

## 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.

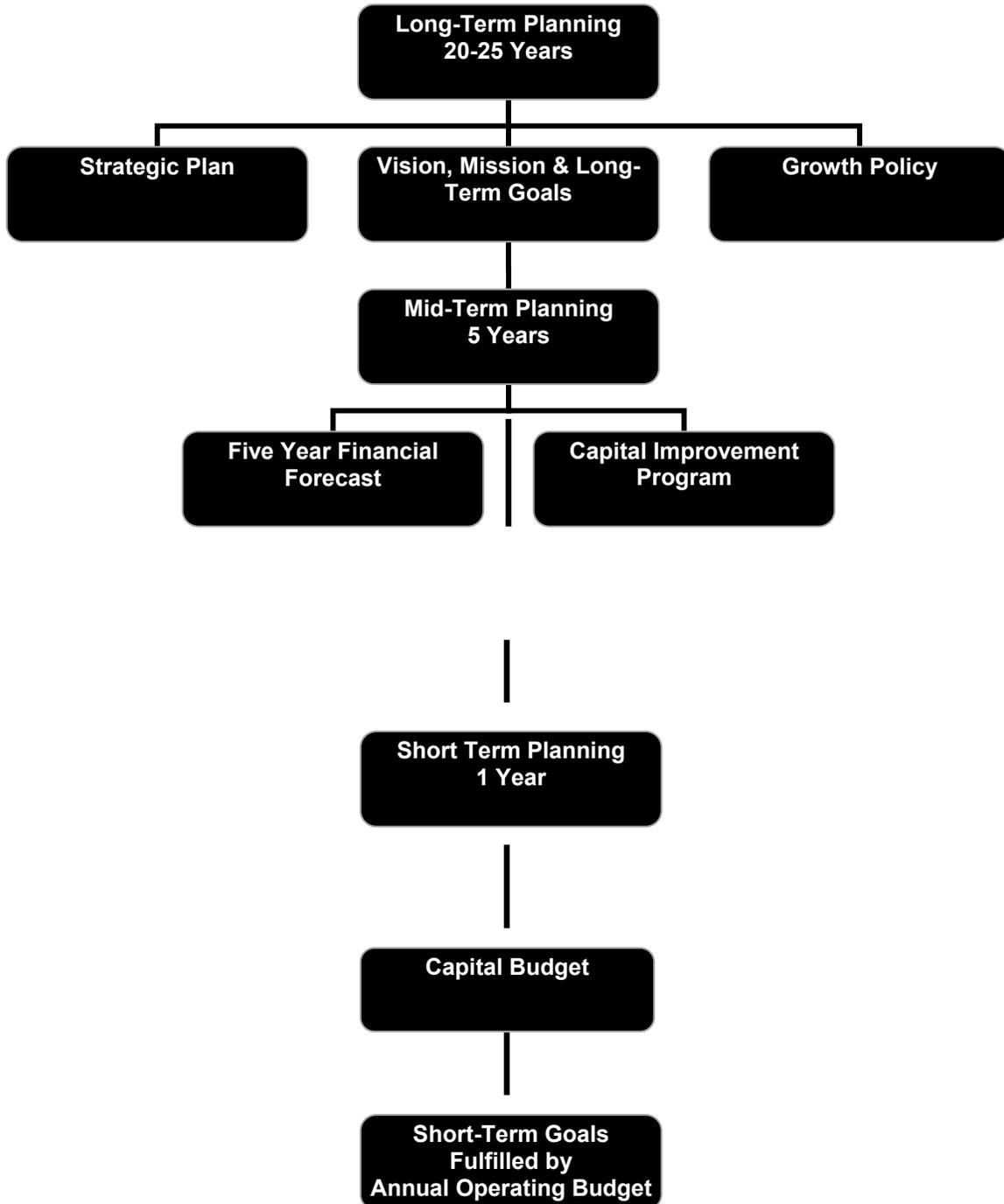
## LINKAGE

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 2015, 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 2016, in excess of \$850,000 per year of tax supported projects will be freed up for future debt service requirements. In addition, a new revenue stream has been approved and developed by the city council during the past three years, namely the road and park special district levies. These special district assessments will be used to further enhance and support the city’s infrastructure needs in their designated areas. Both the declining future debt service requirements and the availability of a new funding stream will provide more flexibility for the city in future budgets in the capital improvement program that is tax supported.

