safety in public places, by reducing downtown disturbances				
> Disorderly Conduct Incidents	912	976	962	950
> Assaults, except Domestic	168	170	118	115
2 . Respect for Law and Authority				
* Ratio of citizen complaints sustained: not sustained *	6/29	11/38	8/42	6/35
* Reduce Use of Force incidents	165	146	140	130
* Assaults on Officers	10	11	15	10
* Increase Professionalism, through:				
> Advanced Training hours per officer (avg.)	40	80	95	70
3 . Citizen Satisfaction with Service				
*Percentage of citizens satisfied or fairly satisfied with service. (Poll to be conducted by Volunteer Services)				90%

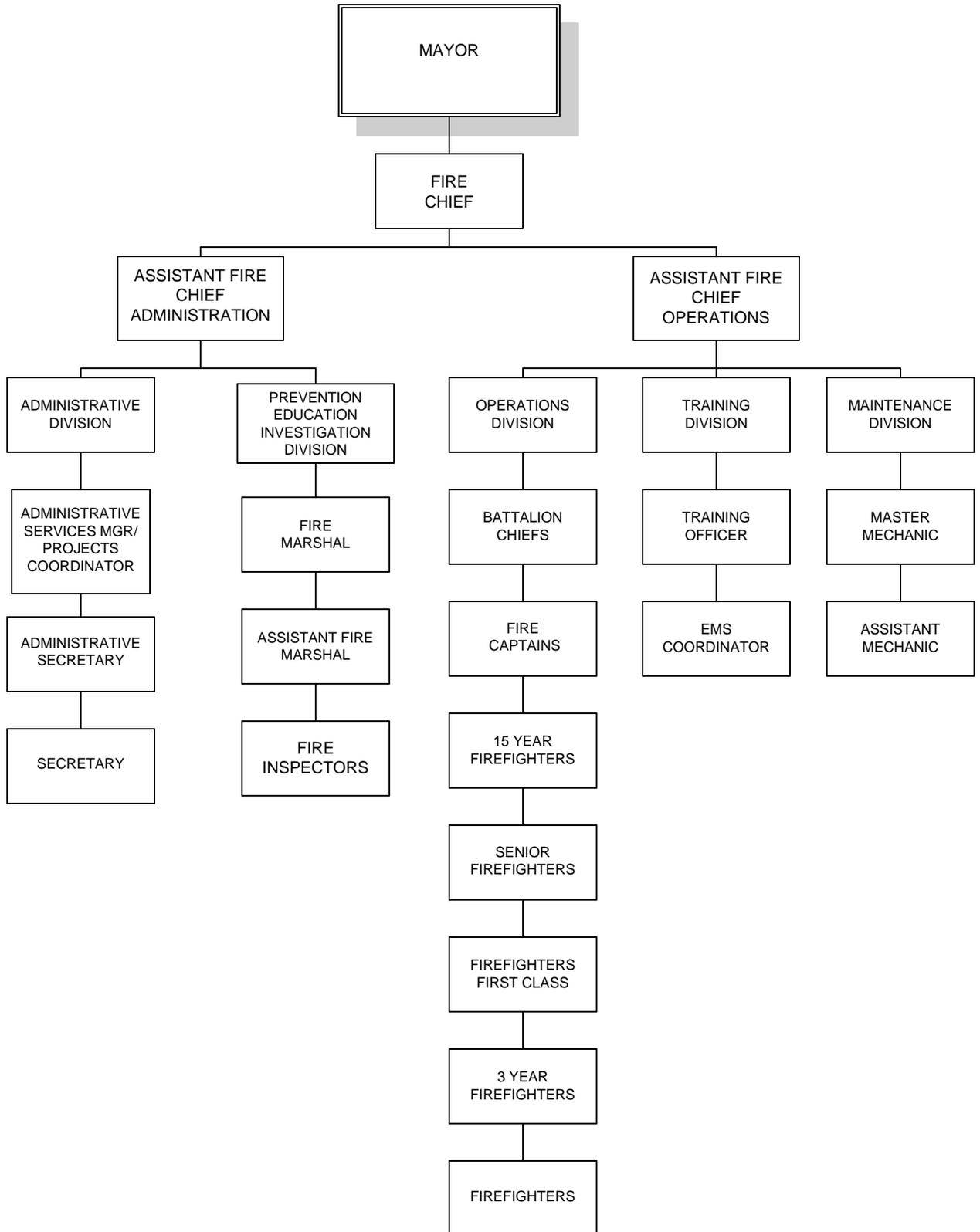
* - indicates complaints against all department employees

Workload Indicators

Indicator	Actual CY 2009	Actual CY 2010	Actual CY 2011	Forecast CY 2012
1 . Calls for Service	40,813	40,727	41,334	41,500
2 . Traffic Citations Issued	17,089	20,232	20,554	21,000
3 . Criminal Citations and Arrests	7,950	8,696	8,835	8,800
4 . Felony Investigations	744	782	819	815
5 . DUI Arrests	669	798	971	1,000
6 . Injury Crashes	348	272	307	300
7 . Injury Crashes related to DUI	48	35	28	25
8 . Quality of Life Complaints	2,068	2,078	1,882	1,700
9 . Juvenile Involved Calls for Service	1,823	1,699	2,110	2,000
10 . Partner/Family Member Assaults	440	356	349	335
11 . Vandalism	1,488	1,299	1,443	1,350
12 . Square Miles of Patrol Area in City Limits	27.8	29.2	29.2	29.20



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.

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, MCFPA, 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 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 9,279,577	\$ 10,371,090	\$ 9,788,858	\$ 10,769,348	\$ 398,258	4%
Supplies	198,718	271,839	283,999	280,669	8,830	3%
Purchased Services	207,044	247,206	215,472	238,046	(9,160)	-4%
Miscellaneous	199	226	217	226	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	18,500	18,500	-	(18,500)	-100%
Total	\$ 9,685,538	\$ 10,908,861	\$ 10,307,046	\$ 11,288,289	\$ 379,428	3%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY2010	Actual FY2011	Actual FY2012	Adopted FY2013
FIRE CHIEF	1.00	1.00	1.00	1.00
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
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	3.00	2.00	-
SENIOR FIREFIGHTERS	14.00	17.00	16.00	15.00
FIREFIGHTERS FIRST CLASS	13.00	12.00	15.00	21.00
3 YEAR FIREFIGHTERS	8.00	15.00	15.00	6.00
FIREFIGHTERS	14.00	9.00	8.00	14.00
TRAINEE FIREFIGHTERS	-	-	-	-
PROBATIONARY FIREFIGHTERS	-	-	-	-
MASTER MECHANIC	1.00	1.00	1.00	1.00
ASSISTANT MECHANIC	1.00	1.00	1.00	1.00
ADMINISTRATIVE PROJECTS MANAGER	1.00	1.00	1.00	1.00
ADMINISTRATIVE SECRETARY	1.00	1.00	1.00	1.00
SECRETARY	1.00	1.00	1.00	1.00
NEW REQUEST: STATION FIVE+	-	-	-	-
Total	94.00	95.00	95.00	95.00

2012 Budget Highlights

- During FY2012, several MFD personnel retired – Captain John Langstaff retired in September and Chief Mike Painter, BC Ed Brunsvold, BC Rich Altemus, and Training Officer Jim Steenberg retired at the end of December. Vacancy savings from those positions were used to cover both the personal leave payouts for those retirees and to shore up our minimum staffing overtime budget. We hired four firefighters in July and an additional four firefighters in December to fill vacancies created through attrition in FY11 and FY12. Also during FY12, we hired a Secretary and Administrative Secretary to fill vacancies lost to resignations. As we start FY2013, we are at four FTE's below that budgeted for in the new fiscal year.
 - Our CY2011 annual report indicates that emergency responses for that year were up nearly 400 calls from the previous year. MFD responded to 6131 calls for service in calendar year 2011, including 67 structure fires. During the first 5 months of CY2012, we have responded to some 2525 calls for service, including 30 structure fires.
 - In FY2012 we secured MRA funding to install six new fire hydrants in URD II and URD III. Also in FY2012 our Fire Prevention Bureau, in coordination with Mountain Water Company, implemented a program to ensure all privately owned fire hydrants within the City are adequately serviced and maintained in working order.
 - We completed our third full year of medical surveillance physicals and fitness assessments during FY2012. Our adopting of the IAFF/IAFC Wellness Fitness program was initially made possible by Assistance to Firefighters Grant (AFG) award and was subsequently supported through funding from the fire department budget and the Fit City program.
 - Personnel costs for 8 firefighters were offset in FY2012 by our Staffing for Adequate Fire and Emergency Response (SAFER) Grant award. FY2012 was the last fiscal year in which those grant funds will be paid.
 - During FY2012 we purchased a new Ford F-550 chassis and two Compressed Air Foam (CAF) pumping units. One CAF unit will be placed on the new chassis to build into a Type III fire engine. The other CAF unit will be installed on a Ford-550 in our current apparatus inventory to convert it from a Type VI engine to a Type III engine. The addition of the new Type III units will enable us to have a wildlands apparatus at each station and will allow for an additional contract engine to be sent out as local fire conditions allow.
 - In FY2012 we replace our jet boat with two water rescue craft (RWC). The RWCs have significantly increased our department river rescue capabilities and improved safety for our firefighters. The RWCs were purchase utilizing FY12 wildland fire contracting revenues.
 - We anticipate increased general fund revenues through an additional wildland fire contract engine and the implementation of the increases to fire department fees for plans review and inspection.
-

Performance Measures

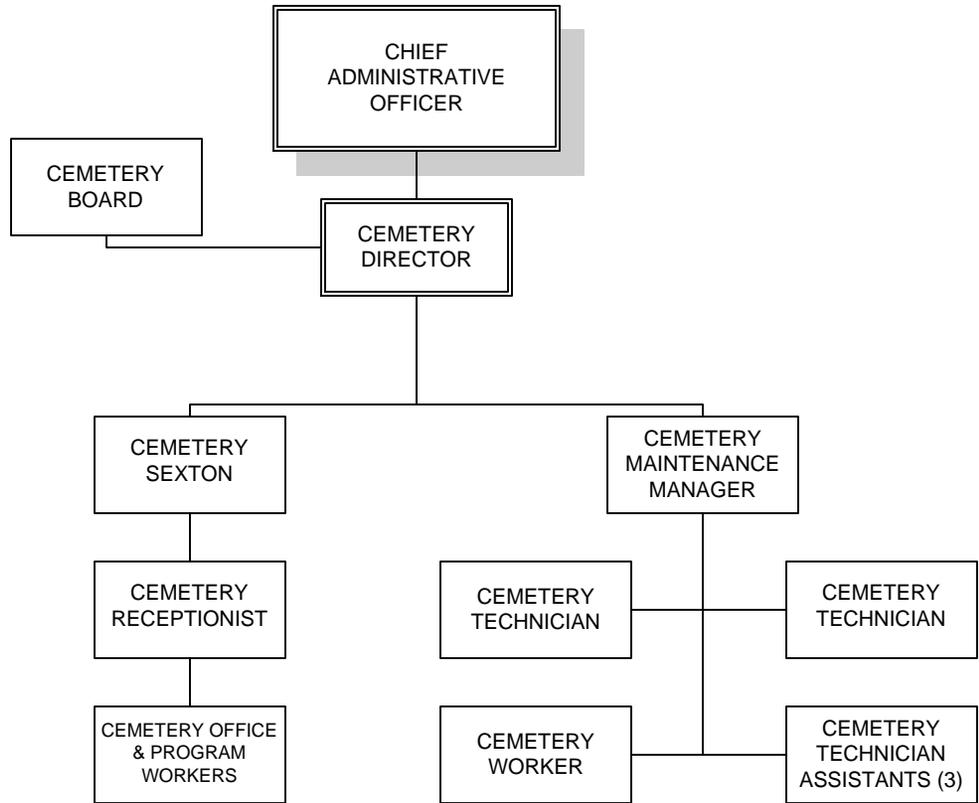
Measure	Actual CY 2009	Actual CY 2010	Actual CY 2011	Proposed CY 2012
1 . Total Inspections Completed	1222	893	926	1000
- Liquor License Inspections (Goal = 100%)	99%	88%	97%	100%
- Schools Inspected (Goal = 100%)	96%	100%	93%	100%
- New Business License Inspections (Goal = 100%)	100%	99%	100%	100%
- Occupancies Past Due for 5 year Inspection (Goal < 100)	756	1,749	1189	500
2 . System Response Time 90th Percentile (1 min added for 911) (Goal= 6 min or less)	N/A	8 min	8 min	6 min
3 System Response Percentage at 6 Minutes or Less (Goal = 90%) (=MFD response of 5 min or less)	74.7%	78%	78%	90%
4 MFD Average Response Time - Code 3 First Due	5.56 min	4.38 min	4.36 min	<5 min
5 . Fires Extinguished at Room of Origin (Goal = 75%)	63%	60%	87%	75%
6 . Level One Training - Operations Attendance (Goal = 100%)	80%	80%	80%	90%
7 . Apparatus Down-Time Percentage (Goal < 2%)	N/A	<1%	<1%	<2%

Workload Indicators

Indicator	Actual CY 2009	Actual CY 2010	Actual CY 2011	Proposed CY 2012
1 . Total Call Volume	6,217	5,752	6,131	6,660
- Structure Fires	63	64	68	70
- Vehicle Fires	30	27	19	25
- Grass, Wildland Fires	54	37	28	40
- Medical Aid	3,866	3,608	3,956	4,400
- Technical Rescue	13	16	16	25
- Other	2,191	2,000	2,044	2,100
2 . Fire Investigations	75	35	52	55
3 . Plan Review s	264	239	268	300
4 . Public Education Events/Drills	263	119	125	125
5 . Station Tours	247	128	118	125
6 . Total Training Hours Delivered	N/A	3,431	4,766	4,800
7 . Total Training Hours Received	19,742	16,375	18,430	18,500



Cemetery



Program Description

The mission of the Missoula Cemetery is to provide an esteemed public burial ground, affordable to all citizens. The cemetery accomplishes this goal through the collaborative effort of staff operating in four key capacities:

- **Administration**
- **Facilities**
- **Grounds Maintenance**
- **Burial Services**

The Missoula Cemetery promotes the dignified interment of individuals, presents opportunities for future needs designation, and offers a tranquil park for reflection while encouraging the unveiling of its historical significance to the community. The Cemetery Board of Trustees oversees cemetery guidelines are met as detailed in the Municipal Code 12.44.

Historical Note: The cemetery was founded by a group of prominent, local citizens in December 1884. It consisted of 16 acres and was originally named the 'Garden City Cemetery.' In May 1901, the City of Missoula purchased the cemetery for \$1.00 and re-named it the 'Missoula Cemetery.' The cemetery now boasts manicured parkland consisting of 80 acres.

City Strategic Plan & Department's Implementation Strategy

Goal #1: Fiscal Sustainability

- Strategy: We will work toward sustaining and diversifying fiscal resources.
 - Review and revise the Cemetery budget for the Cemetery Board of Trustees, City Administration, and City Council through zero based budgeting done on an annual basis, resulting in budget efficiency.
 - Continue detailed review of budget line items and revenues to accurately reflect cemetery operations.
 - FY11 and FY12, Cemetery Board of trustees and City Administration, due to the economy, have mutually agreed to change the Cemetery ordinance 3292, section 12.44.060 cemetery funding, to allow Cemetery sales revenue to be deposited into General Revenue instead of Cemetery Care Fund.
- Strategy: We will work with public and private sector partners in greater numbers to find new ways to enhance and diversify Missoula's economy.
 - At the end of this period, FY15, the Cemetery Board of Trustees, Missoula City Council, and Missoula City Administration shall develop a procedure of financial support of the cemetery.

Goal #2: Harmonious Natural and Built Environment

- Strategy: We will reflect values of sustainability in transportation and building designs.
 - Continue to implement and adjust the cemetery master plan to properly reflect current and future burial trends and individual needs.

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

- Strategy: We will work together to meet basic human needs for all.
 - Promote the cemetery through advertising opportunities, historical tours and presentations which capitalize on the resources and value of the cemetery for the public.
 - Continue to review and update cemetery guidelines for future developments to meet the evolving needs of the public.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 451,785	\$ 482,779	\$ 473,321	\$ 477,142	\$ (5,637)	-1%
Supplies	56,741	57,969	58,404	60,535	2,566	4%
Purchased Services	46,132	41,886	32,828	38,586	(3,300)	-8%
Miscellaneous	7,528	8,685	6,167	8,685	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 562,187	\$ 591,319	\$ 570,720	\$ 584,948	\$ (6,371)	-1%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
CEMETERY DIRECTOR	1.00	1.00	1.00	1.00
MAINTENANCE SUPERVISOR	1.00	1.00	1.00	1.00
LEAD TECHNICIAN	1.00	1.00	1.00	1.00
CEMETERY SEXTON	1.00	1.00	1.00	1.00
INTERMITTENT LABORERS	0.42	0.42	0.42	0.42
RECEPTIONIST	1.00	1.00	1.00	1.00
SEASONAL TECHNICIAN ASSISTANTS	2.50	2.50	2.50	2.50
CEMETERY TECHNICIAN	1.00	1.00	1.00	1.00
NEW REQUEST: NONE				
Total	8.92	8.92	8.92	8.92

2013 Budget Highlights

Capital Outlay

- **No Capital Outlay requests for FY12**
- **Mowers.** Two mowers are on the city's FY12 equipment replacement schedule and were to be replaced in FY11. The maintenance manager postponed replacement until FY13. The cemetery continues to be conscientious of the city's budgetary and economic factors. To date the cemetery has postponed non-justifiable replacement of four mowers since FY08.
- If any of these mowers needs replaced in FY12, the cemetery has the approval of city administration and the cemetery board of trustees to purchase new replacements.

Capital Improvement Projects

- **FY13 – Two Mowers:** \$40,000 each will be requested to purchase two new mowers for a total of \$80,000.

Cemetery Continuing Projects

- **Grounds Maintenance:** Maintenance staff continues to improve maintenance efficiency and the overall appearance of the cemetery creating a beautiful, peaceful park setting. 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.
 - **Records Management:** Office staff continues a long range project of restructuring and preserving over 21,000 burial records. This project entails the compilation of burial documentation, monument photographs, grave documentation, grounds location and verification of graves, map automation, and historical data collection. Permanent disaster recovery of all burial documents continues through off site microfilming and upcoming digital scanning and storage process. Historical, genealogical, and informational items continue to be expanded on the cemetery's website which has become a prominent public research resource.
 - **GIS Mapping:** Cemetery staff continues coordination efforts to measure and automate surveyed plot maps showing individual burial sites and decedent information. These maps will eventually include locations for electrical lines, irrigation lines, and plant growth. These maps will have multiple benefits for cemetery operations and general public research.
 - **Stories and Stones:** This annual event occurs the last Sunday afternoon each October. Over 40 volunteers, historians, re-enactors, or individuals present life histories of people interred in the cemetery or re-tell local historical events. As of fall 2010, public participation surpassed 3,000 attendees. New stories are incorporated each year along with vendors, live music, and fireside seating. There is no admission to this event. Public support is actively demonstrated through ongoing donations to the event.
 - **History Walks:** During Bus / Bike / Walk week a one hour group tour is offered featuring historical cemetery information and presentations from a limited number of storytellers. Students from area schools, summer camps, and the University of Montana regularly incorporate the cemetery's history into their curriculum. The cemetery provides a wide variety of self-guided tour booklets free to the public along with group tours throughout the year upon request.
 - **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.
 - **Cemetery Land:** Continue the re-organization of cemetery land currently being utilized as storage for various City of Missoula departments. The goal is to maintain a positive public appearance while meeting storage needs.
 - **Revenue:** The Cemetery Board of Trustees and staff continue developing promotional concepts in a coordinated effort to increase revenue productivity.
 - **Cemetery Cost Study:** City Administration requested the Cemetery Board work with an outside consultant to conduct a cost study on current cemetery fees. The study will help analyze current and proposed cemetery fees in relationship to the actual cost for providing those services. This study will be completed spring of 2011.
 - **Energy Conservation:** The cemetery continues to plan and implement fuel reduction measures through efficiency in maintenance operations, elimination of staff driving vehicles home at night, and reduction in vehicle errands and travel. These efforts resulted in a budgetary gas reduction in FY11.
-

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
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/or 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 paid advertisements in pamphlets, City maps, and golf club score cards. Highlights historical significance of the Cemetery through public tours.	100%	100%	100%	100%

Workload Indicators

Indicator	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . Grave sales	30	21	23	30
2 . Niche sales	17	16	21	20
3 . Open and closings	59	47	54	60
4 . Disinterment	-	-	-	1
5 . Foundations	43	16	16	50
6 . Mowing/leaf removal	1,900	1,900	1,900	2,125
7 . Trimming/weeding	1,275	1,275	1,275	1,405
8 . Irrigation	1,550	1,550	1,550	1,675
9 . Equipment/vehicle repair	500	500	500	375
10 . Vegetation control	475	475	475	505
11 . Facility maintenance	1,750	1,750	1,750	1,905
12 . Flower boxes/beds	^	^	428	475

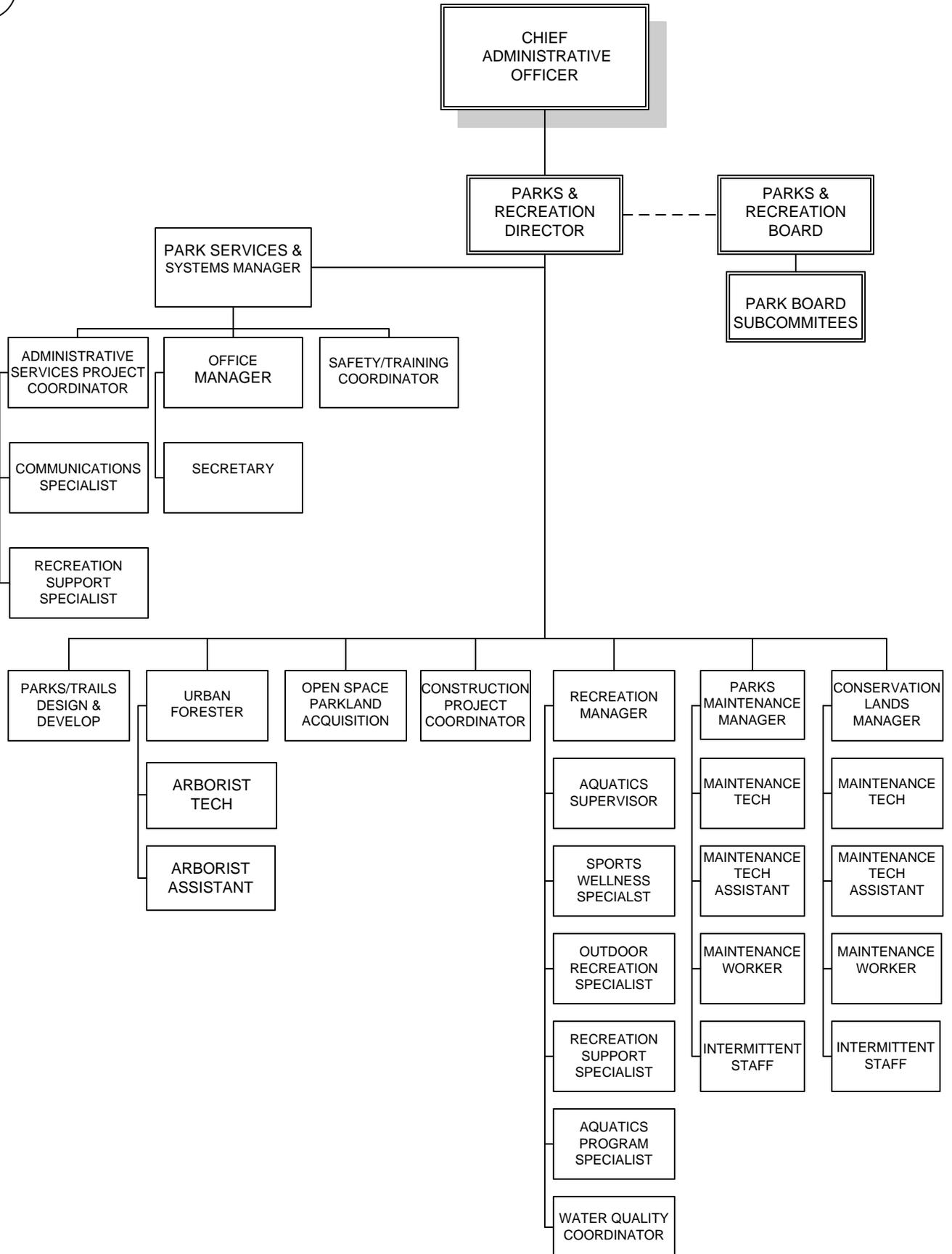
Note: 1-5 equal actual numbers

Note: 6-11 equal actual hours

^ Indicates information not recorded, FY11 is the first year tracking this information



Parks: Recreation Division



Program Description

Missoula Parks and Recreations' guiding Mission is to enhance the quality of life in our community by: Promoting Health and Wellness, Protecting the Environment; Educating and Enhancing the lives of Citizens through-out our Community by providing and maintaining diverse, accessible, and scenic parks, open spaces, and trails and numerous recreational opportunities.

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.
 - Use CDBG funding to construct Whitepine Playground climbing structure

Goal #2: Harmonious Natural and Built Environment

- Strategy: We will reflect values of sustainability in transportation and building design.
 - Utilize new Accella automation to develop an up to date inventory of fixed assets in developed parklands, primary trails, and medians

Goal #3: Quality of Life for All Citizens

- Strategy: We will work together to meet basic human needs with dignity for all.
 - Plant 200 new trees and treat 600 existing public trees (increase of 90-100 trees over past years due to Park District Funding).

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 2,168,177	\$ 2,564,684	\$ 2,368,106	\$ 2,580,169	\$ 15,485	1%
Supplies	309,336	239,369	261,276	243,437	4,068	2%
Purchased Services	449,156	449,316	455,631	470,638	21,322	5%
Miscellaneous	-	4,456	12,909	10,000	5,544	124%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 2,926,669	\$ 3,257,825	\$ 3,097,922	\$ 3,304,244	\$ 46,419	1%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
DIRECTOR	1.00	0.91	1.00	1.00
PARK SERVICES AND SYSTEMS MANAGER	-	-	1.00	1.00
PARK SUPERINTENDENT	1.00	0.91	-	-
PARK MAINTENANCE MANAGER	1.00	0.91	1.00	1.00
OPEN SPACE PROGRAM MANAGER	1.00	0.91	1.00	1.00
N.M.T.P./PARK DESIGN MANAGER	1.00	0.91	1.00	1.00
RECREATION MANAGER	1.00	0.91	1.00	1.00
RECREATION SUPPORT SPECIALIST	-	-	-	1.00
RECREATION SPECIALIST-M.O.R.E.	1.00	0.91	1.00	1.00
RECREATION SPECIALIST-SPORTS & WELLNESS	1.00	0.91	1.00	1.00
ADMIN SERVICE MGR/PROJECT COORDINATOR	1.00	0.91	1.00	1.00
PROJECT COORDINATOR	1.00	0.91	1.00	1.00
URBAN FORESTER	1.00	0.91	1.00	1.00
ARBORIST	2.00	1.82	2.00	1.00
CONSERVATION LAND MANAGER	1.00	0.91	1.00	1.00
OFFICE MANAGER	1.00	0.91	1.00	1.00
SECRETARY	0.75	0.68	0.75	1.00
RECEPTIONIST/CASHIER	-	-	-	1.00
DESKTOP PUBLISHING SPECIALIST	0.75	0.68	0.75	-
COMMUNICATION SPECIALIST	1.00	0.91	1.00	0.75
ARBORIST ASSISTANTS	0.83	0.76	0.83	1.66
MAINTENANCE TECHNICIAN ASSIST	5.36	4.89	5.36	4.17
MAINTENANCE WORKERS	6.15	5.61	6.15	7.25
MAINTENANCE TECHNICIAN	7.00	6.39	7.00	8.00
SPORTS MAINTENANCE CREW COORDINATOR	0.83	0.83	0.83	-
SAFETY/TRAINING COORDINATOR	0.83	0.83	0.83	-
INTERMITTENT POSITIONS (RECEIVE NO BENEFITS)				
OFFICIALS	0.81	0.81	0.81	0.81
LEVEL 1 INTERMITTENT RECREATION	0.35	0.35	0.35	0.38
LEVEL 2 INTERMITTENT RECREATION	3.14	3.14	3.14	3.17
LEVEL 3 INTERMITTENT RECREATION	1.41	1.41	1.41	1.44
LEVEL 3 INTERMITTENT PARK MNTC	-	-	-	-
LEVEL 4 INTERMITTENT RECREATION	2.23	2.23	2.23	2.23
LEVEL 4 INTERMITTENT PARK MNTC	6.01	6.01	6.01	4.51
LEVEL 4 INTERMITTENT CLM	-	-	-	1.02
LEVEL 4 INTERMITTENT URBAN FORESTRY	1.02	1.02	1.02	1.00
LEVEL 5 INTERMITTENT RECREATION	1.16	1.16	1.16	1.16
LEVEL 5 SPECIALTY INSTRUCTOR - KIA	0.01	0.01	0.01	0.01
PART TIME CASHIER	0.44	0.44	0.44	-
PHONE RECEPTIONIST	0.41	0.41	0.41	0.41
PART TIME CUSTODIAN	0.25	0.25	0.25	-
Total	55.74	52.51	55.74	54.97

2013 Budget Highlights

The Department is thankful the Fiscal Year 2013 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 GPS; 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 specific to Quality of life for All people in all places, Fiscal sustainability, and Harmonious Natural and Built Environment.

In addition to City Strategic Goals, the Parks & Recreation Department's FY13 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 FY13 budget requests place emphasis on improving the City's ability to help income disadvantaged families and youth; seeking adequate funds to sustainably maintain facilities to meet user demands; and, secure resources to maximize the life of existing park resources and infrastructure.

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY2013
1 . Expansion of Recreation services through volunteerism and scholarship and partnership w ith MNC, REI and the Health Department				
Increase # of participants in Rec programs	8,620	10,734	11,270	11,834
Increase amount of funding for Scholarships	\$ 7,715	\$ 16,912	\$ 17,525	\$ 18,401
Increase # of Volunteer Hours	7,200	6,700	7,500	8,500
2 . Increase Number of Shelter reservations				
Number of Shelter/permits	551	575	694	735
Number of People Served	23,696	21,657	22,740	23,877
3 . Develop Park and Trail Standards	0%	25%	50%	100%

Workload Indicators

Indicator	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY2013
RECREATION				
1 . Special Use Permits	75	122	125	131
2 . Concession Permits	40	40	53	55
3 . Scholarships for families	90	176	188	197
MAINTENANCE				
1 . Miles of trail maintained	30	32	33	34
2 . Number of lights maintained	362	362	362	427
3 . Number of restrooms maintained	32	32	32	32
4 . Number of athletic fields maintained	27	27	27	27
5 . Number of playgrounds maintained	33	33	34	34
6 . Number of irrigation systems maintained	100	100	114	114
7 . Number of dog parks maintained	3	3	3	3
8 . Number of benches maintained	229	229	234	234
9 . Number of signs maintained	62	66	72	72
10 . Acres of turf maintained	520	530	530	530
URBAN FORESTRY				
1 . Number of trees planted	175	180	105	100
2 . Number of trees pruned	500	505	550	600
3 . Number of hazard trees removed	50	60	123	50
4 . Tree pruned w ith Park District funds	N/A	N/A	45	40
5 . Trees Planted w ith Park District funds	N/A	N/A	65	60
6 . Stumps removed w ith Park District funds	N/A	N/A	61	70
7 . Trees removed w ith Park District funds	N/A	N/A	35	-
8 . Number of annual flow ers planted	260	260	260	260
CONSERVATION LANDS				
1 . Number of acres thinned on CLM for fuel reduction	5	10	212	180
2 . Number of acres treated w ith herbicide on Con. Lands	798	850	571	600
3 . Number of acres grazed on cons. Lands	993	1,000	1,085	1,100
4 . Number of trailheads maintained	45	45	49	49
5 . Miles of conservation trail maintained	4	45	47	47
6 . Number of acres reseeded on CLM	N/A	N/A	161	300
7 . Number of trailheads maintained CLM	N/A	N/A	34	35
8 . Number of access points maintained CLM	N/A	N/A	30	31
9 . Number of kiosks	N/A	N/A	4	5
10 . Number of signs maintained	N/A	N/A	183	199
11 . Number of native trees & shrubs planted on CLM	N/A	N/A	1,065	1,300
12 . Number of acres of w eeds hand pulled CLM	N/A	N/A	11	10
13 . Number of benches maintained	N/A	N/A	13	14
14 . Number of bridges	N/A	N/A	5	5

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 \$ 116,000

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.

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.

ANIMAL CONTROL TRANSFER - Activity budget equals \$ 249,432

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.

ART MUSEUM - Activity budget equals \$ 43,900

This program covers the cost of maintaining the City building, in which the Missoula Museum of Art is located, pursuant to an intergovernmental agreement with Missoula County.

CITY BAND - Activity budget equals \$ 5,880

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

COMMUNITY SERVICES (MCS) - Activity budget equals \$ 67,585

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.

CULTURAL COUNCIL CONTRIBUTION - Activity budget equals \$ 42,000

This program provides funding for the City's Sister City Program with Neckargemünd, Germany and Palmerston, New Zealand.

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, real estate/relocation, facility siting, local and county processes, connecting with The University of Montana and tapping the local workforce. The City of Missoula has invested \$100,000 for FY12 for the startup of the MEP, and this investment is to continue at that level annually through the life of the first round of funding, which is five years.

HEALTH DEPARTMENT CONTRIBUTION - Activity budget equals \$ 1,190,132

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 objectives are provided in the Health Department's section of this budget.

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.

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.

OFFICE OF PLANNING AND GRANTS (OPG) CONTRIBUTION - Activity budget equals \$ 1,054,879

This is the amount of money that is transferred to the Missoula Office of Planning and Grants (OPG), a department created through an Inter-local Agreement between the City and County of Missoula. The program objectives are provided in the OPG section of this budget document. Many of the funds transferred by the City to OPG originate with state and federal grants or leverage additional grant resources for the City. This includes money set aside to pay for an office remodel and half year of the directors salary for the Planning Department.

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.

PEST MANAGEMENT EDUCATION - Activity budget equals \$ 2,940

This item is for a contract with the County Extension Office to provide pest management education for the purpose of creating a greater understanding of the issues related to pesticide use and pest management. This program will also improve both pest identification and management timing. Education will be provided to help focus attention on plant care techniques and prevent or suppress pests.

AQUATICS SUBSIDY - Activity budget equals \$ 188,000**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 \$ 21,484

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 \$298,078

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.

LEGISLATIVE PROGRAM - Activity budget equals \$ 33,000

Funds will support City of Missoula lobbying efforts during the 2013 Session of the Montana State Legislature.

MUSIC RIGHTS - CITY BAND/MUSICAL VENUES - Activity budget equals \$1,300

This activity is created for the costs incurred by the City for reproduction of copyrighted songs for venues such as Currents & Splash as well as other activities in which copyrighted songs are played.

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 3% NON-UNION INCREASE – Activity budget equals \$ 350,879

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

SID ASSESSMENTS - Activity budget equals \$ 80,000

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.

TRANSFER TO C.I.P. FUND - Activity budget equals \$ 1,005,382

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

VEHICLE TRANSFER – Activity budget equals \$ 63,242

This is for reimbursement of the transfer of vehicles from enterprise funds to the General Fund.

EMPLOYEE SAFETY – WORK COMP CONSULTANT – Activity budget equals \$ 30,000

This is for hiring a consultant to assist in the creation of a safe work environment to decrease the incidents of on the job injuries.

RESERVE – UTILITIES AND GAS/DIESEL – Activity budget equals \$51,300

SEXUAL ASSAULT PREVENTION CAMPAIGN – Activity budget equals \$7,000

Funding for this initiative supports the development and launches a comprehensive social marketing campaign and workshops to prevent sexual violence. The campaign will target individuals ages 16 – 34 in the city of Missoula, rural communities in Missoula County and Mineral County, and University of Montana.

RESERVE – INSURANCE PREMIUM SAVINGS – Activity budget equals \$43,282

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ 109,096	3,554	308,284	\$ 199,188	183%
Supplies	(105,685)	50,000	(106,647)	57,500	7,500	15%
Purchased Services	1,269,074	1,028,236	1,019,665	1,166,054	137,818	13%
Miscellaneous	3,894,188	4,215,175	4,159,785	4,680,049	464,874	11%
Debt Service	99,961	176,285	176,285	298,078	121,793	69%
Capital Outlay	-	-	-	-	-	-
Total	\$ 5,157,537	\$ 5,578,792	\$ 5,252,642	\$ 6,509,965	\$ 931,173	17%

* 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 FY 13 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

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	625	10,000	485	10,000	-	0%
Purchased Services	-	35,000	-	35,000	-	0%
Miscellaneous	59,446	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	29,126	305,000	-	243,120	(61,880)	-20%
Total	\$ 89,197	\$ 350,000	\$ 485	\$ 288,120	\$ (61,880)	-18%

* 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 "Field Use Fees" from organized recreation leagues and fees received from the School Districts for their use of park facilities.

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 13 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 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	6,349	25,000	8,011	35,000	10,000	40%
Purchased Services	704	20,000	13,906	30,000	10,000	50%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	137,000	-	155,000	18,000	13%
Total	\$ 7,053	\$ 182,000	\$ 21,917	\$ 220,000	\$ 38,000	21%

* Un-audited numbers

Fund Description

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

Activities & Objectives

Caras Park - \$50,000

Donations or funds made from special events and dedicated specifically to improvements at Caras Park. Special events include extraordinary events, concerts and may include other events. Improvements include but are not limited to brick work, pavers, signs, irrigation, turf, restrooms, lights, trails, woody vegetation, flowers, planters and general maintenance. This fund was established in January 1983 through a \$4,500 donation from the Caras Family.

Missoula Trails Planning, Development & Improvement - \$102,000

This fund was started in FY 92 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.

Kim Williams Trail - \$39,000

The Kim Williams Trail is part of the Bicycle Commuter Network. ARCO direct \$50,000 in funds specifically for the Kim Williams Trail component of the Bicycle Commuter Network. Funds can be spent for right of way acquisition, preliminary engineering, design, development and construction of the Kim Williams Trail. The money was donated in return for an easement/maintenance agreement to be created between Montana Power Company (the landowner) and Missoula County. The County requires funds to be spent first on portions of the trail beyond Missoula City limits, before any funds would be directed towards improvements of the existing Kim Williams Trail within the City limits.

Recreation Program Special Events Donations - \$50,000

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 - \$60,000

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 various grant programs.

DNRC/Forest Health Grant - \$ 123,250

Money received for...

Department of AG Intern Grant - \$ 9,205

Money Received for...

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.

Aquatics Donations - \$30,000

Donations, gifts and fundraiser held and funds earmarked specifically for aquatics needs.

White Pine Park Playground - \$71,000

Money received for the construction...

Open Space Acquisition Donations - \$25,000

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 - \$69,121

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.

Wood Reclamation Project - \$300,000

Funds received for...

Recreation MORE - \$25,000

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

Recreation Adult Sports and Wellness - \$25,000

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

Recreation Scholarship - \$35,000

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.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 3,512	\$ -	\$ 1,219	\$ 9,205	\$ 9,205	
Supplies	19,116	151,751	32,540	126,800	(24,951)	-16%
Purchased Services	173,359	273,765	66,990	287,571	13,806	5%
Miscellaneous	-	75,000	-	75,000	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	654,709	150,582	555,000	(99,709)	-15%
Total	\$ 195,988	\$ 1,155,225	\$ 251,331	\$ 1,053,576	\$ (101,649)	-9%

* Un-audited numbers

Fund Description

Niche Fund. Beginning in FY06, 50% of all revenue generated from niche or memorial wall sales and services at the Missoula Cemetery shall be deposited into the Niche Fund. Beginning in FY07, 100% of all revenue generated from niche sales and services shall be deposited into the Niche Fund.

Activities & Objectives

The only expense from this fund shall be the cost of inscription for all walls. This fund is to remain intact and grow for ten years, from the beginning of FY06 through the end of FY15. At the end of this period, the Cemetery Board of Trustees, Missoula City Council, and Missoula City Administration shall develop a procedure of financial support of the cemetery.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	1,672	2,500	491	2,500	-	0%
Total	\$ 1,672	\$ 2,500	\$ 491	\$ 2,500	\$ -	0%

* Un-audited numbers

Fund Description

Care Fund. Beginning in FY06, 50% of all revenue generated from sales and services at the Missoula Cemetery, with the exception of niche or memorial walls sales and services and memorial monetary donations, shall be deposited into the Permanent Care Fund. Beginning in FY07, 100% of all revenue generated from sales and services at the Missoula Cemetery shall be deposited into the Permanent Care Fund. This fund is to remain intact and grow for ten years, from the beginning of FY06 through the end of FY15. At the end of this period, the Cemetery Board of Trustees, Missoula City Council, and Missoula City Administration shall develop a procedure of financial support of the cemetery.

Activities & Objectives

This fund is to remain intact and grow for ten years, from the beginning of FY06 through the end of FY15. At the end of this period, the Cemetery Board of Trustees, Missoula City Council, and Missoula City Administration shall develop a procedure of financial support of the cemetery.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	10,000	-	10,000	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	65,000	65,000	
Total	\$ -	\$ 10,000	\$ -	\$ 75,000	\$ 65,000	650%

* Un-audited numbers

Fund Description

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

Activities & Objectives

The Cemetery Board of Trustees shall approve all non-designated expenditures from this fund.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	228	2,000	538	2,000	-	0%
Total	\$ 228	\$ 2,000	\$ 538	\$ 2,000	\$ -	0%

* Un-audited numbers

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 FY86. During FY88, the City reached 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 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 FY98 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 FY04), with the realization that this level of funding may eventually result in the exhaustion of the fund.

