

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.

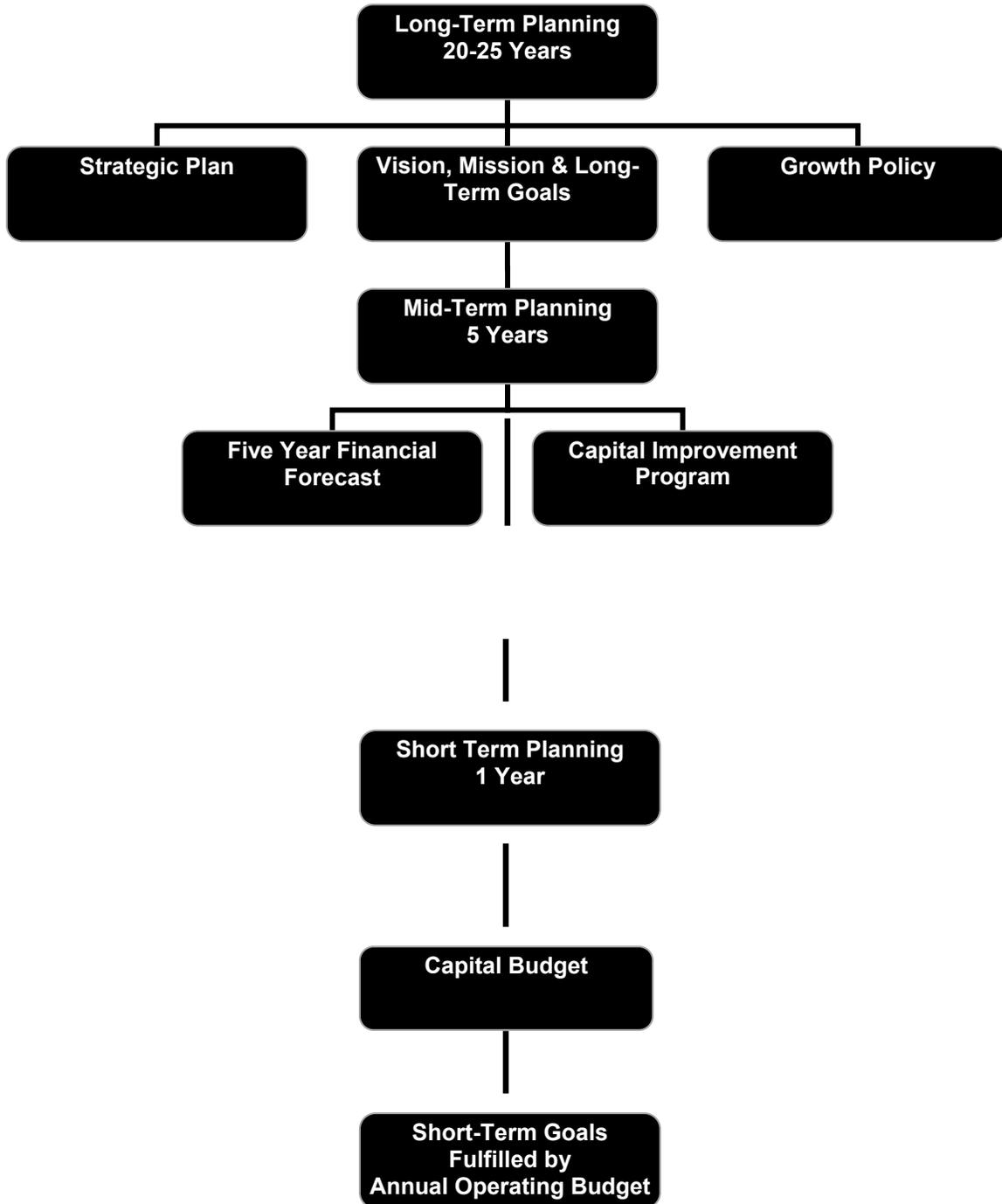
LINKAGE

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.

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

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 2014 Capital Budget & Operating Budget Impacts					
Projects by Department/Project Name					
FY 2014 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	-			129,800	129,800
FY2005 Art Museum Debt Service	-			37,653	37,653
City Hall Expansion Debt Service	-			86,110	86,110
Aquatics - General Fund Debt Service2006C (\$1.86 M)	-			131,623	131,623
Fire Station #4 - General Fund Debt Serv. 2007A (\$680K)	-			51,045	51,045
50 Meter Pool - Gen. Fund Debt Serv. (\$840 K)	-			61,433	61,433
Internally Financed Equipment - owed to CIP	-			159,677	159,677
Energy Savings Performance Debt 2010C	-			85,325	85,325
CIP CORE Replacement Equipment	-			330,670	330,670
Building Inspection Fund					
Inspector Vehicle Replacement	60,000				60,000
Wastewater Treatment Plant					
Sewer Pipe Rehabilitation Program	200,000				200,000
Sewer Lift Station Upgrade & Rehabilitation	325,000				325,000
Hybrid Poplar Tree Effluent Land Application Project	205,000				205,000
Wastewater Facility Lab Equipment Replacement	56,000				56,000
Boradway Interceptor (North of Russell St Bridge)	20,000				20,000
Missoula Redevelopment Agency					
URD III Infrastructure Projects - Wayfinding & Entry Features	250,000				250,000
URD III Residential Curbs & Sidewalks - Phase IV	650,000				650,000
URD II Western Curb/Sidewalk Improvements	275,000				275,000
BBT - South to Livingston (URD II Trail Connections)	63,000				63,000
Scott and Toole Intersection Improvements	244,900				244,900
West Broadway Island	150,000				150,000
Other Funds - CIP - FY 2014					
Copier Replacement Schedule	2,441,700				2,441,700
Vehicle Replacement Schedule	50,000				50,000
Central Maintenance Building, Tools and Fence	488,866				488,866
Bank Street Structure Improvements	150,000				150,000
Wayfinding	50,000				50,000
Missoula Art Museum Art park & ADA Improvements	93,000				93,000
Mayor & Attorney Office Remodel	250,000				250,000
Facility Equipment	12,000				12,000
Facility Storage	15,500				15,500
Grant Creek Trail	640,799				640,799
Park Development & Expansion	70,886				70,886
Aquatics CIP Plan for Splash & Currents	74,000				74,000
Annual Sidewalk Installation/Replacement Program	660,000				660,000
Neighborhood Initiated Traffic Calming	37,000				37,000
Street Improvement and Major Maintenance Program	1,100,000				1,100,000
City Hall Maintenance & Repair	51,000				51,000
Fort Missoula Regional Park	30,000				30,000
Renovate, Replacement and Improvements	125,000				125,000
Missoula Active Transportation Plan (MATP)	762,198				762,198
Riverfront Triangle Parking Structure	3,000,000				3,000,000
McCormick Park Site Plan	121,480				121,480
PSC Mandated Conversion	23,000				23,000
South 3rd Street Reconstruction (Russell to Reserve)	743,800				743,800
MDA Caras Park Improvements	297,000				297,000
Communications Service Monitor Replacement	45,000				45,000
Gravel Street Paving	245,000				245,000
VanBuren Street Reconstruction	346,000				346,000
Grant Creek I-90 Intersection Improvements	15,000				15,000
Cregg In Rdwy Improvements - Orange to Hickory St	372,500				372,500
GRAND TOTAL	\$ 14,876,629	\$ -	\$ -	\$ 1,073,334	\$ 15,949,963