Each element of the City’s planning process has a different purpose and timeframe. The Strategic Plan, Vision, Mission, Long-term Goals and Growth Policy are the most far-reaching in nature—20 to 25 years. The Capital Improvement Program and the Five-Year Financial Forecast are mid-term in nature—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.

### 2015-2019 Capital Improvement Program

1. Recommendation for 2015-2019 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 2015-2019, 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 payback 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.

**2015-2019 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 2015-2019 Capital Improvement Program has seventeen different sources of funding. Each funding source is described below.

## CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

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.

**Special District**

**Assessments for**

**Roads & Parks:**

These city-wide assessments (levied on the property tax bills) provide some funding for capital construction projects in the city for roads and parks.

**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 General Fund equipment in the attached replacement schedules will be financed with capital leases ranging from 3 to 15 years (15 years for the fire department ladder truck). Most leases have a term of 3 to 5 years, depending on the useful life of the equipment. The enterprise fund equipment in the replacement schedule will be paid for in cash.

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. Enterprise fund projects supported by revenue bonds will be funded with debt that is rated by national rating agencies (Standard & Poor and Moody's). Rate covenants are in place for the all current revenue bonds requiring that debt service coverage ratios be maintained in order to maintain the debt ratings. No future revenue bonded debt can be issued without a demonstrated history of maintaining adequate debt service coverage ratios (please see the appendix for coverage calculations for both parking and wastewater).

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 2014):

\$1,514,852 Master Governmental Lease Purchase Agreement – heavy equipment/rolling stock- sold and closed on February 22, 2014.

The following capital financing occurred subsequent to July 1, 2014 (beginning of FY 2015):

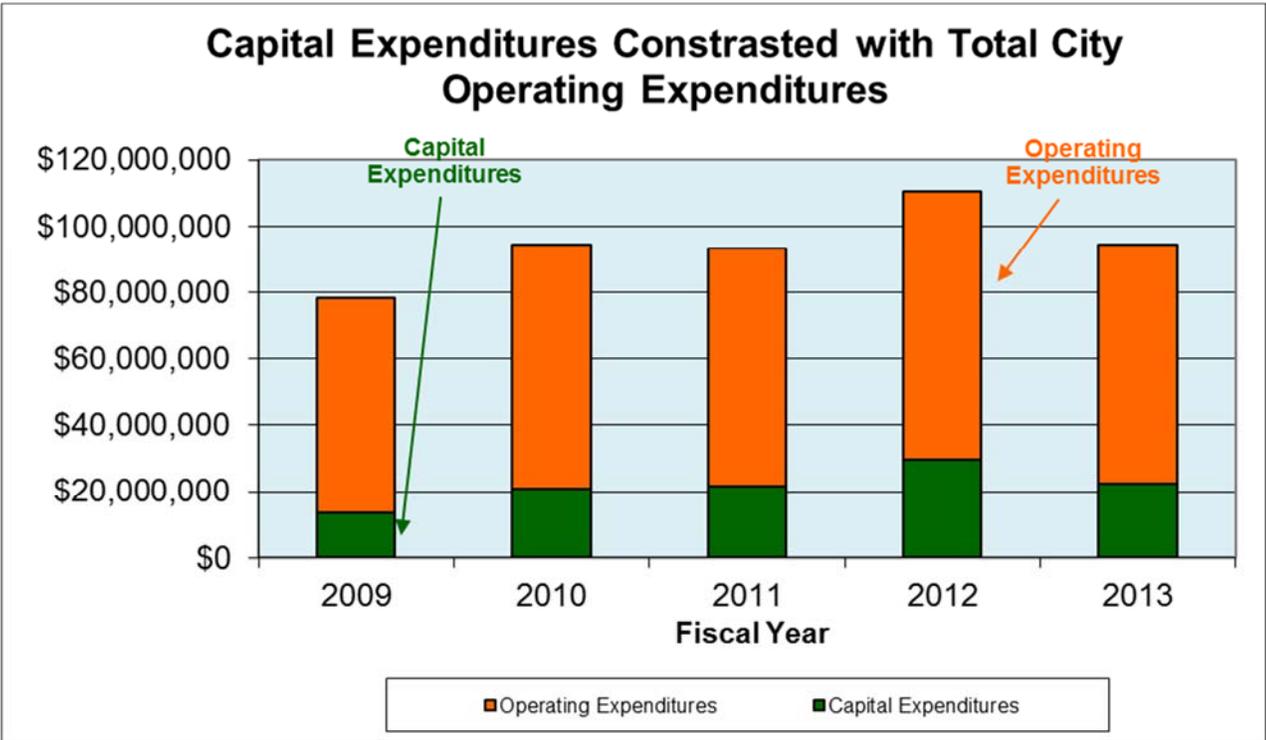
None as of this time.