Projects identified to date:

1. FY 2013 Contributions administered by OPG (\$56,500)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	92,621	136,160	85,807	56,500	(79,660)	-59%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 92,621	\$ 136,160	\$ 85,807	\$ 56,500	\$ (79,660)	-59%

* 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 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	52,000	50,000	46,000	50,000	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 52,000	\$ 50,000	\$ 46,000	\$ 50,000	\$ -	0%

* 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 slated to go into effect on October 1, 2004.

Activities & Objectives

The purpose and intent of the new ordinance was 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 conducted by Tischler and Associates.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 296	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	796	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	391,157	1,900,000	220,311	2,400,000	500,000	26%
Total	\$ 391,452	\$ 1,900,000	\$ 221,107	\$ 2,400,000	\$ 500,000	26%

* 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 is responsible for directing this program and has established a Public Art Committee that provides advice and recommendations on public art to the City Council. The Percent for Art Program focuses on both outside and inside, new and remodeled City owned public spaces. The art may serve a function, express a theme or commemorate an important person.

The Public Art Fund receives one percent (1%) of eligible construction costs of the City of Missoula's Capital Improvement projects (CIP) costing \$100,000 or more. 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 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	1,762	-	2,120	-	-	
Miscellaneous	-	60,000	-	80,800	20,800	35%
Debt Service	13,250	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 15,012	\$ 60,000	\$ 2,120	\$ 80,800	\$ 20,800	35%

* Un-audited numbers

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

Currently, the City of Missoula levies the dollar amount set by the caps, which is set at 12.56 mills. Additional dollars and mills are levied permissively under the 2372 Permissive Medical Levy Fund.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	1,038,338	1,358,338	1,358,338	1,358,338	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 1,038,338	\$ 1,358,338	\$ 1,358,338	\$ 1,358,338	\$ -	0%

* Un-audited numbers

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 FY13 is 25.83 mills compared with the FY12 levy of 24.32 mills.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	1,747,847	2,544,027	2,544,027	2,794,027	250,000	10%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 1,747,847	\$ 2,544,027	\$ 2,544,027	\$ 2,794,027	\$ 250,000	10%

* 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. The City will receive 5% of the gross revenues of Bresnan Communications plus twenty five cents per month per customer for capital equipment replacement and the development of a second government channel. The City adopted a similar ordinance with Cable Montana on March 7, 2005 with Ordinance#3278 covering the cable system up the Rattlesnake Valley. Cable Montana has since been acquired by Bresnan Communications as of July 1, 2005.

Activities & Objectives

\$562,987 of franchise fees from Bresnan are projected and budgeted. The increase in Bresnan’s remittances in the past was related primarily to market increases. The FY 11 budget assumes no growth.

Pursuant to a contract pending with the City, Missoula Community Access Television (MCAT) is budgeted to receive \$337,342 in FY 11.

		<u>FY 2013</u>	<u>FY 2012</u>
350 Account	Cable TV Negotiator/Consultant	\$5,000	\$14,467
370 Account	Travel to training workshops	1,000	1,000
380 Account	Training on new regulations	1,000	1,000
390 Account			
500 Account			
700 Account	MCAT Operations Contribution	393,150	492,310
820 Account	Transfer to General Fund	269,320	206,816
840 Account	Contingency – decided by Council	0	0
940 Account	Capital-Replacement & Second Channel	<u>189,000</u>	<u>105,487</u>
	Total	\$858,470	\$821,080

OBJECTIVES:

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

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	888	16,467	6,411	7,000	(9,467)	-57%
Miscellaneous	570,115	699,126	679,155	662,470	(36,656)	-5%
Debt Service	-	-	-	-	-	
Capital Outlay	48,182	105,487	105,487	189,000	83,513	79%
Total	\$ 619,184	\$ 821,080	\$ 791,052	\$ 858,470	\$ 37,390	5%

* Un-audited numbers

Fund Description

Pursuant to Section 44-12-206 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:

Vehicle(s)	
Computer Software	
Surveillance Equipment	
K9 Program	
SWAT training	
SWAT equipment	
Digital Camera(s)	
Purchase of Evidence	
Drug Training	
Total	\$27,800

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	4,543	6,500	9,890	6,500	-	0%
Purchased Services	12,355	9,300	18,579	8,300	(1,000)	-11%
Miscellaneous	266	1,000	-	1,000	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	12,000	-	12,000	-	0%
Total	\$ 17,163	\$ 28,800	\$ 28,470	\$ 27,800	\$ (1,000)	-3%

* Un-audited numbers

Fund Description

This fund is to aid qualified landlords for rehabilitation work, in an effort to improve the rental housing stock in Missoula. In addition, this fund will be used to assist low to moderate income individuals.

Activities & Objectives

The program income appropriations will be used to provide assistance to low and moderate income persons under the State of Montana CDBG Program Income Guidelines.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	2,315	-	2,103	(212)	-9%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ -	\$ 2,315	\$ -	\$ 2,103	\$ (212)	-9%

* Un-audited numbers

Fund Description

The City of Missoula will use EECBG funding to create a Revolving Loan Fund, which will be made available for the implementation of energy efficiency and conservation measures. The Revolving Loan Fund will be modeled after the City's successful CDBG Loan Fund and will be competitive and open to the public.

RLF loans will directly assist business owners, non-profits and others to implement energy efficiency retrofits or other conservation measures as allowed within EECBG regulations. The program will offer low-interest rates as a financial incentive for participation and will revolve, allowing us to fund similar projects in the future.

Activities & Objectives

Original \$150,000 seed money will be loaned no later than 12/1/12.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	-
Supplies	-	-	-	-	-	-
Purchased Services	-	-	-	-	-	-
Miscellaneous	-	-	-	150,000	150,000	
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000	

* 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

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	15,000	-	15,000	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ -	\$ 15,000	\$ -	\$ 15,000	\$ -	0%

* 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 the utility bills for operating the lights in the districts.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	291,301	323,627	322,720	339,268	15,641	5%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 291,301	\$ 323,627	\$ 322,720	\$ 339,268	\$ 15,641	5%

* 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 of the streets and pickup of street rubbish from containers within the right-of-way

Activities & Objectives

The costs associated with this district are actually expended out of the General Fund. Annually the assessments collected by this fund are transferred into the General Fund to offset those costs.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	20,696	21,288	18,432	21,288	-	0%
Miscellaneous	35,984	34,132	36,988	27,281	(6,851)	-20%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 56,680	\$ 55,420	\$ 55,420	\$ 48,569	\$ (6,851)	-12%

* 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.

The assessment funds a portion (\$240,000) of the materials necessary to implement the City’s year-round street maintenance operations and transportation related Capital Improvements Program, specifically CIP S-15 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 also funds a portion (\$60,000) of the cost of sidewalk improvements on city streets, specifically assistance for residential owner occupied property owners for a portion of the costs on installing American with Disabilities Act (ADA) compliant curb ramps in conjunction with CIP S-16 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.

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

Goal # 1 Fiscal Sustainability

- Strategy: We will maintain or improve the level of service to citizens.
 - The City-wide road district funds a portion of the materials budget to maintain the current level of service as provided to all city residents.
- Strategy: We will work toward sustaining and diversifying fiscal resources.
 - The road district provides financial assistance to property owners for ADA curb ramps as an additional financial resource to reduce sidewalk installation assessment costs. Staff will develop and implement guidelines for using this additional money to assist property owners.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual * FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 164,606	\$ -	\$ -	\$ 13,826	\$ 13,826	
Supplies	45,974	164,799	159,967	186,483	21,684	13%
Purchased Services	4,755	-	351	-	-	
Miscellaneous	24,684	75,201	75,201	75,201	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	60,000	38,625	78,000	18,000	30%
Total	\$ 240,018	\$ 300,000	\$ 274,144	\$ 353,510	\$ 53,510	18%

* Un-audited numbers

2013 Budget Highlights

New requests:

- **Flood Control Maintenance** – Funds Requested: **\$ 10,000** - Army Corps of Engineers required maintenance of Missoula storm water flood control levees (\$10,000) on the Clark Fork River and Grant Creek Levees
- **.25 Winter Seasonal Employee** – Funds Requested: **\$ 13,826** – Additional winter operations staff funding for better service response during snow operations to reduce the number of snow related complaints
- **GPS Tracking Units on Street Vehicles** – Funds Requested: **21,684** - Global Positioning System (GPS) units on Streets Division equipment (\$21,684) for real-time supervision, enhanced efficiency of service delivery, and reduced fuel consumption during Street Division operations
- **Mountain Line Transit Transfer Center** – Funds Requested: **\$ 8,000** - Mountain Line Transit Transfer Center landscape buffer to be installed in conjunction with safety and functional rehabilitation as described in CIP CS 19

Program Description – Work plan

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.

City Strategic Plan & Department's Implementation Strategy

Goal #1: Quality of Life for All Citizens

- Strategy: We will work together to meet basic human needs with dignity for all.
 - Plant 190 trees per year with increase of 90-100 trees from Park District 1 and remainder from general fund.

Fund will be use for purchasing materials as allocated below:

Park Maintenance Routine:

- Operating Supplies @ \$39,326
- Supplies - Repair and Maintenance @ \$31,801
- Professional Services @ \$4,920
- Purchased Services – Repair and Maintenance @ \$25,862

Conservation Lands Management

- Professional Services @ \$37,127

Urban Forestry

- Operating Supplies @ \$14,352
- Supplies - Repair and Maintenance @ \$3,952
- Professional services @ \$2,660

Per Council Resolution \$40,000 is dedicated specifically to Urban Forest maintenance

- \$10,000 for purchase and installation of new trees for parks and ROW
- \$30,000 for responding to hazards and risk management as identified by staff or citizens, with any remaining balance to be used for cyclical block pruning.

Missoula Parks and Recreations' guiding Mission is to enhance the quality of life in our community by: Promoting Health and Wellness, Protecting the Environment; Educating and Enhancing the lives of Citizens through-out our Community by providing and maintaining diverse, accessible, and scenic parks, open spaces, and trails and numerous recreational opportunities.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual * FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 109,544	\$ -	\$ -	\$ 31,340	\$ 31,340	
Supplies	30,282	89,431	80,191	161,607	72,176	81%
Purchased Services	36,381	135,089	132,997	187,841	52,752	39%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	130,000	130,000	
Total	\$ 176,207	\$ 224,520	\$ 213,188	\$ 510,788	\$ 286,268	128%

* Un-audited numbers

FY 2013 Budget Highlights

The approved increase in park district funding for FY13 will provide for improvement in core parks and greenways maintenance services particularly where those services were reduced in past years. Priorities include but are not limited to:

CLM \$19, 205 (\$9,205 Grant, \$10,000 Park District)

Research Specialist/Assistant will assist and/or manage existing and new research projects, such as:

- A comprehensive recreational use study. Study will help us learn about recreational use patterns, compliance / posted regulations and get input from trail users concerning management of our open space.
- Basic monitoring of vegetation management efforts. For example, monitor % of successful establishment of saplings used in restoration. Monitor efficacy and non-target impacts of herbicide spraying (especially new herbicides or old herbicides on new plants). Monitor success of restoration of disturbed areas (for example; trails construction/rehab, Norway maple removals in Greenough). This basic monitoring will be very useful for adjusting timing/species/protocols for vegetation management, making the Parks Department more efficient and effective.
- Long-term cushion plant monitoring. Monitor plant changes in cushion plant communities on the N. Hills and Mt. Jumbo. • Maintenance of multiple photo points across multiple properties. • Using native annuals as a cover crop to restore areas invaded by cheat grass. Learning objective: novel approaches and new techniques to restore cheat grass infested rangeland
- Mitchell's long-term plant community monitoring on the N. Hills and Mt. Sentinel. Last year we reestablished several transects which were installed by a graduate student in 1955. Learning Objective: compare local changes in plant community composition (since 1955) and track changes into the future. This is essential information for us to describe and predict what plants we need to reestablish on site and/or to redefine our goals based on what can grow on site.

Park Maintenance \$75,000

- 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. • Provide alternate restroom facilities in areas lacking and or to extend the facility's seasons.

- Help to address additional and new developed parks that came on line during the recession and the City has been unable to fund operations: 44 Ranch, Maloney Ranch, White Pine Park, and Silver Park.
- Fertilization, aeration and weed treatment of sports and general turf areas throughout the system with emphasis on Caras Park, Playfair Park, and McCormick Park and other sports fields.
- Install mulching kits on remaining mowing equipment for more sustainable turf health and quality, weed control, and water conservation.
- Playground maintenance, especially fall zone upkeep, at Pineview, Bonner, Maloney, Franklin, Lafray, Rose Memorial, Westside, McLeod and McCormick parks.
- Various irrigation system maintenance repairs including identified challenges at Nicole, Garland, and Sacajawea parks.
- Pothole and minor pavement repairs and maintenance of McCormick Park parking lot.
- Fence repairs at sports ball field complexes.
- Repainting of basketball and tennis court lines at various sites, funds permitting.

Greenways & Horticulture \$32,184

- 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.

Pruning and Hazard Tree care \$10,000

- Increase contract removal of dead ROW trees, stump grinding and replanting.
- Purchase and use tree watering bags to improve new tree survival and reduce costs to provide supplemental water.

Repair, Renovation, Improvements CIP \$70,000

- Completion of the R MacDonald Riverfront Trail paving at the Clark Fork Natural Park enhances the commuter potential and ADA access at Missoula's busiest section of trail. Asphalt surfaces allow for much improved snow and ice removal and significantly reduce mud. (\$6250)
- Repair of damaged trails, damaged or vandalized playground, and/or the repair of shelters allows the Department to mitigate potential safety and liability concerns. (\$23,750)
- 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. Funds will primarily be used to hire consultants that can provide accurate costing information and support a public involvement process. (~\$40K)

In summary, the funds in Greenways and Horticulture and Park Maintenance, totaling ~\$107K, brings the Department close to FY09 funding levels in routine park maintenance. A number of parks, trails, conservation lands, and ROW improvements have been added during this four year period, 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.

The new and additional funds dedicated to our aged Urban Forest have been extremely beneficial as we begin to address the most deficient areas and trees. The new conservation lands researcher is a good investment in our ability to practice adaptive and best practices management of these lands.

Program Description – (2820)

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 2013:

Annual sidewalk replacement program	\$30,000	Account 930
Asphalt for street paving	\$218,300	Account 930
Chip seal emulsified asphalt and distribution	\$286,000	Account 930
Sand (winter street sanding)	\$25,400	Account 930
Chip seal aggregate	\$109,125	Account 930
Engineering, soil tests, and materials tests	\$5,000	Account 350
Epoxy bike lane striping project – local match plus ICAP	\$5,624	Account 500
Van Buren Street Reconstruction	\$15,000	Account 930
Epoxy Crosswalks	\$15,000	Account 350
Lolo Trail Study – CIP Item CS-21	<u>\$10,000</u>	Account 350
Total Direct Expenditures:	\$719,449	

Interfund transfers for FY 2013:

Transfer to 1000.320 fund for labor costs	<u>\$564,000</u>	Account 820
Total Interfund Transfers:	\$564,000	

TOTAL FUND EXPENDITURES: \$1,283,449

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	5,000	6,000	20,000	15,000	300%
Miscellaneous	564,000	571,987	564,000	569,624	(2,363)	0%
Debt Service	-	-	-	-	-	
Capital Outlay	441,135	592,210	552,675	693,825	101,615	17%
Total	\$ 1,005,135	\$ 1,169,197	\$ 1,122,675	\$ 1,283,449	\$ 114,252	10%

* 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 Recovery V Grant - Activity budget equals **\$65,961**
Department of Justice Edward Byrne Memorial JAG Recovery VI Grant - Activity budget equals **\$4,284**
Department of Justice Edward Byrne Memorial JAG Recovery VII Grant - Activity budget equals **\$21,632**
Department of Justice Edward Byrne Memorial JAG Recovery VIII Grant - Activity budget equals **\$11,542**
Department of Justice Edward Byrne Memorial JAG Recovery IX Grant - Activity budget equals **\$40,090**

The Justice Assistance Grants are the newest grant and will provide a half-time property clerk and other programs for the Missoula County Sheriff Department as well as provide funding 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.

COPS Hiring 2011 – Activity Budget equals **\$78,607**

The "COPS Hiring Recovery Program" (CHRP) provides funding directly to law enforcement agencies to hire and/or rehire career law enforcement officers in an effort to create and preserve jobs, and to increase their community policing capacity and crime prevention efforts.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 3,470	\$ 101,769	\$ 64,323	\$ 92,833	\$ (8,936)	-9%
Supplies	15,266	43,738	27,986	251	(43,487)	-99%
Purchased Services	39,806	76,438	44,454	15,481	(60,957)	-80%
Miscellaneous	-	35,000	-	106,051	71,051	203%
Debt Service	-	-	-	-	-	
Capital Outlay	7,201	77,319	1,583	7,500	(69,819)	-90%
Total	\$ 65,743	\$ 334,264	\$ 138,345	\$ 222,116	\$ (112,148)	-34%

* 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 equipment, training and supplies.

Activities & Objectives

HIDTA Forfeiture Fund – Activity budget equals **\$756,643**

TOTAL FUND EXPENDITURES EQUALS \$ 756,643

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ 16,350	\$ 16,350	
Supplies	-	-	6,595	1,000	1,000	
Purchased Services	-	-	53,089	13,250	13,250	
Miscellaneous	72,784	668,490	113,778	676,043	7,553	1%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	50,000	50,000	
Total	\$ 72,784	\$ 668,490	\$ 173,463	\$ 756,643	\$ 88,153	13%

* 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.

Anticipated income is \$7,940.

Activities & Objectives

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

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	700	-	18,407	17,707	2530%
Miscellaneous	19,023	15,067	15,767	-	(15,067)	-100%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 19,023	\$ 15,767	\$ 15,767	\$ 18,407	\$ 2,640	17%

* 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 & Objectives

2012 OPG Admin Fees – Activity budget equals **\$112,297**

Grant support of administration fees.

2012 YWCA of Missoula – Activity budget equals **\$17,000**

This grant will support emergency shelter for homeless families through the Gateway Center Family Shelter, which provides short-term motel vouchers to provide housing for homeless families.

2012 Missoula Food Bank – Activity budget equals **\$16,970**

This grant will support a .5 FTE Warehouse /Driver Assistant and .33 FTE Program Services Assistant to supervise SNAP outreach, and coordinate community outreach efforts.

2012 Garden City Harvest – Activity Budget equals **\$17,000**

This grant is to lease the property at 1657 and 1711 River Road for continued operation of 53 garden plots at the River Road Neighborhood Farm and Community Garden.

2012 WORD – Activity budget equals **\$14,000**

This grant is the...

2012 homeWORD – Activity budget equals **\$10,500**

This grant is the acquisition and construction of the Solstice Apartments.

FY 2012 Poverello Public Service – Activity budget equals **\$8,752**

FY 2012 City Parks and Recreation – Activity budget equals **\$71,000**

FY 2012 Poverello Facility Repair – Activity budget equals **\$49,747**

2012 Partnership Health Center – Activity budget equals **\$420,000**

This grant will support the Partnership Health Center in the City.

2012 RAMP – Activity budget equals **\$28,000**

This grant will support the purchase and installation of modular aluminum wheelchair ramps for low- to moderate-income seniors or people with disabilities who have limited mobility and are in need of improved accessibility in their homes.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	86,308	140,000	82,772	112,297	(27,703)	-20%
Miscellaneous	326,981	1,255,189	783,016	652,969	(602,220)	-48%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 413,289	\$ 1,395,189	\$ 865,788	\$ 765,266	\$ (629,923)	-45%

* Un-audited numbers

Fund Description

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

Activities & Objectives

OPG Admin Fees – Activity budget equals **\$34,281**

Grant support of administration fees.

FY12 DISTRICT XI HUMAN RESOURCE COUNCIL – Activity budget equals **\$ 323,700**

This grant is to support first-time homebuyer assistance.

FY13 MISSOULA HOUSING AUTHORITY PALACE APT – Activity budget equals **\$ 200,000**

This grant is for the rehabilitation of the Palace Apartments on Broadway and Ryman.

FY13 CONTINGENCY – Activity budget equals **\$ 109,686**

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	26,346	60,000	25,081	-	(60,000)	-100%
Miscellaneous	559,095	1,107,050	209,695	777,353	(329,697)	-30%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 585,441	\$ 1,167,050	\$ 234,776	\$ 777,353	\$ (389,697)	-33%

* Un-audited numbers

Fund Description

The purpose of the American Dream Down-payment Initiative, ADDI Program Fund, is to assist low-income households to achieve first-time home ownership in the City of Missoula.

Activities & Objectives

The ADDI funds are to be used specifically for down payment and closing cost assistance for first-time homebuyers, though a portion of the funds may also be used to rehabilitate homes that are being purchased. Only the minimum amount of assistance needed to enable the participant to purchase a home will be provided.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	12,846	-	33,811	20,965	163%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ -	\$ 12,846	\$ -	\$ 33,811	\$ 20,965	163%

* Un-audited numbers

Fund Description

The purpose of Neighborhood Stabilization Program (NSP) Fund is to acquire foreclosed, vacant or abandoned residential properties in the City of Missoula and redevelop them into affordable housing or other community enhancements.

Activities & Objectives

The NSP grant is being used as partial funding to acquire property at 1311 E. Broadway, demolish the structures on that land, and construct 115 units of rental housing, most of which will be designated for low- and moderate income households in the City of Missoula.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	885,815	7,998,487	7,998,487	1,060,000	(6,938,487)	-87%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 885,815	\$ 7,998,487	\$ 7,998,487	\$ 1,060,000	\$ (6,938,487)	-87%

* 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, STPU, 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

Bicycle Commuter Network – Activity budget equals \$762,189

Create, expand and enhance trails along Milwaukee Railroad, Bitterroot Branch Trail (BBT) and the Clark Fork River corridors. Corridor acquisition is the #1 priority of the adopted 2001 Non-motorized Plan. This project enables a coordinated effort to acquire access to land, through purchases or easements. Development of selected areas would follow acquisition.

Grant Creek Trail – Bicycle Commuter Network – Activity budget equals \$640,799

The Grant Creek Trail is a biking and pedestrian trail starting from the north end of the current RMEF trail and ending at Snow Bowl Rd. (3/4 mi. from Ravine trailhead. This trail is urgently required to alleviate unsafe conditions and provide non-motorized means of travel. Grant Creek Rd. is a busy, shoulder-less, winding road with 45 mph speeds used by bicyclists and pedestrians. This trail would connect to Rattlesnake Creek via Ravine Trail.

University Crosswalks – Activity budget equals \$250,000

The University of Montana has requested the use of CTEP (Community Transportation Enhancement Program) funds to install enhanced crosswalks at four locations:

- Arthur and University - raised intersection with improved lighting.
- Beckwith and Maurice - raised intersection with improved lighting.
- South Avenue and Ronald - raised crosswalk.
- Arthur and Eddy - raised crosswalk.

This project was nominated through the Long-range Transportation Plan and Transportation Improvement Program.

Rattlesnake Creek/Broadway Crossing – Activity budget equals \$420,000

The proposed project is to install a pedestrian and bicycle bridge across Rattlesnake Creek, construct a trail from the Rattlesnake Creek bridge to Van Buren Street, improve pedestrian and bicycle facilities on Van Buren Street to Front Street, and improve safety and operations at the Van Buren Street and East Broadway Street intersection. The project enhances existing Rattlesnake neighborhood access to the University of Montana with improved safety and multi-modal facilities. The project is funded 100% by a federal grant.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	439,447	1,567,520	427,224	2,072,988	505,468	32%
Total	\$ 439,447	\$ 1,567,520	\$ 427,224	\$ 2,072,988	\$ 505,468	32%

* Un-audited numbers

Fund Description

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

Activities & Objectives

Wapikiya Neighborhood Council - Activity budget equals **\$ 1,570**

This is a carryover of funds from FY05 for the Wapikiya Neighborhood council.

Miscellaneous Grants and Donations - Activity budget equals **\$ 40,000**

The \$ 40,000 is for an appropriation and spending authority for any donations that the City receives.

Traffic Safety Grants (Seat Belts and Capital Outlay) - Activity budget equals **\$25,000**

The City has applied to receive a grant from the State of Montana to purchase equipment.

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.

Bulletproof Vest Grant - Activity budget equals **\$ 10,500**

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.

Drug Task Force Grant (HIDTA) - Activity budget equals **\$215,825**

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'03.

ICAC Grant- Activity budget equals **\$ 118,511**

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.

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.

COPS Technology and COPS Technology X2 – Activity budget equals **\$1,043,592**

Fund provided by the Department of Justice, COPS Office enable the Missoula Police Department to increase its effectiveness and efficient. It also enhances the technological capacity of our department to assist in problem solving and other community policing activities.

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.

Combat Challenge - Activity budget equals **\$4,092**

The Scott Firefighter Combat Challenge attracts hundreds of U.S. and Canadian municipal fire departments each year at more than 25 regional competitions worldwide. The Challenge seeks to encourage firefighter fitness and demonstrate the profession's rigors to the public - wearing full bunker gear breathing apparatus, pairs of competitors simulate the physical demands of real-life firefighting by performing a linked series of five tasks including: climbing the 5-story tower, hoisting, chopping, dragging hoses and rescuing a life-sized, 175 lb. "victim" as they race against themselves, their opponent and the clock. MFD has been competing in the Firefighter Combat Challenge since 1994 - a combined Missoula Fire Department & Missoula Rural Fire District team won the world championship in 1997 and MFD won the title again in 2001. MFD's 2001 team time (4:19.33) still stands as the current World Record. These donated funds provide the Missoula Fire Department Combat Challenge team the opportunity to train and travel to compete in a regional competition and, if the team qualifies, at the World Championship.

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 Cleanup RLF - Activity budget equals **\$943,000**

This Environmental Protection Agency grant is matched with \$200,000 from the Missoula Area Economic Development Corporation, and will enable the City to make cleanup loans and a limited number of cleanup grants to eligible owners of Brownfield's sites within Missoula County.

Brownfield's Cleanup ARRA - Activity budget equals **\$30,000**

This grant will enable the City to make cleanup loans and a limited number of cleanup grants to eligible owners of Brownfield's sites within Missoula County.

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.

Energy Efficiency and Conservation Block Grant (EECBG) Program – Activity budget equals **\$40,000**

Funded for the first time by the American Recovery and Reinvestment Act (Recovery Act) of 2009, represents a Presidential priority to deploy the cheapest, cleanest, and most reliable energy technologies we have—energy efficiency and conservation—across the country.

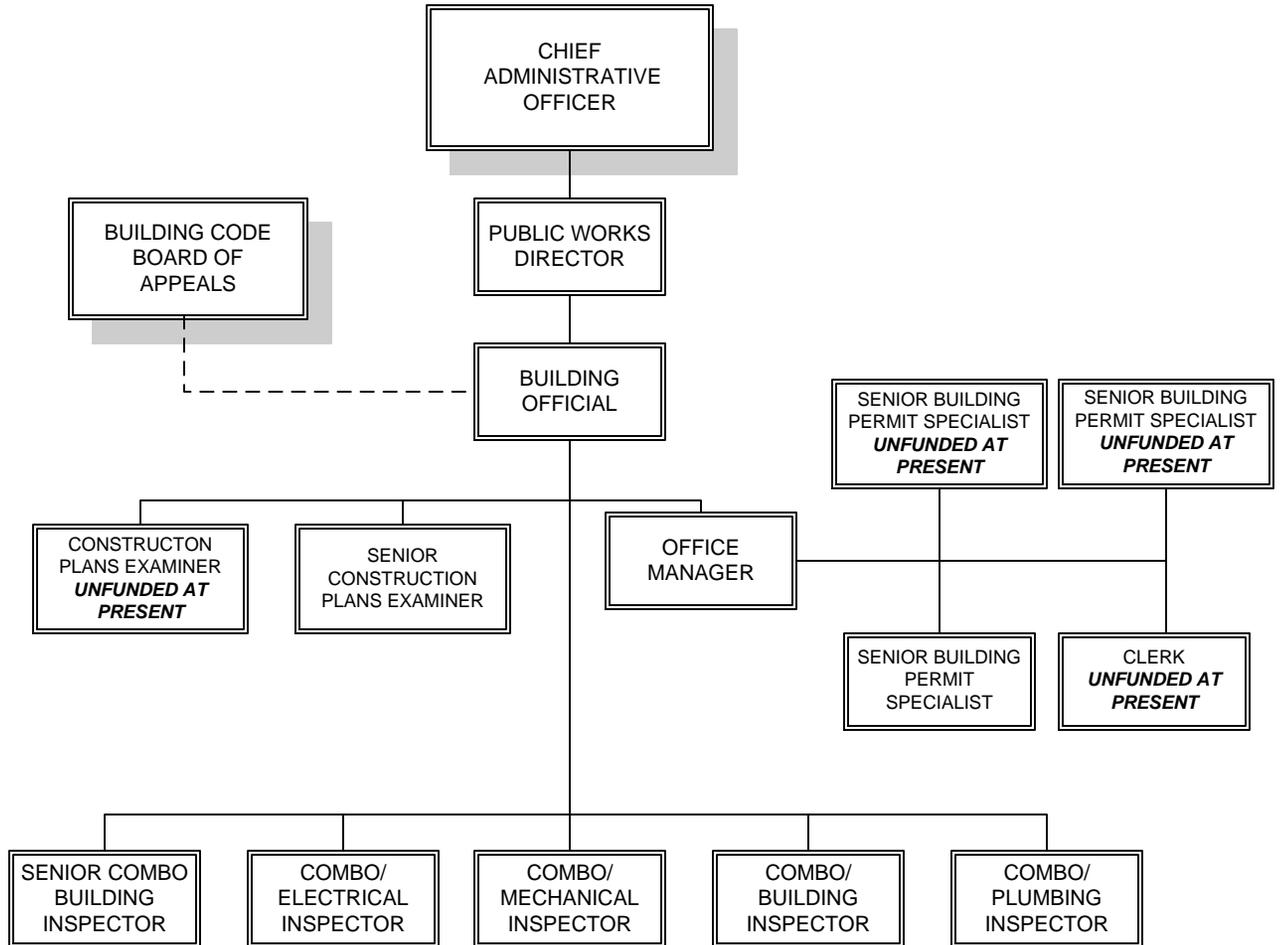
FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 622,625	\$ 865,396	\$ 698,557	\$ 167,084	\$ (698,312)	-81%
Supplies	28,544	146,919	45,955	60,401	(86,518)	-59%
Purchased Services	499,821	322,063	267,861	129,301	(192,762)	-60%
Miscellaneous	364,624	2,431,999	1,388,454	1,100,265	(1,331,734)	-55%
Debt Service	-	-	-	-	-	-
Capital Outlay	19,411	1,093,320	73,304	1,068,414	(24,906)	-2%
Total	\$ 1,535,025	\$ 4,859,697	\$ 2,474,131	\$ 2,525,465	\$ (2,334,232)	-48%

* Un-audited numbers



Building Inspection Division



Program Description

The Building Inspection Division of the Public Works 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

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 592,320	\$ 621,725	\$ 610,063	641,525	\$ 19,800	3%
Supplies	20,219	23,882	22,613	22,675	\$ (1,207)	-5%
Purchased Services	56,716	70,952	47,672	69,490	\$ (1,462)	-2%
Miscellaneous	196,987	186,871	199,364	213,454	\$ 26,583	14%
Debt Service	-	-	-	364,000	\$ 364,000	
Capital Outlay	-	123,591	93,986	3,500	\$ (120,091)	-97%
Total	\$ 866,242	\$ 1,027,021	\$ 973,697	\$ 1,314,644	\$ 287,623	28%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
BUILDING OFFICIAL	1.00	1.00	1.00	1.00
SENIOR CONSTRUCTION PLANS EXAMINER	1.00	1.00	1.00	1.00
CONSTRUCTION PLANS EXAMINER	-	-	-	-
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
SENIOR COMBO/MECHANICAL INSPECTOR	1.00	1.00	1.00	1.00
SENIOR COMBO/BUILDING INSPECTOR	1.00	1.00	1.00	1.00
SENIOR COMBO/BUILDING INSPECTOR	1.00	-	-	-
SENIOR COMBO/BUILDING INSPECTOR	1.00	-	-	-
SENIOR COMBO/BUILDING INSPECTOR	-	-	-	-
OFFICE MANAGER	1.00	1.00	1.00	1.00
SENIOR BUILDING PERMIT SPECIALIST	1.00	1.00	1.00	1.00
SENIOR BUILDING PERMIT SPECIALIST	1.00	-	-	-
SENIOR BUILDING PERMIT SPECIALIST	1.00	-	-	-
PERMIT TECHNICIAN	1.00	-	-	-
CLERK	-	-	-	-
Total	13.00	9.00	9.00	9.00

STAFFING SUMMARY

Title	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
BUILDING OFFICIAL	1.00	1.00	1.00	1.00
SENIOR CONSTRUCTION PLANS EXAMINER	1.00	1.00	1.00	1.00
CONSTRUCTION PLANS EXAMINER	-	-	-	-
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
SENIOR COMBO/MECHANICAL INSPECTOR	1.00	1.00	1.00	1.00
SENIOR COMBO/BUILDING INSPECTOR	1.00	1.00	1.00	1.00
SENIOR COMBO/BUILDING INSPECTOR	1.00	-	-	-
SENIOR COMBO/BUILDING INSPECTOR	1.00	-	-	-
SENIOR COMBO/BUILDING INSPECTOR	-	-	-	-
OFFICE MANAGER	1.00	1.00	1.00	1.00
SENIOR BUILDING PERMIT SPECIALIST	1.00	1.00	1.00	1.00
SENIOR BUILDING PERMIT SPECIALIST	1.00	-	-	-
SENIOR BUILDING PERMIT SPECIALIST	1.00	-	-	-
PERMIT TECHNICIAN	1.00	-	-	-
CLERK	-	-	-	-
Total	13.00	9.00	9.00	9.00

2013 Budget Highlights

New Operating Requests Funded:

- New request to pay the Building Division's portion of the up-front costs of Accela Automation conversion.
 - o Total request of \$364,000
- New request of five new desktop computers to replace existing out of warranty computers.
 - o Total request of \$3,500

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . Respond to all construction inspection requests (building, electrical, mechanical and plumbing) w ithin on w orking day .	100%	100%	100%	100%
2 . Make inspections to ensure code compliance w ith approved plans and the requirements of the appropriate code.	100%	100%	100%	100%

Workload Indicators

Indicator	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . Number of building permits issued	1,306	1,440	890	1,100
2 . Review residential plans w ithin 5 days	94.0%	93.0%	95.0%	95.0%
3 . Review multi-family, commercial & instustrial w ithin 10 days	90.0%	91.0%	96.0%	96.0%
4 . Number of plans w ithdraw n	16	19	17	15

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

2004 Aquatics GO Bond Issued in 2004 to construct the new aquatics facilities that will be located at McCormick Park and Playfair Park as well as 4 splash decks around the city. The interest rate varies from 3.0% to 4.5%.

TOTAL FUND EXPENDITURES = \$603,210

2004 GO Refunding Bond Issued in 2004 to provide funds for refunding on July 1, 2004 the City's outstanding General Obligation Bonds, Series 1993 and Series 1994. The interest rate varies from 3.0% to 3.8%.

TOTAL FUND EXPENDITURES = \$259,750

2006 Fire Station GO Bond Issued in 2006 to provide funds for construction and equipping of new fire station #5 and remodel fire stations #2 and #3

TOTAL FUND EXPENDITURES = \$341,889

2007 GO Refunding Bond Issued in 2007 to provide funds for refunding the City's outstanding General Obligation Bonds, Series 1996, Series 1997 and Series 1998. The interest rate varies from 3.6% to 4.0%.

TOTAL FUND EXPENDITURES = \$547,515

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 = \$1,995,078

TOTAL FUND TRANSFERS = \$101,999

FINANCIAL SUMMARY

2004A GO Bond

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	606,475	605,410	605,410	603,210	(2,200)	0%
Capital Outlay	-	-	-	-	-	
Total	\$ 606,475	\$ 605,410	\$ 605,410	\$ 603,210	\$ (2,200)	0%

* Un-audited numbers

FINANCIAL SUMMARY

2004B Refunding Bond

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	262,340	258,840	258,840	259,750	910	0%
Capital Outlay	-	-	-	-	-	
Total	\$ 262,340	\$ 258,840	\$ 258,840	\$ 259,750	\$ 910	0%

* Un-audited numbers

FINANCIAL SUMMARY

2006 GO Bond

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	430,592	434,353	434,352	341,899	(92,454)	-21%
Capital Outlay	-	-	-	-	-	
Total	\$ 430,592	\$ 434,353	\$ 434,352	\$ 341,899	\$ (92,454)	-21%

* Un-audited numbers

FINANCIAL SUMMARY

2007 GO Refunding Bond

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	542,045	545,663	545,663	547,515	1,852	0%
Capital Outlay	-	-	-	-	-	
Total	\$ 542,045	\$ 545,663	\$ 545,663	\$ 547,515	\$ 1,852	0%

* Un-audited numbers

FINANCIAL SUMMARY

Special Improvement District Debt 3100-3500

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	506	426,108	426,106	-	(426,108)	-100%
Debt Service	2,383,229	2,396,984	2,396,542	2,125,078	(271,906)	-11%
Capital Outlay	-	-	-	-	-	
Total	\$ 2,383,735	\$ 2,823,092	\$ 2,822,648	\$ 2,125,078	\$ (698,014)	-25%

* 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 just summaries of the projects. For additional information, please see the FY 13-17 CIP document.

Art Museum Debt Financing – Activity Budget equals **\$ 39,914**

This request is to provide debt service to an Inter-cap loan that the City incurred to fund part of the Art Museum renovation.

City Hall Expansion Debt Service - Activity Budget equals **\$ 83,323**

This request is to handle the debt service for the expansion of the City Hall building to meet the demands of space needs for expanding City departments.

Aquatics General Fund Debt Service - Activity Budget equals **\$ 134,823**

This request is to handle the debt service for the General Fund Support of \$1,860,000 for the new Aquatics swimming pools and splash decks.

Fire Station #4 General Fund Debt Service – Activity Budget equals **\$ 52,515**

This request is to handle the debt service for improvements and expansion of Fire Station #4.

50 Meter Pool Debt Service - Activity Budget equals **\$ 63,010**

This request is to handle the debt service for the General Fund Support of \$800,000 for the replacement of the city's 50 meter pool.

2010A Refunding Bond – Activity Budget equals **\$127,100**

2010C Energy Performance – Activity Budget equals **\$86,825**

This request is handle the debt service for the Johnson Control Energy Savings contract.

Internally Financed Equipment – Prior Years - Activity Budget equals **\$ 159,677**

This is internal financing payment for prior year heavy equipment replacement.

Core Light Vehicle Equipment Replacement – Activity Budget equals **\$ 229,652**

This request will replace core light vehicle equipment slated for replacement in FY 2011 per the replacement schedule.

Remodel Mayor Office for Office of the Neighborhoods – Activity Budget equals **\$ 50,000**

This budget is for remodeling the Mayor's office to include the Office of the Neighborhoods.

Total Fund Expenditures \$ 1,023,839

Capital Improvement Program – CIP – Fund 4060

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 2,805	\$ -	\$ 2,157		\$ -	
Supplies	-	-	-		-	
Purchased Services	86,667	-	14,290	-	-	
Miscellaneous	5,989	159,677	7,019	-	(159,677)	-100%
Debt Service	755,063	815,492	828,204	973,839	158,347	19%
Capital Outlay	1,148,382	2,615,717	2,174,855	50,000	(2,565,717)	-98%
Total	\$ 1,998,906	\$ 3,590,886	\$ 3,026,525	\$ 1,023,839	\$ (2,567,047)	-71%

* 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.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	-
Supplies	-	-	-	-	-	-
Purchased Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	382,102	6,500	382,102	-	0%
Total	\$ -	\$ 382,102	\$ 6,500	\$ 382,102	\$ -	0%

* Un-audited numbers

Fund Description

Missoula voters approved a \$5,740,000 general obligation bond referendum in November 2005.