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

FLEET SERVICES									
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2014	FY2015	FY2016	FY2017	FY2018
800	6605	TOYOTA PRIUS	ADMIN	2004				\$35,000	
885	6683	DODGE DURANGO	MRA	2001			\$25,000		
Total Core Units		2			\$0	\$0	\$25,000	\$35,000	\$0

ENGINEERING DIVISION									
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2014	FY2015	FY2016	FY2017	FY2018
503	6688	JEEP GRAND CHEROKEE	ADMIN	2005		\$30,000			
504	5559	DODGE 1/2 TON 4WHL	ENGR\WWT	2001	\$32,000				
505	8499	JEEP LIBERTY	ENGR.	2006			\$30,000		
506	6604	FORD RANGER EXT CAB	INSPECTION	2004				\$25,000	
507	5620	GMC SONOMA	INSPECTION	2001					
508	4896	GMC 2500 4WL DR	INSPECTION	2006	\$35,000				
509	8032	CHEVROLET IMPALA	ADMIN	2007				\$30,000	
510	6636	GMC COLORADO	ENGR	2005		\$30,000			
511	8185	GMC SIERRA 2500	ENGR	2008				\$30,000	
512	6637	CHEVROLET COLORADO	INSPECTION	2005		\$25,000			
		SEWER TAP COMPRESSORS	ENGR.	3	\$5,000				\$5,000
Total Core Units		10			\$72,000	\$85,000	\$30,000	\$85,000	\$5,000

POLICE DEPARTMENT									
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2014	FY2015	FY2016	FY2017	FY2018
1	8121	FORD ESCAPE	ADMIN	2012					\$25,000
6	8122	FORD ESCAPE	ADMIN	2012					\$25,000
7	6603	CHEVROLET G30 VAN	CRIME VAN	2004				\$45,000	
10	8053	CHEVROLET TAHOE	DETECTIVE	2002	\$35,000				
11	6619	CHEVROLET IMPALA	DETECTIVE	2004			\$25,000		
12	6618	CHEVROLET IMPALA	DETECTIVE	2004		\$25,000			
19	8114	FORD TA URUS	DETECTIVE	2013					
20	8023	DODGE DA KOTA	AI	2010			\$40,000		
26	6634	CHEVY VAN	TRAFFIC	2005					
39	6144	BUICK CENTURY	DETECTIVE	2003					
42	6684	FORD EXPEDITION	K9	2005			\$40,000		
44	8024	DODGE CHARGER	PATROL	2010	\$38,000				
45	8050	DODGE CHARGER	PATROL	2010	\$38,000				
46	8148	DODGE CHARGER	PATROL	2010	\$38,000				
47	8149	DODGE CHARGER	PATROL	2010	\$38,000				
48	8100	CHEVROLET TAHOE	PATROL	2011				\$38,000	
49	8096	DODGE CHARGER	PATROL	2011		\$38,000			\$38,000
50	8099	DODGE CHARGER	PATROL	2011		\$38,000			\$38,000
51	8098	DODGE CHARGER	PATROL	2011		\$38,000			\$38,000
52	8097	DODGE CHARGER	PATROL	2011		\$48,000			\$48,000
53	8095	DODGE CHARGER	PATROL	2011			\$38,000		
54	8101	DODGE CHARGER	PATROL	2011			\$38,000		
55	8104	DODGE CHARGER	PATROL	2012			\$38,000		
60	8123	DODGE CHARGER	PATROL	2013				\$38,000	
61	8124	DODGE CHARGER	PATROL	2013				\$38,000	
62	8125	DODGE CHARGER	PATROL	2013				\$38,000	
63	8126	DODGE CHARGER	PATROL	2013				\$38,000	
64	8127	DODGE CHARGER	PATROL	2013				\$38,000	
65	8128	DODGE CHARGER	PATROL	2013				\$38,000	
66	8129	DODGE CHARGER	PATROL	2013				\$38,000	
67	8130	DODGE CHARGER	PATROL	2013				\$38,000	
1300	ENDING	HONDA MOTORCYCLE	PATROL	2013					\$25,000
1301	ENDING	HONDA MOTORCYCLE	PATROL	2013					\$25,000
1302	ENDING	HONDA MOTORCYCLE	PATROL	2013					\$25,000
1303	ENDING	HONDA MOTORCYCLE	PATROL	2013					\$25,000
8033	8033	CHEVROLET IMPALA	DETECTIVE	2007				\$25,000	
8040	8040	FORD F150 CREW CAB	DETECTIVE	2007					
8059	8059	CHEVROLET IMPALA	DETECTIVE	2008					\$25,000
8060	8060	CHEVROLET IMPALA	DETECTIVE	2008					\$25,000
8082	8082	FORD CROWN VIC	PATROL	2009	\$38,000			\$38,000	
8088	8088	MALIBU HYBRID	DETECTIVE	2009					
8089	8089	MALIBU HYBRID	DETECTIVE	2009					
8090	8090	MALIBU HYBRID	DETECTIVE	2009					
8494	8494	FORD EXPEDITION	K9	2006	\$40,000				
		ADDITIONAL PATROL UNIT	PATROL	NEW	\$38,000				
Total Core Units		44			\$303,000	\$187,000	\$219,000	\$450,000	\$362,000