**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.

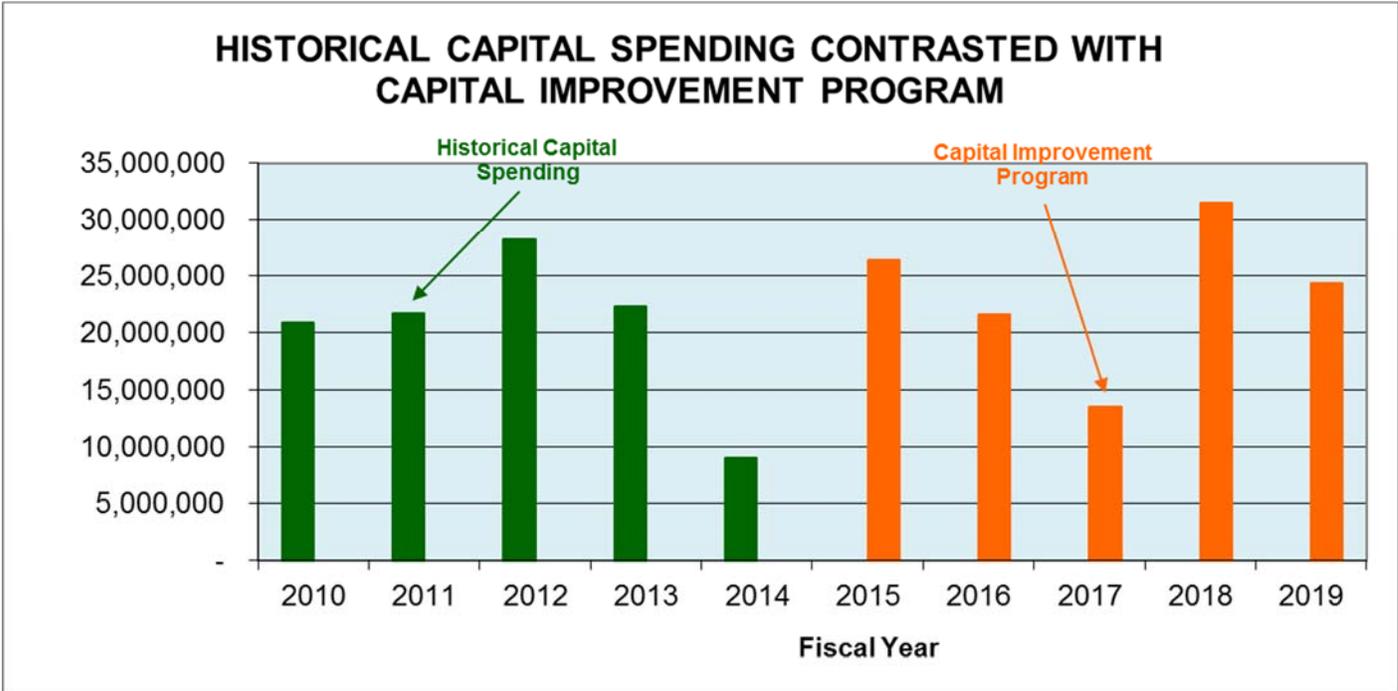
The graph below illustrates Missoula’s historical investment in capital. The graph depicts actual capital expenditures over the course the last five years (for which audited values are available at the time of publication of the budget) as compared to the City’s operating budget. Obligating resources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