Activities & Objectives

This debt was issued in 2006 to provide funds for construction and equipping of new fire station #5 to be located in the Lower Miller Creek area and remodel fire stations #2 and #3.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	48,536	86,500	13,999	72,564	(13,936)	-16%
Total	\$ 48,536	\$ 86,500	\$ 13,999	\$ 72,564	\$ (13,936)	-16%

* 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

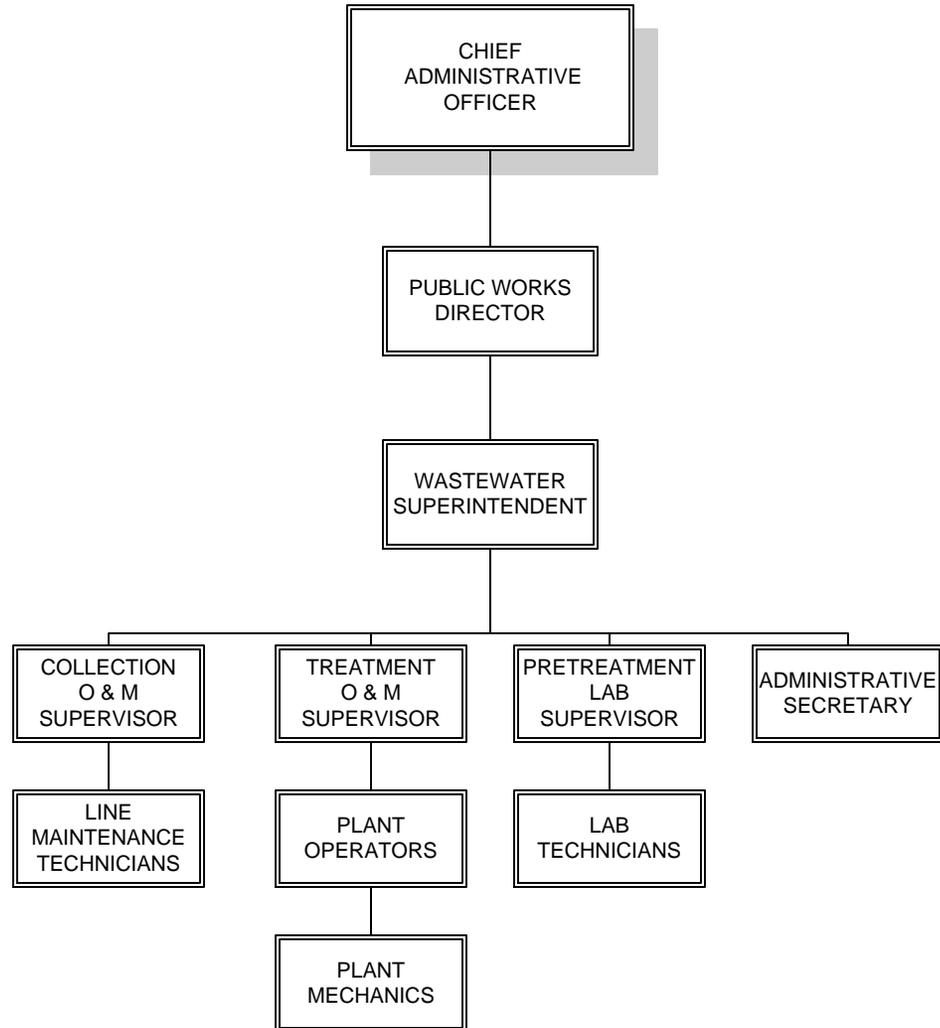
Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012 [^]	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	-	-	\$ -	
Supplies	-	-	-	-	\$ -	
Purchased Services	-	-	1,000	-	\$ -	
Miscellaneous	-	1,000	118,500	3,000	\$ 2,000	200%
Debt Service	-	-	-	117,000	\$ 117,000	
Capital Outlay	-	-	-	-	\$ -	
Total	\$ -	\$ 1,000	\$ 119,500	\$ 120,000	\$ 119,000	11900%

* Un-audited numbers

[^] First year of budget is FY12



Public Works Wastewater Division



Program Description

The Wastewater Division 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 Division. 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). Additionally, the Division strives for beneficial reuse of residual by-products of wastewater treatment.

The Wastewater Division is separated into four distinct sections:

- Wastewater Collection
 - Wastewater Treatment
 - Wastewater Administration
 - Wastewater Pretreatment / Laboratory
-

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 to maintain and repair the collections system to eliminate sewer back ups.
 - Continue to implement and utilize the Accela Asset Management System.
 - Continue to utilize the equipment GPS system for operational efficiency.
- Strategy: We will work toward sustaining and diversifying fiscal resources.
 - Continue to research and implement energy reduction projects and policies and pursue grant programs to fund those projects.

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 work with the Montana Department of Environmental Quality for permit approval and Hybrid Energy Group to expand the hybrid poplar tree effluent land application project to 130 acres of the Clouse Family land.
-

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 1,327,285	\$ 1,462,498	1,422,297	1,488,439	\$ 25,941	2%
Supplies	394,633	643,532	575,955	423,620	\$ (219,912)	-34%
Purchased Services	1,208,244	1,475,363	1,500,836	1,218,220	\$ (257,143)	-17%
Miscellaneous	3,456,192	1,053,165	1,067,920	1,153,546	\$ 100,381	10%
Debt Service	-	-	-	-	\$ -	
Capital Outlay	(4,525,795)	-	44,842	-	\$ -	
Total	\$ 1,860,559	\$ 4,634,558	\$ 4,611,850	\$ 4,283,825	\$ (350,733)	-8%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
WASTEWATER SUPERINTENDENT	1.00	1.00	1.00	1.00
COLLECTION & MAINTENANCE SUPERVISOR	1.00	1.00	1.00	1.00
WASTEWATER PLANT SUPERVISOR	1.00	1.00	1.00	1.00
PRE-TREATMENT LAB SUPERVISOR	1.00	1.00	1.00	1.00
LAB TECHNICIAN	1.00	1.00	1.00	1.00
LAB TECHNICIAN	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
PLANT MECHANIC	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 SECRETARY	1.00	1.00	1.00	1.00
INTERMITTENT LABORERS/INTERN	1.00	0.50	0.50	0.50
Total	22.00	21.50	21.50	21.50

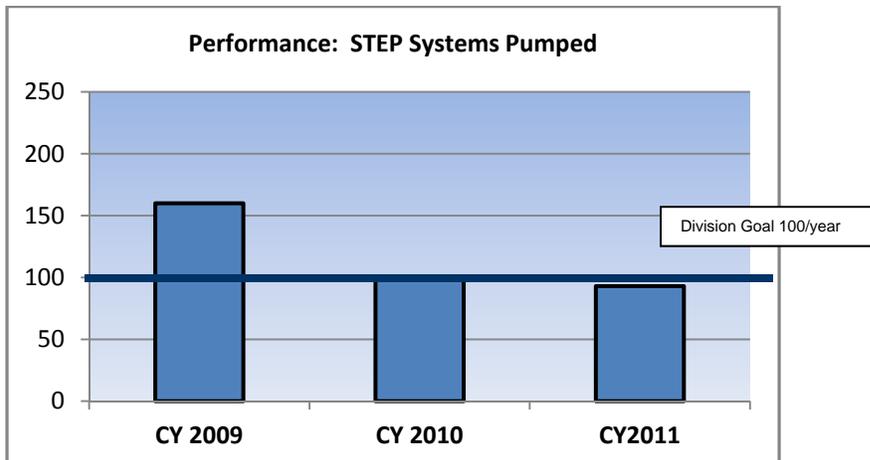
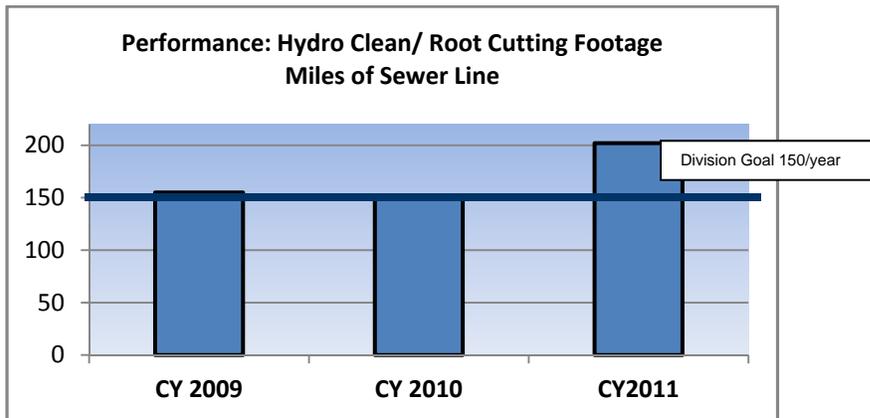
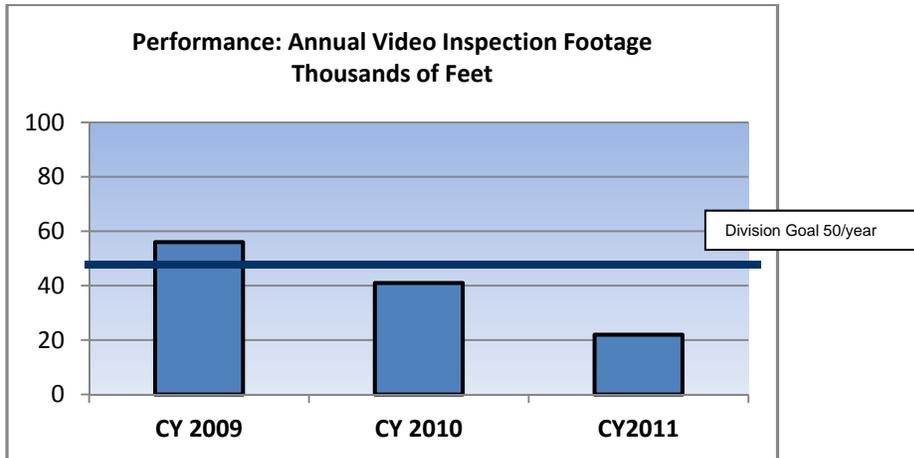
2013 Budget Highlights

Purchased Services:

- We are proposing an increase to one expenditure account in order to meet the rising costs of the services provided (tipping fees to dispose of bio-solids).

New Operating Requests Funded:

- We are requesting increases to two of the Collections System expenditure accounts to meet the rising costs of the line maintenance.



Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
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 Ford 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%

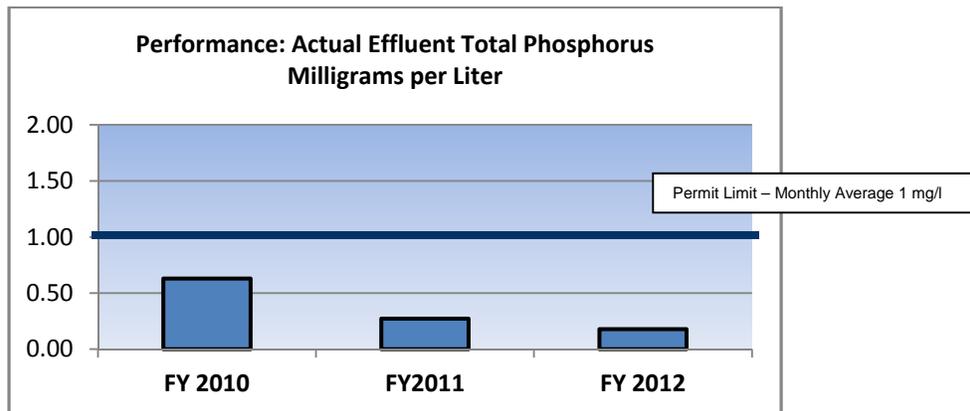
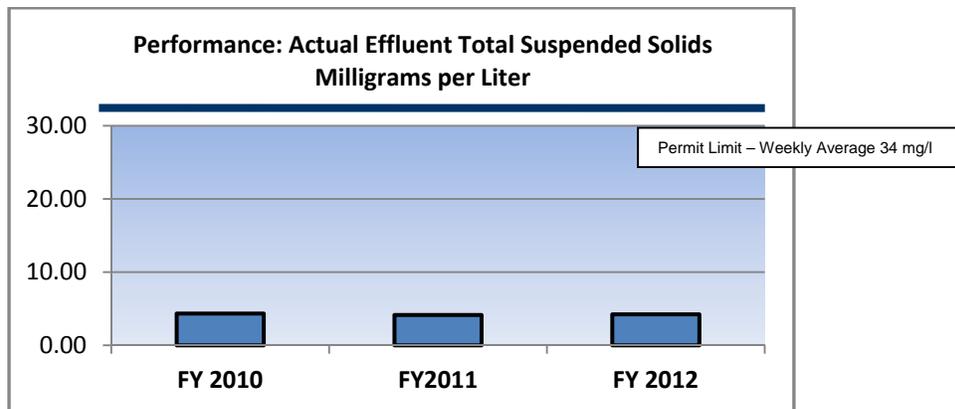
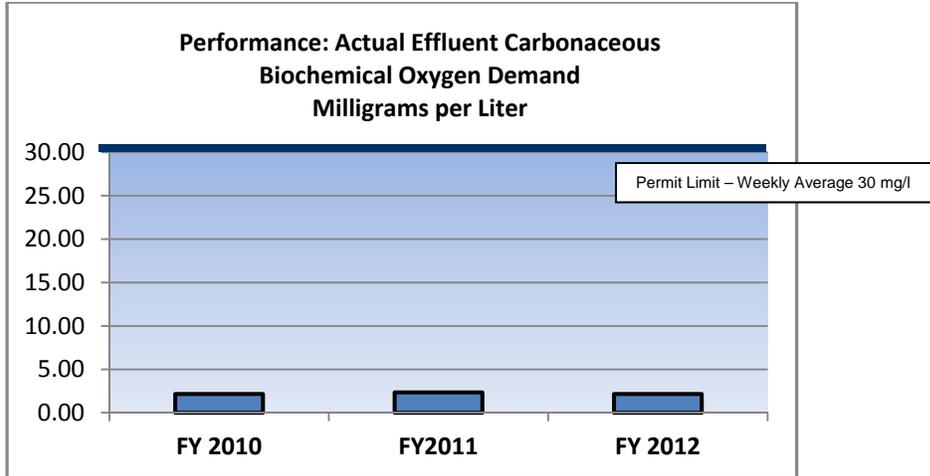
Historical data has been estimated.

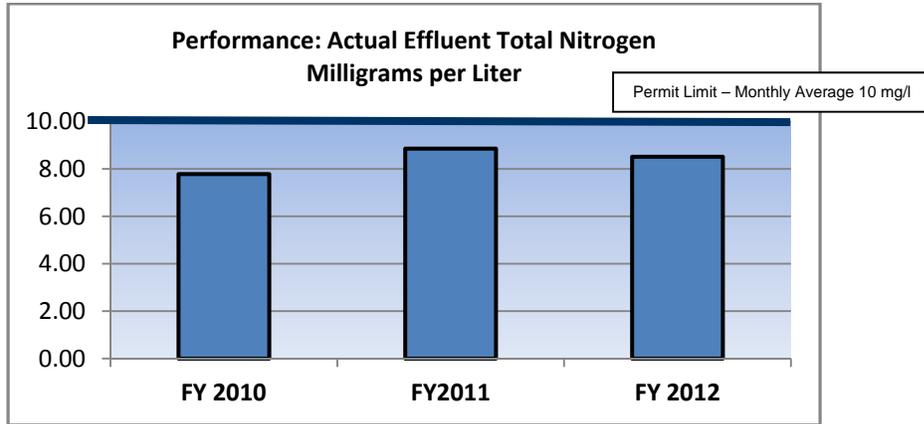
Workload Indicators

Indicator	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . Annual sewer main hydro-cleaning/root cutting (feet)	818,000	802,560	792,000	800,000
2 . Annual sewer main video inspection (feet)	56,000	41,000	22,010	50,000
3 . Annual STEP tanks pumped	160	99	93	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	.27 mg/l	.18 mg/l	<1 mg/l
6 . Treated plant effluent nitrogen	7.78 mg/l	8.86 mg/l	8.51 mg/l	<10 mg/l
7 . Laboratory QA/QC certification	Pass	Pass	Pass	Pass
8 . 11 Annual Significant Industrial User (SIU) inspections	100%	100%	100%	100%
9 . Annual Minor Industrial User (MIU) inspections	5%	5%	5%	5%

Historical data has been estimated.

Wastewater Treatment Performance Measures





Pretreatment/ Laboratory Performance Measures

Year	Laboratory QA/QC	11 Annual SIU Inspections	Annual MIU Inspections
2009	Passed all	100%	05%
2010	Passed all	100%	05%
2011	Passed all	100%	05%

Program Description - (5311)

This fund receives the revenues of the different Sewer Enterprise funds and distributes them according to need. The primary revenue source is the user fees charged to users of the Sewage system.

Activities and Objectives

To receive and transfer approximately \$6,828,714 in sewer use fees, delinquencies and interest on investments during Fiscal Year 2013.

INTER-FUND TRANSFER OUT

Transfer to Sewer Operating Budget	4,204,825
Transfer to Sewer R&D Fund	687,292
Transfer to Sewer Revenue Bond Series 2001 Bond Debt Service	33,280
Transfer to Sewer Revenue Bond Series 2001 Bond Debt Service	52,900
Transfer to Sewer Revenue Bond Series 1999 Bond Debt Service	132,202
Transfer to Sewer Revenue Bond Series 2002 Bond Debt Service	93,560
Transfer to Sewer Revenue Bond Series 2002 Bond Debt Service	365,100
Transfer to Sewer Revenue Bond Series 2003 Bond Debt Service	271,475
Transfer to Sewer Revenue Bond Series 2003 Bond Debt Service	264,375
Transfer to Sewer Revenue Bond Series 2005 Bond Debt Service	120,319
Transfer to Sewer Revenue Bond Series 2005 Bond Debt Service	20,400
Transfer to Sewer Revenue Bond Series 2010A Bond Debt Service	4,156
Transfer to Sewer Revenue Bond Series 2010B Bond Debt Service	39,313
Transfer to Sewer Revenue Bond Series 2010 Bond Debt Service	439,637
Transfer to Sewer Revenue Bond Series 2011 Bond Debt Service	99,880
Total	\$6,828,714

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	6,131,577	6,503,714	6,345,688	6,828,714	325,000	5%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 6,131,577	\$ 6,503,714	\$ 6,345,688	\$ 6,828,714	\$ 325,000	5%

* Un-audited numbers

Program Description – (5315)

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 - \$20,000

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	15,443	12,500	14,340	-	(12,500)	-100%
Miscellaneous	-	20,000	12,972	20,000	-	0%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 15,443	\$ 32,500	\$ 27,311	\$ 20,000	\$ (12,500)	-38%

* Un-audited numbers

Program Description – (5320)

The Wastewater Treatment Replacement and Depreciation fund was established to account for the Wastewater Treatment Plant's fixed assets, fund balance, and depreciation reserves. The balance of Sewer Use Fees that are not needed for operations or debt service is accumulated in the R & D fund for future capital replacement and improvements.

Activities and Objectives

The projects scheduled for the Wastewater Treatment R & D fund are listed below.

1. **Miscellaneous Sewer Main Repairs:** Minor repair projects to the existing collection system (Account 360: \$100,000).
2. **Miscellaneous WWTP Repair Projects:** This appropriation is for repair projects to the existing Wastewater Treatment Plant infrastructure that cannot be anticipate (Account 360: \$100,000).
3. **Sewer Line Rehabilitation Projects:** Rehabilitate/upgrade old sewer line assets through both excavation and replacement of lines or some type of "slip lining" technique or manhole installations (Account 360: \$100,000).
4. **Lateral Sewer Main Extensions:** Provide lateral mains under new street construction projects to prevent the need to dig up street for future sewer line development. Costs may be recovered when future connections occur (Account 360: \$10,000).
5. **Russell Street Sewer Interceptor:** Portions of the existing sewer are planned to be reconstructed or relined depending on pipe condition and capacity. (Account 350: \$50,000).
6. **Energy Conservation:** A study identified opportunities for energy savings at the Wastewater Treatment Plant. Four projects will result in annual electrical savings. (Account 360: \$25,000)
7. **Capital Lease:** Payment for the Capital Lease for equipment purchases (Account 610: \$87,014; Account 620: \$99,544).

Total Purchased Services: \$385,000

Total Principal and Interest: \$99,544

Total Expenditures: \$484,544

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	85,125	420,000	133,863	385,000	(35,000)	-8%
Miscellaneous	173,290	46,196	-	-	(46,196)	-100%
Debt Service	-	-	25,441	-	-	
Capital Outlay	357,043	60,000	28,549	99,544	39,544	66%
Total	\$ 615,457	\$ 526,196	\$ 187,853	\$ 484,544	\$ (41,652)	-8%

* Un-audited numbers

Program Description – (5325)

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.

\$100,000 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 2013 are as follows:

- Hybrid Poplar Tree Effluent Application- \$450,000
- Eko Compost Land Purchase- \$264,347
- Oversizing Assistance - \$40,000
- Sewer Development Fee Cost Study - \$10,000

TOTAL FUND EXPENDITURES - \$764,347

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	15,750	5,000	44,770	15,000	10,000	200%
Miscellaneous	-	-	36,435	-	-	
Debt Service	-	513,094	260,347	259,347	(253,747)	-49%
Capital Outlay	13,500	1,730,000	1,518,768	490,000	(1,240,000)	-72%
Total	\$ 29,250	\$ 2,248,094	\$ 1,860,319	\$ 764,347	\$ (1,483,747)	-66%

* Un-audited numbers

Program Description – (5340)

The fund accounts for the receipts and expenditures for major Sewage Plant construction projects. The primary funding sources for such projects are revenue bonds, grants, and the State Revolving Fund (SRF) Program which was established with the final EPA appropriations for state and local wastewater treatment projects.

Activities and Objectives

There are no activities planned in the sewer construction fund for FY13.

TOTAL FUND EXPENDITURES - \$ 0

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	67,243	-	-	-	-	
Miscellaneous	755,611	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	4,177,344	8,000,000	4,300,326	-	(8,000,000)	-100%
Total	\$ 5,000,197	\$ 8,000,000	\$ 4,300,326	\$ -	\$ (8,000,000)	-100%

* Un-audited numbers

Program Description – (5361, 5362, 5365, 5371, 5373, 5375, 5377, 5379, 5381, 5383, 5386, 5387)

These funds account for the three existing Sewer Revenue Bonds, two 1992 bond issues to the State of Montana SRF revolving loan program, a 1999 bond issue to the State of Montana SRF revolving loan program and a 2000 bond issue to the State of Montana SRF revolving loan program. Expenditures from the funds are for the yearly debt service payments.

Activities and Objectives

2001 Sewer Revenue Bond (5361) - To make yearly debt service on the bonds that were issued to finance the installation of the Bellvue Interceptor. **\$33,280**

2000 Series B Sewer Revenue Bond (5362) - To make yearly debt service on the Series 2000B bonds that were issued to finance the installation of the Reserve Street collector and Pineview interceptor. **\$52,900**

1999 Sewer Revenue Bond (5365) - To make yearly debt service on the Series 1998 bonds that were issued to finance the installation of the East Reserve Street collector, Mullan Road interceptor, administration building refurbish and engineering for the new treatment plant. **\$132,202**

2002 Sewer Revenue Bond (5371) - To make yearly debt service on the bonds that were issued to finance the installation of the 39th Street/SW Higgins-Bellvue Interceptor and the treatment plant upgrade. **\$93,560**

2002 Series A Sewer Revenue Bond (5373) - To make yearly debt service on the bonds that were issued to finance the upgrade of the treatment plant. **\$365,100**

2003 Series B Sewer Revenue Bond (5375) - To make yearly debt service on the bonds that were issued to finance the upgrade of the treatment plant. **\$271,475**

2004 Sewer Revenue Bond (5377) - To make yearly debt service on the bonds that were issued to finance the upgrade of the treatment plant. **\$264,375**

2005 Sewer Revenue Bond (5379) - To make yearly debt service on the bonds that were issued to finance the upgrade/extension of sewer lines on Birch/Broadway/Lincolnwood Phase I/Gilbert. **\$120,319**

2006 Sewer Revenue Bond (5381) - To make yearly debt service on the bonds that were issued to finance the upgrade/extension of sewer lines on Lincolnwood Phase II. **\$20,400**

2010 Sewer Revenue Bond Series (5383.330) - To make yearly debt service on the bonds that were issued to finance the upgrade/extension of sewer lines on Lolo Street. **\$4,156**

2010 Sewer Revenue Bond Series B(5383.550) - To make yearly debt service on the bonds that were issued to finance the upgrade/extension of sewer lines on the west side of the Rattlesnake valley. **\$39,313**

2010 Sewer Revenue Bond Series A (5386) - To make yearly debt service on the bonds that were issued to finance the upgrade of the Head-works at the Treatment Plant. **\$697,068**

2011 Sewer Revenue Bond Series A (5387) - To make yearly debt service on the bonds that were issued to finance various sewer system improvements. **\$99,880**

Total Expenditures: \$2,194,028

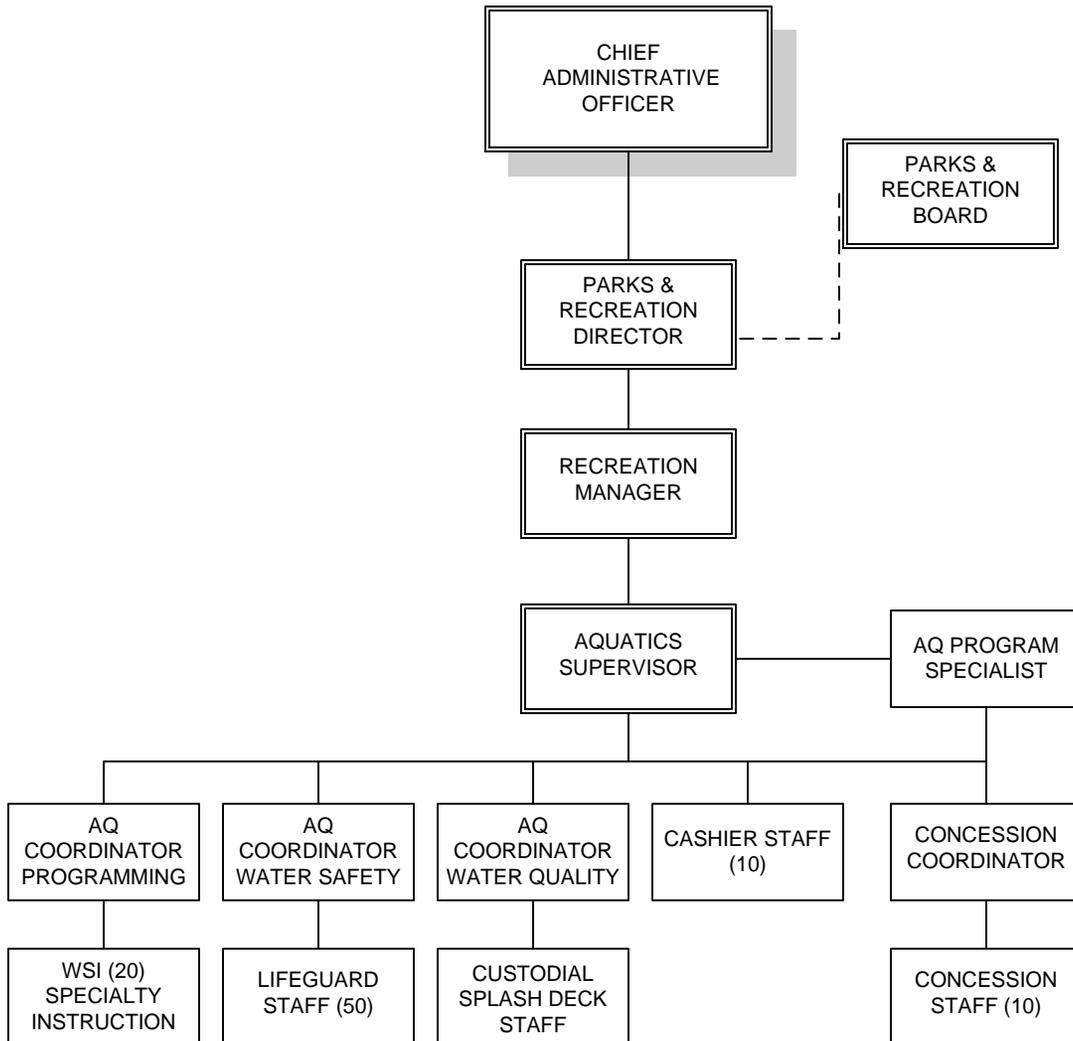
FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	317,966	4,028	4,028	-	(4,028)	-100%
Debt Service	886,427	2,119,856	2,113,916	2,194,028	74,172	3%
Capital Outlay	-	-	-	-	-	
Total	\$ 1,204,393	\$ 3,719,031	\$ 2,117,944	\$ 2,194,028	\$ 70,144	2%

* Un-audited numbers



Aquatics Program



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.

City Strategic Plan & Department's Implementation Strategy

Goal #1: Financial Sustainability

- Strategy: We will maintain or improve the level of service to citizens.
 - CLASS Facility & Registration software updates are installed. Work continues with CLASS and Finance to refine, and add additional components to allow increase use of on line registration for programs, field and facility reservations to increase revenue through convenient services for customers.

Goal #2: Harmonious Natural and Built Environment

- Strategy: We will reflect values of sustainability in transportation and building design.
 - Accessibility of facilities has been recognized as leader in community and Department will publish this information to encourage use by all abilities.
- 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, such as solar panels at Splash.

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
 - Scholarships offer all residents opportunity to participate.
 - Programming and faculty evaluations by customers and citizens lead to program changes and improvements.
 - Increase participation on indoor programs such as swimming lessons for all ages and programs for seniors and adults focusing on fitness. Additional programs for kayaking, snorkeling, water polo league were offered as well.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 576,706	\$ 669,284	\$ 654,591	\$ 648,604	\$ (20,680)	-3%
Supplies	342,531	176,500	212,948	201,500	25,000	14%
Purchased Services	278,330	355,936	298,598	371,175	15,239	4%
Miscellaneous	418,017	-	13,560	12,000	12,000	
Debt Service	-	-	25,566	-	-	
Capital Outlay	-	-	-	100,000	100,000	
Total	\$ 1,615,583	\$ 1,201,720	\$ 1,205,263	\$ 1,333,279	\$ 131,559	11%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
AQUATICS STAFF				
AQUATICS SUPERVISOR	1.00	1.00	1.00	1.00
AQUATICS SUPPORT SPECIALIST	1.00	1.00	1.00	1.00
ASSISTANT AQUATICS SPECIALIST	1.00	1.00	1.00	1.00
LEVEL 1 INTERMITTENT RECREATION	3.30	3.30	2.30	2.30
LEVEL 2 INTERMITTENT RECREATION	14.90	14.90	12.90	12.90
LEVEL 3 INTERMITTENT RECREATION	3.56	3.56	3.06	3.06
LEVEL 4 INTERMITTENT RECREATION	2.25	2.25	1.75	1.75
LEVEL 5 INTERMITTENT RECREATION	0.95	0.95	0.95	0.95
LEVEL 5 INTERMITTENT SPECIALTY INSTRUCTOR	0.49	0.49	0.49	0.49
PART TIME CASHIER	1.61	1.61	1.61	1.61
PART TIME CUSTODIAN	0.75	0.75	0.75	0.75
Total	30.81	30.81	26.81	26.81

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 hosted several special swim events at The Lake in 2010, including the Firecracker Swim Meet, the 2nd Annual Zoo Town Triathlon, and the Tube Bowl (inner tube water polo's annual competitive event).

Accomplishments included:

- ❖ Installed a Ultraviolet Light supplemental sanitation system on the pool water line at Currents, thus decreasing the risk of contamination by cryptosporidium and the level of chloramines that reside in the pool water.
- ❖ Completed the installation of Virginia Graehm Baker drain covers at Currents and Splash Montana to ensure the facility meets the new national standards.
- ❖ Worked with the Missoula Aquatic Club to provide the facility for the State Long Course Swim Meet in July of 2011.
- ❖ Expanded access to the Currents facility by establishing an Open Boating night which has been drawing over 12 people with boats regularly this spring.
- ❖ Worked with the JCI City Conservation Plan to create a plan to install a pool blanket on the 50m pool at Splash Montana.
- ❖ Successfully started and grew a Jr. Swim Team program through the summer and fall of 2010, team now boasts 25 registrants and averages 14 swimmers at each practice.
- ❖ Successfully tested in-school water safety presentations in 2010. By the end of FY2011 we will have visited 5 separate local elementary schools and given the water safety presentation to nearly 500 children grades K – 3.

Goals for 2013

- ❖ Continue to grow the Jr. Swim Team by involving teams at other facilities such as the Peak and the YMCA.
- ❖ Complete a sound mitigation plan at Currents.
- ❖ Complete energy conservation plan through the installation of variable frequency drives on the air handler at Currents and establish controls on the system so it is responsive to humidity levels.
- ❖ The Aquatics Program is committed to working steadily to excel and overcome any challenges throughout all economic hardships and cool, wet summer weather. As outlined in the Pro Form (business plan) the aquatics facilities were designated as an Enterprise Fund. The goal of staff is to continue the current level of subsidy, using any fund balance for repairs, improvements and to fund capital improvements to generate additional revenue. Routine maintenance of facilities will result in a strong loyal customer base.

Aquatics Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . Increase sale of punch card and drop in visits	\$ 506,900	\$ 508,281	\$ 527,139	\$531,705
2 . Implement cyclic maintenance program at Splash and Currents to be funded through subsidy and reserve balance.	N/A	\$ -	\$ 20,000	\$ 50,000
3 . Reduction in energy consumption using JCI measures	\$ 101,647	\$ 96,816	\$ 91,966	\$ 82,866
4 . NW Energy projections gas/electric savings per incentive program at Currents implemented FY2012. NOTES: NW energy projects up to 30% savings for FY2012. Conservative projection at 10% NOTE: Prior year savings due to various energy initiatives. NW Energy incentive implemented by Nov 2011	\$ 119,138	\$ 106,859	\$ 97,000	\$ 87,300

Workload Indicators

Indicator	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . Number of daily admissions at Currents	49,928	48,577	47,618	49,000
2 . Number of daily admissions at Splash	57,605	57,044	67,138	61,500
3 . Number attending swim lessons at Currents	11,692	12,496	11,977	12,000
4 . Number attending swim lessons at Splash	4,808	5,931	4,597	5,200
6 . Total Attendance	185,143	191,975	202,695	194,800

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 2011 monthly premium for the health insurance paid on behalf of the City of \$635 per employee is proposed to be increased by \$80 per employee per month in FY 2012 for a total of \$715 per employee. The monthly employee and dependent charge is proposed to be increased by an equivalent of \$30 per employee per month for FY2012. Substantial changes were implemented in FY 2001, 2002, 2003 and 2004 and proposed in FY2012 to address both the funding for the City's health benefit plan as well as the cost experience of the plan in the future. The rate of medical inflation nation-wide in many prior fiscal years averaged about 15% while the City averaged over 20% for those fiscal years. The reason for the proposed changes in the past and for FY2012 was that the plan could not support the level of costs it was experiencing. This increased level of plan utilization coupled with increased costs continued in FY 2011, with the result that the plan's fund balance lost \$1.3 million again in FY 2011 even though City contributions were increased by \$315,000 in FY 2011. For FY 2012, both the employer and employee contributions were increased such that in excess of \$1,000,000 of additional funding was provided to the plan. This did stabilize the declining fund balance for the plan in FY 12. Additional contributions of \$250,000 will be made to the plan in FY 2013 even though the plan was stabilized in FY 2012 in order to start rebuilding the plan's fund balance.

Administration Recommendation

- Up until seven years ago the City health insurance plan had suffered from significant increases in usage and medical inflation. Since then, the plan had increased its fund balance for six of the last eight years bringing the plan from a deficit of (-\$400,000) in FY 2003 to a surplus of \$2,278,000 at the end of FY 2009. This trend did not continue in FY 2011. The Administration had recommended that the Health Insurance levy within the City's cap be reduced in FY 2010 by \$484,305 by reducing the monthly premium for the health insurance from \$670 per employee to \$570 per employee in order to levy that amount of money within the General Fund general levy, thereby avoiding the necessity of cutting any further than was done for FY 2010. Because the plan had significantly increased its fund balance every year for the prior six years, the fund balance was not projected to be materially reduced by this reduction in funding for one year. However, plan utilization along with rising medical inflation went to its highest level in over a decade, driving the fund balance down during FY 2010, contrary to predictions. The administration recommended that City's funding of the health plan be increased by \$65 per employee per month (\$315,000 per year) for FY 2011. The Administration increased the City's contribution by \$132 per month per employee for FY 2012. Employees were asked to increase an equivalent of \$75 per employee per month to the plan in FY 2012. In addition, the Administration contributed \$100,000 toward rebuilding the health plan's fund balance, as the City is committed to maintaining a 3 month reserve in the health plan and this \$100,000 is the second of three one-time cash injections proposed to increase the fund balance to a 3 month reserve. The City Administration is also contributing a one time cash injection of \$250,000 for FY13 to help increase the fund balance.
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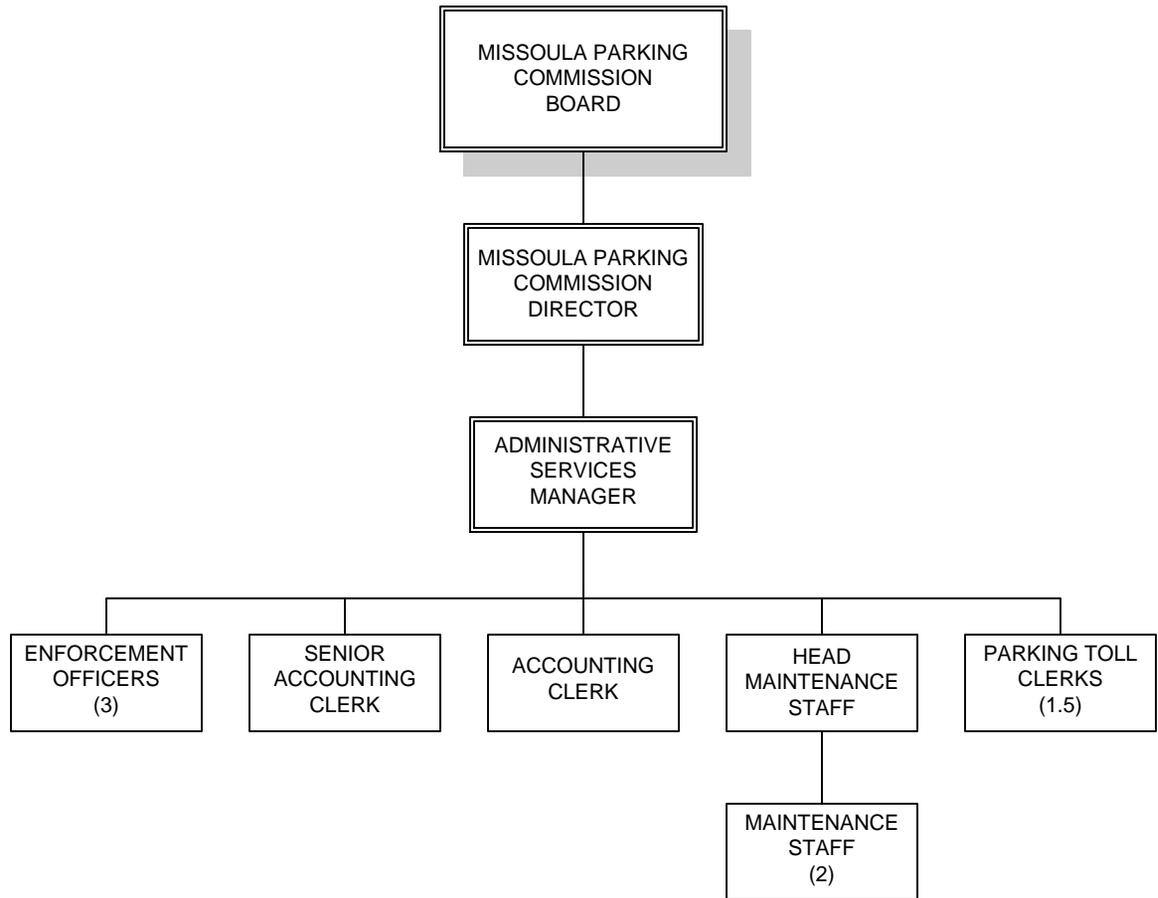
FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	4,317,687	5,303,390	4,321,417	5,503,390	200,000	4%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 4,317,687	\$ 5,303,390	\$ 4,321,417	\$ 5,503,390	\$ 200,000	4%

* Un-audited numbers



Missoula Parking Commission



Program Description

The Missoula Parking Commission (MPC) works with government, business 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: Fiscal Sustainability

- Strategy: We will maintain or improve the level of service to citizens.
 - Will continue to provide and manage parking and parking alternatives within our jurisdiction with a focus on efficiency by reducing expenditures and diversifying revenue sources.

Goal #2: Harmonious Natural and Built Environment

- Strategy: We will reflect values of sustainability in transportation and building design.
 - Will construct a new parking structure that will provide additional inventory while incorporating sustainability features with a design that reflects its natural setting.

Goal #3: Quality of Life for All Citizens

- We will support plans and programs that promote a healthy lifestyle for Missoula's citizens.
 - Will continue to support Transportation Demand Management strategies through funding various agencies and programs.