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

FIRE DEPARTMENT				300					
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2014	FY2015	FY2016	FY2017	FY2018
CAT		CATARAFT TUBES	RESCUE	2002					
2UNITS		RESCUE WATER CRAFT	RESCUE	2013					
1073		FIRE ENGINE (TYPE 1)	RESPONSE	2010					
3227		FIRE ENGINE (TYPE 1)	RESPONSE	2003					\$430,000
2341		FIRE ENGINE (TYPE 1)	RESPONSE	2002				\$430,000	
1373		FIRE ENGINE (TYPE 1)	RESPONSE	1999	\$430,000				
1380		FIRE ENGINE (TYPE 1)	RESPONSE	1999		\$430,000			
6664		FIRE ENGINE (TYPE 1)	RESPONSE	2006					
9974		FIRE ENGINE (TYPE 1)	RESPONSE	2009					
9021		LADDER TRUCK	RESPONSE	1999					
1419		LADDER TRUCK	RESPONSE	1990		\$1,200,000			
4197		WATER TENDER (20 YR)	RESPONSE	2001					
8685		WILD LAND ENGINE (TYPE 2)	RESPONSE	1999		\$110,000			
4002		WILDLAND ENGINE (TYPE 3)	RESPONSE	2012					
3361		WILD LAND ENGINE (TYPE 6)	RESPONSE	99					
7237		WILD LAND ENGINE (TYPE 6)	RESPONSE	2007					
9098		WILD LAND ENGINE (TYPE 6)	RESPONSE	2000	\$85,000				
5803		COMMAND VEHICLE	RESPONSE	2007			\$60,000		
GER		GENERATORS (All 5 Stations)	RESPONSE	2006					
COMP		COMPRESSORS AND FILL STA	RESPONSE	1999					
		SCBA (15 YRS)	PPE	2011					
		INFORMATION SYSTEMS (M1	6 UNITS						
		THERMAL IMAGERS (6 YRS)	7 UNITS						
		HAND HELD RADIOS	60 UNITS	REPLACE	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
		MOBILE RADIOS	30 UNITS	REPLACE	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
		DEFIBRILLATORS (10 YRS)	5 UNITS	2002					
		LAND FOR STATION 6							
Total Core Units		18			\$550,000	\$1,775,000	\$95,000	\$465,000	\$465,000

FIRE DEPT. ADMINISTRATION				300					
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2014	FY2015	FY2016	FY2017	FY2018
902	8034	CHEVROLET IMPALA	ASST. CHIEF	2007				\$30,000	
903	8497	CHEVROLET UPLANDER	ASST. CHIEF	2006			\$30,000		
906	6651	CHEVROLET COLORADO	INSPECTION	2005		\$30,000			
908	8001	FORD RANGER	INSPECTION	2006			\$30,000		
909	8070	TOYOTA PRIUS	CHIEF	2009					
911		DODGE D250 4WHL	FIRE MARSHAL	2001					
912	8493	FORD F 250	INSPECTION	2006			\$35,000		
Total Core Units		7			\$0	\$30,000	\$95,000	\$30,000	\$0

BUILDING DIVISION				310					
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2014	FY2015	FY2016	FY2017	FY2018
401	8106	FORD ESCAPE	INSPECTION	2012				\$30,000	
402	8093	FORD RANGER EXT CAB	INSPECTION	2011			\$30,000		
403	6660	CHEVROLET COLORADO	INSPECTION	2005	\$30,000				\$30,000
405	6638	CHEVROLET COLORADO	INSPECTION	2005	\$30,000				\$30,000
408	8107	FORD ESCAPE	INSPECTION	2012				\$30,000	
410	8108	FORD ESCAPE	INSPECTION	2012				\$30,000	
Total Core Units		6			\$60,000	\$0	\$30,000	\$90,000	\$60,000

STREET DIVISION				320					
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2014	FY2015	FY2016	FY2017	FY2018
101	6166	GMC EXT CAB 1/2 TON	ADMIN	2003		\$25,000			
102	6685	GMC EXT CAB 1/2 TON	ADMIN	2005			\$25,000		
103	8495	GMC EXT CAB 1/2 TON	ADMIN	2006			\$25,000		
104	6037	DODGE 3/4 TON	PAVING CREW	2002				\$45,000	
105	5619	CHEVY 1 TON DEICER UNIT	OPERATIONS	2000					
108	7006	DODGE 1 TON / LIFT GATE	OPERATIONS	1996					
111	8194	FORD F350 CREW CAB	OPERATIONS	2007				\$40,000	
112	8045	JOHNSTON 650	SWEEPER	2007		\$220,000			
113	8049	JOHNSTON 650	SWEEPER	2007		\$220,000			
114	8013	JOHNSTON 650	SWEEPER	2006	\$220,000				
115	8113	JOHNSTON 650	SWEEPER	2012					