Parking Commission:

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 535,034	\$ 575,667	\$ 558,343	\$ 599,384	\$ 23,717	4%
Supplies	58,218	46,400	39,697	46,400	-	0%
Purchased Services	281,158	267,586	202,624	367,165	99,579	37%
Miscellaneous	2,578,983	706,562	612,168	654,923	(51,639)	-7%
Debt Service	34,039	-	-	-	-	
Capital Outlay	-	19,280	51,938	-	(19,280)	-100%
Total	\$ 3,487,433	\$ 1,615,495	\$ 1,464,770	\$ 1,667,873	\$ 52,378	3%

* Un-audited numbers

Parking Interest Fund (7371):

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual^ FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	315,671	-	-	
Debt Service	-	672,053	(0)	532,735	(139,318)	-21%
Capital Outlay	-	-	-	-	-	
Total	\$ -	\$ 672,053	\$ 315,671	\$ 532,735	\$ (139,318)	-21%

* Un-audited numbers

Parking Sinking Fund (7372):

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual^ FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	51,000	-	-	
Debt Service	-	85,000	-	70,000	(15,000)	-18%
Capital Outlay	-	-	-	-	-	
Total	\$ -	\$ 85,000	\$ 51,000	\$ 70,000	\$ (15,000)	-18%

* Un-audited numbers

Parking Revenue Bonds (7373):

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual^ FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	750,000	209,883	65,741	-	(209,883)	-100%
Debt Service	10,985	488,806	488,805	-	(488,806)	-100%
Capital Outlay	-	5,032,351	5,176,757	-	(5,032,351)	-100%
Total	\$ 760,985	\$ 5,731,040	\$ 5,731,303	\$ -	\$ (5,731,040)	-100%

* Un-audited numbers

Parking Pledged Tax Increment (7375):

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual^ FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	145,387	11,171	123,009	(22,378)	-15%
Miscellaneous	-	181,742	181,742	145,202	(36,540)	-20%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ -	\$ 327,129	\$ 192,913	\$ 268,211	\$ (58,918)	-18%

* Un-audited numbers

Parking Series 2010A Bond Interest (7376):

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual^ FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	10,115	-	-	
Debt Service	7,807	15,759	-	9,288	(6,471)	-41%
Capital Outlay	-	-	-	-	-	
Total	\$ 7,807	\$ 15,759	\$ 10,115	\$ 9,288	\$ (6,471)	-41%

* Un-audited numbers



Parking Series 2010A Sinking Fund (7377):

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual^ FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	135,000	-	-	
Debt Service	-	135,000	-	140,000	5,000	4%
Capital Outlay	-	-	-	-	-	
Total	\$ -	\$ 135,000	\$ 135,000	\$ 140,000	\$ 5,000	4%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
DIRECTOR	1.00	1.00	1.00	1.00
ADMINISTRATIVE SERVICES MANAGER	1.00	1.00	1.00	1.00
SENIOR ACCOUNTING CLERK	1.00	1.00	1.00	1.00
ACCOUNTING CLERK	1.00	1.00	1.00	1.00
ENFORCEMENT OFFICER	1.00	1.00	1.00	1.00
ENFORCEMENT OFFICER	1.00	1.00	1.00	1.00
ENFORCEMENT OFFICER	1.00	1.00	1.00	1.00
PARKING MAINTENANCE SUPERVISOR	1.00	1.00	1.00	1.00
MAINT. WORKER / FEE COLLECTOR	1.00	1.00	1.00	1.00
MAINT. WORKER / FEE COLLECTOR	1.00	1.00	1.00	1.00
TOLL COLLECTOR	1.00	1.00	1.00	1.00
TOLL COLLECTOR	-	0.33	0.33	0.50
Total	11.00	11.33	11.33	11.50

2013 Budget Highlights

The Missoula Parking Commission's mission is to "provide and manage parking and parking alternatives". To this charge, the Parking Commission is committed to these three goals and will apply the following strategies and objectives in order to achieve them in FY13

1. To provide parking:

- A. In FY09, the Parking Commission helped fund and participated in the Missoula Downtown Master Plan administered by The Downtown Business Improvement District of Missoula. One of the fundamental concepts was identified as Land Use Framework. In this concept, the consultants identified a Retail Hot Spot with the suggestion to provide more efficient and strategic parking sites. The need for two parking structures was determined as strategic elements in this "Retail Hot Spot". At the end of 2010, revenue bonds (supported by the Parking Commission and the Missoula Redevelopment Agency) were sold and the Parking Commission entered into contracts with MacArthur, Means & Wells Architects and Gordon Construction to design and build a parking structure at the south east corner of E. Front and Pattee Streets. The need for this parking structure is in response to the increased parking demand from the new First Interstate Bank building and the anticipated increased demand from the development of the Missoula Mercantile Building. Construction of the parking structure, Park Place, began in June, 2011 is scheduled to be completed by early fall 2012. The final number of parking spaces will be determined as the structure progresses but should be approximately 336 spaces. It will include both monthly lease and short-term hourly spaces and will incorporate approximately 3,000 square feet of retail/commercial space. This parking structure will be a significant asset and will encourage economic development that will help maintain the vitality and success of Missoula's downtown.

2. To manage parking:

- A. The Missoula Downtown Master Plan also includes sub documents for various entities. The Parking Commission has a Strategic Parking Plan made up of three Task Reports – 1) Current Parking Program Assessment & Supply/Demand Summary, 2) "Retail Hot Spot" Parking Assessment and Retail Parking Strategy and 3) Parking Program Guiding Principles & Parking Strategic Plan. These documents include a variety of recommendations to improve the current parking program and will help assist the Parking Commission with decisions as they move into the future for Downtown Missoula. Of the nine primary action items listed that the Parking Commission should address in the short to mid-term to help promote the overall objectives of the Downtown Master Plan, all but one has been implemented. The ultimate goal is to accomplish what the Parking Commission can do to support 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:

- A. The Parking Commission 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 for Missoula residents. Such as:
- Missoula In Motion.
 - Missoula Ravalli Transportation Management Association
 - Mountain Line
 - EZPass Program
 - The Bicycle/Pedestrian Program
 - The Missoula Downtown Association Out to Lunch shuttle.
 - The First Night Missoula shuttle.
 - Bike, Walk, Bus Week.
-

Performance Measures & Workload Indicators

Performance Measures

Measure	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . To participate in the Business Improvement District of Missoula's Downtown Master Plan which will include a "Best Practices" study on the Parking Commission's parking program.	100%	100%	100%	100%
2 . As a result of the "Best Practices" study, to implement recommendations made by the consultants for the Parking Commission in keeping with the recommendations made for the greater Missoula study area.	65%	75%	90%	100%
3 . Explore opportunities to increase parking inventory through building a parking structure in the Central Business District.	70%	75%	100%	100%
4 . To continue to maintain and repair the two parking structures, Central Park and Bank Street Structure, in optimum working condition.	75%	75%	80%	80%

Workload Indicators

Indicator	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
1 . Number of tickets issued	67,664	66,889	54,633	55,000
2 . Revenue from tickets	\$ 251,347	\$ 256,475	\$ 251,654	\$ 150,000
3 . Number of special permits issued	394	325	395	375
4 . Revenue from special permits	\$ 22,205	\$ 9,083	\$ 13,606	\$ 10,000
5 . Number of RPPP permits	1,064	1,100	1,178	1,100
6 . Revenue from RPPP permits	\$ 7,293	\$ 15,246	\$ 10,974	\$ 9,000
7 . Number of RPPP tickets	4,117	3,826	2,924	3,500
8 . Revenue from RPPP tickets	\$ 37,455	\$ 31,170	\$ 29,455	\$ 20,000
9 . Meter revenue	\$ 468,963	\$ 430,846	\$ 447,827	\$ 400,000
10 . Lease parking revenue	\$ 560,269	\$ 532,723	\$ 604,441	\$ 700,000

Program Description

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 began in 2001 with committee development, community education, local media campaigns, meetings with property and business owners, creation of a comprehensive database of property owners, and the required petition process. The process of verifying the petition was finalized at the end of 2004 and the BID was approved by the City Council in April 2005. The BID will serve as an advocate for property owners in the district and address areas such as safety, cleanliness, appearance, marketing, business retention and recruitment, public and private investment in buildings and infrastructure. The BID was renewed for a ten (10) year term in March 2010.

Goals & Objectives

ADMINISTRATION

The Director of Operations 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 maintains contracted services with the Missoula Downtown Association (MDA) for support services that include marketing, bookkeeping and clerical services. The BID has expanded services by creating a downtown maintenance program that picks up garbage downtown, cleans graffiti, cleans sidewalks, snow removal/deicing on crosswalks & alleys and other duties as needed.

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 rate payers further define the priorities for the District.

1. Maintain an accurate data base of rate payers within the BID.
2. Establish a formal system for communicating with rate payers within the BID.
3. Oversee the activities of the Clean Team and Ambassador programs and refine them as appropriate.
4. Create a downtown maintenance program
5. Identify new programs and priorities for the BID based on input from the rate payers.

MARKETING

Maintaining a comprehensive marketing effort with the Parking Commission and Missoula Downtown Association will remain a priority. It is important to continue to establish the BID's identity and mission throughout the community as well as downtown. In partnership with the MDA and others the BID will continue to perform appropriate survey of downtown constituents. The new web page was rolled out in May 2010 in partnership with the Missoula Downtown Association and others.

Objectives:

1. Continue to refine the purpose of the BID and identify the programs that will achieve that purpose.
2. Continue to refine the BID web page to best serve the needs of the rate payers and serve as a forum for dialogue and dissemination of ideas.
3. The distribution of educational materials to rate payers, elected officials, and the general public.
4. Continued 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 graphics, signage, or other means.
6. Work with the MDA to identify areas where the two organizations can enhance each other's activities and efforts.
7. Development of a plan for the recruitment and retention of new and existing businesses.

STREETSCAPE/MAINTENANCE

One of the areas identified as a high priority by property and business owners during the creation of the BID was cleanliness and appearance of the downtown streets and sidewalks. The BID created a Clean Team that began operation during FY06. In FY 07, the Board purchased ash receptacles in bulk and passed on the savings to businesses in an effort to minimize the amount of cigarette waste on the streets and sidewalks resulting from the state ban on smoking in bars and restaurants. The BID purchased 10 new trash receptacles and refurbish many of the older receptacles owned by the City late in FY 07 in an effort to provide better coverage and improve the appearance of the District. Three street benches were installed in FY 2009 as well as 6 additional trash receptacles. Five additional trash receptacles were added in spring 2010. Fifteen recycle bins (aluminum & plastic) were installed over the winter and spring of 2010 and we are picking up recycling from the County Courthouse. Allied Waste has been donating the use of a recycle dumpster at West Front lot.

The BID and City of Missoula have a multi-year contract to take ownership of the city's 24 garbage cans and to pick-up and dispose of that garbage. A street maintenance person was hired in the fall of 2009 for this purpose as well as graffiti removal, sidewalk cleaning, snow & ice removal and other duties.

Objectives:

1. Work with business and property owners, the MDA, and the 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, and property and business owners to improve the streetscape through the use of planters, flower baskets, street tress, banners, flags, holiday decorations, benches, trash receptacles, and public art.
4. Continue the program to phase in streetscape improvements, as is being done with new trash receptacles, on an annual basis.
5. Evaluate the feasibility of accommodating recycling as part of the provision of new trash receptacles.
6. Develop a program to work with individual property owners to enhance the level of building façade maintenance.
7. Consider the initiation of a program that would provide the purchase of services to clean the outside of buildings including graffiti.

SAFETY

In addition to cleanliness and appearance, another high priority identified by property and business owners was increased safety and security in the downtown area. The BID created an Ambassador program during FY06 to improve the safety of the area through foot patrols, employee escorts, and hospitality services for visitors. The role of that program has been expanded to make the Ambassadors available to speak to civic groups and clubs to promote safety in the District and explain the role and mission of the BID. The BID contracted with the City of Missoula to have a Downtown Beat Patrol Officer in 2010 for the summer. That program was expanded in 2011 to run from April 1 to December 31.

Objectives:

1. Monitor and refine the Downtown Ambassador Program to best address the needs of the downtown property owners and businesses.
2. Continue to work with the City Police Department to enhance their efforts to increase safety in the area.
3. Work with the City, Northwestern Energy, and property owners to modify the street lighting to provide for improved lighting in the entire District thus enhancing the safety and reducing the opportunity for vandalism after dark.
4. Consider the creation of a program that encourages the development of new residential opportunities in downtown, putting more "eyes on the street" and thereby reducing crime and mischief.

PLANNING & MANAGEMENT

A number of agencies and groups invested in the downtown have recognized the need for a master plan to encourage and guide the growth of this critical part of the City. The Greater Downtown Master Plan was adopted early in FY2010 and implementation has been started. At the Mayor's request the BID Board lead this effort in cooperation with the many stakeholders in downtown's future.

CONTINGENCY

As with any agency or organization, it is impossible to anticipate all of the needs and budget appropriately. The BID Board has placed its anticipated revenues and carryover from FY10 in a contingency account and anticipates identifying how those funds will be used after interacting with the rate payers, the City, the MDA, and the MRA as goals and programs are refined and developed. The BID Board also feels it is prudent to budget each year based on the prior year's revenue collection.

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ 131,905	\$ -	\$ -	\$ (131,905)	-100%
Supplies	-	23,450	-	-	(23,450)	-100%
Purchased Services	284,557	162,678	290,000	311,167	148,489	91%
Miscellaneous	-	26,349	-	20,000	(6,349)	-24%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 284,557	\$ 344,382	\$ 290,000	\$ 331,167	\$ (13,215)	-4%

* 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.

TBID Strategic Plan

Goal: Increase four season revenues statewide through effective marketing and promotions, focusing on high-value, low-impact visitors

Strategy: 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:

- i. 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.
- ii. Work in partnership with the Missoula International Airport to pitch new air service to key targeted markets.
- iii. Work in partnership with the Missoula International Airport, Missoula Economic Partnership, Missoula TBID, 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.

Strategy: Destination Missoula and the TBID will partner to provide Public Relations services.

Strategy: 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:

- i. Meetings & Conventions
- ii. Sports & Events
- iii. Tour and Group Travel
- iv. Leisure Travel

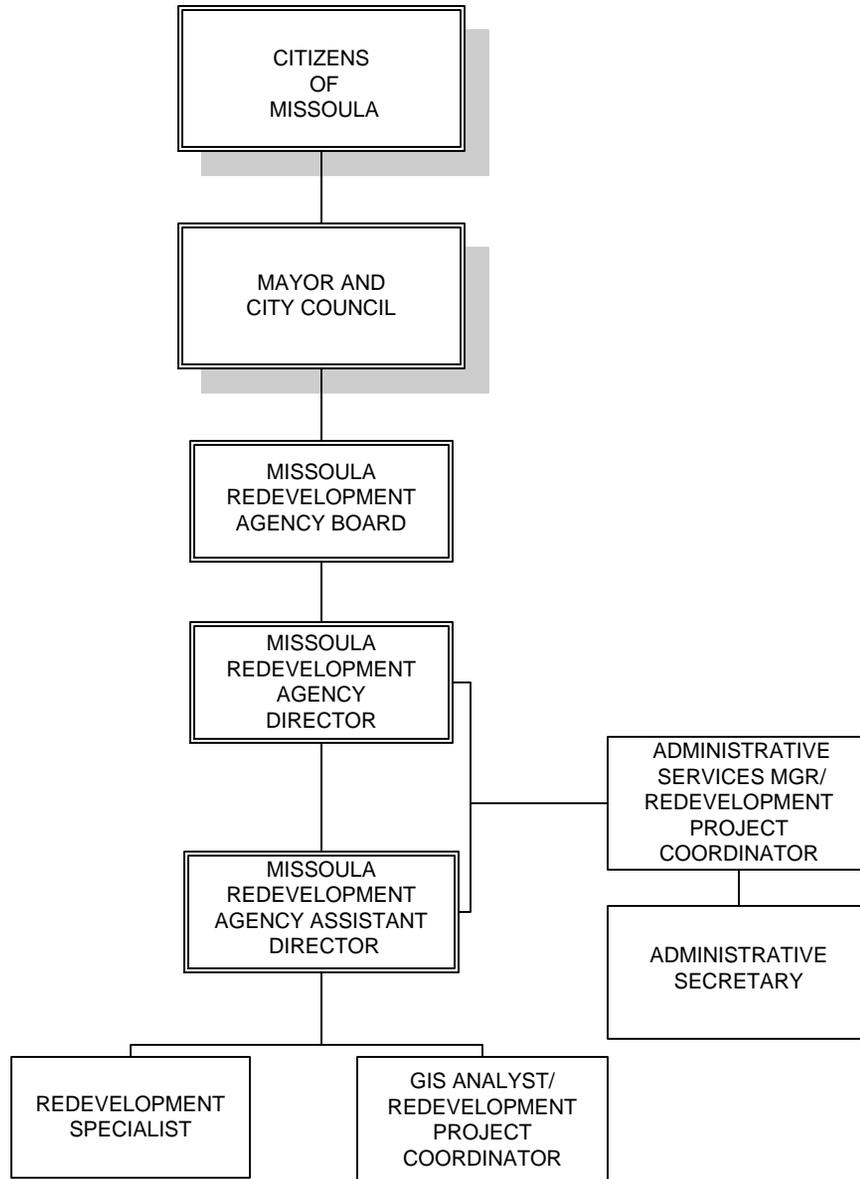
FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	40,786	200,420	200,420	410,300	209,880	105%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 40,786	\$ 200,420	\$ 200,420	\$ 410,300	\$ 209,880	105%

* Un-audited numbers



Missoula Redevelopment Agency



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.

City Strategic Plan & Department's Implementation Strategy

Goal #1: Fiscal Sustainability

- Strategy: Improve the level of service to citizens in the two 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. Approximately eight miles of sidewalks have already been constructed with the goal of completing the sidewalk network in both districts within the life of those districts. Almost \$1,500,000 will be spent in FY13 toward that end.

Goal #2: Harmonious Natural and Built Environment

- Strategy: Improve the pedestrian experience through aesthetic improvements to the natural and built environment.
 - MRA has initiated a program to provide financial assistance to private property owners in URD III for façade improvements that increase building energy efficiency and use sustainable building materials. The program also promotes improved accessibility for disabled citizens and additional landscaping above that required by code in an effort to enhance the pedestrian and aesthetic environment.

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

- Strategy: Continue efforts to encourage alternative methods of transportation through improvement of the pedestrian and bicycle networks throughout the urban core .
 - Provide funding for trail lighting on the Milwaukee Trail in FY13 and FY14, continue efforts to extend the Bitterroot Branch Trail south to Reserve Street and work to create a green transportation network in URD III through the construction of missing sidewalks and modifications to streets to provide safe bike routes.

MRA District II (7392)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	153,059	301,097	124,166	319,190	18,093	6%
Miscellaneous	647,741	1,907,170	729,062	2,484,270	577,100	30%
Debt Service	-	-	-	500,000	500,000	
Capital Outlay	1,065,315	2,813,115	2,573,116	1,693,410	(1,119,705)	-40%
Total	\$ 1,866,115	\$ 5,021,382	\$ 3,426,344	\$ 4,996,870	\$ (24,512)	0%

* Un-audited numbers

MRA District III (7393)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ 388,603	\$ 433,595	\$ 359,849	\$ 439,040	\$ 5,445	1%
Supplies	3,800	7,518	3,353	7,518	-	0%
Purchased Services	382,666	334,087	215,247	476,973	142,886	43%
Miscellaneous	1,050,853	2,073,615	656,727	1,969,662	(103,953)	-5%
Debt Service	-	-	-	-	-	
Capital Outlay	997,508	1,094,855	943,206	2,057,496	962,641	88%
Total	\$ 2,823,430	\$ 3,943,670	\$ 2,178,383	\$ 4,950,689	\$ 1,007,019	26%

* Un-audited numbers

MRA Clearing (7390)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	1,386,457	1,377,589	1,360,758	1,366,543	(11,046)	-1%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 1,386,457	\$ 1,377,589	\$ 1,360,758	\$ 1,366,543	\$ (11,046)	-1%

* Un-audited numbers

MRA Debt (7389)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	249,900	250,625	250,625	249,700	(925)	0%
Capital Outlay	-	-	-	-	-	
Total	\$ 249,900	\$ 250,625	\$ 250,625	\$ 249,700	\$ (925)	0%

* Un-audited numbers

MRA Riverfront Triangle URD (7383)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	14,250	12,922	-	(14,250)	-100%
Miscellaneous	1,000	14,715	-	23,783	9,068	62%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 1,000	\$ 28,965	\$ 12,922	\$ 23,783	\$ (5,182)	-18%

* Un-audited numbers

MRA Front St Clearing (7400)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	545,783	465,792	463,084	441,584	(24,208)	-5%
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ 545,783	\$ 465,792	\$ 463,084	\$ 441,584	\$ (24,208)	-5%

* Un-audited numbers

MRA Front St Parking Structure (7401)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	327,190	327,219	268,422	(58,768)	-18%
Miscellaneous	-	-	-	-	-	
Debt Service	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Total	\$ -	\$ 327,190	\$ 327,219	\$ 268,422	\$ (58,768)	-18%

* Un-audited numbers

MRA Front St Lien (7402)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	25,000	25,000	25,000	50,000	25,000	100%
Debt Service	25,000	234,131	234,131	-	(234,131)	-100%
Capital Outlay	-	-	-	-	-	
Total	\$ 50,000	\$ 259,131	\$ 259,131	\$ 50,000	\$ (209,131)	-81%

* Un-audited numbers

MRA Revolving Loan Fund – Millsite – Brownsfield (7387)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	39,467	41,295	41,168	39,688	(1,607)	-4%
Capital Outlay	-	-	-	-	-	
Total	\$ 39,467	\$ 41,295	\$ 41,168	\$ 39,688	\$ (1,607)	-4%

* Un-audited numbers

MRA Safeway - St. Pats (7386)

FINANCIAL SUMMARY

Budget by Object of Expenditure Category	Actual FY 2011	Amended FY 2012	Actual * FY 2012	Adopted FY 2013	Increase (Decrease)	Percent Change
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	-	-	-	-	-	
Purchased Services	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	
Debt Service	160,313	161,647	161,494	160,466	(1,181)	-1%
Capital Outlay	-	-	-	-	-	
Total	\$ 160,313	\$ 161,647	\$ 161,494	\$ 160,466	\$ (1,181)	-1%

* Un-audited numbers

STAFFING SUMMARY

Title	Actual FY 2010	Actual FY 2011	Actual FY 2012	Adopted FY 2013
DIRECTOR	1.00	1.00	1.00	1.00
ASSISTANT DIRECTOR	1.00	1.00	1.00	1.00
REDEVELOPMENT SPECIALIST	1.00	1.00	1.00	1.00
GIS ANALYST / REDEV. PROJECT COOR.	1.00	1.00	1.00	1.00
ADMIN SERV. MGR / REDEV. PROJ. COOR.	1.00	1.00	1.00	1.00
ADMINISTRATIVE SECRETARY	1.00	1.00	1.00	1.00
TEMPORARY SECRETARY				
Total	6.00	6.00	6.00	6.00

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, 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.

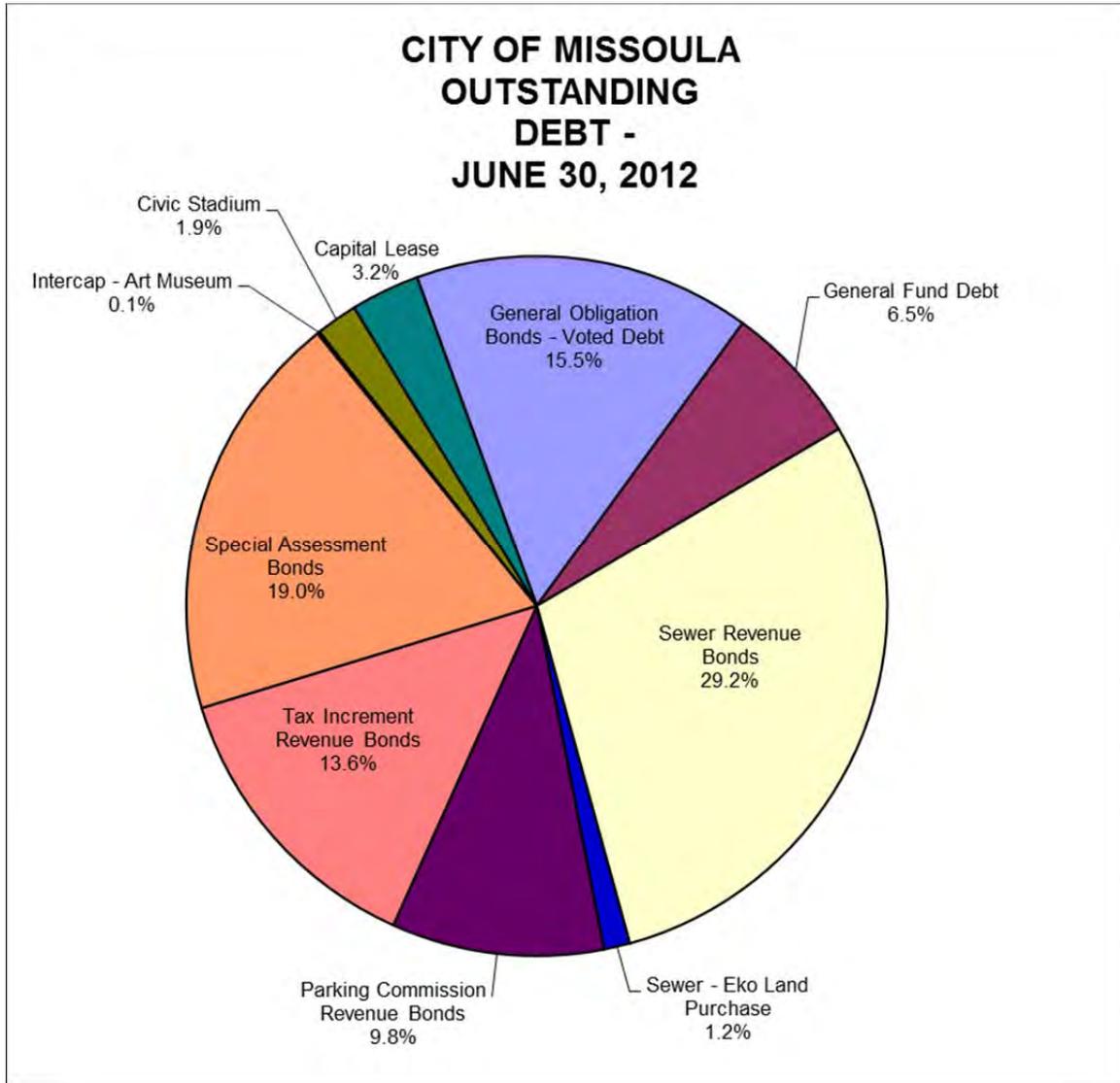
Major Bond Issues

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. Aquatics Bond 2004A – Voted.** This bond issue was approved by the voters on November 4, 2003 in the original principal amount of \$8,100,000 for the purpose of replacing existing aquatic facilities and spray decks around located throughout the City of Missoula. The bonds were issued on May 24, 2004 with a true interest cost of 4.2339%. 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 City received an A rating on these bonds from Standard & Pools. The purchaser of the bonds chose to have the bonds insured with an AAA rating from Standard and Pools.
- B. Refunding Bond 2004B – Voted.** This bond issue was refinanced on June 29, 2004 for the purpose of reducing interest costs associated with bonds issued in 1993 and 1994 resulting from bond elections in 1992 and 1988, both of which were for fire station construction projects while the 1992 referendum also included funds for the expansion of City Hall. The bonds were issued on June 29, 2004 with a true interest cost of 3.5427%. The bonds were financed over the remaining term of the original 20 years for each series refunded. 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 City received an A rating on these bonds from Standard & Pools. The purchaser of the bonds chose to have the bonds insured with an AAA rating from Standard and Pools.
- C. 2006 Fire Station GO Bond – Voted.** Issued in 2006 to provide funds for construction and equipping of new fire station #5 and remodel fire stations #2 and #3. The bonds were issued on September 13, 2006 with a true interest cost of 4.4169%. 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.
- D. Refunding Bond Series 2007A GO Bond Open - Voted.** This bond issue was refinanced on February 1, 2007 for the purpose of reducing interest costs associated with bonds issued in 1996, 1997 and 1998 resulting from bond elections in 1995 and 1997, of which the 1995 bond election was for the purchase of open space and the 1997 bond election was for fire and police equipment purchases. The bonds were issued on February 1, 2007 with a true interest cost of 3.7527%. The bonds were financed over the remaining term of the original 20 years for each series refunded. 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.

Outstanding Debt

Shown on the following page is a pie chart which presents the city's current outstanding indebtedness by purpose. As shown by the graph, voted General Obligation indebtedness (for open space acquisition, public safety and recreation facilities) 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, 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 \$80,839,178 of long term debt outstanding of which \$77,217,385 was bonded debt. Of this amount, \$12,570,000 comprises debt backed by the full faith and credit of the government and \$15,322,685 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).

CITY OF MISSOULA'S OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
General Obligation Bonds	\$ 13,840,000	\$ 12,570,000	\$ -	\$ -	\$ 13,840,000	\$ 12,570,000
Limited Obligation Bonds	5,625,000	5,285,000	-	-	5,625,000	5,285,000
Revenue Bonds	-	-	43,636,881	44,039,699	43,636,881	44,039,699
Sewer - Eko Compost Land	-	-	-	970,270	-	970,270
Spec. Assessment Bonds	15,021,055	15,322,685	-	-	15,021,055	15,322,685
State Board of Investment Loans	125,646	91,014	-	-	125,646	91,014
Compensated Absences	3,799,842	3,855,347	251,415	289,866	4,051,257	4,145,213
Capital Lease	2,031,002	2,174,849	-	385,660	2,031,002	2,560,509
Total Outstanding Debt	\$ 40,442,545	\$ 39,298,895	\$ 43,888,296	\$ 45,685,495	\$ 84,330,841	\$ 84,984,390

The City of Missoula's total debt was increased by \$559,594 (0.7 percent) during the 2012 fiscal year, because \$5,651,739 of new debt was issued this last year, while \$5,092,145 was paid off. The new debt issued included \$2,025,000 of Special Assessment bonds, \$1,555,000 of urban renewal debt for the civic stadium, a \$1,200,000 note to purchase the Eko Compost land next to the wastewater treatment and \$871,739 of new capital equipment leases.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2.5 percent of its total assessed valuation. The current debt limitation for the City of Missoula is \$102,767,485, 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 12.3% of its legal, voted general obligation bond limit. In addition, the City was utilizing 59% of its legal debt limit for non-voted General Fund (limited obligation) debt.

Proposed Debt in the Next Five Years

Listed below is a brief description of the city's proposed debt issuances over the course of the next five year period. Following the narrative's description, is a graphic depiction of the relative effects of these proposed debt issuances in relation to the city's current debt and its remaining debt capacity.

- A. \$1,000,000 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.
- B. \$500,000 - \$1,000,000 per year of short term capital leases to replace aging equipment and dated software.
- C. \$7,200,000 of planned redevelopment agency projects providing infrastructure in blighted areas of the city.
- D. \$900,000 of General Fund Debt to provide covered parking for the city's street maintenance fleet and heavy equipment.

Debt Capacity – Legal Debt Margin

The schedule below shows a graphic presentation of the city's projected debt capacity (legal debt margin) with any proposed new debt 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 13 Certified Market Value 4,110,699,383

Factor Allowed for Indebtedness 2.50%

Total Indebtedness Allowed \$ 102,767,485

Less Current Indebtedness:

2004A Aquatics G.O. Bond	5,495,000
2004B Refunding - Fire - G.O.Bond	250,000
2006 Fire Station	4,480,000
2007 Refunding	2,345,000
Intercap Equipment Loans	91,014

Total Current Indebtedness ----- \$ 12,661,014

Maximum Indebtedness Available (7-1-2011) \$ 90,106,471

Proposed Debt FY 13:

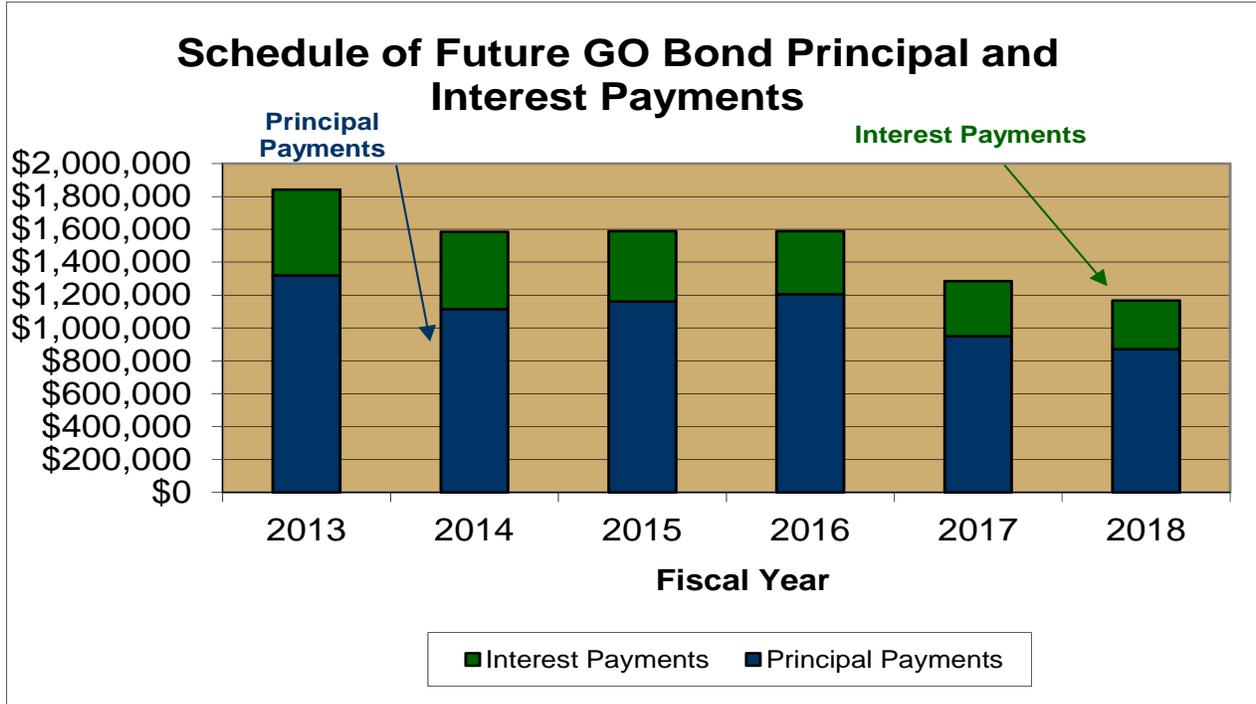
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Total Proposed Debt ----- \$ -

Net Amount of Debt Available \$ 90,106,471

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 decline in each of the successive years for the next five years. This reflects the declining debt level as the result of the scheduled payments the city will be making.



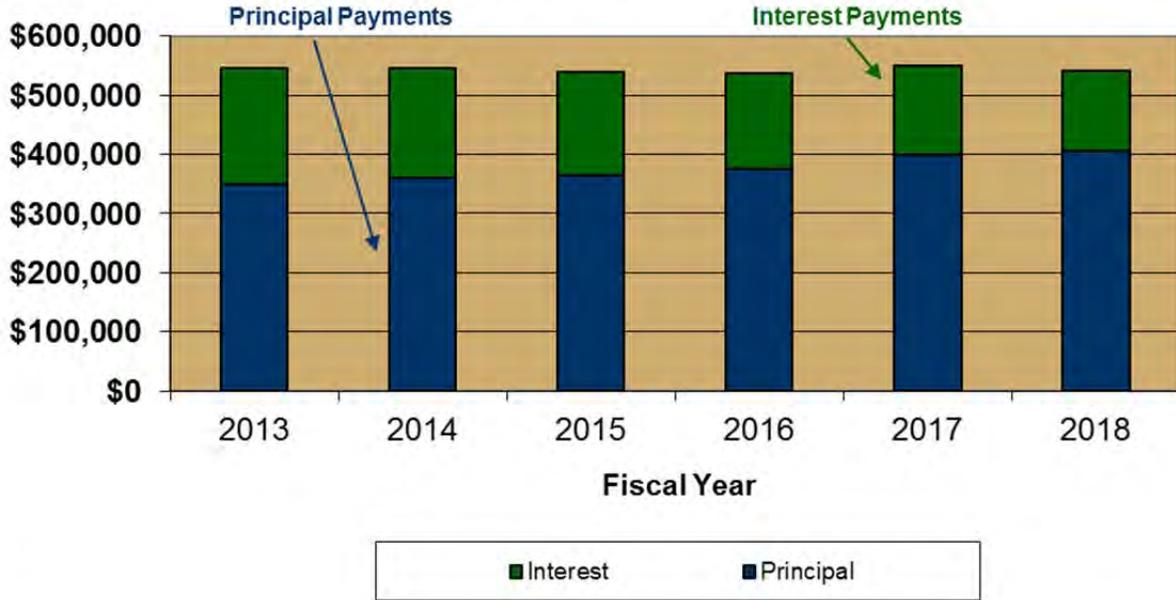
General Obligation Debt

Year	2013	2014	2015	2016	2017	2018
Principal	\$ 1,320,000	\$ 1,115,000	\$ 1,160,000	\$ 1,205,000	\$ 950,000	\$ 870,000
Interest	521,133	470,433	427,753	382,470	334,758	297,068
Total	\$ 1,841,133	\$ 1,585,433	\$ 1,587,753	\$ 1,587,470	\$ 1,284,758	\$ 1,167,068

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.

As can be seen from the graph above, the voted GO debt service requirements will decline by approximately \$255,000 per year (2.4 mills) after FY 2013 due to the final maturity of the 2004 Refunding Bonds, which will be paid off at that point. This will result in a 1% reduction in property tax requirements starting in FY 2014 due to a reduced GO bond debt service levy in that year.

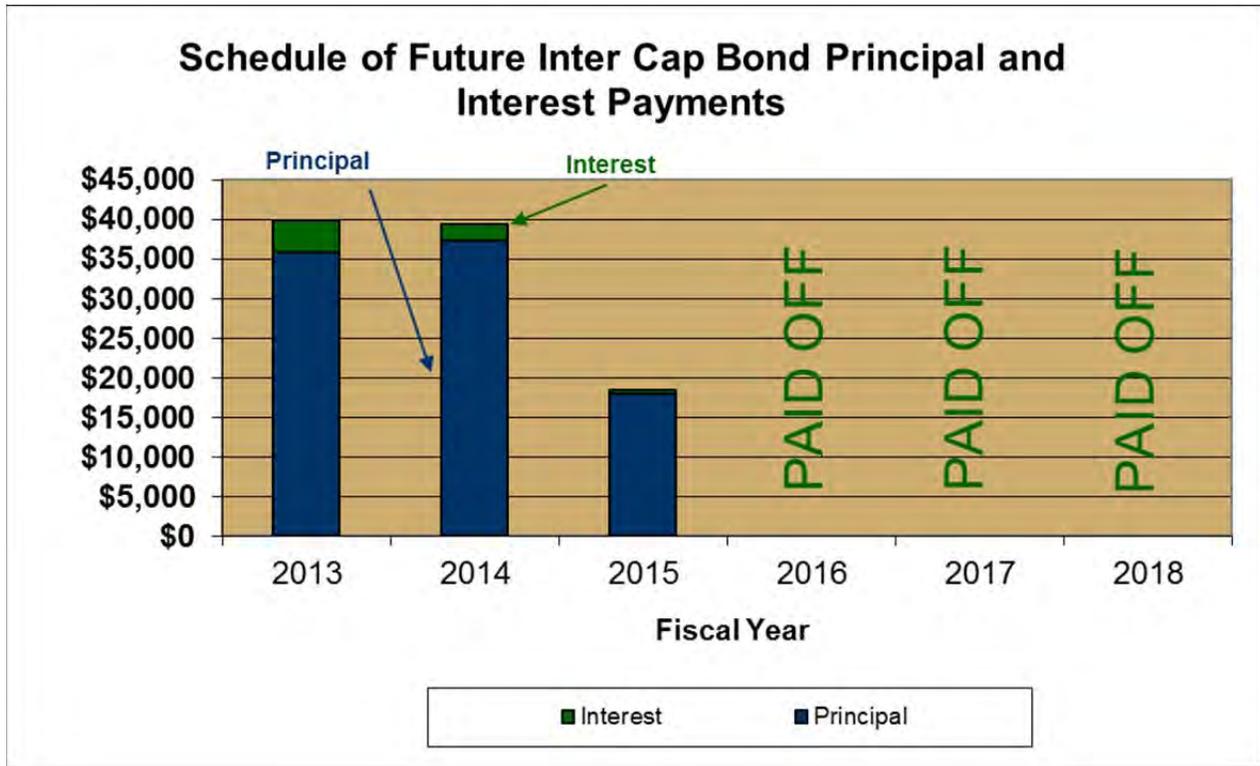
Schedule of Future Limited Obligation Bond Principal and Interest Payments



Limited Obligation Debt

Year	2013	2014	2015	2016	2017	2018
Principal	\$ 350,000	\$ 360,000	\$ 365,000	\$ 375,000	\$ 400,000	\$ 405,000
Interest	195,795	185,335	174,283	162,769	150,218	136,173
Total	545,795	545,335	539,283	537,769	550,218	541,173

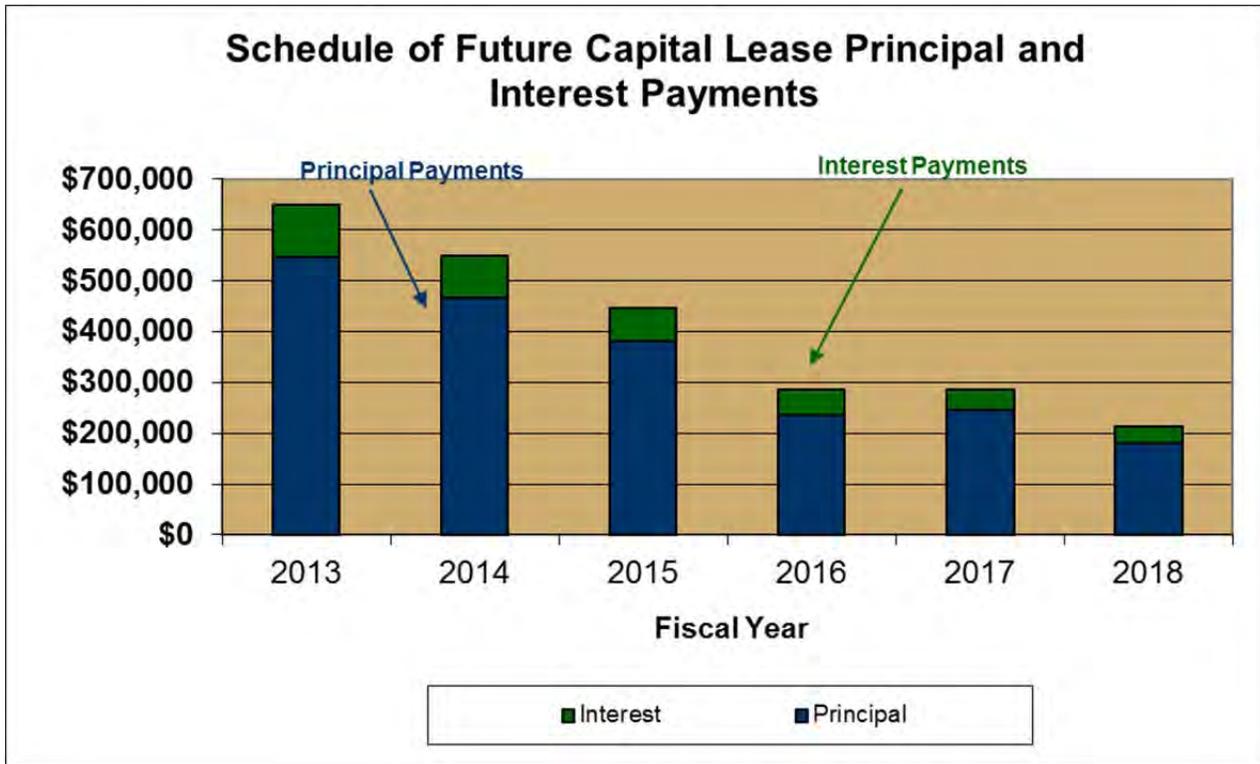
As can be seen in the table above, the General Fund's limited obligation debt service requirements will remain fairly constant over the next five years.



Inter Cap Debt

Year	2013	2014	2015	2016	2017	2018
Principal	35,888	37,194	17,933	Paid Off	Paid Off	Paid Off
Interest	3,901	2,180	426	Paid Off	Paid Off	Paid Off
Total	39,789	39,374	18,359	Paid Off	Paid Off	Paid Off

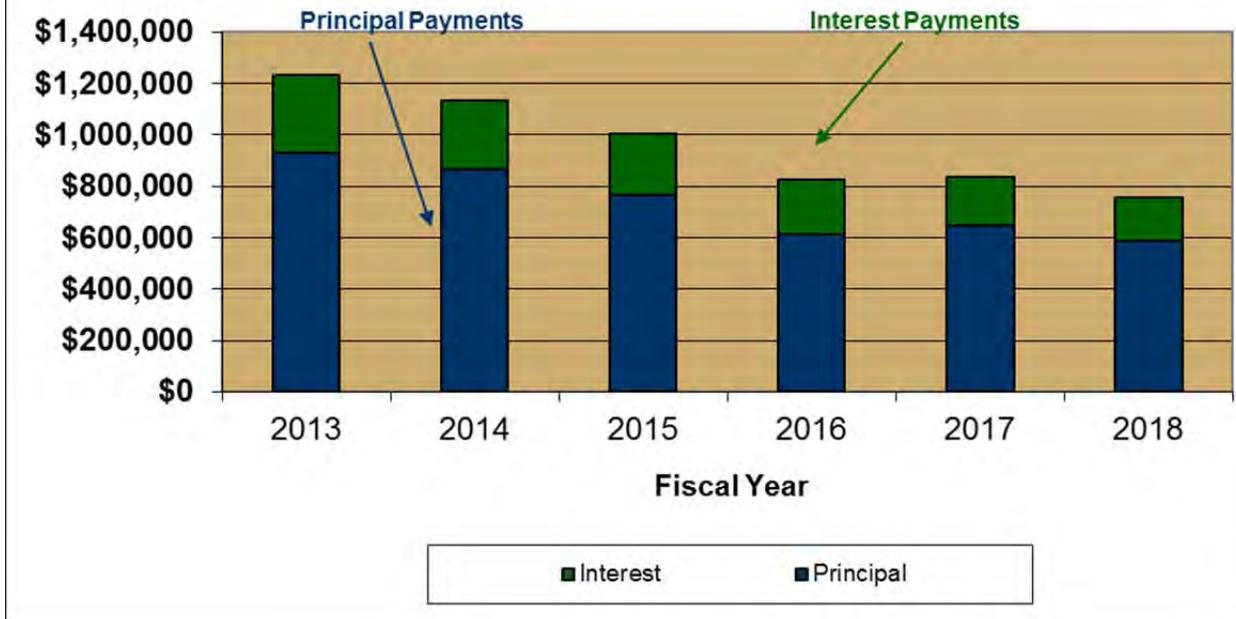
The General Fund has 3.5 years left of modest debt service payments for a fire engine financed through the State of Montana's Inter-cap lending program.



	Capital Lease					
Year	2013	2014	2015	2016	2017	2018
Principal	546,597	466,713	382,289	235,303	245,341	181,662
Interest	102,649	82,573	65,232	51,662	41,624	31,737
Total	649,246	549,286	447,521	286,965	286,965	213,399

The graph and table above illustrate the declining impact of future capital lease payment on the General Fund after FY 2013.

**Schedule of Future General Fund Debt - All Types -
Principal and Interest Payments**



Total General Fund Debt - All Types

Year	2013	2014	2015	2016	2017	2018
Principal	932,485	863,907	765,222	610,303	645,341	586,662
Interest	302,345	270,088	239,941	214,431	191,842	167,910
Total	\$ 1,234,830	\$ 1,133,995	\$ 1,005,163	\$ 824,734	\$ 837,183	\$ 754,571

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 2013, each future year has a smaller debt service requirement than the preceding year. This fact, combined with reduced GO bond debt requirements after FY 2013, will eventually free up \$350,000 to \$440,000 per year of tax supported projects. This information will be utilized as future budgets and capital financing needs must be 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.

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 April 2008, Standard and Poor's of New York assigned an AA- rating to all of the city's outstanding voted GO debt, which formerly had an A rating. This rating upgrade was based on the city's continued economic expansion and management's maintenance of good reserve levels.



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 14, 2010 rating affirmation.

Missoula GO		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed

Standard & Poor's Ratings Services assigned its 'AA-' standard long-term rating, and stable outlook, to all of the City of Missoula's outstanding voted GO debt.

The ratings reflect our view of the city's:

- *Diverse local economy, anchored by the University of Montana, which serves as a regional services, health care, and retail hub for the surrounding communities;*
- *The city's gradually expanding property tax base due to a low cost of living and an educated labor force as compared with the rest of the region;*
- *Additional liquidity of \$3.7 million, or 9% of expenditures, as of April 2010 outside the general fund available for general fund purposes of, which helps to bolster the city's low general fund reserve position;*
- *Historically below-average and relatively more stable unemployment levels, with the city's unemployment rate as of March 2010 at 7.7% versus 9.7% for the U.S.; and*
- *Low overall debt burden with no GO or general-fund-related debt issuance plans.*

Outlook

The stable outlook reflects our expectation that the local economy's diversity and steady growth will continue, especially given the presence of the university. The stable outlook also reflects our expectation that the city will make the budget adjustments it deems necessary to improve reserves from levels deemed only marginally adequate for the rating. Additional stabilizing factors for the rating are the city's low debt burden and lack of additional general-fund-related or GO bonding plans, which should allow for a continuing low debt service carrying charge.

The City's high ratings are an objective indication of sound financial management, recognition that its overall debt profile is characterized by good debt service coverage from pledged revenues and by sound legal provisions ensuring full and timely payment of its debt service obligations. Overall net debt is very low at \$851 per capita, or 1.9% of estimated true property value.

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

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. 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.

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 financing is that funds 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 5-year planning document designed to guide decisions concerning capital expenditures and not cast in stone. 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 by Department Heads. 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 department managers to examine long-range needs and allows the City to develop more coherent city-wide fiscal policies. The CIP provides a basis to compare and rank projects and provides opportunities to explore alternate funding sources, since most capital improvement requests exceed the available revenues. The Council will be requested from time to time to make revisions to the plan. Staff, as well as Council members, may develop these requests themselves.

The capital budget is separate and distinct from the City's operating budget for several reasons. First, capital outlays reflect non-recurring capital improvements rather than ongoing expenses. Where possible, capital projects are funded from nonrecurring funding sources such as debt proceeds and grants; these one-time revenue sources are not appropriate funding sources for recurring operating expenses. Second, capital projects tend to be of high cost in nature, requiring more stringent control and accountability. To provide direction for the capital program, the City Council has adopted policies relating to the Capital Improvement Program and the Capital Budget, which are discussed later in this section.

CIP PURPOSE

The purposes of setting up a five- (5) year Capital Improvement Program are:

- To ease the review of the annual capital budget through a uniform process.
- To broaden public participation in the budget process by providing documentation and scheduling hearings early in the process.
- To link capital budgets with the strategic plans, adopted policies, and other plans.
- To link capital expenditures with operating budgets.
- To increase coordination between departments, agencies, and other political jurisdictions.

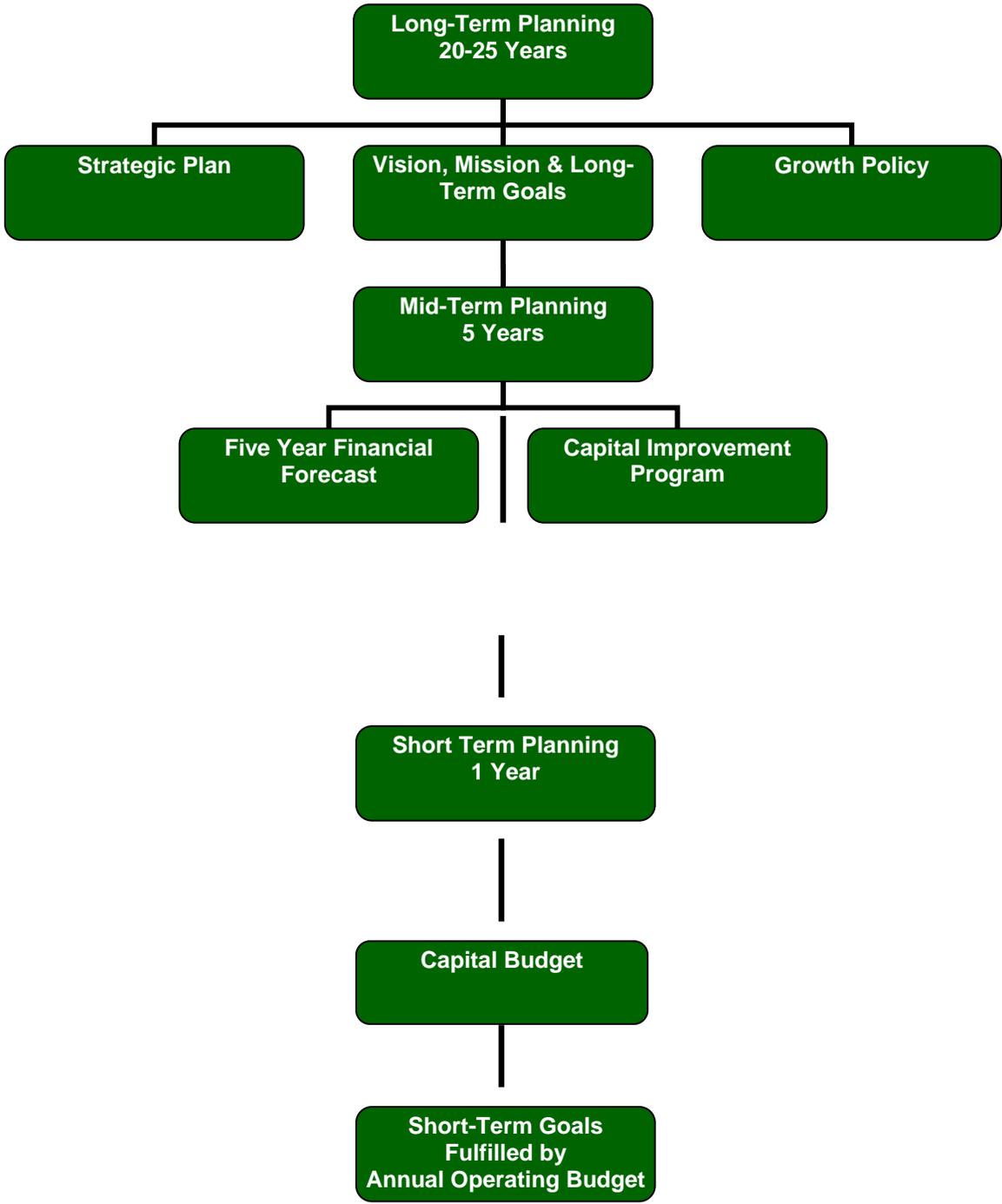
LINKAGE

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, especially in the debt supported by the General Fund and General Obligation debt which is 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 2013, each future year has a smaller debt service requirement than the preceding year for the General Fund and the voted GO debt service. Eventually, after FY 2013, between \$350,000 and \$440,000 per year of tax supported projects will be freed up for future debt service requirements. This 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—5 years. The Annual Budget and the Capital Budget are short-term—covering a 1 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, reviewing, planning, and budgeting of capital expenditures.

All requests for capital improvements are evaluated to aid the Mayor and City Council in selecting the projects to be funded. Department heads submit CIP requests. Departmental staff initiates some of these projects while other organizations; citizen groups and individual citizens initiate others. Evaluation is based on a point system, which requires the department head to judge how well the project in question satisfies each of several criteria. The process is designed to provide a comprehensive look at long term capital needs, which is essential for effective decision-making. However, the system is not intended to provide an absolute ranking of projects based solely on the total numerical scores. A few points difference between total scores of projects is not the only significant factor in determining priority. In addition, there are several criteria, which are considered separately from the point system. For example, if a project was urgently required in order to replace an existing dilapidated facility, it would probably be scheduled for early funding regardless of its score on other criteria. Also, there is a question, which asks the evaluator's overall personal judgment of a project's priority, and helps to identify which proposals are considered most important.

This ranking process allows projects to compete for funds either within its own fund source or citywide. If the department's request only includes capital expenditures which are proposed to be funded out of its own non-tax revenue generated by that department, the projects compete within that department for inclusion within the plan, (for example, wastewater treatment plant projects are funded by Sewer Fees, etc.). However, if the request is outside of the department's ability to generate revenue, i.e., a request for assistance from the General Fund, then the project would compete on a citywide basis for funding.

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 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 for quicker implementation. Some projects may also be bumped up in priority and implemented quicker than originally planned.

Definitions:

For the purposes of this process, capital is defined as items that have a single acquisition cost of \$5,000 and a useable life of 5 years. Basically, this definition implies that those items, which can be clearly classified as major improvements, rather than routine maintenance or equipment replacement, are defined as capital for the purposes of this program. It includes any major expenditure for physical facilities. Vehicles intended for use on streets and highways, costing less than \$35,000 are **not** included in the CIP.

2013-2017 Capital Improvement Program

1. Recommendation for 2013-2017 Capital Improvement Program:

When possible department heads must, where appropriate, look at the City's Strategic Plan, the most recent Comprehensive Plan Update and amendments, Themes Document, Transportation Plan, Strategic Plan and other plans and documents or studies to determine if their projects are meeting the community's goals, and make a statement of their findings.

2. The Project Rating System:

When considering a department's proposal(s) the CIP Budget Team will meet with each Department and Division Head. The purpose for this meeting will be: 1) to assure that both the Department and Division Head and the CIP Budget Team are fully briefed on the department's proposal(s); and 2) discussion between the CIP Budget Team and the Department and Division Head regarding how proposal(s) are rated.

3. Coordination:

Department and Division Heads are encouraged to coordinate project proposals with internal departments as well as external agencies such as: the County, the Neighborhood Network and Councils, the Chamber of Commerce, the University of Montana, the School Districts and other community based organizations.

4. External Projects:

Projects initiated by external organizations, citizens groups and individual citizens will be given to appropriate Department Heads after submittal to the Finance Department.

Annual Review

The CIP is reviewed on an annual basis. During this annual review process projects budgeted for the prior fiscal year are reviewed to determine status and whether to continue funding or require re-submittal to compete as a new project. New projects are added to projects carried over from the prior two years according to ranking or priority.

Responsibilities for Program Development

Before a project reaches the Mayor and City Council for FY 2012-2016, each project should be reviewed for financial feasibility, conformance to established plans and response to public need. Responsibility to coordinate with the appropriate department project proposal(s) requiring review for engineering feasibility, environmental impact, land use regulations, grant eligibility and redevelopment plans falls to the Department and Division Head submitting those project proposal(s).

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

Review feasibility and cost estimates of all proposed public works type projects including preparatory studies.

3. Health Department

As appropriate, review all projects for environmental impact.

4. Office of Planning and Grants
Review all projects for conformance with the Transportation and Land use Plan, and whether projects being submitted for grants meet grant eligibility criteria and determination of which projects will compete best for competition grants.
5. Missoula Redevelopment Agency
Examine all projects that relate to the Missoula downtown redevelopment area to see that they correspond to Missoula redevelopment plans.
6. 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 data and recommend proposed plans for financing CIP.
7. Council Members
Requests that department heads prepare project forms for projects they feel should be considered.
Update, review and approve CIP annually.

Method for Ranking Projects

1. **STEP 1** - The CIP Committee establishes the importance of one criterion over another by assigning the highest numerical score to the highest ranked criteria. This is called the weight factor.

STEP 2 - The department's criteria score is multiplied by the weight factor to establish a total score. The weight factor broadens the range of total scores and assigns priorities to the criteria. The total score will help determine the relative importance of one project over another in a systematic way.

STEP 3 - The department heads rate the capital projects according to the established criteria. All departments use the same criteria.

STEP 4 - Determine that projects are urgently needed for public safety or are mandated legally or by a contractual agreement. (See criteria PI-4 on sample CIP form)

STEP 5 - Determine scheduling of projects relative to allocation of available funds.
2. Rationale for Weight Factor Determination
The weighted score is assigned to each criterion by a method, which measures each criterion against every other criterion. When one criterion is more important than another it is assigned a point. The criterion with the most points (most important) is given the highest weight. For example Criterion 05 (Does the project result in maximum benefit to the community from the investment dollar?) has the highest weight score. The following discussion explains the method by which the criteria were given a weight score. For Street Reconstruction projects, blocks considered to need reconstruction in the next five years are first rated according to the Asphalt Institute Pavement Rating System. Streets planned for reconstruction in the CIP budget year are then assigned a priority ranking utilizing the Asphalt Institute Pavement Rating System.

Definition of Criteria:

1. Is the project necessary to meet Federal, State, or local legal requirements? This criterion includes projects mandated by Court Order to meet requirements of law or other requirements. Of special concern are those projects being accessible to the handicapped.
2. Is the project necessary to fulfill a contractual requirement? This criterion includes Federal or State grants that requires local participation. Indicate the Federal grant name and number in the comment column.
3. Is this project urgently required? Will delay result in curtailment of an essential service? This statement should be checked "Yes" only if an emergency is clearly indicated; otherwise, answer "No." If "Yes," be sure to give full justification.
4. Does the project provide for or improve public health or safety? This criterion should be answered "No" unless public health or public safety can be shown to be an urgent or critical factor. If yes, please describe the public health or safety urgency.
5. Does the project result in maximum benefits to the community from the investment dollar? (Equipment and small projects should be related to larger program goals.)

Use a cost/benefit analysis, and/or another systematic method of determining the relative merits of the investment where it is appropriate. You may develop your own method of analysis; however, you may wish to review this method with the Finance Director or CIP Team prior to submitting the project in order to resolve any questionable elements. Leveraging of city money by attracting outside dollars from other public or private sources should be considered and explained.

Examples include when a project may be eligible for a federal or state grant where every dollar of City money will be matched by three dollars of federal monies. Another example would be when a piece of equipment is purchased; it may increase productivity by fifty percent (50%) and thereby reduce personnel and operating costs. This enables the City to avoid additional personnel or operation costs that would have been incurred otherwise 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. Put this figure in the comment section and attach the information used to arrive at the figure. Where possible use standard measurements, for example, average daily trips (ADT).

This criterion 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.

- 0 – No analysis is submitted where analysis is possible.
- 1 – Analysis submitted is open to questioning. There are slight benefits to the project and no leveraging.
- 2 – A credible analysis is submitted showing moderate benefits.
- 3 – A credible analysis is submitted showing high benefits, which may include substantial leveraging.

6. Does the project require speedy implementation in order to assure its success of maximum effectiveness? (Equipment and small projects should be related to larger program goals.)
- 0 – Time is not a critical factor (i.e., the project will be as worthwhile doing five years from now as it is now).
 - 1 – Time is of moderate importance.
 - 2 – Time is of substantial importance.
 - 3 – Time is critical factor.
- For example, there may be a time limitation on providing a local funding share in order to receive a State or Federal grant. Another example would be if an improvement or replacement project is not performed now, such as replacing a roof, the benefits will be reduced, such as an unrepaired/replaced roof that continues to leak until the building's structure is rotted until there is no structure that can be saved. A third example would be when a hazard, such as environmental pollution, exists and there is an increasing and significant risk that, if the hazard is not abated, then it is likely that significant or irreparable damage occurs or the City might be financially liable for the consequential damage. There may be other reasons why time is of the essence in the success or failure of a project. If the time factor is critical, explain why.
7. Does the project conserve energy, cultural or natural resources, or reduce pollution?
- 0 – Does not have any conservation aspects or pollution reduction.
 - 1 – Project has minimal amount of conservation aspects or pollution reduction, or there is no substantiation of the claims of these benefits.
 - 2 – Project has significant level of either conservation aspects or pollution reduction, or an accompanying analysis or reference to another study, or plan substantiates this benefit.
 - 3 – Project has both conservation aspects and an accompanying analysis or reference to another study, or plan substantiates pollution reduction or a substantial amount of energy or pollution savings and this claim.
8. Does the project improve, maintain or expand upon essential City services where such services are recognized and accepted as necessary and effective? Identify in comment section what services are expanded. (Provision of a new service can be ranked anywhere on 0-2 scale).
- 0 – Low to moderate improvement in low to moderately important service.
 - 1 – Maintain current level of service, substantial improvement of low priority service or moderate improvement of an essential service.
 - 2 – Substantial improvement of an essential service.
9. Does the project relate specifically to the City's strategic planning priorities or other plans?
- 0 – Project enhances another plan, project or program aside from the strategic plan or does not conflict with any other plans, projects or programs (Note plan, project or program related to in comment section.)
 - 1 – Project enhances any of the strategic directions as determined during the City's strategic planning process. Falls within the appropriate year of the strategic plan.
 - 2 – This project substantially benefits any of the strategic directions to any of priorities as determined during the City's strategic planning process. Falls within the appropriate year of the strategic plan.
 - 3 – This project is critical to any of the strategic directions determined during the City's strategic planning process. Falls within the appropriate year of the strategic plan.

2013-2017 Guides for Department Heads in Preparing Information on Projects

Process

1. Requests for all City Hall building construction needs should be sent to the Public Works Director. Please include the following information: the square footage, the number of people affected and the function of the people affected. Also note the problem with the existing space.
2. Submit project forms to the Finance. If there are any organizations in Missoula that you wish to be sure get a copy of the preliminary list, please submit their names and addresses with your projects.
3. All on-road vehicles worth less than \$35,000 are not included in the Capital Improvement Program.
4. Present a list of projects that might be included in the Capital Improvement Program after 2009.

Filling Out Forms

1. Only projects requesting funding during the first three years of the CIP will be evaluated with the criteria and ranked. The other projects are included for planning purposes without expressing intent to fund or not fund.
2. Be sure that all information asked for on the form is presented. If further explanation is needed, please attach it to the form.
3. If there is a need to coordinate one project with another project either internal or external, note and explain the need for the coordination in Part 5 of the form (Justification). Attach additional information when necessary.
4. In the justification section (Part 5) of the form explain your choice of a particular funding method(s). Also include a justification for your project and its relation to the criteria.
5. Section 7 of the form should reflect funding sources (include operating budget/in-king contributions) your totals should equal the total cost of the project, not just the cost to the City.

DESCRIPTION OF PROGRAM CATEGORIES

The capital budget is broken down into the following categories:

- **CS** – Community Services (includes public buildings, etc.) e.g., renovation and energy improvements as well as new construction
- **PR** –Parks, Recreation and Open Space
- **S** –Street Improvements
- **PS** –Public Safety
- **WW**– Wastewater Facilities
- **SE** –Street Equipment

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 2013-2017 Capital Improvement Program has sixteen different sources of funding. Each fund 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.

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.

- General Fund Tax Levy:** 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.).
- Cash Balance:** 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.
- State Revenues:** 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.

Tax Increment Funds: 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.

Sewer R & D Fund: The Sewer Replacement and Depreciation Fund consists of funds set aside annually for future investment in sewage treatment plant facilities.

Parking Commission: The Missoula Parking Commission maintains substantial cash reserves that are available to them for projects related to parking needs.

Grants/Donations: This fund source consists of Federal grants, State grants, and donations by citizens and businesses where the money is passed through the City.

CTEP: These are Federal grants primarily directed towards improving or expanding non-motorized transportation.

G.O. Bonds: These are bonds for which the full faith and credit of the City is pledged. G.O. Bonds require voter approval.

Special Assessments

& Other Debt: 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.

Title One: These are funds generated by repayment of HUD? UDAG projects.

Trails Fund: Donations and land lease payments have been set aside in a special revenue fund for the purpose of expanding the trails system.

Cable TV: These are funds generated from collection of franchise fees paid by subscribers of the local cable television operators.

User Fees: 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 Acq. &

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 operating budget in the fiscal year the asset becomes operational. 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 Fire equipment replacement schedule below (fire engines and ladder truck) will likely be postponed until a voted levy can be secured to pay for the purchase and financing of this very expensive equipment. The General Fund equipment will be financed while the enterprise fund equipment in the replacement schedule will be paid for in cash. Not all of the General Fund equipment will be purchased due to economic reasons, although the police patrol vehicles are always replaced due to their heavy use.

The future operating debt service impact for both of the new parking structures (East Main Street and the Riverfront Triangle) and the new head-works at the wastewater plant will be completely mitigated by current and future rate increases already in place. These projects will be funded utilizing revenue bonds that are rated by national rating agencies (Standard & Poors 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 appendix for coverage calculations for both parking and wastewater). The dates and actual debt sizing for the E. Main Street parking ramp financing and the headwork’s financing are disclosed below.

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 2011):

\$1,250,000 Special Improvement District #548 Bonds for improving circulation and pedestrian safety in the 5th/6th/Arthur & Maurice area of the University of Montana – sold in a competitive sale on June 6, 2011 and closed on July 5, 2011.

\$775,000 of Special Curb, Gutter, Sidewalk and Alley Approach Bonds sold in a competitive sale that closed on June 11, 2012.

\$871,739 Master Governmental Lease Purchase Agreement – heavy equipment/rolling stock- sold and closed on April 12, 2012.

The following capital financing occurred subsequent to July 1, 2012 (beginning of FY 2013):

None as of this time.

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

FY 2013 Capital Budget & Operating Budget Impacts					
Projects by Department/Project Name					
FY 2013 Capital Budget		Annual Operating Budget Impacts			
Department/Project Title	Appropriation	Personal Services Costs	Other Operating Costs	Debt Service Costs	Total
General Fund Capital Purchases					
PC - Computer Replacement - City Wide	\$ 67,000				\$ 67,000
CIP - General Fund					
White Pine Debt Service Series 2001A	-			127,100	127,100
FY2005 Art Museum Debt Service	-			36,914	36,914
City Hall Expansion Debt Service	-			83,323	83,323
Aquatics - General Fund Debt Service2006C (\$1.86 M)	-			134,823	134,823
Fire Station #4 - General Fund Debt Serv. 2007A (\$680K)	-			52,515	52,515
50 Meter Pool - Gen. Fund Debt Serv. (\$840 K)	-			63,010	63,010
Internally Financed Equipment - owed to CIP	-			159,677	159,677
Energy Savings Performance Debt 2010C	-			86,825	86,825
CIP CORE Replacement Equipment	-			229,652	229,652
Building Inspection Fund					
Computer Replacement	3,500				3,500
Wastewater Treatment Plant					
Sewer Pipe Rehabilitation Program	200,000				200,000
Russell Street Interceptor (6th-Idaho)	50,000				50,000
Hybrid Poplar Tree Effluent Land Application Project	450,000				450,000
Energy Conservation Equip Replacement Project	65,800				65,800
Missoula Redevelopment Agency					
Computer Replacement	2,379				2,379
Other Funds - CIP - FY 2013					
Copier Replacement Schedule	42,500				42,500
Vehicle Replacement Schedule	3,524,000				3,524,000
Central Maintenance Building, Tools and Fence	271,500				271,500
URD III Trail Connections	62,000				62,000
URD II Silver Park & Millsite Trail System	2,500,000				2,500,000
URD III Infrastructure Projects	750,000				750,000
Two-Way Front and Main Sts Traffic Flow Project	100,000				100,000
URD II Western Curb/Sidewalk Improvements	250,000				250,000
Aerial Orthophotography Update	40,000				40,000
Relocate Office of Neighborhoods-Mayor's Remodel	50,000				50,000
Epoxy Bike Lane Striping	38,773				38,773
Transfer Center Improvements	8,000				8,000
Grant Creek Trail	640,799				640,799
Park Development & Expansion	98,000				98,000
Aquatics CIP Plan for Splash & Currents	138,000				138,000
Annual Sidewalk Installation/Replacement Program	860,000				860,000
Neighborhood Initiated Traffic Calming	55,000				55,000
Street Improvement and Major Maintenance Program	1,000,000				1,000,000
Lolo Trail Study	120,000				120,000
Fort Missoula Regional Park	40,000				40,000
Renovate, Replacement and Improvements	70,000				70,000
Rattlesnake Drive Sidewalk (Brookside to Creek Crossing)	295,000				295,000
Riverfront Triangle Parking Structure	3,000,000				3,000,000
McCormick Park Site Plan	225,000				225,000
West Broadway Island	50,000				50,000
Rattlesnake Creek/Broadway Crossing	420,000				420,000
South 3rd Street Reconstruction (Russell to Reserve)	155,000				155,000
Kim Williams Expansion	46,518				46,518
MDA Caras Park Improvements	100,000				100,000
Milwaukee Lighting-Orange to Garfield Ph1	232,700				232,700
Gravel Street Paving	268,000				268,000
VanBuren Street Reconstruction	222,000				222,000
Stump Cutter	52,000				52,000
ToolCat Utility Work Machine	65,610				65,610
White Pine Playground	3,600				3,600
Concession Truck	105,000				105,000
Turf Equipment - Top Dresser - Aerator	15,000				15,000
Park Equipment Trailers	24,000				24,000
Fire Hydrants	40,000				40,000
Traffic Signal Controllers	34,100				34,100
Scott and Toole Intersection Improvements	251,000				251,000
GRAND TOTAL	\$ 17,101,779	\$ -	\$ -	\$ 973,839	\$ 18,075,618

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

DEPARTMENT	EQUIPMENT REPLACEMENT TOTALS					
	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>
ADMINISTRATION						
Total Operating Portion	\$ -	\$ -	\$ 25,000	\$ -	\$ 35,000	\$ -
Total CIP Portion	-	-	-	-	-	-
TOTAL OPERATING AND CIP	\$ -	\$ -	\$ 25,000	\$ -	\$ 35,000	\$ -
PW ENGINEERING						
Total Operating Portion	\$ -	\$ 72,000	\$ 85,000	\$ 30,000	\$ 85,000	\$ 5,000
Total CIP Portion	-	-	-	-	-	-
TOTAL OPERATING AND CIP	\$ -	\$ 72,000	\$ 85,000	\$ 30,000	\$ 85,000	\$ 5,000
POLICE DEPARTMENT						
Total Operating Portion	\$ 326,000	\$ 212,000	\$ 331,000	\$ 447,000	\$ 222,000	\$ 366,000
Total CIP Portion	-	-	-	-	-	-
TOTAL OPERATING AND CIP	\$ 326,000	\$ 212,000	\$ 331,000	\$ 447,000	\$ 222,000	\$ 366,000
FIRE DEPARTMENT						
Total Operating Portion	\$ 98,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Total CIP Portion	1,213,000	515,000	540,000	60,000	470,000	430,000
TOTAL OPERATING AND CIP	\$ 1,311,000	\$ 550,000	\$ 575,000	\$ 95,000	\$ 505,000	\$ 465,000
FIRE ADMINISTRATION						
Total Operating Portion	\$ 25,000	\$ -	\$ 30,000	\$ 95,000	\$ 30,000	\$ -
Total CIP Portion	-	-	-	-	-	-
TOTAL OPERATING AND CIP	\$ 25,000	\$ -	\$ 30,000	\$ 95,000	\$ 30,000	\$ -
STREET DIVISION						
Total Operating Portion	\$ 90,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 85,000	\$ -
Total CIP Portion	477,000	1,010,000	1,005,000	701,000	601,000	990,000
TOTAL OPERATING AND CIP	\$ 567,000	\$ 1,035,000	\$ 1,030,000	\$ 726,000	\$ 686,000	\$ 990,000
VEHICLE MAINTENANCE						
Total Operating Portion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total CIP Portion	-	-	25,000	-	70,000	-
TOTAL OPERATING AND CIP	\$ -	\$ -	\$ 25,000	\$ -	\$ 70,000	\$ -
TRAFFIC SERVICES						
Total Operating Portion	\$ -	\$ -	\$ 41,000	\$ -	\$ -	\$ -
Total CIP Portion	215,000	30,000	48,000	150,000	16,000	-
TOTAL OPERATING AND CIP	\$ 215,000	\$ 30,000	\$ 89,000	\$ 150,000	\$ 16,000	\$ -
PARKS DEPARTMENT						
Total Operating Portion	\$ 96,000	\$ 95,000	\$ 13,300	\$ 123,000	\$ 1,300	\$ 33,000
Total CIP Portion	370,000	181,000	177,000	-	336,000	215,000
TOTAL OPERATING AND CIP	\$ 466,000	\$ 276,000	\$ 190,300	\$ 123,000	\$ 337,300	\$ 248,000
Grand Total Operating Portion	\$ 635,000	\$ 439,000	\$ 585,300	\$ 755,000	\$ 493,300	\$ 439,000
Grand Total CIP Portion	2,275,000	1,736,000	1,795,000	911,000	1,493,000	1,635,000
Federal Transportation Portion	-	-	-	-	-	-
SCBA Equipment Grant	-	-	-	-	-	-
TOTAL GENERAL FUND	\$ 2,910,000	\$ 2,175,000	\$ 2,380,300	\$ 1,666,000	\$ 1,986,300	\$ 2,074,000

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

CEMETERY						
Total Operating Portion	\$	-	\$	-	\$	-
Total CIP Portion		65,000		56,000		30,000
TOTAL OPERATING AND CIP	\$	65,000	\$	56,000	\$	30,000
PARKING COMMISSION						
Total Operating Portion	\$	35,000	\$	18,000	\$	28,000
Total CIP Portion		-		18,000		-
TOTAL OPERATING AND CIP	\$	35,000	\$	36,000	\$	28,000
WASTEWATER TREATMENT						
Total Operating Portion	\$	-	\$	60,000	\$	60,000
Total CIP Portion		-		238,000		488,000
TOTAL OPERATING AND CIP	\$	-	\$	298,000	\$	548,000
BUILDING						
Total Operating Portion	\$	-	\$	60,000	\$	60,000
Total CIP Portion		-		-		-
TOTAL OPERATING AND CIP	\$	-	\$	60,000	\$	60,000
MRA						
Total Operating Portion	\$	-	\$	-	\$	-
Total CIP Portion		-		-		-
TOTAL OPERATING AND CIP	\$	-	\$	-	\$	-
MCAT						
Total Operating Portion	\$	-	\$	-	\$	-
Total CIP Portion		-		-		-
TOTAL OPERATING AND CIP	\$	-	\$	-	\$	-
Total Operating	\$	670,000	\$	577,000	\$	587,000
Total CIP		2,340,000		2,048,000		2,153,000
Grand Total	\$	3,010,000	\$	2,625,000	\$	2,740,000
Federal Transportation Portion		(205,700)		(174,250)		(493,000)
Park District 1 - Funding		(351,000)		(276,000)		(248,000)
Aquatics Support		(115,000)				
Fire - GO Bond		(1,200,000)		(515,000)		(430,000)
TOTALS	\$	1,138,300	\$	1,659,750	\$	1,569,000
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

CORE EQUIPMENT REPLACEMENT SCHEDULE--ALL								
UNIT #	VEHICLE DESCRIPTION	YEAR	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
ADMIN. DEPARTMENTS								
800	TOYOTA PRIUS						35,000	
885	DODGE DURANGO2	2001		-	25,000	-		-
890	FORD RANGER (MCAT)							
1	TOTAL UNITS		-	-	25,000	-	35,000	-
ENGINEERING DIVISION								
503	JEEP GRAND CHEROKEE	2005			30,000			
504	DODGE 1/2 TON 4WHL	2001		32,000				
505	JEEP LIBERTY	2006				30,000		
506	FORD RANGER EXT CAB	2006					25,000	
507	GMC SONOMA	2007						
508	GMC 2500 4WL DR	2005		35,000				
509	CHEVROLET IMPALA	2008					30,000	
510	GMC COLORADO	2005			30,000			
511	GMC SIERRA 2500	2000					30,000	
512	CHEVROLET COLORADO	2005			25,000			
	SEWER TAP COMPRESSORS			5,000				5,000
8	TOTAL UNITS		-	72,000	85,000	30,000	85,000	5,000
POLICE DEPARTMENT								
1	FORD ESCAPE	2012						25,000
6	FORD ESCAPE	2012						25,000
7	CHEVROLET G30 VAN	2004					45,000	
10	CHEVROLET T AHOE	2002		35,000				
11	CHEVROLET IMPALA	2004				25,000		
12	CHEVROLET IMPALA	2004			25,000			
20	DODGE DAKOTA	2010				40,000		
26	CHEVY VAN	2005	35,000					
39	BUICK CENTURY	2003	25,000					
42	FORD EXPEDITION	2005				40,000		
44	DODGE CHARGER	2010		38,000			38,000	
45	DODGE CHARGER	2010		38,000			38,000	
46	DODGE CHARGER	2010		38,000			38,000	
47	DODGE CHARGER	2010		38,000			38,000	
48	CHEVROLET T AHOE	2011			38,000			38,000
49	DODGE CHARGER	2011			38,000			38,000
50	DODGE CHARGER	2011			38,000			38,000
51	DODGE CHARGER	2011			38,000			38,000
52	DODGE CHARGER	2011			38,000			38,000
53	DODGE CHARGER	2011				38,000		
54	DODGE CHARGER	2011				38,000		
55	DODGE CHARGER	2012			38,000			38,000
56	DODGE CHARGER	2012			38,000			38,000
6699	FORD T AURUS	2005		25,000				
8033	CHEVROLET IMPALA	2007					25,000	
8040	FORD F150 CREW CAB	2007						
8059	CHEVROLET IMPALA	2008						25,000
8060	CHEVROLET IMPALA	2008						25,000
8061	DODGE CHARGER	2009	38,000			38,000		
8062	DODGE CHARGER	2009	38,000			38,000		
8063	DODGE CHARGER	2009	38,000			38,000		
8064	DODGE CHARGER	2009	38,000			38,000		
8065	DODGE CHARGER	2009	38,000			38,000		
8066	DODGE CHARGER	2009	38,000			38,000		
8071	TOYOTA HIGHLANDER	2009						
8082	FORD CROWN VIC	2009	38,000			38,000		
8088	MALIBU HYBRID	2009						
8089	MALIBU HYBRID	2009						
8090	MALIBU HYBRID	2009						
8494	FORD EXPEDITION	2006			40,000			
40	TOTAL UNITS		326,000	212,000	331,000	447,000	222,000	366,000

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

FIRE DEPARTMENT							
NV3	BOAT TRAILER	2001					
NV1	RESCUE BOAT (15 YR)	2001					
CT1	MOBILE CASCADE SYSTEM	1997					40,000
CAT	CATARAFT TUBES	2002					
1073	FIRE ENGINE (TYPE 1)	2010					
3227	FIRE ENGINE (TYPE 1)	2003					
2341	FIRE ENGINE (TYPE 1)	2002					430,000
1373	FIRE ENGINE (TYPE 1)	1999		430,000			
1380	FIRE ENGINE (TYPE 1)	1999			430,000		
6664	FIRE ENGINE (TYPE 1)	2009					
9974	FIRE ENGINE (TYPE 1)	1999					
9021	LADDER TRUCK	1990					
1419	LADDER TRUCK	2001	1,200,000				
4197	WATER TENDER (20 YR)	1999					
8685	WILD LAND ENGINE (TYPE 2)	2000				110,000	
4002	WILDLAND ENGINE (TYPE 3)	1999					
7237	WILD LAND ENGINE (TYPE 6)	2007					
9098	WILD LAND ENGINE (TYPE 6)	2006		85,000			
5803	COMMAND VEHICLE	2007					60,000
GER	GENERATORS (All 5 Stations)						
COMP	COMPRESSORS AND FILL STATION						
CT1	HYDRANTS (LOW WATER AREAS)	1997	-	-	-		
	SCBA (15 YRS)						
	INFORMATION SYSTEMS (MIDC'S)						
	THERMAL IMAGERS (6 YRS)		13,000				
	HAND HELD RADIOS		20,000	20,000	20,000	20,000	20,000
	MOBILE RADIOS	2004	15,000	15,000	15,000	15,000	15,000
	DEFIBRILLATORS (10 YRS)	REPLACE	63,000				
	LAND FOR STATION 6	REPLACE					
	DEFIBRILLATORS (10 YRS)	2002					
31	TOTAL UNITS		1,311,000	550,000	575,000	95,000	505,000
FIRE ADMINISTRATION							
902	CHEVROLET IMPALA	2007					30,000
903	CHEVROLET UPLANDER	2006				30,000	
906	CHEVROLET COLORADO	2005			30,000		
908	FORD RANGER	2009				30,000	
909	TOYOTA PRIUS	2006					
911	DODGE D250 4WHL	2001	25,000				
912	FORD F 250	2006					35,000
7	TOTAL UNITS		25,000	-	30,000	95,000	30,000
STREET DIVISION							
101	GMC EXT CAB 1/2 TON	2003		25,000			
102	GMC EXT CAB 1/2 TON	2005			25,000		
103	GMC EXT CAB 1/2 TON	2006				25,000	
104	DODGE 3/4 TON	2002					45,000
105	CHEVY 1 TON DEICER UNIT	2000	45,000				
108	DODGE 1 TON / LIFT GATE	1996	45,000				
111	FORD F350 CREW CAB	2007					40,000
112	JOHNSTON 650	2007			205,000		
113	JOHNSTON 650	2007			205,000		
114	JOHNSTON 650	2006		205,000		205,000	
116	JOHNSTON 650	2006			205,000		
117	ISUZU JOHNSTON 650	2009				207,000	
120	ELGIN BROOM BEAR	2005	205,000				
121	IH TANDEM VAC-CON	2002	37,000				
122	CAT	2006					
123	CAT	1982					225,000
130	FORD SINGLE AXLE	1996	115,000				
131	I.H. TANDEM AXLE	2009					