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

116	8014	JOHNSTON 650	SWEeper	2006	\$220,000				
117	8094	ISUZU JOHNSTON 650	SWEeper	2009			\$220,000		
120	6689	ELGIN BROOM BEAR	SWEeper	2005				\$220,000	
121	6022	IH TANDEM VAC-CON	VACUUM	2002					
122	8492	CAT	GRADER	2006					
123	1285	CAT	GRADER	1982				\$225,000	
130	7026	FORD SINGLE AXLE	DEICER\PLOW	1996					
131	8158	I.H. TANDEM AXLE	TANDEM DUMP	2009					
132	6153	I.H. TANDEM AXLE	TANDEM DUMP	2007					
135	8172	FREIGHTLINER	TANDEM DUMP	2012					
136	8142	FREIGHTLINER	FLUSHER	2010					\$170,000
137	8178	FREIGHTLINER	TANDEM DUMP	2012					
138	8186	I.H. 7400	FLUSHER	2007				\$170,000	
139	8157	I.H. TANDEM AXLE	TANDEM DUMP	2009					
140	5613	STERLING TANDEM AXLE	TANDEM DUMP	2002		\$130,000			
143	8192	ROSCO SPR-H	CHIP SPREADER	1997				\$200,000	
145	6170	BARBER GREENE	PA VER	1995	\$320,000				
146	7795	CAT	LOADER	1996		\$130,000			
147	7798	CAT	LOADER	1996		\$130,000			
149	8498	CAT	BACKHOE	2006					
150	6621	BOMAG	ASPHALT ROLL	2003					
154	6627	CAT	LOADER	2004					
155	8146	KOMTSU	LOADER	2010					
167	8031	FORD SINGLE AXLE	ANTI-ICE\PLOW	1997					
168	7855	FORD SINGLE AXLE	ANTI-ICE\PLOW	1997	\$115,000				
169	7796	FORD SINGLE AXLE	ANTI-ICE\PLOW	1997		\$115,000			
171	7832	BOBCAT	SKID STEER	1996			\$52,000		
174	6148	FORD F800	POTHOLE TRUCK	1994	\$135,000				
175	7327	FORD\ROSCO	POTHOLE TRUCK	1996			\$155,000		
176	5611	STERLING	SANDER\PLOW	2001				\$120,000	
177	6164	STERLING	SANDER\PLOW	2005					\$120,000
178	8008	IH 7400 SINGLE AXLE	SANDER\PLOW	2006					\$120,000
179	8079	FREIGHTLINER	DEDICATED SANDERS	2009					
180	8080	FREIGHTLINER	DEDICATED SANDERS	2009					
181	8081	FREIGHTLINER	DEDICATED SANDERS	2009					
195	8112	HUDSON HD	ASPHALT RECYCLER	2012					
196	8007	CATERPILLAR PS 150B	RUBBER TIRED ROLLER	2001					\$80,000
197	6643	DYNAPACK CP132 9	RUBBER TIRED ROLLER	2001					\$80,000
198	6643	CIMLINE CRACK SEALER	CRACK SEALER	2005	\$45,000				
T-100		TRAIL KING	TRAILER	1994			\$41,000		
T102		WALTON	TRAILER	1994				\$41,000	
T-105		TOW MASTER	TRAILER	1997					
T-145		ECONOLINE	PA VER TRAILER	2003	\$90,000				
P105		BOSS RTE PLO	SNOW PLOW	2008					
P128	8153	FALLS	SNOW PLOW	2008					
P130		SCHMIDT	SNOW PLOW	1986					
P164		SCHMIDT	SNOW PLOW	1986					
P165		SCHMIDT	SNOW PLOW	1986					
P167		SCHMIDT	SNOW PLOW	1992					
P168	4236	SCHMIDT	SNOW PLOW	2004			\$16,000		
P169	8154	SCHMIDT HSP4210POLLY	SNOW PLOW	2007					
P176		SCHMIDT	SNOW PLOW	2002					
P177	8004	SCHMIDT	SNOW PLOW	2004					
P178	8012	SCHMIDT	SNOW PLOW	2006					
CS150	6698	NORTON CLIPPER	CEMENT SAW	2005					
		SANDERS	1 PER 2 YEARS	7 TOTAL		\$10,000		\$10,000	
		ASPHALT WACKIER	1 PER 2 YEARS	4 TOTAL		\$5,000		\$5,000	
		DEICER UNITS	1 PER 2 YEARS	7 TOTAL			\$10,000		\$10,000
Total Core Units		66			\$1,145,000	\$985,000	\$544,000	\$1,076,000	\$580,000

VEHICLE MAINT. DIVISION

UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2014	FY2015	FY2016	FY2017	FY2018
702	8031	HYSTER	OPERATION	2002		\$25,000			
777		CAT - OLYMPIAN	GENERATOR	2000				\$70,000	
		SMALL PLATFORM LIFT	OPERATIONS	1 PER	\$12,000				
		CARGO TRAILER	OPERATIONS	1 PER	\$8,000				
Total Core Units		2			\$20,000	\$25,000	\$0	\$70,000	\$0

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

TRAFFIC DIVISION				322					
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2014	FY2015	FY2016	FY2017	FY2018
560	3348	FORD ECONOMY VAN	PAINT STRIPER	1987					
562		GRACO PAINT SPRAYER	PAINT STRIPER	1996					
564	8135	HONDA RANCHER A TV	OPERATIONS	2013					
573	6687	DODGE GRAND CARAVAN	VAN	2005		\$25,000			
582	4304	GMC CABOVER	SIGN MAINT	1993	\$50,000				
584		SMART TRAILER	RADAR	1994				\$16,000	
585	4857	FREIGHTLINER AERIAL LIFT	MAN LIFT	1997			\$150,000		
588	8086	GMC SIERRA	COM SHOP	2009					
589		GMC	W 500	2002		\$48,000			
591	6690	LONG CHIH	RADAR	2002		\$16,000			
		STAND ON SNOW REMOVAL	SIGN MAINT						
		SMALL SNOW EQUIPMENT	1 PER 2 YEARS						
Total Core Units		10			\$50,000	\$89,000	\$150,000	\$16,000	\$0