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

132	I.H. TANDEM AXLE	2007						
135	FREIGHTLINER	2012						
136	FREIGHTLINER	2010						170,000
137	FREIGHTLINER	2012						
138	I.H. 7400	2007				170,000		
139	I.H. TANDEM AXLE	2009						
140	STERLING TANDEM AXLE	2002		130,000				
143	ROSCO SPR-H	1997					200,000	
145	BARBER GREENE	1995		180,000				
146	CAT	1996			130,000			
147	CAT	1996			130,000			
149	CAT	2006						
150	BOMAG	2003						
154	CAT	2004						
155	KOMTSU	2010						
167	FORD SINGLE AXLE	1997	115,000					
168	FORD SINGLE AXLE	1997		115,000				
169	FORD SINGLE AXLE	1997			115,000			
171	BOBCAT	1996				52,000		
174	FORD F800	1994		135,000				
175	FORD/ROSCO	1996		155,000				
176	STERLING	2001					120,000	
177	STERLING	2005						120,000
178	IH 7400 SINGLE AXLE	2006						120,000
179	FREIGHTLINER	2009						
180	FREIGHTLINER	2009						
181	FREIGHTLINER	2009						
196	CATERPILLAR PS 150B	2001						80,000
197	DYNAPACK CP132 9	2001						80,000
198	CIMLINE CRACK SEALER	2005						
T-100	TRAIL KING	1994				41,000		
T102	WALTON	1994					41,000	
T-105	TOW MASTER	1997						
T-145	ECONOLINE	2003		90,000				
P105	BOSS RTE PLO	2008						
P128	FALLS	2008						
P130	SCHMIDT	1986						
P164	SCHMIDT	1986						
P165	SCHMIDT	1986						
P167	SCHMIDT	1992						
P168	SCHMIDT	2004				16,000		
P169	SCHMIDT HSP4210POLLY	2007						
P176	SCHMIDT	2002						
P177	SCHMIDT	2004						
P178	SCHMIDT	2006						
CSI50	NORTON CLIPPER	2005						
	SANDERS	7 TOTAL			10,000		10,000	
	ASPHALT WACKER	4 TOTAL	5,000		5,000			5,000
	DEICER UNITS	7 TOTAL				10,000		10,000
52	TOTAL UNITS		567,000	1,035,000	1,030,000	726,000	686,000	990,000
VEHICLE MAINT. DIVISION								
702	HYSTER				25,000			
777	CAT - OLYMPIAN						70,000	
2	TOTAL UNITS		-	-	25,000	-	70,000	-
TRAFFIC DIVISION								
560	FORD ECONOMY VAN	1987	180,000					
562	GRACO PAINT SPRAYER	1996						
563	ARTIC CAT ATV	2004	12,000					
573	DODGE GRAND CARAVAN	2005			25,000			
582	GMC CABOVER	1994		30,000				
584	SMART TRAILER	1997					16,000	
585	FREIGHTLINER AERIAL LIFT	2009				150,000		
588	GMC SIERRA	2002						
589	GMC	2004			48,000			
590	CHEVY PICKUP	2002			-			

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

591	LONG CHIH				16,000			
	ST AND ON SNOW REMOVAL UNIT		23,000					
	SMALL SNOW EQUIPMENT							
51	TOTAL UNITS		215,000	30,000	89,000	150,000	16,000	-
PARKS DEPARTMENT								
201	DODGE DURANGO	1999		25,000				
205	DODGE DAKOTA	1998		25,000				
209	BABB TRAILER W/ PRESSURE WASHER	2007					21,000	
211	POLARIS 6x6 UTV	2008						
212	MORBARK CHIPPER	2010						
214	CASE 580L	1998						85,000
224	JOHN DEERE TRACTOR 6310	2001					65,000	
241	F250 FORD PICKUP (TRAIL SNOW)	2000	45,000					
243	CHEVY PICKUP	2000				45,000		
246	FORD F700 AERIAL LIFT TRUCK	2002		150,000				
252	MITSUBISHI (MINI TRUCK)	1998				15,000		
253	HONDA (MINI TRUCK)	2000				15,000		
255	MITSUBISHI (MINI TRUCK)	1996				15,000		
256	LAND PRIDE SEEDER	2009						
262	TORO	2004					90,000	
264	ARTIC CAT A TV	2001			12,000			
265	CHEVROLET ¾ TON PICKUP	1999				30,000		
267	BANDIT M250 CHIPPER	1996					40,000	
272	GMC PICKUP	2004						30,000
275	JOHN DEERE 1445	2006					40,000	
276	JOHN DEERE 1445	2005					40,000	
278	425 JOHN DEERE TRACTOR	1998		31,000				
282	TORO 580D MOWER	2000	90,000					
283	CHEVY 3/4 TON PICKUP	1998	45,000					
285	CHEVY 3/4 TON PICKUP	1999		45,000				
286	TORO 580D MOWER	2006			90,000			
287	KUBOTA UTV	2006						40,000
289	KUBOTA UTV	2006						40,000
292	JOHN DEERE F 1145 MOWER	2000	40,000					
298	JOHN DEERE 1445	2007						40,000
T202	B-WELDING TRAILER	2000			10,000			
T203	B-WELDING TRAILER	2000			10,000			
T204	SPORT LAND TRAILER	2006						
T205	SPORT LAND TRAILER	2005						
T206	SPORT LAND TRAILER	2005						
T207	UTILITY TRAILER	1993					10,000	
T208	UTILITY TRAILER	2005						10,000
T210	TOW MASTER	1995	15,000					
T211	TITAN 16' TRAILER	2006					15,000	
T214	REDMAX 12 TON TRAILER	2003					15,000	
T215	TRAILER ?	1995			15,000			
T262	PJ TRAILER	2003						
273A	PULL BEHIND AERATOR	2 PER	8,000					
	UTV SNOW REMOVAL "TOOL CAT"		66,000					
	STUMP GRINDER				52,000			
	VENDING TRUCK		115,000					
	TOP DRESSER		12,000					
	580 TRAILERS		24,000					
	SPORTS FIELD PAINT STRIPPER		3,000					
	WEED EATERS		1,300		1,300	1,300	1,300	1,300
	HAND PUSH MOWERS		1,700			1,700		1,700
49	TOTAL UNITS		466,000	276,000	190,300	123,000	337,300	248,000
Total General			2,910,000	2,175,000	2,380,300	1,666,000	1,986,300	2,074,000
CEMETERY								
601	CASE 580 CKB	1974						
602	SUL AIR COMPRESSOR	1979					38,000	

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

604	TORO WALK BEHIND	2002						
608	HUSTLER \ ATTACHMENTS	2002		40,000				
609	HUSTLER \ ATTACHMENTS	2001						
610	POLARIS RANGER	2002				16,000		
613	JOHN DEERE	2007						
614	KUBOTA	2004			16,000			
615	HUSTLER \ ATTACHMENTS	2004			40,000			
616	PROCORE 880	2004						30,000
618	HUSTLER \ ATTACHMENTS	2007				40,000		
625	BACKHOE LOADER	2001						
698	KAWASAKI MULE			16,000				
	UTILITY CART/SPRAYER/BUCKET LIFT			65,000				
13	TOTAL UNITS			65,000	56,000	56,000	56,000	38,000
PARKING COMM.								
858	CHEVROLET 3500	1995	35,000					
865	GO-4	2010					28,000	
866	GO-4	2003						28,000
867	GO-4	2006			28,000			
868	GO-4	2006			28,000			
869	GO-4	2008				28,000		
870	GMC	2005				30,000		
871	JOHN DEERE GATOR	2005		18,000				
872	GMC SIERRA	2008		18,000				
8	TOTAL UNITS		35,000	36,000	56,000	58,000	28,000	28,000
WWT DIVISION								
302	FORD FUSION HYBRID	2010					30,000	
310	CAT 416 D LOADER BACKHOE	2005						70,000
312	PACIFIC 8500 M	2010						
313	FORD TRANSCONNECT	2012						
314	GMC SIERRA 3500	2004					45,000	
316	DOOSAN FORKLIFT	2006						
317	PIPEHUNTER SIDEKICK EASMENT	2009						
321	IH AQUATEC	2011						
322	CHEVROLET	2010		25,000				25,000
323	IH	1988						
324	CHEVY 1 TON	2004						
325	FORD RANGER	2007			35,000			
326	CHEVROLET	2010		35,000				35,000
328	IH AQUATEC-VAC	2008						270,000
329	FORD LNT 8000	1995						
330	INGERSOLL RAND	1988					18,000	
332	FREIGHTLINER	1997		200,000				
334	CHEVROLET HYBRID	2006			34,000			
335	SECA JETTER UNIT	2004					200,000	
336	FORD F350-3 yr financing	2008				45,000		
337	FORD F350-3 yr financing	2008				45,000		
338	FORD F350-3 yr financing	2008					45,000	
339	FORD F350-3 yr financing	2008					45,000	
375	FORD 4" PUMP	1950						
381	COMC 3" PUMP	1951						
385	LANDA PRESSURE WASH	1986						
387	OLYMPIAN GENERATOR	1999						41,000
388	OLYMPIAN GENERATOR	1999						41,000
390	OLYMPIAN GENERATOR	2002						41,000
392	SULLAIR 210H COMPRESSOR	2005		38,000				
NV6	NASHUA TRAILER	1957						
T301	RETTIG UTILITY TRAILER	1999			6,500			
T329	SECA JETTER UNIT	1995						25,000
33	TOTAL UNITS		-	298,000	75,500	90,000	383,000	548,000

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

BUILDING DIVISION							
401	FORD ESCAPE	2012				30,000	
402	FORD RANGER EXT CAB	2011			30,000		
403	CHEVROLET COLORADO	2005		30,000			30,000
405	CHEVROLET COLORADO	2005		30,000			30,000
408	FORD ESCAPE	2012				30,000	
410	FORD ESCAPE	2012				30,000	
6	TOTAL UNITS		-	60,000	-	30,000	90,000
GRAND TOTALS			3,010,000	2,625,000	2,567,800	1,900,000	2,525,300

COPIER EQUIPMENT REPLACEMENT SCHEDULE--ALL

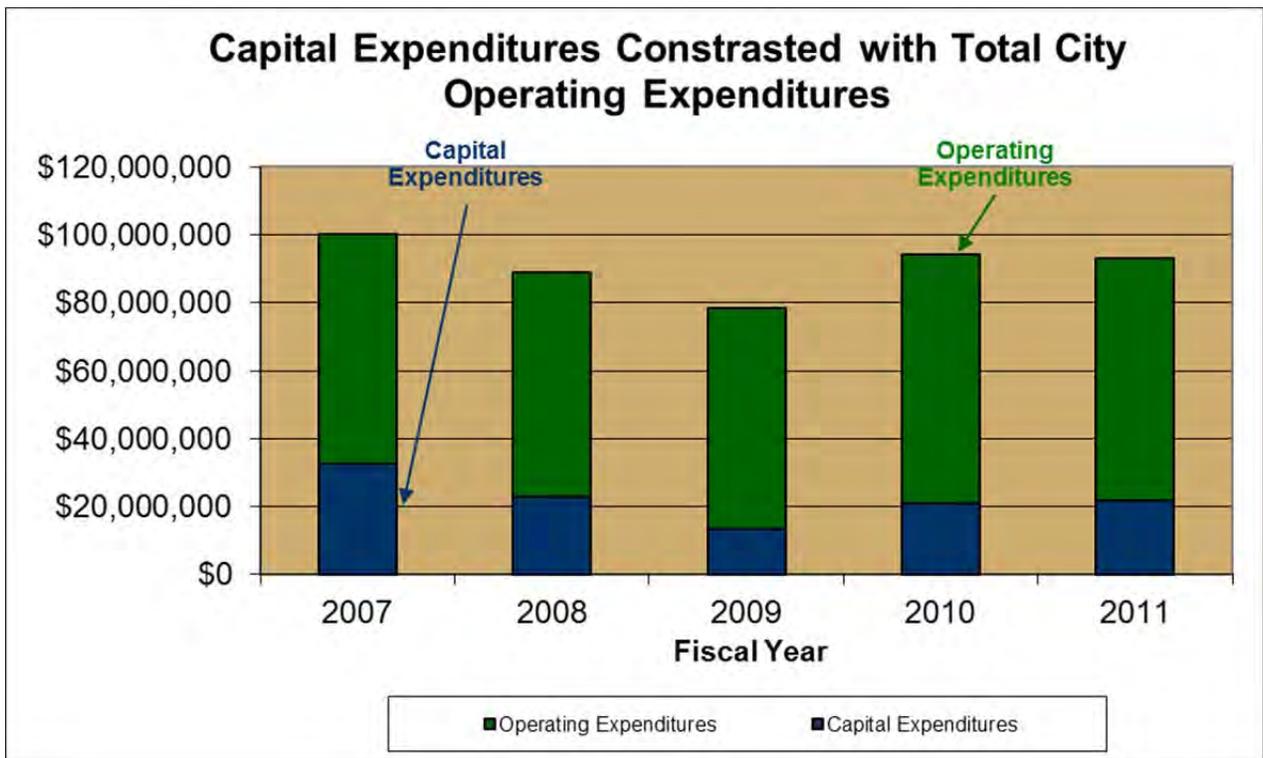
COPIER DESCRIPTION	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
GENERAL FUND DEPARTMENTS						
Attorney - Konica Minolta BizHub 353	\$ -	\$ 12,500	\$ -	\$ -	\$ -	\$ -
Clerk - Konica Minolta BizHub C550	-	13,000	-	-	-	-
Council - HP LaserJet 4345xs MFP	-	8,000	-	-	-	-
Human Resources - Minolta Di3510	-	-	-	-	-	-
Mayor - Sharp MX3501N	-	-	11,000	-	-	-
Muni Court - Konica Minolta BizHub 350	7,500	-	-	-	-	-
HP DesignJet 5500PF 42 (plotter)	-	20,000	-	-	-	-
PW - Minolta Di6500E	-	-	-	-	-	-
Police - HP DesignJet 5500PS	12,000	-	-	-	-	-
Police - Konica Minolta BizHub C552	-	-	-	-	14,000	-
Konica Minolta Di3510F	-	-	-	-	-	-
HP DesignJet 5500 PS (Plotter)	-	12,000	-	-	-	-
Streets - Minolta Dialta	-	-	-	-	-	-
Parks - Minolta Di3510	-	-	-	-	-	-
Parks - HP DesignJet 5500 (plotter)	12,000	-	-	-	-	-
Parks - Konica Minolta BizHub 350	11,000	-	-	-	-	-
TOTAL GENERAL FUND	\$ 42,500	\$ 65,500	\$ 11,000	\$ -	\$ 14,000	\$ -
CEMETERY						
Cemetery - Sharp MX 3501N	\$ -	\$ 13,000	\$ -	\$ -	\$ -	\$ -
Cemetery - Cannon ImageRunner 2200	-	-	-	-	-	-
TOTAL CEMETERY	\$ -	\$ 13,000	\$ -	\$ -	\$ -	\$ -
MRA						
Sharp MX4101N	\$ -	\$ -	\$ -	\$ 11,000	\$ -	\$ -
TOTAL MRA	\$ -	\$ -	\$ -	\$ 11,000	\$ -	\$ -
WWT DIVISION						
HP 5500N Color LaserJet	\$ -	\$ -	\$ 7,000	\$ -	\$ -	\$ -
Konica 7020	-	-	-	-	-	-
TOTAL WWTP	\$ -	\$ -	\$ 7,000	\$ -	\$ -	\$ -
BUILDING DIVISION						
Building - Konica Minolta BizHub 350	\$ -	\$ 9,000	\$ -	\$ -	\$ -	\$ -
TOTAL BUILDING	\$ -	\$ 9,000	\$ -	\$ -	\$ -	\$ -
GRAND TOTALS	\$ 42,500	\$ 87,500	\$ 18,000	\$ 11,000	\$ 14,000	\$ -

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.

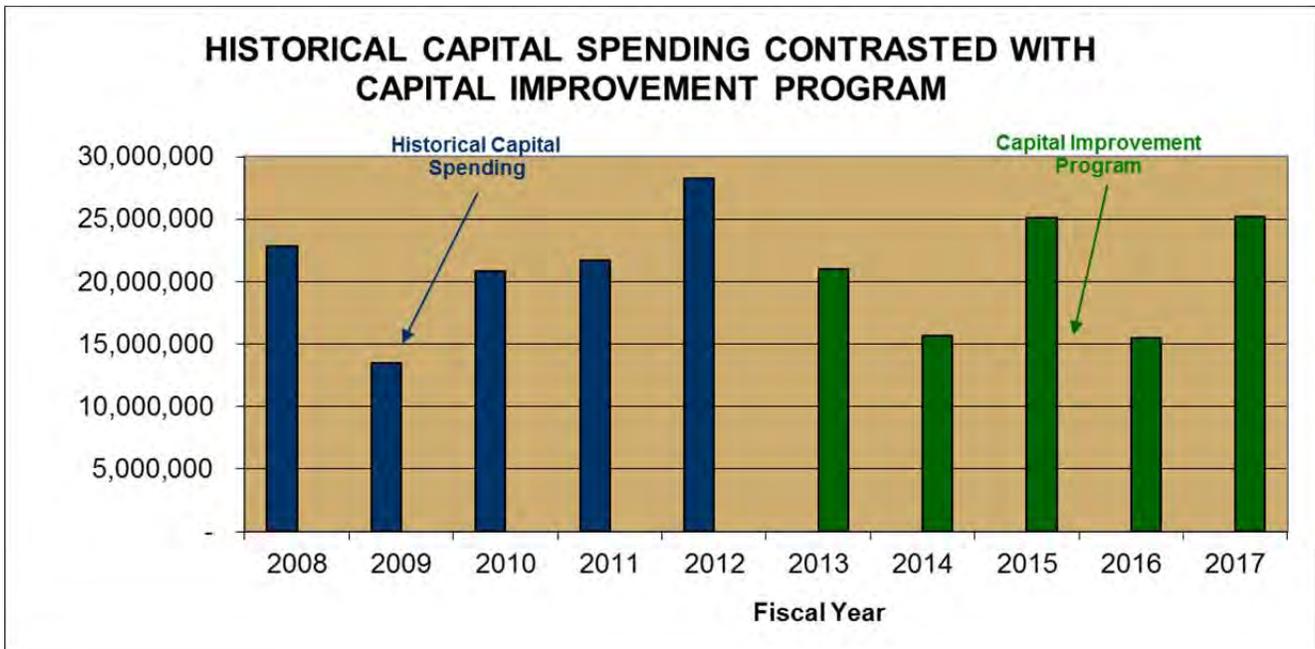
The graph below illustrates Missoula’s historical investment in capital. The graph depicts actual capital expenditures over the course the last five years (for which audited values are available at the time of publication of the budget) as compared to the City’s operating budget. Obligating resources 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 for the adequate maintenance of capital, plant, and equipment and for their orderly replacement is the level 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 will be included in the Capital Budget. This information also helps the City Council make decisions with a long-term perspective.

Shown below is a graph which contrasts historical capital spending (last four years of audited values) with the capital spending identified in the Capital Improvement Program (the next six years).



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 Office, 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.

All CIP Projects in Project Type Order		TOTAL PROJECT									
***** FY 2013 TO FY 2017 CAPITAL BUDGET *****		***** COSTS *****									
DEPT.	NO.	FY-13 RANK	TOTAL	FY13	FY14	FY15	FY16	FY17			
P&R	PR-13	52	46,518	46,518							
P&R	PR-14		141,728				141,728				
P&R	PR-15	48	175,000	100,000	75,000						
P&R	PR-16	56	232,700	232,700							
P&R	PR-17	53	52,000	52,000							
P&R	PR-18	49	65,610	65,610							
P&R	PR-19	47	12,900			12,900					
P&R	PR-20	49	3,600	3,600							
P&R	PR-21	46	105,000	105,000							
P&R	PR-22	49	15,000	15,000							
P&R	PR-23	44	24,000	24,000							
Fire	PS-01	48	160,000	40,000	40,000	40,000	40,000				
Fire	PS-02	42	300,000		300,000						
PW	S-01	46	250,000	55,000	55,000	55,000	55,000				30,000
PW	S-02	39	38,773	38,773							
PW	S-03	45	420,000	420,000							
PW	S-04	49	1,933,300	155,000	1,000,000	778,300					
PW	S-05	41	295,000	295,000							
PW	S-06	36	120,000		120,000						
PW	S-07	49	1,170,000		390,000	390,000					
PW	S-08	NR	800,000				800,000				
PW	S-09	35	3,000,000								3,000,000
PW	S-10	36	120,000		120,000						
PW	S-11	42	1,241,400								653,300
PW	S-12	41	968,000	268,000		700,000					
PW	S-13	34	330,000								330,000
PW	S-14	33	730,000	222,000	241,500	266,500					
PW	S-15	46	5,400,000	1,000,000	1,100,000	1,100,000	1,100,000				1,100,000
PW	S-16	49	4,300,000	860,000	860,000	860,000	860,000				860,000
PW	S-17	45	480,000		240,000	240,000					
PW	S-18	45	954,000		560,000						394,000
PW	S-19	33	251,000	251,000							
PW	S-20		34,100	34,100							
WW	WW-01	31	600,000								200,000
WW	WW-02	48	4,000,000		200,000	2,800,000	1,000,000				
WW	WW-03	52	650,000	450,000	50,000	50,000	50,000				50,000
WW	WW-04	45	1,300,000	200,000	200,000	300,000	300,000				300,000
WW	WW-05	45	1,000,000	50,000		950,000					
WW	WW-06	40	630,000		450,000	180,000					520,000
WW	WW-07		520,000								
WW	WW-08	56	65,800	65,800							
	Totals		\$ 89,842,020	\$ 18,002,739	\$ 13,004,455	\$ 22,588,418	\$ 13,592,199	\$ 22,654,208			

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 can not, 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 can not exceed 2% of the General Fund's revenues for each of the two preceding years; and c) the maximum term of any issue can not 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
-------------------------------	-------------------------

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 can not 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 31st and June 30th. 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 ordinance 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 an underwriter from marketing municipal securities unless the issuer enters 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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Collateralization of Public Deposits (1984, 1987 and 1993)

Diversification of Investments in a Portfolio (1997)

Governmental Relationships with Securities Dealers (1986 and 1988)

Market Risk (Volatility) Ratings (1995)

Mark-to-Market Practices for State and Local Government Investment
Portfolios & Investment Pools (1995)

Master Trust and Custodial Bank Security Lending Programs (1995)

Maturities of Investments in a Portfolio (1997)

Repurchase Agreements, Reverse Repurchase Agreements Leveraging, and
Prudent Investment Practices for Cash Management (1986 and 1995)

Selection of Investment Advisers (1992)

State and Local Laws Concerning Investment Practices (1997)

Use and Application of Voluntary Agreements and Guidelines and Support
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Use of Various Types of Mutual Funds by Public Cash Managers (1987)

Same-Day Funds Settlement Procedures (1994)

Electronic Transactions for State and Local Governments (1997)

Procurement of Banking Services (1997)

Check Fraud Protection (1999)

Frequency of Purchased Securities Valuation in Repurchase Agreements (1999)

Purchasing Card Programs (1998)

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 reapproved 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 7711

A resolution of the Missoula City Council fixing the annual appropriations and the capital improvement program for the city of Missoula, Montana, as set forth in the fiscal year 2013 budget.

Whereas, the City Council of Missoula has deliberated on the Fiscal Year 2013 Budget and held public hearings for public comment.

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 2013 is hereby estimated at \$119,549,195. The breakdown of the funds and estimated local property taxes required are as follows:

Budgeted Expenditures	91,893,122
Inter-fund Transfers Out	16,455,294
Projected End-of-year Fund Balance	11,200,779
Total Funds Required	<u>\$ 119,549,195</u>
Beginning-of-year Fund Balance	19,758,774
Non-tax Revenues	56,932,670
Inter-fund Transfers In	16,455,294
Sub-total Non-Tax Funds Available	<u>\$ 93,146,738</u>
Estimated Property Tax Requirements	<u>\$ 26,402,457</u>

SECTION II

That annual appropriations and transfers out for various departments of the City of Missoula, Montana for the Fiscal Year 2013 will be controlled and monitored for budgetary compliance at the fund level.

SECTION III

The fund balance greater than \$3,100,000 in the City's General Fund shall be transferred to the City of Missoula Capital Revolving Fund in the FY 2013 budget to be earmarked as provided in section 7-6-4134 MCA, for replacement, improvement and acquisition of property, facilities or equipment.

SECTION IV

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 2013-2017.

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.

SECTION V

That the Missoula City Council authorizes the following changes to the City of Missoula's health plan:

1. Increase the premium contributions for employee spouses who are eligible for health insurance coverage through another group plan, but have waived their own coverage to be on the City health plan. This will shift some of the risk of those dependents to other group plans. This will be put in place for the FY 13 plan year and the amounts will be determined based on a consensus of discussion between the City of Missoula, the city's Third Party Administrator (Allegiance) and the Employee Benefit Committee.
2. Start tracking gaps in care and provide outreach to individuals who have chronic illnesses but are not taking their medication, or not following up with a doctor on a regular basis. This will be implemented during the FY 13 plan year as soon as the appropriate choices can be reviewed by the City of Missoula, the city's Third Party Administrator (Allegiance) and the Employee Benefit Committee.
3. Deductibles – work to develop a plan to increase the deductible for employees not meeting benchmarks for cholesterol, glucose, blood pressure, BMI, tobacco use and participating in a blood screening. This will be set up during FY 2013 for implementation at the beginning of FY 2014. The approach would increase the deductible to \$1,000 and allow the participants to reduce the deductible by meeting benchmarks for getting a blood screening, cholesterol, glucose, blood pressure, BMI and tobacco use.
4. Look for cost and price stabilization and implement when ready, once recommended for approval by the City of Missoula, the city's Third Party Administrator (Allegiance) and the Employee Benefit Committee:
 - a.) Steerage to facilities and providers with the best pricing
 - b.) Index plan pricing to a percentage of Medicare, i.e. 200% of Medicare eligible charges
 - c.) Bundled benefits – Pay hospitals/surgery centers up front at a fixed amount based on data, this will cap payment at a pre-determined amount.
5. Phase out City subsidy to retirees' premium. Currently the City subsidizes retirees by contributing 15% of their total premium costs. The phase out shall be a 5% reduction per year in City subsidy for the retiree's dependents and/or their spouses and/or the retirees themselves.

Passed and adopted this 18th day of June , 2012.

Attest:

Approved:

/s/ Martha L. Rehbein
 Martha L. Rehbein, CMC
 City Clerk
 (SEAL)

/s/ John Engen
 John Engen
 Mayor

2012 Certified Taxable Valuation Information
(15-10-202, MCA)

Missoula County
CITY OF MISSOULA

1. 2012 Total Market Value.....	\$	4,110,699,383
2. 2012 Total Taxable Value.....	\$	112,697,955
3. 2012 Taxable Value of Newly Taxable Property.....	\$	1,338,001
4. 2012 Taxable Value less Incremental Taxable Value*.....	\$	108,167,019
5. 2012 Taxable Value of Net and Gross Proceeds (Class 1 and Class 2).....	\$	-

6. TIF Districts

Tax Increment District Name	Current Taxable Value	Base Taxable Value	Incremental Value
URBAN RENEWAL II	3,641,946	1,859,823	1,782,123
URBAN RENEWAL III	9,179,048	7,004,346	2,174,702
U R FRONT ST	1,987,146	1,413,035	574,111
U R RIVERFRONT TRI	112,863	157,858	-

Total Incremental Value \$ 4,530,936

Preparer AMANDA WALTON

Date 8/2/2012

*This value is the taxing jurisdiction's taxable value less total incremental value of all tax increment financing districts.

For Information Purposes Only

2012 taxable value of centrally assessed property having a market value of \$1 million or more, which has transferred to a different ownership in compliance with 15-10-202(2), MCA.

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

MONTANA DEPARTMENT OF REVENUE

Property Assessment Division
Justice Building

2681 Palmer St. Suite 1
Missoula, Montana 59808-1707

August 2, 2012

Board of County Commissioners
Missoula County Courthouse
200 W Broadway
Missoula, MT 59802

Finance Officer
City of Missoula
435 Ryman
Missoula, MT 59802

RE:

2012 tax base values for the County and City of Missoula

	<u>Phase-in Value</u>	<u>Taxable Value</u>	<u>Tax Increment</u>	<u>Tax Base</u>
County	\$7,399,235,402	\$203,566,584	- \$ 7,032,309.00 =	\$196,534,275
City	\$4,110,699,383	\$112,697,955	- \$ 4,530,936.00 =	\$108,167,019

Attest:

Amanda Walton

Amanda Walton, Taxable Valuation Preparer

Telephone (406) 329-1400 Fax (406) 329-1449

Wes Redden, Area Manager

Internet Address <http://www.state.mt.us/revenue/rev.htm>

Resolution number 7722

A resolution levying taxes for municipal and administrative purposes for the fiscal year 2013.

WHEREAS, The City Council of Missoula has deliberated on the Fiscal Year 2013 Budget and necessary mill levy of property taxes; and,

WHEREAS, The City of Missoula is using \$2,896,000 of General Fund FY 2012 fund balance to support expenditures in the General Fund.

WHEREAS, pursuant to House Bill 124 and Senate Bill 265 enacted by the 2001 Montana State Legislature, the City has a carry-forward of unlevied tax millage equal to \$669,229 (6.187 mills).

WHEREAS, the value of a city mill is \$108,167.019.

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 2013, to-wit:

All Purpose General Fund Levy be established at 186.79 mills;

Employee Health Insurance Levy (within levy cap) be established at 12.56 mills;

Employee Health Insurance Levy (outside levy cap) be established at 25.83 mills;

2004 G.O. Refunding Bond Levy at 2.11 mills;

2004 Aquatics G.O. Bond Levy at 5.22 mills;

2006 Fire Station G.O. Bond Levy be established at 3.64 mills;

2007 G.O. Refunding Bond Levy at 4.75 mills;

Total Levy for the City of Missoula, Montana - 240.90 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 27th day of August, 2012

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 UNDER SECTION 15-10-420, MCA

AGGREGATE OF ALL FUNDS

FYE JUNE 30, 2013

COUNTY/CITY/TOWN OF _____ Missoula, MT

NOTE: WHEN ENTERING A NUMBER TO BE SUBTRACTED ENTER AS A NEGATIVE NUMBER
WHERE FORMULAS EXIST, NO ENTRY IS NECESSARY

MAXIMUM PROPERTY TAXES AUTHORIZED: (Note that appropriate statutes are referenced)

Ad valorem tax revenue authorized to be assessed prior year		21,696,958.697
Add: FISCAL YEAR 2011 INFLATION ADJUSTMENT @ 1.2% (Section 15-10-420(1a)(1c), MCA)	260,363.504	260,363.504
Less: Property taxes authorized to be assessed in the prior year for Class 1 and 2 property (net and gross proceeds, county only) (Section 15-10-420(6), MCA (enter as negative number))		-
Add: Personal Property Tax reimbursement received - prior fiscal year - was final year. (Section 15-10-420(7), MCA) (HB 20 and SB 417 reimbursements)	-	
Less: Personal Property Tax reimbursement anticipated - current year (50% of prior FY) (Section 15-10-420(7), MCA) (HB 20 and SB 417 reimbursements) - no longer will be received.	-	-
Adjusted ad valorem tax revenue assessed		21,957,322.201

CURRENT YEAR LEVY COMPUTATION:

Taxable value per mill		112,697.955
Less per mill incremental value of tax increment financing district (TIF) (enter as negative)	(4,530.936)	
Adjusted taxable value (adjusted for removal of TIF per mill incremental district value)		108,167.019
Less: Newly taxable property per mill value, (enter as negative)	(1,338.001)	
Taxable value per mill of net and gross proceeds (county only) (enter as negative)		(1,338.001)
Adjusted Taxable value per mill		106,829.018
Authorized mill levy under Section 15-10-420, MCA (includes floating mills)		205.537
Adjusted taxable value per mill		106,829.018
Add: Newly taxable property per mill value	1,338.001	
Taxable value per mill of net and gross proceeds (county only)	-	1,338.001
Taxable value per mill (including newly taxable property but excluding TIF per mill incremental value)		108,167.019
Authorized mill levy under Section 15-10-420, MCA (includes floating mills)		205.537
Current property tax revenue authorized limitation		22,232,330.992
<u>RECAPITULATION:</u>		
Previous year adjusted property tax revenue assessed (5)		21,957,322.201
Amount attributable to newly taxable property and net/gross proceeds		275,008.791
Current property tax revenue authorized limitation		22,232,330.992

RESOLUTION NUMBER 7724

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 FY 13 in the amount of \$318,146.24 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, 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 2013; 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 2013, and has approved it as part of the city FY 2013 budget, and

WHEREAS, resolution [7511](#) sets forth the annual assessment formula for the district; and

WHEREAS, the BID has been in existence since April 4, 2005; and

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 2013 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 \$318,146.24 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, 2012, and May 31, 2013, at 5:00 p.m.

PASSED AND ADOPTED this 10th day of September, 2012.

ATTEST:

APPROVED:

/s/ Martha L. Rehbein
Martha L. Rehbein
City Clerk

/s/ John Engen
John Engen
Mayor

RESOLUTION NUMBER 7721

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 for the costs associated with providing certain maintenance, purchasing and improvement services in fiscal year 2013 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 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 due notice and conducting a public hearing, the Council adopted Resolution No. 7711 on June 18, 2012, fixing the annual appropriations and the capital improvement program for the City as set forth in the fiscal year 2013 budget which included a work plan and budget for the District in the amount of \$353,510 in order to provide services and purchase supplies to carry out the work plan established for the District in fiscal year 2013;

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 *Missoula Independent*, a newspaper of general circulation in Missoula County, on August 9, 2012 and August 16, 2012;

WHEREAS, a public hearing was held on August 27, 2012, 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 2013 in accordance with this Section 1 and the terms of Resolution No. 7563. 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 2013, the Council estimates the cost of the Services and Improvements to be performed in the District to total \$353,510. The work plan and budget for the Services and Improvements to be provided in fiscal year 2013 were approved by the City Council on June 18, 2012, and are on file and available for public inspection in the City Clerk's office.

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 2014 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 27th day of August, 2012.

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 ROAD DISTRICT NUMBER 1 FOR THE COSTS ASSOCIATED WITH PROVIDING CERTAIN MAINTENANCE, PURCHASING AND IMPROVEMENT SERVICES IN FISCAL YEAR 2013 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 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 27, 2012, 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: Childers, Copple, Jaffe, Marler, O'Herron, Strohmaier, Taft, and Wolken

NAYS: Haines, Hertz, Wilkins

ABSENT: Wiener

ABSTAIN: None

WITNESS my hand officially this 27th day of August, 2012.

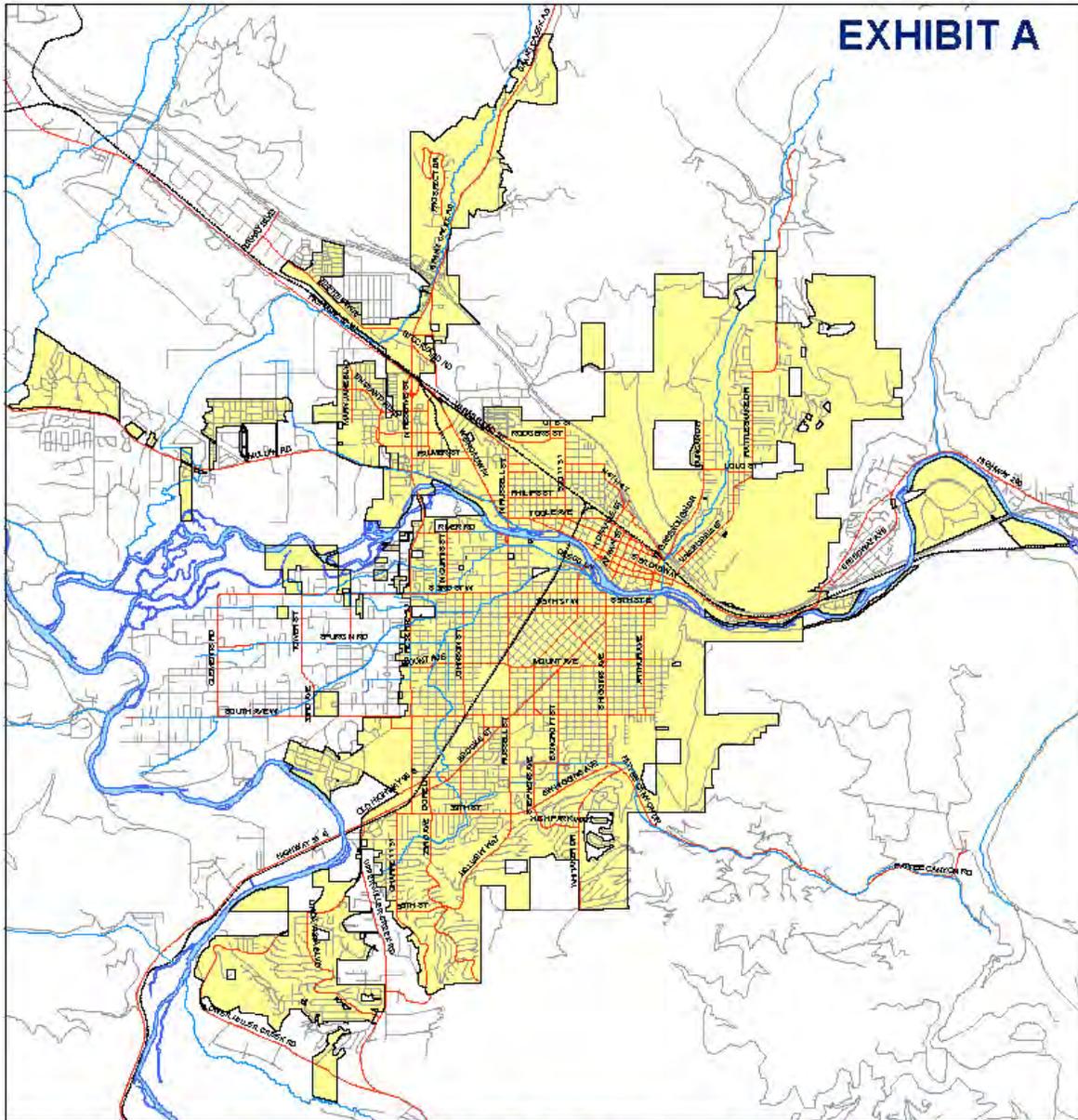
CITY OF MISSOULA
Missoula County, Montana

/s/ Martha L. Rehbein
Martha L. Rehbein, CMC
City Clerk

(S E A L)

EXHIBIT "A"

MAP OF THE DISTRICT



CITY OF MISSOULA, MONTANA - CITY LIMITS MAP

City Limits as of:
June 16, 2011

29.2 Square Miles

18,680 Acres

813,701,231 Square Feet

Printing Date: Tuesday, June 28, 2011

File: CityMap_8.5x11_PDF.mxd

Prepared By: Department of Public Works - Engineering Division - GIS/Mapping Section



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 7720

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 for the costs associated with providing certain maintenance, purchasing and improvement services in fiscal year 2013 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. 7711 on June 18, 2012, fixing the annual appropriations and the capital improvement program for the City as set forth in the fiscal year 2013 budget which included a work plan and budget for the District in the amount of \$510,788 in order to provide services and purchase supplies to carry out the work plan established for the District in fiscal year 2013;

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 *Missoula Independent*, a newspaper of general circulation in Missoula County, on August 9, 2012 and August 16, 2012; and

WHEREAS, a public hearing was held on August 27, 2012, 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 2013 in accordance with this Section 1 and the terms of Resolution No. 7564. 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 2013, the Council estimates the cost of the Services and Improvements to be performed in the District to total \$510,788. The work plan and budget for the Services and Improvements to be provided in fiscal year 2013 were approved by the City Council on June 18, 2012, and are on file and available for public inspection in the City Clerk's office.

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 2014 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 27th day of August, 2012.

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 FOR THE COSTS ASSOCIATED WITH PROVIDING CERTAIN MAINTENANCE, PURCHASING AND IMPROVEMENT SERVICES IN FISCAL YEAR 2013 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 27,, 2012, 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: Childers, Copple, Jaffe, Marler, O'Herron, Strohmaier, Taft, and Wolken

NAYS: Haines, Hertz, Wilkins

ABSENT: Wiener

ABSTAIN: None

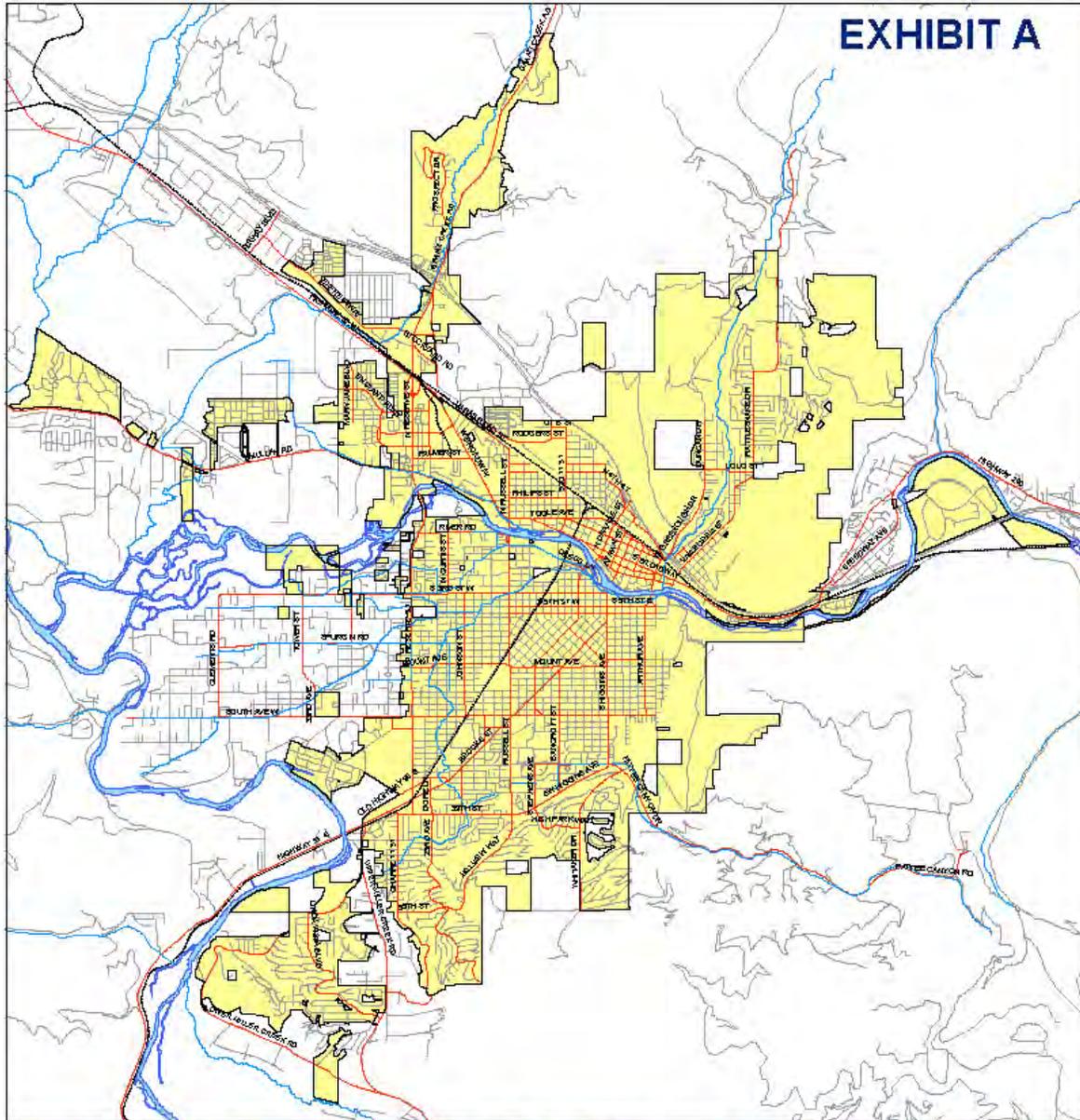
WITNESS my hand officially this 27th day of August, 2012

CITY OF MISSOULA
Missoula County, Montana

/s/ Martha L. Rehbein
Martha L. Rehbein, CMC
City Clerk

(S E A L)

EXHIBIT "A"
Map of the District



CITY OF MISSOULA, MONTANA - CITY LIMITS MAP

City Limits as of:
June 16, 2011



29.2 Square Miles
18,680 Acres
813,701,231 Square Feet



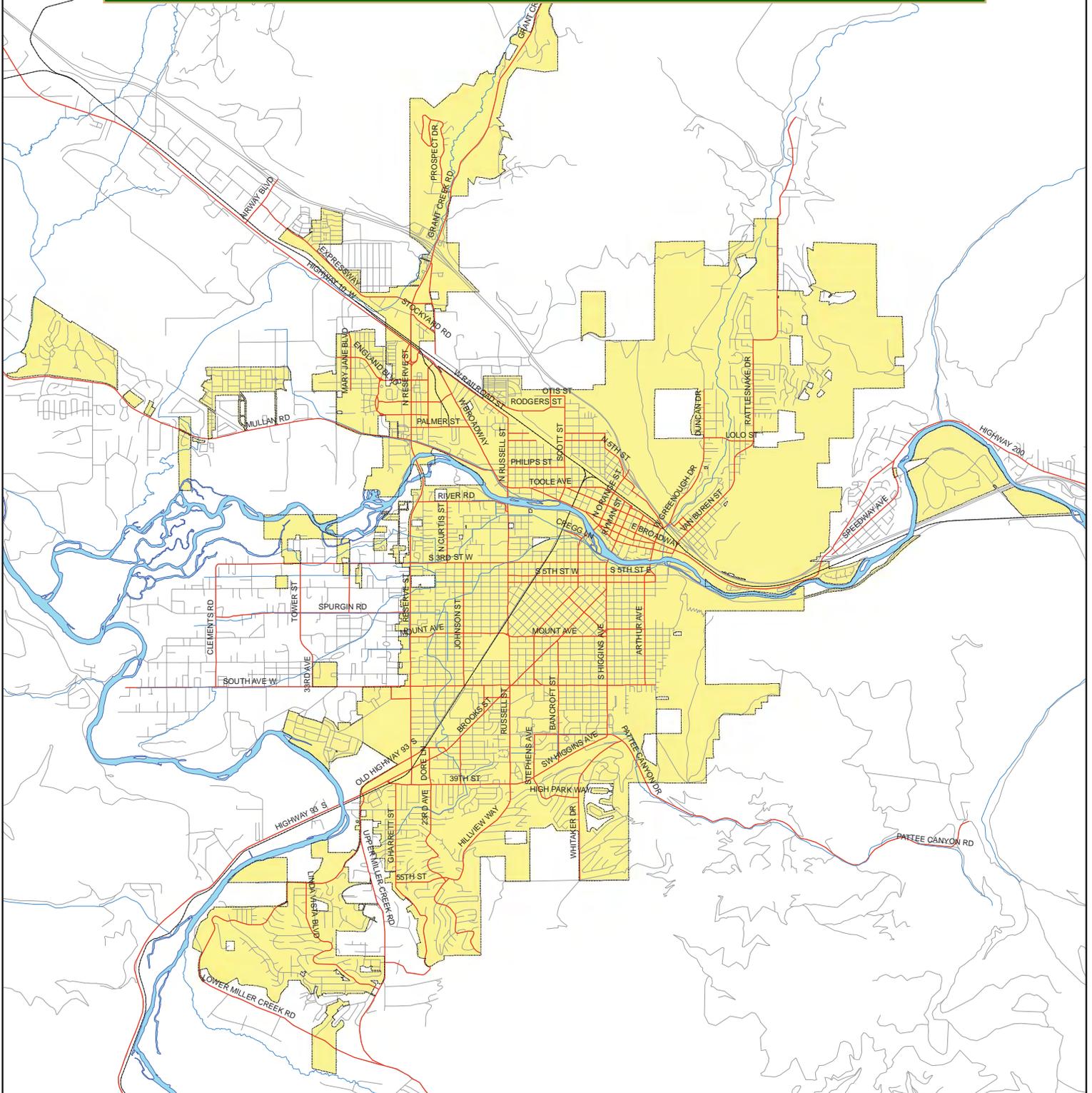
Printing Date: Tuesday, June 28, 2011
File: CityMap_8.5x11_PDF.mxd

Prepared By: Department of Public Works - Engineering Division - GISMapping Section

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:
June 16, 2011

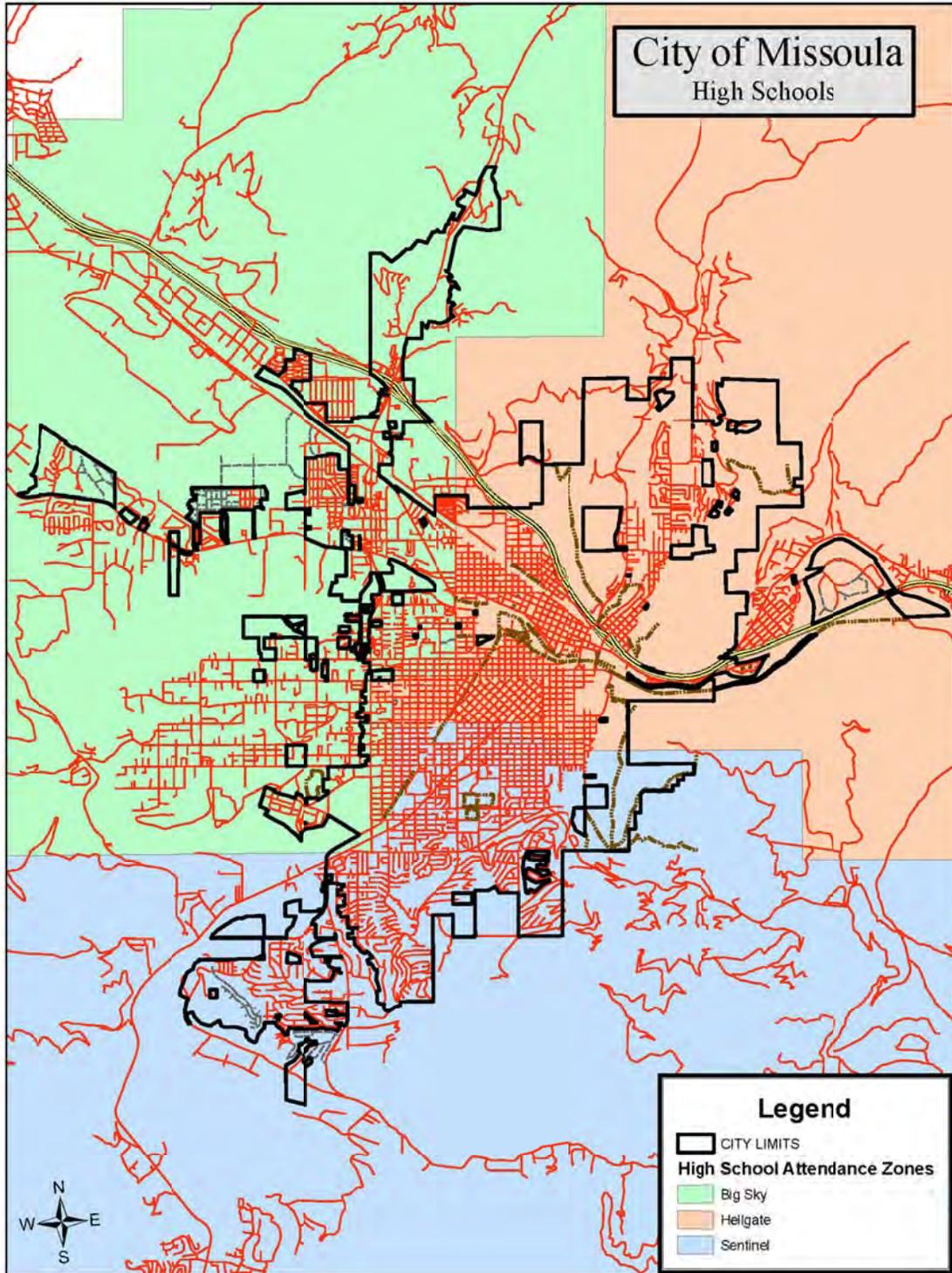


29.2 Square Miles
18,680 Acres
813,701,231 Square Feet



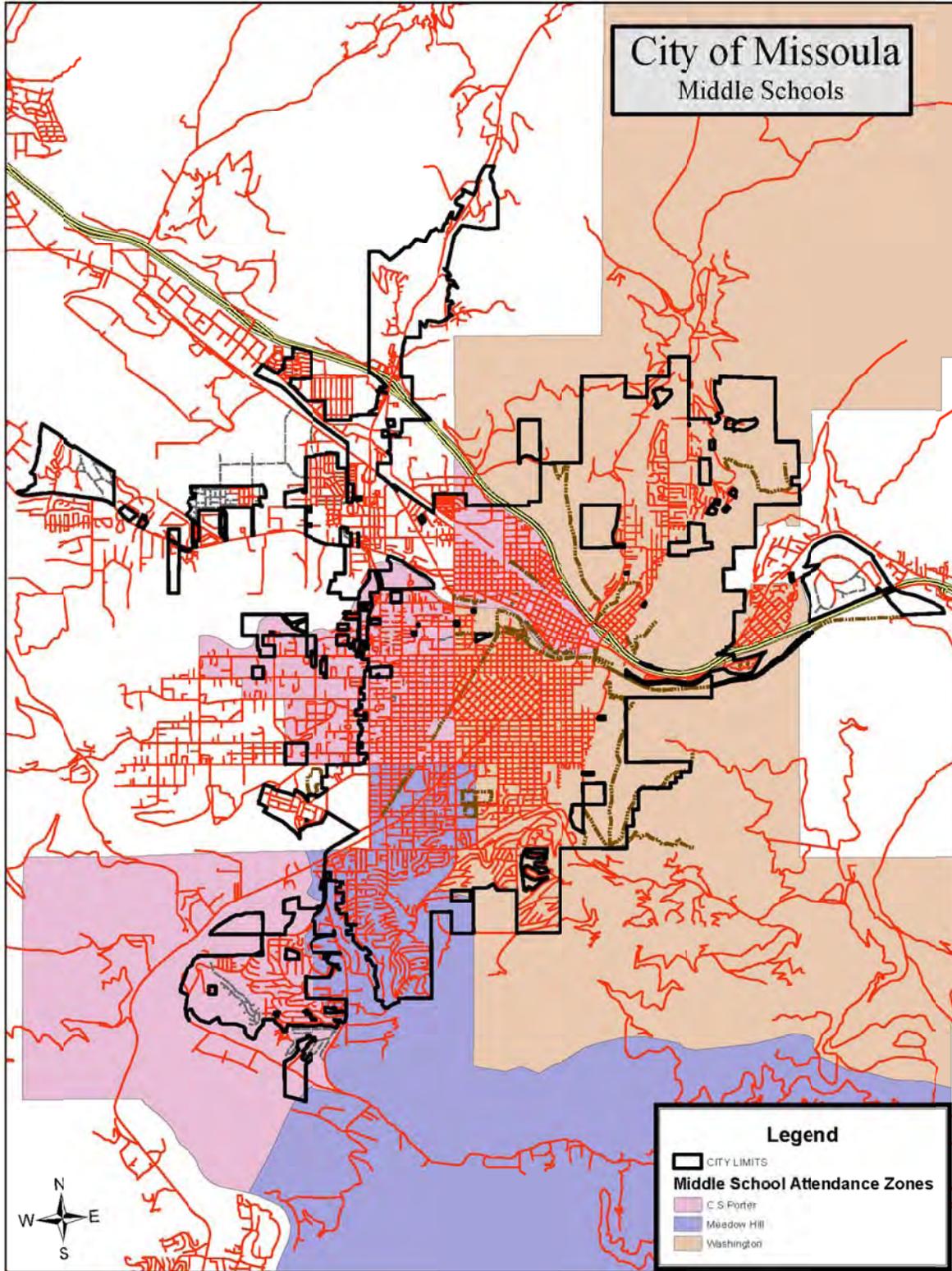
Printing Date: Thursday, September 1, 2011
 File: CityMap 8.5x11 PDF.mxd

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:



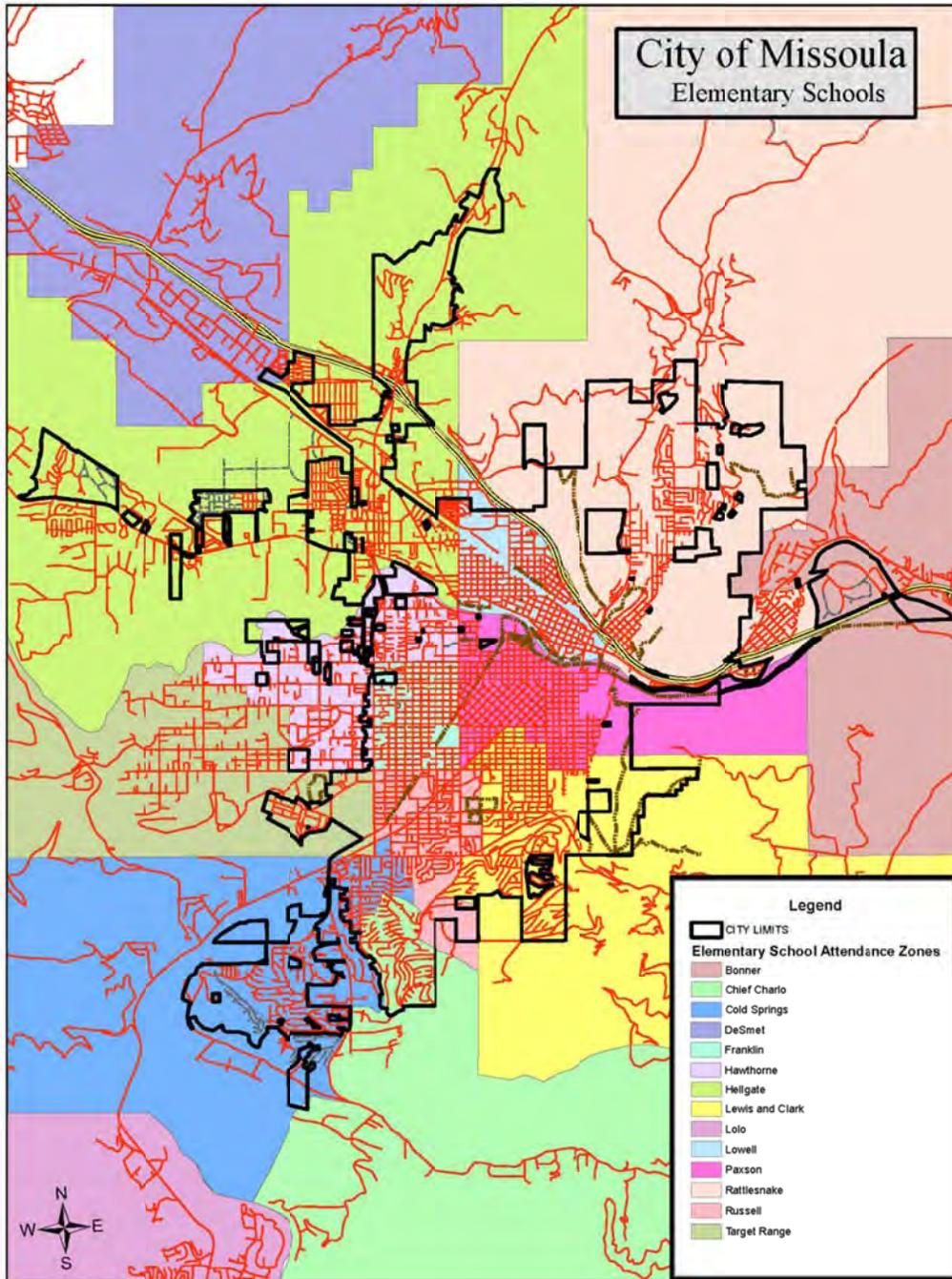
High Schools (serves grade 9 through grade 12)

Big Sky High School	3100 South Ave W	Missoula, MT	59804	(406) 728-2401
Hellgate High School	900 S Higgins Ave	Missoula, MT	59801	(406) 728-2402
Willard Alternative High School	901 S 6 th St W	Missoula, MT	59801	(406) 542-4073
Sentinel High School	901 South Ave W	Missoula, MT	59801	(406) 728-2403



Middle Schools (serves grade 6 through grade 8)

C.S Porter School	2510 Central Ave	Missoula, MT	59804	(406) 542-4060
Washington Middle School	645 W Central Ave	Missoula, MT	59801	(406) 542-4085
Meadow Hill Middle School	4210 Reserve St	Missoula, MT	59803	(406) 542-4045



Elementary Schools (serves kindergarten through 5th grade)

Russell School	3216 Russell St	Missoula, MT	59801	(406) 542-4080
Franklin School	1901 S 10 th St W	Missoula, MT	59801	(406) 542-4020
Chief Charlo Elementary	5600 Longview St	Missoula, MT	59803	(406) 542-4005
Lewis and Clark School	2901 Park St	Missoula, MT	59801	(406) 542-4035
Cold Springs School	2625 Briggs St	Missoula, MT	59803	(406) 542-4010
Hawthorne School	2835 S 3 rd St W	Missoula, MT	59804	(406) 542-4025
Lowell School	1200 Sherwood Ave	Missoula, MT	59802	(406) 542-4040
Rattlesnake School	1220 Pineview Dr	Missoula, MT	59802	(406) 542-4050
Paxon Elementary	101 Evans St	Missoula, MT	59801	(406) 542-4055

Accrual Basis - A basis of accounting in which transactions are recognized at the time they are incurred, as apposed 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.

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; sometimes 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 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

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 2,080 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.

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 or non-profit 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 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 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.

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).

**CITY OF MISSOULA, MONTANA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ -	\$ 396,988	\$ 639,060	\$ 588,145	\$ 759,606	\$ 558,624	\$ 699,325	\$ 740,667	\$ -	\$ -
Unreserved	1,011,574	1,450,347	1,167,446	1,341,370	1,365,053	643,449	201,062	1,348,317	-	-
Nonspendable*	-	-	-	-	-	-	-	-	1,148,767	1,232,302
Restricted*	-	-	-	-	-	-	-	-	165,282	105,804
Assigned*	-	-	-	-	-	-	-	-	1,203,481	1,284,045
Unassigned*	-	-	-	-	-	-	-	-	1,152,657	2,074,685
Total General Fund	<u>\$ 1,011,574</u>	<u>\$ 1,847,335</u>	<u>\$ 1,806,506</u>	<u>\$ 1,929,515</u>	<u>\$ 2,124,659</u>	<u>\$ 1,202,073</u>	<u>\$ 900,387</u>	<u>\$ 2,088,984</u>	<u>\$ 3,670,187</u>	<u>\$ 4,696,836</u>
All other governmental funds										
Reserved	\$ 2,054,790	\$ 2,993,025	\$ 3,280,061	\$ 3,602,376	\$ 3,007,558	\$ 3,175,573	\$ 3,654,339	\$ 3,869,555	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2,952,039	2,458,951	2,124,775	1,939,572	1,462,685	3,208,509	3,814,089	4,124,600	-	-
Debt service funds	(35,775)	-	-	-	-	-	-	-	-	-
Capital projects funds	(912,811)	7,692,538	7,181,073	(5,290,370)	521,612	(1,471,297)	(4,728,035)	(4,089,044)	-	-
Nonspendable*	-	-	-	-	-	-	-	-	11,505	12,042
Restricted*	-	-	-	-	-	-	-	-	7,911,860	7,192,542
Committed*	-	-	-	-	-	-	-	-	1,374,228	2,263,509
Unassigned*, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	(332,574)	(153,956)
Debt service funds	-	-	-	-	-	-	-	-	(36,421)	(174,575)
Capital projects funds	-	-	-	-	-	-	-	-	(3,962,631)	(4,602,847)
Total other governmental funds	<u>\$ 4,058,243</u>	<u>\$13,144,514</u>	<u>\$ 12,585,909</u>	<u>\$ 251,578</u>	<u>\$ 4,991,855</u>	<u>\$ 4,912,785</u>	<u>\$ 2,740,393</u>	<u>\$ 3,905,111</u>	<u>\$ 4,965,967</u>	<u>\$ 4,536,715</u>

Source: City of Missoula

* Restated to conform to GASB Statement No. 54

**CITY OF MISSOULA, MONTANA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes and assessments	\$ 16,515,528	\$ 18,956,194	\$ 19,470,666	\$ 22,340,804	\$ 24,128,385	\$ 25,071,209	\$ 26,649,687	\$ 27,445,555	\$ 28,256,587	\$ 29,396,016
Licenses and permits	2,287,385	2,318,146	3,165,413	2,839,058	2,927,474	4,054,474	2,753,704	3,050,653	3,092,436	2,866,230
Intergovernmental	11,846,177	11,091,624	14,238,028	13,208,755	13,035,698	12,747,140	13,147,938	20,456,138	17,531,499	25,130,561
Charges for services	2,336,424	2,700,372	3,298,503	3,625,225	4,540,977	3,911,813	4,439,499	4,475,126	5,160,326	5,106,399
Fines and forfeitures	795,329	857,707	1,223,864	1,178,920	1,421,588	1,215,955	1,130,177	1,203,587	1,008,945	1,344,578
Miscellaneous	420,425	520,337	309,781	949,537	975,534	1,699,515	1,168,486	1,464,092	1,205,961	613,255
Interest earnings	231,951	449,387	226,538	192,758	538,418	584,698	156,522	63,362	32,409	40,295
Total revenues	34,433,219	36,893,767	41,932,793	44,335,057	47,568,074	49,284,804	49,446,013	58,158,513	56,288,163	64,497,334
Expenditures										
General government	4,005,055	4,718,579	4,501,423	6,334,244	5,745,356	6,515,738	7,752,035	7,252,975	6,493,866	6,815,039
Public safety	14,588,393	15,420,765	16,957,739	18,138,794	19,880,732	21,637,023	21,669,039	22,227,258	22,431,087	23,834,156
Public works	4,929,802	5,239,404	5,765,617	5,803,509	6,161,928	6,670,377	6,624,812	6,577,834	7,962,836	7,437,537
Public health	1,030,253	1,008,837	1,096,344	1,152,195	1,249,223	1,364,663	1,404,043	1,368,398	1,372,380	1,431,431
Social and economic	105,100	100,706	105,238	108,395	132,897	115,000	118,450	118,450	116,000	116,000
Culture and recreation	2,206,720	2,468,401	2,719,381	3,011,054	3,676,479	3,118,438	3,278,075	3,293,005	3,289,120	3,528,049
Community development	709,847	681,088	2,129,109	2,379,741	2,202,392	2,041,498	1,193,372	4,017,676	2,264,947	10,348,860
Conservation of natural resources	-	-	-	-	-	-	-	7,757	450	100
Miscellaneous	788,987	795,362	910,387	-	947,093	-	-	1,041,180	1,189,351	1,003,472
Debt service - principal	2,734,737	4,369,674	2,432,981	2,783,319	6,127,301	2,973,898	3,026,661	3,121,407	3,484,312	3,689,100
Debt service - interest	1,044,657	1,126,448	1,428,517	1,357,860	1,671,508	1,665,936	1,595,937	1,584,136	1,595,391	1,556,195
Capital outlay	-	6,514,225	4,980,661	18,496,532	9,116,240	7,575,647	5,401,985	8,518,735	7,777,324	6,202,778
Total expenditures	32,143,551	42,443,489	43,027,397	59,565,643	56,911,149	53,678,218	52,064,409	59,128,811	57,977,065	65,962,717
Excess of revenues over (under) expenditures	2,289,668	(5,549,722)	(1,094,604)	(15,230,586)	(9,343,075)	(4,393,414)	(2,618,396)	(970,298)	(1,688,902)	(1,465,383)
Other financing sources (uses)										
Transfers in	4,864,269	5,474,240	4,833,042	5,338,325	7,003,875	4,551,456	5,343,911	5,531,051	4,989,066	7,143,975
Transfers out	(4,898,223)	(5,283,345)	(4,675,148)	(5,170,043)	(6,821,059)	(4,665,834)	(5,282,309)	(5,557,582)	(4,797,139)	(7,478,899)
Payments to Refunded Bond Escrow Agent	-	-	-	-	(2,037,769)	-	-	(983,591)	-	-
Refunding Bond Proceeds	-	-	-	-	4,355,000	-	-	1,000,000	-	-
Proceeds from sale of capital assets	48,921	228,088	46,347	100	-	840,620	82,716	56,794	-	-
Proceeds from long term debt	2,461,724	18,759,366	994,921	2,850,881	11,574,351	2,378,354	-	3,276,941	4,168,336	2,559,396
Total other financing sources (uses)	2,476,691	19,178,349	1,199,162	3,019,263	14,074,398	3,104,596	144,318	3,323,613	4,360,263	2,224,471
Net change in fund balances:	\$ 4,766,359	\$ 13,628,627	\$ 104,558	\$ (12,211,323)	\$ 4,731,323	\$ (1,288,818)	\$ (2,474,078)	\$ 2,353,315	\$ 2,671,361	\$ 759,089
Debt service as a percentage of non-capital expenditure:	13%	18%	15%	12%	23%	12%	12%	11%	12%	10%

Source: City of Missoula

**CITY OF MISSOULA, MONTANA
OVERLAPPING PROPERTY TAX LEVIES
Last Ten Fiscal Years**

Taxing Authority	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
City of Missoula	176.32	182.57	196.39	204.73	212.23	222.45	222.45	225.56	233.24	240.90
County of Missoula										
County Wide	122.79	127.12	129.11	133.64	136.19	140.35	138.94	139.80	142.47	145.04
County Wide Schools	108.34	101.59	102.26	104.26	104.04	105.61	104.62	103.45	100.94	100.17
Total	231.13	228.71	231.37	237.90	240.23	245.96	243.56	243.25	243.41	245.21
District Schools										
School District One	159.27	158.29	150.66	150.26	145.45	140.24	142.75	141.50	145.18	141.88
High Schools	84.27	83.16	83.40	82.21	77.05	79.13	76.46	74.63	76.44	71.92
Total	243.54	241.45	234.06	232.47	222.50	219.37	219.21	216.13	221.62	213.80
State Levies										
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	11.93	12.23	12.38	13.91	14.62	14.86	16.30	16.45	17.69	19.51
Total Levy on City Residents	<u>708.92</u>	<u>710.96</u>	<u>720.20</u>	<u>735.01</u>	<u>735.58</u>	<u>748.64</u>	<u>747.52</u>	<u>747.39</u>	<u>761.96</u>	<u>765.42</u>
Other Levies of Interest										
County Only	25.33	33.97	31.83	34.50	35.68	35.80	35.80	36.18	36.18	36.38
Missoula Rural Fire	77.37	78.26	79.64	80.89	91.13	94.13	94.13	97.97	97.97	100.33

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>
2004	\$ 2,403,250,454	\$ 82,076,104	3.42%	\$ 2,652,385	176.32
2005	2,636,857,585	84,586,453	3.21%	3,603,495	182.57
2006	2,805,424,077	91,358,406	3.26%	3,844,866	196.39
2007	2,901,638,641	93,533,579	3.22%	1,446,959	204.73
2008	3,195,587,513	99,332,558	3.11%	1,806,159	212.23
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	112,697,955	2.74%	4,530,936	240.90

Source: Missoula County Assessors Office

**CITY OF MISSOULA, MONTANA
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years
 (in thousands of dollars)**

Fiscal Year	Real Property	Equipment & Fixtures	Electric, Airline & Telecommunications	Railroad	Electric, Phone Co-ops & Pollution Control	Other	Tax Increment District	Total Taxable Assessed Value
2004	\$ 74,393	\$ 4,145	\$ 5,313	\$ 389	\$ 399	\$ 8	\$ (2,612)	\$ 82,035
2005	78,436	4,362	4,902	372	363	(246)	(3,603)	84,586
2006	81,061	4,529	4,999	363	380	27	(3,845)	87,514
2007	84,231	4,697	5,291	346	379	61	(1,471)	93,534
2008	91,045	4,474	7,475	313	382	-	(1,806)	101,883
2009 ^	-	-	-	-	-	-	-	-
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	4,154	(4,531)	108,167

*Property in the City is assessed at actual value; 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.

^ 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.

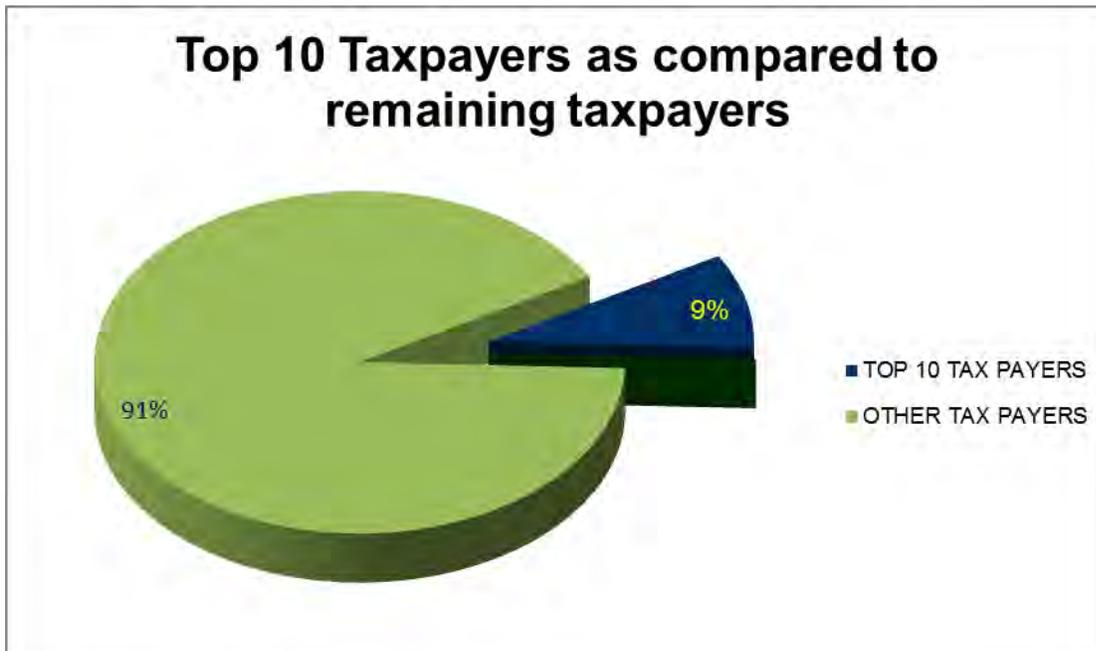
CITY OF MISSOULA, MONTANA
 PROPERTY VALUE AND NEW CONSTRUCTION
 Last Ten Fiscal Years

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	
2003	\$ 2,247,822,357	419	\$ 38,976,115	1,111	\$ 47,410,182	2,180	\$ 193,963,792	89.63%
2004	2,403,250,454	367	31,611,232	359	15,081,537	1,663	109,963,100	-43.31%
2005	2,636,857,585	457	38,970,878	194	8,157,757	1,677	113,217,490	2.96%
2006	2,805,424,077	374	35,521,132	79	4,393,527	1,494	99,855,627	-11.80%
2007	2,901,638,641	303	31,466,438	153	7,595,391	1,613	89,139,379	-10.73%
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%

Source: City of Missoula Building Inspection Office and Missoula County Assessor

**CITY OF MISSOULA
FOR FY 2011 - FY 2012**

Rank	Taxpayer	Taxable Value
1	NORTHWESTERN CORPORATION	\$ 2,806,213
2	QWEST COMMUNICATIONS	1,536,222
3	BRESNAN COMMUNICATIONS	1,129,723
4	MOUNTAIN WATER COMPANY	897,748
5	SOUTHGATE MALL	699,823
6	CELLCO PARTNERSHIP DBA VERIZON	653,492
7	GATEWAY LIMITED PARTNERSHIP	578,122
8	AT & T MOBILITY LLC INCLUDING NEW CING	478,524
9	ST PATRICK HOSPITAL CORPORATION	474,892
10	FIRST INTERSTATE BANK	362,000
		<u>\$ 9,616,759</u>



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*			
		Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy	Percentage of Delinquencies
2003	\$ 13,897,789	\$ 13,233,442	95.22%	\$ 387,103	\$ 13,620,545	98.01%	4.78%
2004	14,911,332	14,943,191	100.21%	281,762	15,224,953	102.10%	-0.21%
2005	15,976,238	15,900,407	99.53%	208,969	16,109,376	100.83%	0.47%
2006	18,368,735	17,935,902	97.64%	366,878	18,302,780	99.64%	2.36%
2007	19,967,941	19,806,028	99.19%	220,890	20,026,918	100.30%	0.81%
2008	21,454,303	20,926,264	97.54%	56,389	20,982,653	97.80%	2.46%
2009	22,915,155	21,901,904	95.58%	887,073	22,788,977	99.45%	4.42%
2010	22,916,556	22,249,952	97.09%	942,450	23,192,402	101.20%	2.91%
2011	23,960,119	22,526,690	94.02%	1,003,845	23,530,535	98.21%	5.98%
2012	20,656,453	20,154,453	97.57%	203,657	20,358,110	98.56%	2.43%

Source: City of Missoula

* This includes all collections, current and delinquent

**CITY OF MISSOULA, MONTANA
GENERAL OBLIGATION DEBT RATIOS
REQUIRED CONTINUING DISCLOSURE**

The following general obligation debt ratios are provided as of June 30, 2012

Market Valuation	\$	4,140,685,284
Market Valuation (Less Tax Increment)	\$	4,135,570,502
Taxable Valuation	\$	112,993,774
Taxable Valuation (Less Tax Increment)	\$	107,878,992
Population		67,242
Direct Debt Per Capita	\$	187
Direct and Overlapping Debt Per Capita	\$	504
Direct Debt to Market Valuation		0.30%
Direct and Overlapping Debt to Market Valuation		0.82%
Direct Debt to Taxable Valuation		11.12%
Direct and Overlapping Debt to Taxable Valuation		30.00%
Market Valuation per Capita	\$	61,579
Taxable Valuation per Capita	\$	1,604

Source: City of Missoula

**SUMMARY OF DIRECT DEBT, INDIRECT DEBT AND DEBT RATIOS
REQUIRED CONTINUING DISCLOSURE
AS OF JUNE 30, 2012**

	Summary of Direct Debt		
	Gross Debt	Less: Debt Service Funds (a)	Net Direct Debt
General Obligation Debt Supported by Taxes	\$ 12,570,000	\$ -	\$ 12,570,000
Debt Supported by General Fund	5,285,000	-	5,285,000
Revenue Debt (Sewer)	23,600,000	(b)	23,600,000
Revenue Debt (TIF and Parking)	20,107,711	(c)	20,107,711
Subtotal of Direct Debt	<u>\$ 61,562,711</u>		<u>\$ 61,562,711</u>

- (a) Debt Service funds are as of June 30th. Includes money to pay both principal and interest.
- (b) Monies are transferred from the Sewer Enterprise Fund to make the principal and interest payments on these bonds.
- (c) Monies from the Missoula Parking Commission and tax increment revenues are used to make principal and interest payments on these bonds.

	Summary of Indirect Debt		
	G.O. Debt as of June 30, 2012	Debt Applicable to Tax Capacity of City	
		Percentage[^]	Amount
Missoula County High School District	\$ 11,110,000	57.60%	\$ 6,399,360
Hellgate Elementary School District	11,410,000	15.68%	1,788,599
School District No. 20 (Desmet)	310,000	0.50%	1,550
Missoula County	24,640,000	53.30%	13,133,120
Subtotal of Indirect Debt	<u>\$ 47,470,000</u>		<u>\$ 21,322,629</u>

Total of Direct and Indirect Debt \$ 82,885,340

	Debt Ratios*	
	G.O. Net Direct Debt	G.O. Indirect & Net Direct Debt
Current Year Estimated Value	0.30%	0.82%
Per Capita	\$ 187	\$ 504

*Includes general obligation debt and debt supported by general fund revenues, excludes revenue supported debt.