WWT DIVISION				330					
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2014	FY2015	FY2016	FY2017	FY2018
302	8143	FORD FUSION HYBRID	PLANT MAINT	2010			\$30,000		
310	6686	CAT 416 D LOADER BACKHOE	PLANT MAINT	2005					\$70,000
313	8171	FORD TRANSIT CONNECT	OPERATIONS	2012					
314	6145	GMC SIERRA 3500	PLANT MAINT	2004				\$45,000	
316	8056	DOOSAN FORKLIFT	PLANT MAINT	2006					
317		PIPEHUNTER SIDEKICK EASM	OPERATIONS	2009					
321	8056	IH A QUATEC	OPERATIONS	2011					
322	8144	CHEVROLET	COLORADO	2010		\$35,000			\$35,000
323	7064	IH	SLUDGE TRUCK	1988					
324	6622	CHEVY 1 TON	OPERATIONS	2004					
325	8197	FORD RANGER	OPERATION	2007		\$35,000			
326	8145	CHEVROLET	COLORADO	2010		\$35,000			\$35,000
328	6152	IH A QUATEC	VACUUM	2008					\$270,000
329		FORD LNT 8000	JETTER	1995					
330	7051	INGERSOLL RAND	COMPRESSOR	1988				\$18,000	
332		FREIGHTLINER	JETTER	1997		\$225,000			
334	8177	GMC SIERRA 1500	OPERATIONS	2012				\$30,000	
335	6624	SECA JETTER UNIT	COLLECTIONS	2004				\$225,000	
336	8057	FORD F350	COLLECTIONS	2008			\$45,000		
337	8067	FORD F350	COLLECTIONS	2008			\$45,000		
338	8183	FORD F350	COLLECTIONS	2008			\$45,000		
339	8184	FORD F350	COLLECTIONS	2008			\$45,000		
375		FORD 4" PUMP	PLANT	1950					
381		COMC 3" PUMP	PLANT	1951					
385		LANDA PRESSURE WASH	PLANT	1986					
387		OLYMPIAN GENERATOR	COLLECTIONS	1999					\$41,000
388		OLYMPIAN GENERATOR	COLLECTIONS	1999					\$41,000
390		OLYMPIAN GENERATOR	COLLECTIONS	2002					\$41,000
392		SULLAIR 210H COMPRESSOR	COLLECTIONS	2005		\$38,000			
NV6		NASHUA TRAILER	COLLECTIONS	1957					
T301		RETTIG UTILITY TRAILER	COLLECTIONS	1999		\$6,500			
T329		SECA JETTER UNIT	COLLECTIONS	1995					\$25,000
Total Core Units		32			\$0	\$374,500	\$210,000	\$318,000	\$558,000

CEMETERY									
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2014	FY2015	FY2016	FY2017	FY2018
601	1643	CASE 580 CKB	Loader w/3pt. Hitch	1974					
602	4058	SULAIR COMPRESSOR	Air Compressor	1979	\$38,000				
604		TORO WALK BEHIND	Mower	2002					
605	8116	KUBOTA	Mower	2012					
608		HUSTLER \ ATTACHMENTS	Mower	2002		\$40,000			
609		HUSTLER \ ATTACHMENTS	Mower	2001					
610		POLARIS RANGER	Utility Cart	2002			\$16,000		
611	8140	TORO WORKMAN	Utility Cart	2012					
613	8039	JOHN DEERE	Tractor	2007					
614		KUBOTA	Utility Cart	2004		\$16,000			
615		HUSTLER \ ATTACHMENTS	Mower	2004				\$40,000	
616		PROCORE 880	SOIL AERATOR	2004					\$30,000
618		HUSTLER \ ATTACHMENTS	Mower	2007			\$40,000		
625	8077	BACKHOE LOADER	OPERATION	2010					
698		KA W A S A K I M U L E	UTV	2001	\$16,000				
		UTILITY CART/SPRAYER/BU	OPERATION						
Total Core Units		15			\$54,000	\$56,000	\$56,000	\$40,000	\$30,000

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

PARKS DEPARTMENT				370					
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2014	FY2015	FY2016	FY2017	FY2018
201	6680	DODGE DURANGO	PARK ADMIN	1999	\$25,000				
205		DODGE DAKOTA	OPERATIONS	1998	\$25,000				
209		BABB TRAILER W/ PRESSURE	OPERATIONS	2007				\$21,000	
210	8015	CHEVY SILVERADO HYBRID	OPERATIONS	2006					\$35,000
211	8156	POLARIS 6x6 UTV	CONSERVATION	2008					
212	8025	MORBARK CHIPPER	CONSERVATION	2010					
214	5354	CASE 580L	OPERATIONS	1998					\$85,000
224		JOHN DEERE TRACTOR 6310	CONSERVATION	2001				\$65,000	
225	8132	BOBCAT TOOLCAT	OPERATIONS	2012					
233	8173	HONDA RUBICON	OPERATIONS	2012					\$10,000
241	6631	FORD F250 PICKUP	CONSERVATION	2000					
243		CHEVY PICKUP	OPERATIONS	2000			\$45,000		
246		FORD F700 AERIAL LIFT TRUC	FORESTRY	2002				\$150,000	
252	8083	MITSUBISHI (MINNI TRUCK)	OPERATIONS	1998			\$15,000		
253	8084	HONDA (MINI TRUCK)	OPERATIONS	2000			\$15,000		
255	8085	MITSUBISHI (MINNI TRUCK)	OPERATIONS	1996			\$15,000		
256		LAND PRIDE SEEDER	OPERATIONS	2009					
262	6682	TORO	OPERATIONS	2004				\$90,000	
265	5325	CHEVROLET ¾ TON PICKUP	OPERATIONS	1999			\$30,000		
267	4787	BANDIT M250 CHIPPER	FORESTRY	1996	\$112,000				
272	6626	GMC SIERRA PICKUP	OPERATIONS	2004					\$30,000
275	8002	JOHN DEERE 1445	MOWER	2006				\$40,000	
276		JOHN DEERE 1445	MOWER	2005				\$40,000	
278		425 JOHN DEERE TRACTOR	MOWER/SNOW	1998	\$31,000				
282	3193	TORO 580D MOWER	MOWER	2000					
283	5146	CHEVY 3/4 TON PICKUP	OPERATIONS	1998					
285	5325	CHEVY 3/4 TON PICKUP	FORESTRY	1999	\$45,000				
286	8003	TORO 580D MOWER	MOWER	2006		\$90,000			
287	8005	KUBOTA UTV	OPERATIONS	2006					\$40,000
289	8011	KUBOTA UTV	OPERATIONS	2006					\$40,000
292		JOHN DEERE F 1145 MOWER	OPERATIONS	2000					
298	8002	JOHN DEERE 1445	MOWER	2007					\$40,000
T202		B-WELDING TRAILER	OPERATIONS	2000		\$10,000			
T203		B-WELDING TRAILER	OPERATIONS	2000		\$10,000			
T204		SPORT LAND TRAILER	OPERATIONS	2005					
T205		SPORT LAND TRAILER	OPERATIONS	2005					
T206		SPORT LAND TRAILER	OPERATIONS	2006					
T207		UTILITY TRAILER	OPERATIONS	2005				\$10,000	
T208		UTILITY TRAILER	OPERATIONS	2005					\$10,000
T210		TOW MASTER	OPERATIONS	1993					
T211		TITAN 16' TRAILER	OPERATIONS	2005				\$15,000	
T214		REDMAX 12 TON TRAILER	OPERATIONS	1995				\$15,000	
T215		TRAILER	OPERATIONS	2006		\$15,000			
T262	6681	PJ TRAILER	OPERATIONS	2003					
273A		PULL BEHIND AERATOR	OPERATIONS	1995					
		VENDING TRUCK	RECREATION	1 PER					
		TOP DRESSER	OPERATIONS	1 PER	\$13,000				
		TRACTOR		NEW	\$50,700				
		580 TRAILERS	OPERATIONS	2 PER					
Total Core Units		45			\$301,700	\$125,000	\$120,000	\$446,000	\$290,000