[^]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

CITY OF MISSOULA, MONTANA
 LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years
 (amounts expressed in thousands)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 42,362	\$ 43,815	\$ 48,253	\$ 84,236	\$ 85,308	\$ 93,949	\$ 93,949	\$ 99,129	\$ 103,517	\$ 102,767
Total net debt applicable to limit	15,566	14,511	18,972	17,944	16,426	16,426	15,224	13,966	12,661	11,305
Legal debt Margin	\$ 26,796	\$ 29,304	\$ 29,281	\$ 66,292	\$ 68,882	\$ 77,523	\$ 78,725	\$ 85,163	\$ 90,856	\$ 91,462
Total net debt applicable to the limit as a percentage of debt limit	36.75%	33.12%	39.32%	21.30%	19.26%	17.48%	16.20%	14.09%	12.23%	11.00%

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed Value of Taxable Property as Ascertained by the last Assessment for Taxes	\$ 4,110,699
Debt Limit 2.5% of Assessed Value (1)	2.50%
General Obligation Debt Limit	102,767
Less: Outstanding General Obligation Debt, June 30, 2012	11,305
Total net debt applicable to limit	91,462
Legal Debt Margin	\$ 91,462

(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 FY 2007 leg

Source: City of Missoula
 Source: Missoula County Assessors Office

CITY OF MISSOULA, MONTANA
 RATIO OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities										Business-Type Activities			Total Personal 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	State Board of Investment Loans	Sidewalk and Curb Warrants	Revenue Bonds	Total Primary Government	Total Personal Income*	Total Population	Debt as a Percentage of Personal Income	Debt Per Capita	Debt as a Percentage of Market Value						
2004	\$ 15,895,000	\$ 1,440,000	\$14,649,201	\$ 100,179	\$ 316,409	\$15,215,987	\$ 47,616,776	\$ 30,098	62,120	2.55%	\$ 767	1.81%						
2005	15,020,000	1,380,000	14,226,402	546,373	228,628	16,586,138	47,987,541	31,397	63,396	2.41%	757	1.71%						
2006	14,070,000	1,315,000	15,594,203	440,972	120,923	17,079,212	48,620,310	33,247	64,081	2.28%	759	1.68%						
2007	18,720,000	4,760,000	15,455,681	252,453	120,923	16,797,231	56,106,288	34,451	65,826	2.47%	852	1.76%						
2008	17,500,000	5,360,000	15,510,165	222,425	120,923	15,818,231	54,531,744	35,294	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	35,156	66,295	2.17%	762	1.34%						
2010	15,065,000	4,935,000	14,350,241	159,063	-	13,883,485	48,392,789	35,592	66,500	2.04%	728	1.29%						
2011	13,840,000	5,625,000	15,021,055	125,646	-	24,579,098	59,190,799	36,032	66,788	2.46%	886	1.58%						
2012	12,570,000	5,285,000	15,322,685	91,014	-	23,600,000	56,868,700	36,479	67,242	2.32%	846	1.37%						
2013	11,250,000	4,935,000	13,796,516	55,126	-	22,437,000	52,473,642	36,931	67,699	2.10%	775	1.28%						

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 2001-2009 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**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Total Taxable Assessed Valuation</u>	<u>Percentage of Taxable Value of Property</u>	<u>Estimated Population</u>	<u>Per Capita</u>
2003	\$ 8,302	\$ 78,962	11%	60,870	136.39
2004	15,895	82,076	19%	62,120	255.87
2005	15,020	84,586	18%	63,396	236.92
2006	14,070	91,358	15%	64,081	219.57
2007	18,720	93,534	20%	65,826	284.39
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%	66,500	226.54
2011	13,840	106,229	13%	66,788	207.22
2012	12,570	107,879	12%	67,242	186.94
2013	11,250	112,698	10%	67,699	166.18

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Bureau of Economic Analysis

**CITY OF MISSOULA, MONTANA
PLEGGED-REVENUE COVERAGE
WASTEWATER FACILITY REVENUE BONDS
Last Ten Fiscal Years**

Fiscal Year	Operating Revenues	Operating Expenses (1)	Net Revenue Available for Debt	Debt Service Requirements			Coverage (2)
				Principal Paid	Interest Paid	Total Debt Service	
2003	\$ 6,234,505	\$ 2,555,053	\$ 3,679,452	\$ 489,162	\$ 231,961	\$ 721,123	510%
2004	6,308,650	3,036,426	3,272,224	689,000	503,234	1,192,234	274%
2005	7,265,854	3,151,625	4,114,229	797,233	655,716	1,452,949	283%
2006	6,620,032	3,263,652	3,356,380	894,751	660,341	1,555,092	216%
2007	6,778,103	3,492,891	3,285,211	941,000	682,728	1,623,728	202%
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%

^ Debt Service Coverage Calculation - 2012	
FY 2012	
Revenues	
Operating Revenue	\$ 7,633,812
Less: Federal Credit	(257,900)
Total Operating Revenue	<u>7,375,912</u>
Expenses	
Operating Expenses	(7,468,542)
Add back Depreciation	2,767,299
Total Operating Expenses	<u>(4,701,243)</u>
Revenues Available for Debt Service:	<u>\$ 2,674,669</u>
Debt Service	
Principal	\$ 979,098
Interest	1,133,918
Less: Federal Credit	(257,900)
Net Debt Service	<u>\$ 1,855,116</u>
Coverage	144%

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
 REVOLVING FUND YEAR-END BALANCES
 REQUIRED CONTINUING DISCLOSURE
 Last Ten Fiscal Years**

Fiscal Year	Revolving Fund Cash Balance	Principal Amount of Bonds	Percentage
2003	\$ 778,049	\$ 12,928,174	6.0%
2004	955,785	14,357,629	6.7%
2005	808,460	14,226,402	5.7%
2006	889,718	15,594,203	5.7%
2007	954,148	15,455,681	6.2%
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%

Source: City of Missoula

CITY OF MISSOULA, MONTANA
 REVOLVING FUND CHANGES IN FUND BALANCE
 REQUIRED CONTINUING DISCLOSURE
 Last Ten Years

	2003	2004	2005	2006	Fiscal Year 2007	2008	2009	2010	2011	2012
Beginning Balance	\$ 794,248	\$ 778,049	\$ 955,785	\$ 808,460	\$ 889,718	\$ 954,148	\$ 779,966	\$ 719,399	\$ 764,101	\$ 794,547
Disbursements/Transfers	(16,199)	177,736	(147,325)	81,258	64,430	(174,182)	(60,567)	44,702	30,446	(3,338)
Ending Balance	\$ 778,049	\$ 955,785	\$ 808,460	\$ 889,718	\$ 954,148	\$ 779,966	\$ 719,399	\$ 764,101	\$ 794,547	\$ 791,209
Assets:										
Cash	\$ 742,524	\$ 852,799	\$ 808,460	\$ 885,738	\$ 928,632	\$ 776,343	\$ 702,257	\$ 746,320	\$ 793,639	\$ 774,812
Due from SID Funds	35,525	72,062	-	-	-	-	-	-	-	865
Other Receivables	310,660	320,488	227,828	218,910	222,281	184,856	182,844	167,952	135,548	134,640
Total Assets	1,088,709	1,245,349	1,036,288	1,104,648	1,150,913	961,200	885,101	914,272	929,187	910,317
Liabilities:										
Deferred Revenue	310,660	289,564	227,828	214,930	196,765	181,233	165,702	150,171	134,639	119,108
Total Liabilities	310,660	289,564	227,828	214,930	196,765	181,233	165,702	150,171	134,639	119,108
Total Fund Balance	\$ 778,049	\$ 955,785	\$ 808,460	\$ 889,718	\$ 954,148	\$ 779,966	\$ 719,399	\$ 764,101	\$ 794,547	\$ 791,209

Source: City of Missoula

**CITY OF MISSOULA, MONTANA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

Fiscal Year	Population		Income Statistics			State	Missoula County
	Estimated City Population (1)	County Population	Total Personal Income (2)	Per Capita Income (2)	Unemployment Rate	Unemployment Rate	
2003	60,870	99,911	\$ 2,880,100	\$ 28,849	4.4%	3.9%	
2004	62,120	100,891	3,032,540	30,098	4.3%	4.0%	
2005	63,396	102,118	3,204,473	31,397	4.0%	3.7%	
2006	64,081	104,145	3,460,865	33,247	3.5%	3.3%	
2007	65,826	105,911	3,646,623	34,451	2.5%	2.3%	
2008	66,000	107,565	3,795,962	35,294	4.1%	4.1%	
2009	66,295	108,000	3,818,772	35,156	5.3%	5.1%	
2010	66,500	108,500	3,866,079	35,592	6.6%	6.3%	
2011	66,788	109,299 *	3,913,971 *	36,032 *	6.9%	6.8%	
2012	67,242	110,042 *	3,962,457 *	36,479 *	6.5%	6.4%	

(1) 2000 and 2010 population is from the US Census Bureau. All other years are estimated.

(2) Only Missoula County information available.

* Estimate based on average increase of prior years.

Source - Bureau of Economic Analysis and Department of Labor & Industry, Research & Analysis Bureau
N/A - Not available

**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**

Employer	Type of Product or Service	2012	Percentage of Total City Employment	2003	Percentage of Total City Employment
University of Montana	Higher Education	3,119	4.64%	2795	4.59%
St. Patrick Hospital	Healthcare	1,787	2.66%	1450	2.38%
Missoula County Public Schools	Public Education	1,172	1.74%	1481	2.43%
Community Medical Center	Healthcare	1,185	1.76%	1243	2.04%
DirecTV Customer Service	Service	850	1.26%	*	*
Missoula County	County Government	810	1.20%	700	1.15%
Us Forrest Service	Federal Government	750	1.12%	400	0.66%
Opportunity Resources	Service	700	1.04%	*	*
Wal-Mart	Retail	585	0.87%	*	*
City of Missoula	City Government	490	0.73%	516	0.85%
Village Health Care Center	Healthcare	405	0.60%	*	*
Montana Rail Link	Rail Transportation	287	0.43%	321	0.53%

* Employers were added after 2003

Source - Bureau of Economic Analysis and Department of Labor & Industry, Research & Analysis Bureau

**CITY OF MISSOULA, MONTANA
CITY SERVICES AND EMPLOYMENT**

Bargaining Unit	Number of Members	Date of Expired Contract
International Association of Firefighters, Local No. 271	86	June 30, 2015
Missoula Police Protective Association	94	June 30, 2015
Montana Public Employees Association		
Maintenance Technicians in Parks and Recreation Dept	9	June 30, 2014
Wastewater Lab Techs	2	June 30, 2015
Parking Commission	7	June 30, 2014
Teamsters Union, Local No. 2	20	June 30, 2015
Operators' Union, Local No. 4000	10	June 30, 2015
Machinists Union, Local No. 88, District No. 86	8	June 30, 2015
Teamsters, Parks and Recreation Seasonal	18	June 30, 2014
Wastewater Operator's Union, Local 400	14	June 30, 2015
International Brotherhood of Electrical Workers	2	June 30, 2012
International Brotherhood of Electrical Workers (Building)	5	June 30, 2012

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, 2008, the City employed approximately 639 workers, including Seasonal and Intermittent. Of the total City workforce, approximately 40% 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.

Source: City of Missoula

MISSOULA, MONTANA METROPOLITAN AREA
 EMPLOYMENT BY MAJOR INDUSTRY TYPE
 ANNUAL AVERAGE
 Last Ten Fiscal Years

	2012 (A)	2011	2010	2009	2008	2007	2006	2005	2004	2003
Goods Producing	4,500	4,700	4,600	5,500	6,100	6,200	6,200	6,200	6,200	6,000
Trade, Transportation and Utilities	11,900	11,400	11,300	12,100	12,900	12,900	12,800	12,600	12,500	12,200
Professional and Business Service	7,300	6,900	6,900	6,100	6,200	5,900	5,200	5,000	4,900	4,800
Educational and Health Services	9,500	9,500	9,200	8,900	8,700	8,300	8,300	8,200	8,000	7,600
Healthcare and Social Assistance	9,000	9,000	8,700	8,400	8,200	7,900	7,900	7,800	7,600	7,200
Leisure and Hospitality	7,200	6,900	7,000	7,600	7,900	7,600	7,100	6,900	6,800	6,600
Government	9,900	8,400	10,300	8,300	9,300	10,400	10,600	10,200	10,100	9,900
	59,300	56,800	58,000	56,900	59,300	59,200	58,100	56,900	56,100	54,300

Source: Department of Labor & Industry, Research & Analysis Bureau

(A) Most recent data available through October 2012.
 All other years are annual data

CITY OF MISSOULA, MONTANA
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Business Licenses Issued	7,823	7,907	4,484	5,173	5,290	6,386	5,141	5,947	5,103	5,872
Amount of SID's Billed	\$ 1,947,490	\$ 2,275,546	\$ 2,241,307	\$ 2,748,200	\$ 2,793,604	\$ 2,802,979	\$ 2,781,168	\$ 2,979,149	\$ 2,979,149	\$ 2,806,974
# Sewer Bills	35,124	35,448	36,641	38,728	41,002	41,818	42,323	42,860	43,493	44,495
Public Safety Activities										
Citations issued	21,809	25,136	31,008	33,262	38,468	32,219	31,700	25,136	20,232	20,554
Orders of Protection issued	523	298	586	604	417	400	398	277	209	236
Attorney's Office - Lawsuits & Claims	41	51	53	51	47	49	41	26	24	22
Attorney - Opened criminal files	1,890	2,476	2,179	4,235	3,181	2,708	2,372	2,313	3,029	4,007
Officers/1,000 population	1.40	1.42	1.51	1.56	1.55	1.53	1.52	1.50	1.50	1.55
Total sworn officers	85	88	96	100	102	101	101	100	100	104
Police calls for Service	36,221	37,398	37,494	43,778	40,515	40,981	41,424	41,373	40,272	41,334
Total Fire Department Incident Responses*	4,451	4,729	4,701	5,259	5,497	5,805	5,850	6,217	5,752	6,131
Public Works										
Miles of sidewalk installed	11.03	17.45	24.74	9.34	9.19	7.00	4.00	6.78	5.42	4.72
Building Permits Issued	1,663	1,677	1,494	1,613	1,613	1,530	1,291	1,306	1,283	1,395
Construction Value of Bldg permits issued	\$ 109,963,100	\$ 113,217,490	\$ 99,855,627	\$ 89,139,379	\$ 89,139,379	\$ 133,165,009	\$ 63,987,567	\$ 54,867,213	\$ 87,790,572	\$ 58,443,007
Miles of Street - per State Gas Tax Report	344	349	359	359	338	312	383	391	413	416
Population	60,870	62,120	63,396	64,081	65,826	66,000	66,295	66,500	66,788	67,242

Source: City of Missoula
 * Fire Department Incident Responses are based on Calendar Years. Current Year number through 12/31/11.

**CITY OF MISSOULA, MONTANA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Six Fiscal Years**

Function	Fiscal Year					
	2012	2011	2010	2009	2008	2007
GENERAL GOVERNMENT						
Vehicles	2	4	4	4	7	5
Buildings	4	3	3	3	3	2
PUBLIC SAFETY ACTIVITIES						
Fire Stations	5	5	5	5	5	5
Fire Engines/Trucks/Vehicles/Vans	31	25	25	26	26	27
Police Motorcycles	4	6	6	6	6	6
Police Patrol Cars/Passenger Vehicles/Other Vehicles	66	63	63	62	58	47
PUBLIC WORKS						
Streets (sq. yards)	7,399,746	7,265,469	7,056,869	6,837,927	6,826,850	6,761,248
Curbs (lineal feet)	2,159,796	2,135,361	2,100,819	1,957,574	1,997,728	1,957,574
Sidewalks (sq. feet)	12,824,406	12,699,836	10,599,017	10,232,017	10,015,638	9,830,923
Storm Sewer (lineal feet)	172,360	168,148	162,158	157,826	153,275	153,275
Sumps	5,524	5,496	5,385	5,307	5,307	5,160
Signs	29,236	58,369	57,502	56,635	53,768	54,901
Vehicles	163	165	163	161	107	98
Buildings	4	4	4	4	4	7
PUBLIC HEALTH ACTIVITIES						
Cemetery & Buildings	7	7	7	7	7	7
Vehicles/Tractors/Trucks/Mowers	17	15	14	14	16	17
CULTURE AND RECREATION						
Parks	70	69	68	67	51	46
Trails				22	20	18
Commuter	23	22	22	N/A	N/A	N/A
Recreational	56	55	55	N/A	N/A	N/A
Park Shelter/Band Shells/Pavilions	17	15	12	10	10	10
Buildings	23	23	23	23	23	20
Vehicles	59	59	59	58	55	57
HOUSING & COMMUNITY DEVELOPMENT						
Vehicles	1	1	1	1	10	10
Buildings	-	-	-	-	2	2

Capital Asset Statistics by Function information prior to 2006 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**

Fiscal Year	Assessments Billed	Current Assessments Paid	Percent Collected	Delinquent Assessments Paid	Total Assessments Paid	Penalty and Interest Paid
2003	\$ 1,947,490	\$ 2,424,156	124.48%	\$ 88,387	\$ 2,512,543	\$ 13,363
2004	2,275,546	2,105,570	92.53%	94,509	2,200,079	14,225
2005	2,241,307	2,132,336	95.14%	425,988	2,558,324	16,314
2006	2,748,200	2,638,272	96.00%	246,280	2,884,552	10,996
2007	2,793,604	3,695,269	132.28%	106,930	3,802,199	11,629
2008	2,802,979	2,690,299	95.98%	107,817	2,798,116	11,653
2009	2,781,168	2,666,875	95.89%	109,340	2,776,215	11,539
2010	2,979,149	2,796,909	93.88%	136,607	2,933,516	14,999
2011	2,979,149	2,818,935	94.62%	159,941	2,978,876	18,139
2012	2,806,974	2,760,131	98.33%	160,377	2,920,508	16,070

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

**CITY OF MISSOULA, MONTANA
SPECIAL IMPROVEMENT DISTRICT 512, 521 AND 522
REQUIRED CONTINUING DISCLOSURE**

Fiscal Year	Combined Market Value of All Districts	Average Ratio of Market Value to Assessments of Individual Parcels	Highest Ratio of Market Value to Assessments of Individual Parcels	Lowest Ratio of Market Value to Assessments of Individual Parcels	Median Ratio of Market Value to Assessments of Individual Parcels
2003	\$ 136,898,208	\$ 127.17	\$ 2,887.04	\$ 9.01	\$ 39.80
2004	158,065,283	89.06	1,154.30	6.30	79.15
2005	166,871,500	95.60	2,692.30	2.07	117.52
2006	158,701,080	757.82	10,797.00	5.82	221.17
2007	191,613,295	1,219.98	13,841.43	6.35	221.37
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	970.68	20,413.48	28.17	917.27
2012	290,142,694	1,313.47	26,719.49	2.05	954.39

Source: City of Missoula and Missoula County Assessor's Office

**CITY OF MISSOULA, MONTANA
SPECIAL IMPROVEMENT DISTRICTS
Current as of June 30, 2012**

<u>SID Number</u>	<u>Combined Market Value of All Districts</u>	<u>Average Ratio of Market Value to Assessments of Individual Parcels</u>	<u>Highest Ratio of Market Value to Assessments of Individual Parcels</u>	<u>Lowest Ratio of Market Value to Assessments of Individual Parcels</u>	<u>Median Ratio of Market Value to Assessments of Individual Parcels</u>
FY11 Total ^	\$ 2,698,949,941	\$ 1,042.61	\$ 42,350.68	\$ 0.03	\$ 341.14
0503	4,020,500	482.25	587.60	382.98	468.09
0508	158,842	440.05	440.05	440.05	440.05
0510	19,176,032	593.36	1,476.89	148.44	534.54
0511	9,635,207	760.16	7,488.06	294.04	429.81
512/521/522	290,142,694	1,313.47	26,719.49	2.05	954.39
0520	149,592,706	171.15	7,100.81	14.74	139.53
0524	892,112,468	467.12	20,113.91	1.76	312.85
0525	28,186,866	155.10	435.37	49.81	128.18
0526	118,646,237	148.02	750.60	5.14	117.61
0530	6,852,600	7,257.27	8,555.45	5,994.87	7,162.17
0531	22,559,518	1,550.48	5,815.45	434.72	1,381.33
0532	64,945,612	215.46	583.02	41.03	214.09
0533	11,069,685	120.28	599.68	55.56	81.94
0534	14,099,391	87.41	141.36	30.87	88.67
0535	97,547,091	3,335.54	16,960.60	1,157.39	3,254.29
0536	24,065,700	85.76	192.34	2.98	83.30
0539	7,626,192	1,245.13	2,905.89	710.10	1,121.41
0540	104,189,280	121.92	197.80	2.88	120.16
0541	570,927,450	898.65	6,179.85	103.38	798.09
0543	162,227,012	1,745.63	3,229.71	720.98	1,676.42
0544	92,385,537	51.58	106.00	2.40	52.92
0545	21,000,329	938.60	2,353.18	398.34	907.02
0546	12,033,400	1,078.26	1,425.81	779.84	1,069.76
CS08	33,853,153	266.61	2,261.50	13.72	184.22
CS09	31,945,431	94.71	494.15	9.43	76.83
CS10	45,486,206	124.07	1,931.27	8.01	62.13
3402	25,433,656	1,853.36	12,476.31	101.29	627.48
3412	3,680,808	694.00	1,693.92	69.54	750.23
3422	10,300,008	167.77	800.14	34.59	102.29
CS343	11,800,736	598.62	1,752.24	33.86	856.73
CS344	61,006,919	1,488.56	11,546.56	17.42	1,065.03
CS345	108,587,806	617.80	4,619.19	15.86	392.03
CS346	49,855,872	317.60	1,662.34	9.10	90.68
FY12 Total ^	\$ 3,105,150,944	\$ 893.51	\$ 26,719.49	\$ 1.76	\$ 429.81

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**

Fiscal Year	On-Street Hourly Parking	Garage Hourly Parking	Parking Garage Lease Space Range	Off-Street Lease Space Range	Average Off-Street and Garage Lease Rate
2002	\$ 0.50	\$ 0.25	\$ 55.00 TO \$65.00	\$ 25.00 TO \$50.00	\$ 38.00
2003	0.50	0.25	55.00 TO 65.00	35.00 TO 50.00	44.00
2004	0.50	0.25	55.00 TO 65.00	30.00 TO 50.00	44.00
2005	0.50	0.25	55.00 TO 65.00	30.00 TO 50.00	44.00
2006	0.50	0.25	55.00 TO 65.00	30.00 TO 50.00	44.00
2007	0.50	0.25	55.00 TO 65.00	30.00 TO 50.00	45.00
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

Source: Missoula Parking Commission

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		Leased Parking Garage Spaces	University District Parking Permits	Percentage of Parking Ticket Revenue		Percentage of Parking Meter Revenue		Percentage of Leased Parking Revenue other than Parking Garage	Percentage of Other Revenue
			Missoula	Missoula			Revenue	Revenue	Revenue	Revenue		
2002	1,116	1,295	16	16	168	1,148	27%	27%	27%	27%	27%	3%
2003	1,122	1,107	14	14	172	1,381	27%	27%	33%	16%	27%	3%
2004	1,064	829	13	13	259	1,097	20%	32%	18%	18%	24%	6%
2005	1,161	816	13	13	257	1,145	17%	36%	20%	20%	23%	3%
2006	1,075	801	13	13	257	1,124	20%	34%	14%	14%	28%	5%
2007	1,075	801	13	13	257	1,124	20%	34%	14%	14%	27%	4%
2008	1,075	801	13	13	257	1,592	18%	31%	16%	16%	21%	14%
2009	1,129	800	12	12	257	1,011	19%	35%	16%	16%	21%	10%
2010	1,061	800	12	12	257	1,166	18%	37%	18%	18%	23%	4%
2011	1,061	800	12	12	257	1,198	18%	37%	18%	18%	23%	4%
2012	1,015	855	12	12	257	1,012	17%	38%	14%	14%	29%	3%

Source: Missoula Parking Commission

**CITY OF MISSOULA, MONTANA
COMPONENT UNIT REVENUE BOND COVERAGE
PARKING COMMISSION REVENUE BONDS**

FISCAL YEAR	OPERATING REVENUES	SID 470 REVENUES	OPERATING EXPENSES (A)	NET AVAILABLE FOR DEBT SERVICE	PRINCIPAL PAID	INTEREST PAID	TOTAL DEBT SERVICE	COVERAGE (B)
2002	\$1,284,171	\$ 67,849	\$ 686,730	\$ 665,290	\$ 80,000	\$ 82,405	\$ 162,405	4.10
2003	1,351,253	58,982	916,166	494,069	85,000	78,754	163,754	3.02
2004	1,407,378	2,838	964,510	445,706	85,000	74,950	159,950	2.79
2005	1,369,511	1,450	864,335	506,626	90,000	70,990	160,990	3.15
2006	1,474,651	-	855,051	619,600	95,000	66,230	161,230	3.84
2007	1,391,368	-	903,019	488,349	100,000	63,237	163,237	2.99
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 *	1,738,531	-	876,484	862,047	220,000	384,813	604,813	1.43

* Debt Service Coverage Calculation - 2012	
	FY 2012
Revenues	
Total Operating Revenue	\$ 1,470,109
MRA Pledge	<u>268,422</u>
Total Revenues Pledged	1,738,531
Expenses	
Operating Expenses	(1,546,441)
Add back transfers to other funds	386,494
Add back Depreciation	133,651
Add back PILOT-Admin Chg	<u>149,812</u>
Total Operating Expenses	(876,484)
Revenues Available for Debt Service	<u>\$ 862,047</u>
Debt Service	
Principal	\$ 220,000
Interest	687,012
Less: Federal Credit	<u>(302,199)</u>
Net Debt Service	<u>\$ 604,813</u>
Coverage	1.43

(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
 COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY
 HISTORICAL VALUE OF TAX INCREMENT DISTRICTS
 For the Last Ten Fiscal Years**

Urban Renewal District II

Fiscal Year	Personal Attached Taxable Value	Personal Property	Total Taxable Value
		(Unattached) Taxable Value	
2004	\$ 2,243,639	\$ 128,090	\$ 2,371,729
2005	2,377,104	190,777	2,567,881
2006	2,444,439	197,268	2,641,707
2007	2,660,473	311,261	2,971,734
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

Urban Renewal District III

Fiscal Year	Real Property & Personal Attached	Personal Property	Total Taxable Value
	Taxable Value	(Unattached) Taxable Value	
2004	\$ 6,739,549	\$ 469,329	\$ 7,208,878
2005	6,809,431	621,899	7,431,330
2006	6,991,926	677,495	7,669,421
2007	7,111,962	586,632	7,698,594
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

Front Street URD

Fiscal Year	Real Property & Personal Attached	Personal Property	Total Taxable Value
	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

Riverfront Triangle URD

Fiscal Year	Real Property & Personal Attached	Personal Property	Total Taxable Value
	Taxable Value	(Unattached) Taxable Value	
2010 ^	\$ 1,571,488	\$ -	\$ 1,571,488
2011	153,701	36,236	189,937
2012	132,286	36,579	168,865
2013	112,584	279	112,863

* First year data available as district was created in FY 2009

^ First year data available as district was created in FY 2010

Source: City of Missoula and Missoula County Assessor's Office

**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 District	Incremental Taxable Value Within Tax Increment District	Tax
				Increment as Percentage of City's Taxable Value
2004	\$ 88,189,948	\$ 2,371,729	\$ 511,906	0.6%
2005	91,358,406	2,567,881	708,058	0.8%
2006	93,533,579	2,641,707	781,884	0.8%
2007	99,332,558	2,971,734	1,111,911	1.1%
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%

Urban Renewal District III

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District	Incremental Taxable Value Within Tax Increment District	Tax
				Increment as Percentage of City's Taxable Value
2004	\$ 88,189,948	\$ 7,208,878	\$ 204,532	0.2%
2005	91,358,406	7,431,330	426,984	0.5%
2006	93,533,579	7,669,421	665,075	0.7%
2007	99,332,558	7,698,594	694,248	0.7%
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%

Front Street URD

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District	Incremental Taxable Value Within Tax Increment District	Tax
				Increment as Percentage of City's 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%

Riverfront Triangle

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District	Incremental Taxable Value Within Tax Increment District	Tax
				Increment as Percentage of City's 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%

* First year data available as district was created in FY 2009

^ First year data available as district was created in FY 2010

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**

FISCAL YEAR	PROJECTED PLEDGED TAX INCREMENT	MAXIMUM PROJECTED DEBT SERVICE	COVERAGE
2007			
With State Entitlement	1,033,421	250,500	413%
Without State Entitlement	749,799	250,500	299%
2008			
With State Entitlement	1,129,477	250,500	451%
Without State Entitlement	845,855	250,500	338%
2009			
With State Entitlement	1,302,970	250,400	520%
Without State Entitlement	1,019,348	250,400	407%
2010			
With State Entitlement	1,369,859	250,400	547%
Without State Entitlement	1,113,237	250,400	445%
2011			
With State Entitlement	1,493,995	250,400	597%
Without State Entitlement	1,210,373	250,400	483%
2012			
With State Entitlement	1,429,000 *	500,400 **	286%
Without State Entitlement	1,173,740	500,400	235%

* State Entitlement amount reduced by 10% to \$255,260 by 2011 Legislative action

** Civic Stadium Noted issued February 2012 on parity with Series 2006 bonds.

Source: City of Missoula Annual Reports

**CITY OF MISSOULA, MONTANA
PROPERTY TAX LEVIES IN THE URBAN RENEWAL DISTRICT II
Last Ten Fiscal Years**

	FY '04	FY '05	FY '06	FY '07	FY '08	FY '09	FY '10	FY '11	FY '12	FY '13
Taxing Authority	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
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	34.09	31.28	30.20	25.91	25.39	25.44	26.92	26.60	26.28	26.55
General Countywide School Levy	92.32	79.45	77.20	67.53	66.04	67.17	54.71	53.28	51.18	51.46
Missoula County	104.68	99.42	97.47	86.56	86.44	89.27	72.66	72.00	72.24	74.51
Missoula Highschool District	71.81	65.04	62.96	53.25	48.91	50.33	39.98	38.44	38.76	36.94
City of Missoula	150.25	142.78	148.27	132.60	134.71	141.49	116.33	116.17	118.27	123.75
Urban Transportation District	10.17	9.56	9.35	9.01	9.28	9.45	8.52	8.47	8.97	10.02
Increment 1-1C *	103.94	153.64	175.00	256.84	266.50	270.27	353.75	359.55	372.64	369.31
Subtotal	<u>573.26</u>	<u>587.17</u>	<u>606.45</u>	<u>637.70</u>	<u>643.27</u>	<u>659.42</u>	<u>678.87</u>	<u>680.51</u>	<u>694.34</u>	<u>698.54</u>

School District 1-1C	135.72	123.79	113.74	97.32	92.32	89.20	74.65	72.88	73.61	72.88
Total leviesfor property in the District lying within School District 1-1C	<u>708.98</u>	<u>710.96</u>	<u>720.19</u>	<u>735.02</u>	<u>735.59</u>	<u>748.62</u>	<u>753.52</u>	<u>753.39</u>	<u>767.95</u>	<u>771.42</u>

	FY '04	FY '05	FY '06	FY '07	FY '08	FY '09	FY '10	FY '11	FY '12	FY '13
Taxing Authority	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
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	22.51	21.23	21.13	21.46	20.06	18.77	24.90	22.73	25.87	25.85
General Countywide School Levy	60.98	53.93	24.02	55.95	52.19	49.56	49.44	43.27	50.14	49.71
Missoula County	69.14	67.48	68.21	71.71	68.31	65.86	65.66	58.47	70.77	71.98
Missoula Highschool District	47.43	44.15	44.06	44.11	38.65	37.13	36.13	31.21	37.97	35.69
City of Missoula	99.27	96.92	103.75	109.86	106.45	104.38	105.12	94.34	115.86	119.55
Urban Transportation District	6.71	6.49	6.54	7.46	7.33	6.97	7.70	6.88	8.79	9.68
Increment 4-1C *	288.25	314.24	328.52	335.27	355.00	402.98	398.69	441.03	384.35	384.05
Subtotal	<u>600.29</u>	<u>610.44</u>	<u>602.23</u>	<u>651.82</u>	<u>653.99</u>	<u>691.65</u>	<u>693.64</u>	<u>703.93</u>	<u>699.75</u>	<u>702.51</u>

School District 4-1C	65.10	65.38	70.20	77.67	64.27	73.61	74.27	66.18	75.98	71.89
Total leviesfor property in the District lying within School District	<u>665.39</u>	<u>675.82</u>	<u>672.43</u>	<u>729.49</u>	<u>718.26</u>	<u>765.26</u>	<u>767.91</u>	<u>770.11</u>	<u>775.73</u>	<u>774.40</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.

MISSOULA COUNTY
 Urban Renewal District II - Top 10 Taxpayers
 Tax Year 2012 (FY13)

		2012	2012	2012
Taxpayer	Type of Business	Total Tax	Market Value	Taxable Value
1 Safeway Inc.	Grocery Store	\$ 187,594	\$ 8,763,340	\$ 237,233 *
2 Mountain Water Co	Water Company	\$ 145,517	\$ 7,067,512	\$ 185,788
3 Nutritional Laboratories	Food Supplement Manufacturer	\$ 116,975	\$ 5,563,895	\$ 135,364 *
4 Blackfoot Telephone	Coop Communications	\$ 99,854	\$ 4,268,965	\$ 128,069
5 Good Food Store	Commercial Grocery	\$ 96,531	\$ 4,785,962	\$ 120,524
6 Missoula Electric Coop	Coop Electric Utility	\$ 82,047	\$ 3,507,728	\$ 105,232
7 Like-Nu Auto Services	Automotive Repair	\$ 57,587	\$ 2,801,157	\$ 73,670
8 Norman B. Carey	Bowling Alley, Undeveloped Land	\$ 50,506	\$ 2,417,533	\$ 63,581
9 Silver Foundation/Millsite Revitalization Project LLC	Undeveloped Land	\$ 43,393	\$ 2,113,564	\$ 55,587 **
10 Talbert Demeester	Residential/Commercial Development	\$ 39,841	\$ 1,871,229	\$ 49,214
11 UBC Real Estate LLC	Building Center	\$ 30,154	\$ 741,352	\$ 44,481
	Total	\$ 949,999	\$ 43,902,237	\$ 1,198,743

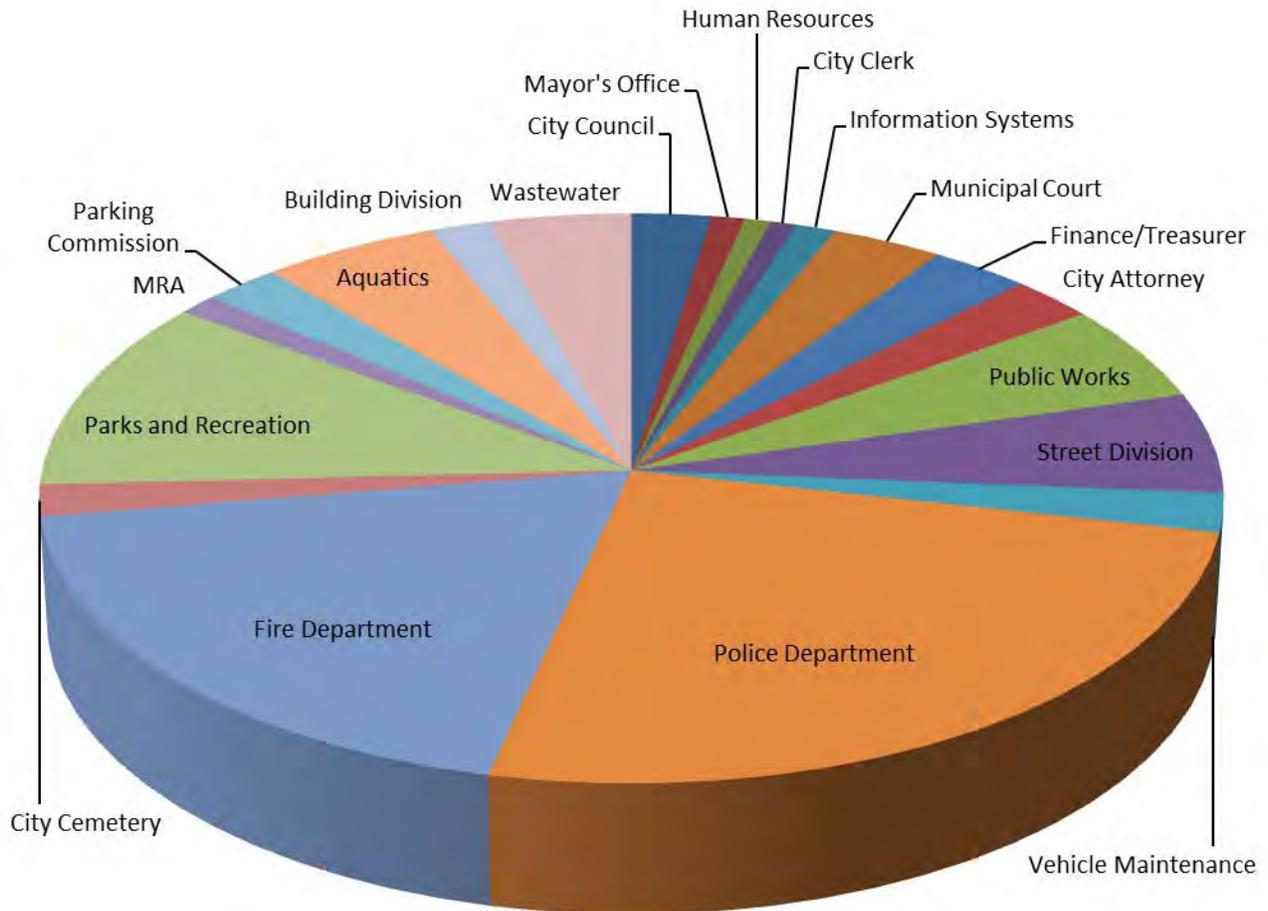
* Combines two tax IDs listed separately for Safeway and Nutritional Labs on County report.

** Combines tax IDs listed separately for Millsite property.

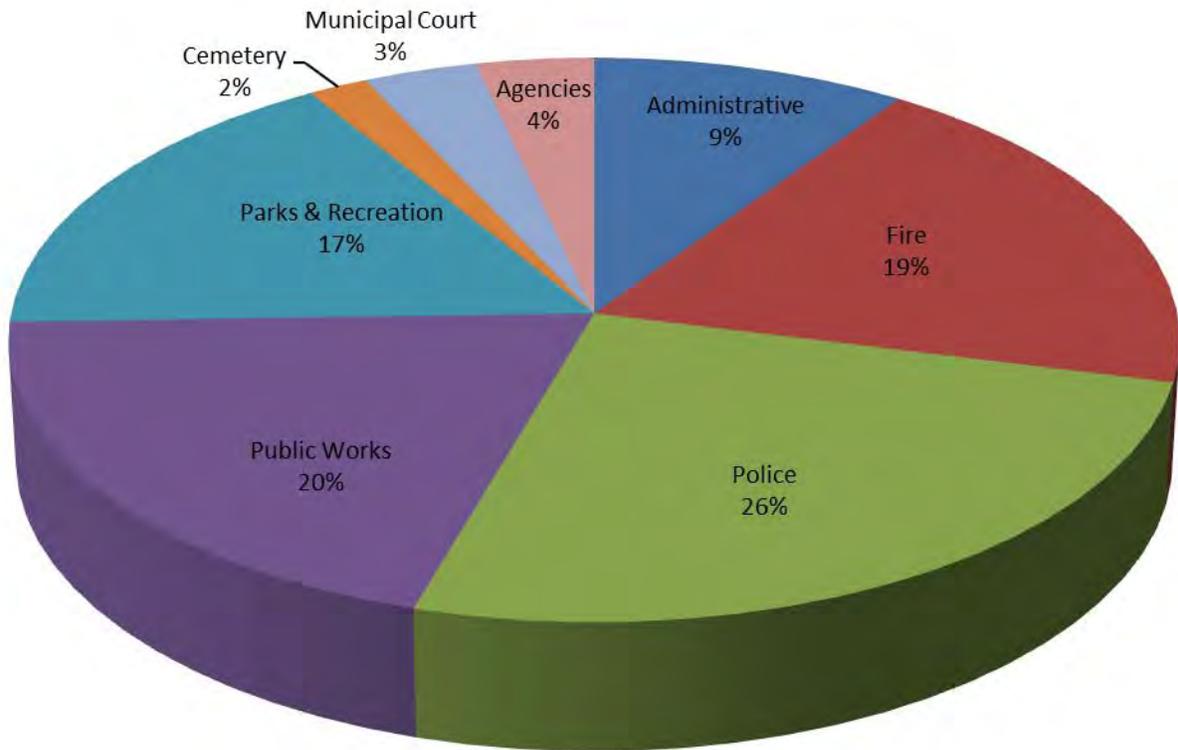
CITY OF MISSOULA
 SCHEDULE OF FTE TRENDS
 FY 2009 – 2013

	2009	2010	2011	2012	2013
	# FTE				
City Departments					
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	4.15	4.00	4.00	4.00	4.00
City Clerk	4.50	4.50	3.50	4.00	4.00
Information Systems	6.00	6.00	6.00	6.00	6.00
Municipal Court	13.00	14.25	13.75	13.75	16.85
Finance/Treasurer	16.00	15.00	15.00	15.00	15.00
City Attorney	14.90	13.25	12.75	12.75	12.75
Public Works	29.87	29.87	29.82	27.52	27.80
Street Division	28.54	28.54	25.38	28.54	28.75
Vehicle Maintenance	11.00	11.00	10.50	10.50	11.00
Police Department	124.50	124.50	117.00	117.00	126.01
Fire Department	95.00	94.00	95.00	95.00	95.00
City Cemetery	8.92	8.92	8.92	8.92	8.93
Parks and Recreation	55.74	55.74	52.51	55.74	54.97
Total General	429.12	426.57	411.13	415.72	428.06
General Fund % Increase	0.07%	-0.59%	-3.62%	1.12%	2.97%
Special District Funds					
Road District 1	-	-	3.16	-	-
Parks District 1	-	-	3.23	-	-
Total Special District	-	-	6.39	-	-
Enterprise Funds					
Aquatics	30.81	30.81	30.81	26.81	26.81
MRA	6.00	6.00	6.00	6.00	6.00
Building Division	13.00	9.00	9.00	9.00	9.00
Wastewater	22.20	22.20	21.50	21.50	21.50
Parking Commission	11.00	11.00	11.33	11.33	11.50
Total Enterprise	83.01	79.01	78.64	74.64	74.81
Non-General Fund % Increase	-0.41%	-4.82%	-0.47%	-5.09%	0.23%
Total for City Departments	512.13	505.58	496.16	490.36	502.87

City FTE Count by Department - FY 2013



City FTE Count by Function - FY2013





435 Ryman St., Missoula, MT. 59802 (406) 406-6110 ▪