PARKING COMM.				390					
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	YEAR	FY2014	FY2015	FY2016	FY2017	FY2018
858	6168	CHEVROLET 3500	METER READ	1995	\$45,000				
865	8180	GO-4	METER READ	2010				\$28,000	
866	?	GO-4	METER READ	2003					
867	8030	GO-4	METER READ	2006		\$28,000			
868	8029	GO-4	METER READ	2006		\$28,000			
869	8160	GO-4	METER READ	2008					
870	6615	GMC	SNOW PLOW	2005			\$30,000		
871	6676	JOHN DEERE GA TOR	SNOW PLOW	2005		\$18,000			
872	8190	GMC SIERRA	SNOW PLOW	2008				\$45,000	
872		SKID STEER	SNOW PLOW	NEW	\$60,000				
Total Core Units		10			\$105,000	\$74,000	\$30,000	\$73,000	\$0

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

COPIER EQUIPMENT REPLACEMENT SCHEDULE--ALL

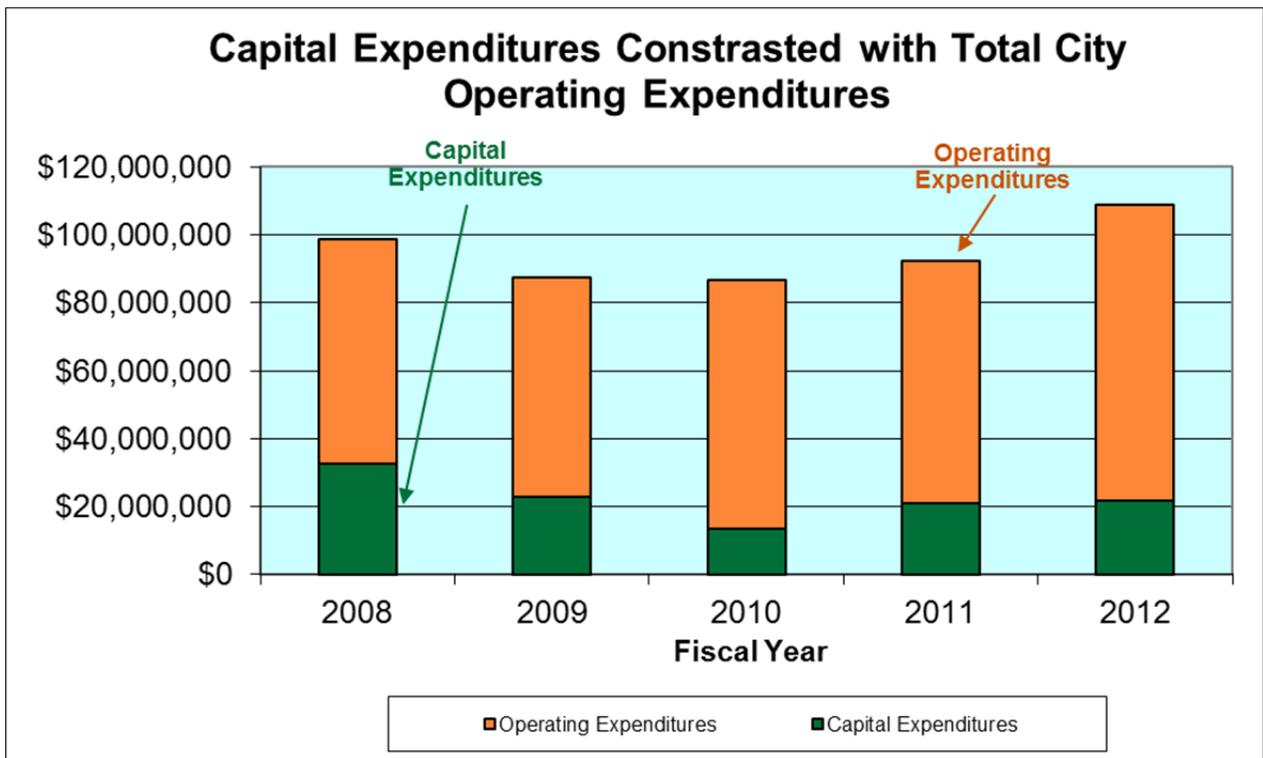
COPIER DESCRIPTION	FY2014	FY2015	FY2016	FY2017	FY2018
GENERAL FUND DEPARTMENTS					
Attorney - Konica Minolta BizHub 353	\$ 12,500	\$ -	\$ -	\$ -	\$ -
Clerk - Konica Minolta BizHub C550	13,000	-	-	-	-
Council - HP LaserJet 4345xs MFP	8,000	-	-	-	-
Human Resources - Minolta Di3510	-	-	-	-	-
Mayor - Sharp MX3501N	-	11,000	-	-	-
Muni Court - Konica Minolta BizHub 350	-	-	-	-	-
HP DesignJet 5500PF 42 (plotter)	20,000	-	-	-	-
PW - Minolta Di6500E	-	-	-	-	-
Police - HP DesignJet 5500PS	-	-	-	-	-
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)	-	-	-	-	-
Parks - Konica Minolta BizHub 350	-	-	-	-	-
TOTAL GENERAL FUND	\$ 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	\$ 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.

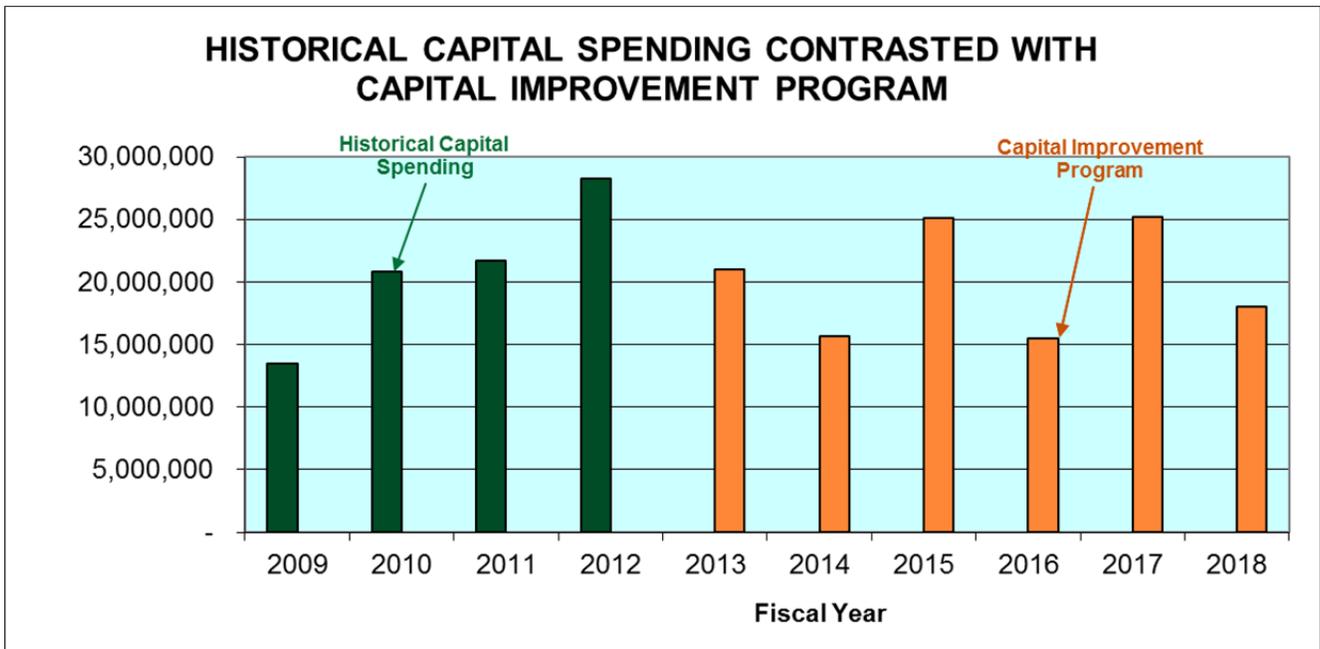
The graph below illustrates Missoula’s historical investment in capital. The graph depicts actual capital expenditures over the course the last five years (for which audited values are available at the time of publication of the budget) as compared to the City’s operating budget. Obligating resources 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.

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

All CIP Projects in Project Type Order	FY14		TOTAL PROJECT						
***** FY 2014 TO FY 2018 CAPITAL BUDGET *****			----- COSTS -----						
	DEPT.	NO.	TOTAL	FY14	FY15	FY16	FY17	FY18	
Earmarked Expenditures:									
FY2005 Art Museum Debt Service	GF	CS-01	\$ 56,011	\$ 37,653	\$ 18,358				
Council Chambers/MRA Debt Service 2006B (\$1.1 M)	GF	CS-01	418,978	86,110	83,985	81,860	84,735	82,288	
Fire Station #4 - General Fund Debt Serv. 2007A (\$680K)	Fire	CS-01	257,940	51,045	49,875	53,705	52,340	50,975	
Aquatics - General Fund Debt Service2006C (\$1.86 M)	P&R	CS-01	662,776	131,623	133,723	130,641	132,560	134,230	
50 Meter Pool - Gen. Fund Debt Serv. (\$800 K estimated)	P&R	CS-01	303,845	61,433	60,138	58,825	62,495	60,955	
White Pine Debt Service Series 2010A Refunded	PW	CS-01	644,638	129,800	127,438	129,813	129,813	127,775	
Energy Savings Performance Debt 2010C (\$1,010,000)	PW	CS-01	420,250	85,325	84,125	82,925	82,925	84,950	
CIP CORE Replacement Equip-debt sv-FY 09	GF	CS-01	314,806	157,403	157,403				
CIP CORE Replacement Equip-debt sv-FY10	GF	CS-01	361,245	72,249	72,249		72,249	72,249	
CIP CORE Replacement Equip-debt sv-FY12	GF	CS-01	278,658	101,018	101,018	76,622			
Internally Financed Equipment - owed to CIP	IS	CS-01	798,384	159,677	159,677	159,677	159,677	159,677	
Copier Replacement Schedule	GF	CS-03	-						
Vehicle Replacement Schedule	GF	CS-04	-						
Riverfront Triangle Parking Structure	MPC	CS-05	3,000,000	3,000,000					
Street Materials Storage Site - Missoula Southside	PW	CS-06	320,000				20,000	300,000	
Upper Gharrett Drainage Improvements	PW	CS-07	200,000				200,000		
Grant Creek Drainage Improvements	PW	CS-08	450,000				50,000	400,000	
Central Maintenance Building,Tools and Fence	VM	CS-09	968,866	488,866	480,000				
Hillview Way Storm Drain Upsizing	PW	CS-10	17,500					17,500	
URD II Western Curb/Sidewalk Improvements	MRA	CS-11	275,000	275,000					
URD III Infrastructure Projects-Wayfinding & Entry Features	MRA	CS-12	250,000	250,000					
Bank Street Structure Improvements	MPC	CS-13	300,000	150,000	150,000				
Wayfinding	MPC	CS-14	50,000	50,000					
URD III Residential Curbs & Sidewalks-Phase IV	MRA	CS-15	650,000	650,000					
Mayor & Attorney Office Remodel	Mayor	CS-16	250,000	250,000					
Salt Brine Facility	Eng	CS-17	270,000				270,000		
Energy Savings Research-Design City Hall & Station 4	PW	CS-18	42,000		42,000				
Missoula Art Museum Art Park and ADA Improvements	DV	CS-19	310,000	93,000	217,000				
Data Center Backup & Disaster Recovery Site	IT	CS-20	180,000	-	60,000	40,000	40,000	40,000	
Facility Equipment	VM	CS-21	12,000	12,000					
Facility Storage	VM	CS-22	29,500	15,500	14,000				
City Hall Maintenance and Repair	VM	CS-23	51,000	51,000					
Energy Savings Parks Operations Building	VM	CS-24	42,000		42,000				
Aquatics CIP Plan for Splash & Currents	P&R	PR-01	1,109,500	74,000	77,000	30,500	850,000	78,000	
Missoula Active Transportaion Plan (MATP)	P&R	PR-02	4,293,315	762,198	199,000	1,703,677	1,628,440		
Fort Missoula Regional Park	P&R	PR-03	12,140,000	30,000	7,310,000	4,800,000			
Grant Creek Trail	P&R	PR-04	640,799	640,799					
Renovate, Replacement and Improvements	P&R	PR-05	625,000	125,000	125,000	125,000	125,000	125,000	
McCormick Park Site Plan	P&R	PR-06	7,747,020	121,480		100,540	500,000	7,025,000	
Park Development & Expansion	P&R	PR-07	565,006	70,886	237,000	68,000		189,120	
Playfair Park Site Plan, Design, Renovation	P&R	PR-08	2,500,000				500,000	2,000,000	
PSC Mandated Conversion	P&R	PR-09	115,000	23,000	23,000	23,000	23,000	23,000	
BBT-South to Livingston (URD III Trail Connections)	P&R	PR-10	63,000	63,000					
Rattlesnake Trail	P&R	PR-11	171,025					171,025	
West Broadway Island	MRA	PR-12	150,000	150,000					
Kim William Expansion	P&R	PR-13	-	funded in past					
Mansion Heights Stairs	P&R	PR-14	141,728				141,728		
MDA Caras Park Improvements	P&R	PR-15	322,000	297,000	25,000				
Trail maps for Missoula's Conservation Lands	P&R	PR-16	12,900				12,900		
Fire Hydrants	Fire	PS-01	160,000		40,000	40,000	40,000	40,000	
Fire Station #6 Land Purchase	Fire	PS-02	300,000		300,000				
Communications Service Monitor Replacement	Eng	PS-03	45,000	45,000					
Neighborhood Initiated Traffic Calming	Eng	S-01	257,000	37,000	55,000	55,000	55,000	55,000	
Scott and Toole Intersection Improvements	Eng	S-02	244,900	244,900					
Grant Creek/I-90 Intersection Improvements	Eng	S-03	350,000	15,000	335,000				
South 3rd Street Reconstruction (Russell to Reserve)	Eng	S-04	3,210,800	743,800	1,048,000	1,419,000			
Rattlesnake Drive Sidewalk(Brookside to Creek Crossing)	Eng	S-05	-						
Eldora Lane Drainage Improvements	Eng	S-06	120,000		120,000				
Rattlesnake Drive Sidewalk(Brookside-Creek Crossing)	Eng	S-07	295,000		295,000				
Duncan/Greenough Dr Reconstruction	Eng	S-08	800,000			800,000			
Hillview Way Street Improvements	Eng	S-09	2,500,000		2,500,000				
Bellevue Park Curb and Sidewalk Improvements	Eng	S-10	120,000		120,000				
Lower Miller Cr Rd Reconstruction Phases III through VIII	Eng	S-11	1,241,400				588,100	653,300	
Gravel Street Paving	Eng	S-12	1,225,000	245,000	245,000	245,000	245,000	245,000	
Mullan and George Elmer Drive Intersection Signal	Eng	S-13	330,000					330,000	
VanBuren Street Reconstruction	Eng	S-14	692,000	346,000	346,000				

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

All CIP Projects in Project Type Order			FY14		TOTAL PROJECT				
***** FY 2014 TO FY 2018 CAPITAL BUDGET *****					----- COSTS -----				
	DEPT.	NO.	TOTAL	FY14	FY15	FY16	FY17	FY18	
Street Improvement and Major Maintenance Program	Eng	S-15	5,500,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	
Annual Sidewalk Installation/Replacement Program	Eng	S-16	3,300,000	660,000	660,000	660,000	660,000	660,000	
Neighborhood Infrastructure Street Improvements	Eng	S-17	700,000		700,000				
Clark Fork Lane-South of Union Pacific Street	Eng	S-18	441,500				441,500		
Cregg Ln Rdwy Improvements Orange St to Hickory St	Eng	S-19	566,770	372,500		194,270			
Old Highway 93 Sewer Interceptor	WW	WW-01	600,000					600,000	
Airport Interceptor PhII & Wye Collection System	WW	WW-02	4,655,000		300,000	3,045,000	1,310,000		
Hybrid Poplar Tree Effluent Land Application Project	WW	WW-03	445,000	205,000	60,000	60,000	60,000	60,000	
Sewer Pipe Rehabilitation Program	WW	WW-04	1,400,000	200,000	300,000	300,000	300,000	300,000	
Russell Street Interceptor (6th-Idaho)	WW	WW-05	89,130		89,130				
Sewer Lift Station Upgrade & Rehabilitation	WW	WW-06	650,000	325,000	325,000				
Linda Vista Blvd Interceptor STEP System Conversion	WW	WW-07	520,000					520,000	
Wastewater Facility Lab Equipment Replacement	WW	WW-08	56,000	56,000					
Broadway Interceptor(North of Russel St Bridge)	WW	WW-09	170,000	20,000		150,000			
Totals			73,766,189	13,331,263	18,987,117	15,805,303	9,937,462	15,705,044	