FY 2015 Capital Budget & Operating Budget Impacts					
Projects by Department/Project Name					
FY 2015 Capital Budget		Annual Operating Budget Impacts			
Department/Project Title	Appropriation	Personal Services Costs	Other Operating Costs	Debt Service Costs	Total
<b>General Fund Capital Purchases</b>					
PC - Computer Replacement - City Wide	\$ 67,000				\$ 67,000
<b>CIP - General Fund</b>					
White Pine Debt Service Series 2001A	-			127,438	127,438
FY2005 Art Museum Debt Service	-			18,021	18,021
City Hall Expansion Debt Service	-			83,985	83,985
Aquatics - General Fund Debt Service2006C (\$1.86 M)	-			133,723	133,723
Fire Station #4 - General Fund Debt Serv. 2007A (\$680K)	-			49,875	49,875
50 Meter Pool - Gen. Fund Debt Serv. (\$840 K)	-			60,138	60,138
Internally Financed Equipment - owed to CIP	-			159,677	159,677
Energy Savings Performance Debt 2010C	-			84,125	84,125
CIP CORE Replacement Equipment	-			180,862	180,862
<b>Wastewater Treatment Plant</b>					
Sewer Pipe Rehabilitation Program	200,000				200,000
Bioreactor DO Probes	50,000				50,000
Hybrid Poplar Tree Effluent Land Application Project	302,000				302,000
Plant Repairs	150,000				150,000
Twite Pump Station and Force Main Upsizing	389,559				389,559
Screw Press	900,000				900,000
<b>Missoula Redevelopment Agency</b>					
Cedar Broadway Streets and Sidewalks	510,000				510,000
BBT - Safe Crossings	89,000				89,000
South Reserve Trail Crossing	3,125,000				3,125,000
Brooks Street Intersection Improvements	1,250,000				1,250,000
<b>Other Funds - CIP - FY 2014</b>					
Copier Replacement Schedule	63,500				63,500
Vehicle Replacement Schedule	3,149,000				3,149,000
Court Technology	32,510				32,510
Electronic Discovery	14,000				14,000
Central Maintenance Tools & Fence	687,500				687,500
City Hall Elevator Repair	25,000				25,000
On Street Technology	1,000,000				1,000,000
Aquatics CIP Plan for Splash and Currents	112,000				112,000
Fort Missoula Regional Park	150,000				150,000
Parks Asset Management (Replace, Rennovate, Improve)	1,925,059				1,925,059
Park Development and Expansion	177,465				177,465
Kiwanis Park Playground and Restroom	182,500				182,500
TIGER Missoula to Lolo Trail Extention - City Portion	182,300				182,300
Toro 580 D Mower	90,000				90,000
Resistograph	12,000				12,000
Trail Maps for Wayfind Missoula	112,900				112,900
All Abilities Playground at McCormick	478,000				478,000
CLM Motor Wheelbarrow	8,000				8,000
Grant Creek/I-90 Intersection Improvements	30,000				30,000
South 3 Street Reconstruction (Russell to Reserve)	1,800,000				1,800,000
Old US Highway 93 Road Improvements	77,500				77,500
TIGER GRANT - Russell - Broadway to Dakota	581,000				581,000
Hillview Way Street Improvements	3,679,428				3,679,428
VanBuren Street Reconstruction	346,000				346,000
Street Improvement and Major Maintenance Program	1,100,000				1,100,000
Annual Sidewalk Installation/Replacement Program	2,420,000				2,420,000
Cregg Ln Rdwy Improvements Orange St to Hickory St	372,500				372,500
					-
					-
<b>GRAND TOTAL</b>	<b>\$ 25,840,721</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 897,844</b>	<b>\$ 26,738,565</b>

**CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET**

DEPARTMENT	EQUIPMENT REPLACEMENT TOTALS				
	FY2015	FY2016	FY2017	FY2018	FY2019
<b>FLEET SERVICES</b>					
Total Operating Portion	\$ 30,000	\$ -	\$ 35,000	\$ -	\$ -
Total CIP Portion	-	-	-	-	-
<b>TOTAL BUDGET AND CIP</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ 35,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>P.W. ENGINEERING</b>					
Total Operating Portion	\$ 60,000	\$ 30,000	\$ 90,000	\$ 5,000	\$ 60,000
Total CIP Portion	-	-	-	-	-
<b>TOTAL BUDGET AND CIP</b>	<b>\$ 60,000</b>	<b>\$ 30,000</b>	<b>\$ 90,000</b>	<b>\$ 5,000</b>	<b>\$ 60,000</b>
<b>POLICE DEPARTMENT</b>					
Total Operating Portion	\$ 289,000	\$ 143,000	\$ 329,000	\$ 366,000	\$ 289,000
Total CIP Portion	-	-	-	-	-
<b>TOTAL BUDGET AND CIP</b>	<b>\$ 289,000</b>	<b>\$ 143,000</b>	<b>\$ 329,000</b>	<b>\$ 366,000</b>	<b>\$ 289,000</b>
<b>FIRE EMERGENCY VEHICLES</b>					
Total Operating Portion	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Total CIP Portion	1,547,000	60,000	430,000	430,000	21,000
<b>TOTAL BUDGET AND CIP</b>	<b>\$ 1,582,000</b>	<b>\$ 95,000</b>	<b>\$ 465,000</b>	<b>\$ 465,000</b>	<b>\$ 56,000</b>
<b>FIRE ADMINISTRATION</b>					
Total Operating Portion	\$ 30,000	\$ 95,000	\$ 30,000	\$ -	\$ -
Total CIP Portion	-	-	-	-	-
<b>TOTAL BUDGET AND CIP</b>	<b>\$ 30,000</b>	<b>\$ 95,000</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>P.W. STREET DIVISION</b>					
Total Operating Portion	\$ 30,000	\$ 60,000	\$ 85,000	\$ -	\$ -
Total CIP Portion	1,083,000	784,000	991,000	580,000	367,000
<b>TOTAL BUDGET AND CIP</b>	<b>\$ 1,113,000</b>	<b>\$ 844,000</b>	<b>\$ 1,076,000</b>	<b>\$ 580,000</b>	<b>\$ 367,000</b>
<b>P.W. VEHICLE MAINTENANCE</b>					
Total Operating Portion	\$ -	\$ -	\$ -	\$ -	\$ -
Total CIP Portion	-	25,000	70,000	-	-
<b>TOTAL BUDGET AND CIP</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 70,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>P.W. TRAFFIC SERVICES</b>					
Total Operating Portion	\$ 41,000	\$ -	\$ -	\$ -	\$ -
Total CIP Portion	55,000	150,000	16,000	-	-
<b>TOTAL BUDGET AND CIP</b>	<b>\$ 96,000</b>	<b>\$ 150,000</b>	<b>\$ 16,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>PARKS DEPARTMENT</b>					
Total Operating Portion	\$ -	\$ 120,000	\$ -	\$ 30,000	\$ -
Total CIP Portion	352,000	45,000	446,000	260,000	118,000
<b>TOTAL BUDGET AND CIP</b>	<b>\$ 352,000</b>	<b>\$ 165,000</b>	<b>\$ 446,000</b>	<b>\$ 290,000</b>	<b>\$ 118,000</b>
<b>Grand Total Operating Portion</b>	<b>\$ 515,000</b>	<b>\$ 483,000</b>	<b>\$ 604,000</b>	<b>\$ 436,000</b>	<b>\$ 384,000</b>
<b>Grand Total CIP Portion</b>	<b>3,037,000</b>	<b>1,064,000</b>	<b>1,953,000</b>	<b>1,270,000</b>	<b>506,000</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 3,552,000</b>	<b>\$ 1,547,000</b>	<b>\$ 2,557,000</b>	<b>\$ 1,706,000</b>	<b>\$ 890,000</b>

# CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

<b>CEMETERY</b>					
Total Operating Portion	\$ -	\$ -	\$ -	\$ -	\$ -
Total CIP Portion	56,000	56,000	40,000	30,000	56,000
<b>TOTAL BUDGET AND CIP</b>	<b>\$ 56,000</b>	<b>\$ 56,000</b>	<b>\$ 40,000</b>	<b>\$ 30,000</b>	<b>\$ 56,000</b>
<b>P.W. BUILDING INSPECTION</b>					
Total Operating Portion	\$ 30,000	\$ -	\$ 90,000	\$ 30,000	\$ 60,000
Total CIP Portion	-	-	-	-	-
<b>TOTAL BUDGET AND CIP</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ 90,000</b>	<b>\$ 30,000</b>	<b>\$ 60,000</b>
<b>P.W. WASTE WATER TREATMENT</b>					
Total Operating Portion	\$ 111,500	\$ 180,000	\$ 45,000	\$ 70,000	\$ 35,000
Total CIP Portion	38,000	265,000	48,000	488,000	235,000
<b>TOTAL BUDGET AND CIP</b>	<b>\$ 149,500</b>	<b>\$ 445,000</b>	<b>\$ 93,000</b>	<b>\$ 558,000</b>	<b>\$ 270,000</b>
<b>PARKING COMMISSION</b>					
Total Operating Portion	\$ 56,000	\$ 30,000	\$ 73,000	\$ -	\$ 28,000
Total CIP Portion	18,000	-	-	-	-
<b>TOTAL BUDGET AND CIP</b>	<b>\$ 74,000</b>	<b>\$ 30,000</b>	<b>\$ 73,000</b>	<b>\$ -</b>	<b>\$ 28,000</b>
Total Operating Portion	\$ 197,500	\$ 210,000	\$ 208,000	\$ 100,000	\$ 123,000
Total CIP Portion	112,000	321,000	88,000	518,000	291,000
<b>TOTAL NON-GENERAL FUND</b>	<b>309,500</b>	<b>531,000</b>	<b>296,000</b>	<b>618,000</b>	<b>414,000</b>
Grand Total	\$ 3,861,500	\$ 2,078,000	\$ 2,853,000	\$ 2,324,000	\$ 1,304,000
Federal Transportation Portion	(574,200)	(191,400)	(339,300)	(147,900)	-
<b>TOTALS</b>	<b>\$ 3,287,300</b>	<b>\$ 1,886,600</b>	<b>\$ 2,513,700</b>	<b>\$ 2,176,100</b>	<b>\$ 1,304,000</b>
Operating Equipment - predominantly rolling stock - pickup trucks & cars costing less than \$35,000					
CIP Equipment - Predominantly heavy equipment such as tandem axle dump trucks, fire engines, graders etc.					

DEPARTMENT

## EQUIPMENT REPLACEMENT DETAIL

FLEET SERVICES				FY2015	FY2016	FY2017	FY2018	FY2019
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION					
800	6605	TOYOTA PRIUS	ADMIN			\$ 35,000		
885	6683	DODGE DURANGO	MRA	\$ 30,000				
<b>Total Core Units</b>				<b>2</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ 35,000</b>	<b>\$ -</b>

ENGINEERING DIVISION				FY2015	FY2016	FY2017	FY2018	FY2019
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION					
502	9626	FORD ESCAPE	ENGR					
503	6688	JEEP GRAND CHEROKEE	ADMIN			\$ 30,000		
505	8499	JEEP LIBERTY	ENGR.					\$ 30,000
506	6604	FORD RANGER EXT CAB	INSPECTION	\$ 30,000				
507	5620	GMC SONOMA	INSPECTION	\$ 30,000				
508	4896	GMC 2500 4W LDR	INSPECTION					
509	8032	CHEVROLET IMPALA	ADMIN					\$ 30,000
510	6636	GMC COLORADO	ENGR			\$ 30,000		
511	8185	GMC SIERRA 2500	ENGR			\$ 30,000		
512	6637	CHEVROLET COLORADO	INSPECTION		\$ 30,000			
		SEWER TAP COMPRESSOR	ENGR.				\$ 5,000	
<b>Total Core Units</b>				<b>9</b>	<b>\$ 60,000</b>	<b>\$ 30,000</b>	<b>\$ 90,000</b>	<b>\$ 5,000</b>

# CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

POLICE DEPARTMENT									
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	FY2015	FY2016	FY2017	FY2018	FY2019	
1	8121	FORD ESCAPE	ADMIN				\$ 25,000		
5	9594	CHEVROLET IMPALA	DETECTIVE						
6	8122	FORD ESCAPE	ADMIN				\$ 25,000		
7	6603	CHEVROLET G30 VAN	CRIME VAN						
11	6619	CHEVROLET IMPALA	DETECTIVE		\$ 25,000				
12	6618	CHEVROLET IMPALA	DETECTIVE	\$ 25,000					
19	8114	FORD TAURUS	DETECTIVE						
20	8023	DODGE DAKOTA	AI		\$ 40,000				
23	9596	DODGE DAKOTA	AI					\$ 35,000	
42	6684	FORD EXPEDITION	K9		\$ 40,000				
48	8100	CHEVROLET TAHOE	PATROL			\$ 38,000			
49	8096	DODGE CHARGER	PATROL	\$ 38,000					
50	8099	DODGE CHARGER	PATROL	\$ 38,000					
51	8098	DODGE CHARGER	PATROL	\$ 38,000					
52	8097	DODGE CHARGER	PATROL	\$ 42,000					
53	8095	DODGE CHARGER	PATROL	\$ 38,000				\$ 38,000	
54	8101	DODGE CHARGER	PATROL	\$ 38,000				\$ 38,000	
55	8104	DODGE CHARGER	PATROL		\$ 38,000			\$ 38,000	
60	8123	DODGE CHARGER	PATROL			\$ 38,000			
61	8124	DODGE CHARGER	PATROL			\$ 38,000			
62	8125	DODGE CHARGER	PATROL			\$ 38,000			
63	8126	DODGE CHARGER	PATROL			\$ 38,000			
64	8127	DODGE CHARGER	PATROL			\$ 38,000			
65	8128	DODGE CHARGER	PATROL			\$ 38,000			
66	8129	DODGE CHARGER	PATROL			\$ 38,000			
67	8130	DODGE CHARGER	PATROL				\$ 38,000		
70		DODGE CHARGER	PATROL				\$ 38,000		
71		DODGE CHARGER	PATROL				\$ 38,000		
72		DODGE CHARGER	PATROL				\$ 38,000		
73		DODGE CHARGER	PATROL				\$ 38,000		
74		DODGE CHARGER	PATROL				\$ 38,000		
75		DODGE CHARGER	PATROL				\$ 38,000		
1207		HONDA ST1300PA	PATROL					\$ 25,000	
1271		HONDA ST1300PA	PATROL					\$ 25,000	
1276		HONDA ST1300PA	PATROL					\$ 25,000	
1338		HONDA ST1300PA	PATROL					\$ 25,000	
8033	8033	CHEVROLET IMPALA	DETECTIVE			\$ 25,000			
8040	8040	FORD F150 CREW CAB	DETECTIVE					\$ 40,000	
8059	8059	CHEVROLET IMPALA	DETECTIVE				\$ 25,000		
8060	8060	CHEVROLET IMPALA	DETECTIVE				\$ 25,000		
8088	8088	MALIBU HYBRID	DETECTIVE						
8089	8089	MALIBU HYBRID	DETECTIVE						
8090	8090	MALIBU HYBRID	DETECTIVE						
		ADDITIONAL PATROL UN	PATROL	\$ 32,000					
<b>Total Core Units</b>				<b>43</b>	<b>\$ 289,000</b>	<b>\$ 143,000</b>	<b>\$ 329,000</b>	<b>\$ 366,000</b>	<b>\$ 289,000</b>

# CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

FIRE DEPARTMENT				FY2015	FY2016	FY2017	FY2018	FY2019
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION					
		CATARAFT TUBES	RESCUE					
2		RESCUE WATER CRAFT	RESCUE					
1073		FIRE ENGINE (TYPE 1)	RESPONSE					
3227		FIRE ENGINE (TYPE 1)	RESPONSE				\$ 430,000	
2341		FIRE ENGINE (TYPE 1)	RESPONSE			\$ 430,000		
1373		FIRE ENGINE (TYPE 1)	RESPONSE					
1380		FIRE ENGINE (TYPE 1)	RESPONSE	\$ 430,000				
6664		FIRE ENGINE (TYPE 1)	RESPONSE					
9974		FIRE ENGINE (TYPE 1)	RESPONSE					
9021		LADDER TRUCK	RESPONSE	\$ 1,007,000				
1419		LADDER TRUCK	RESPONSE					
4197		WATER TENDER (20 YR)	RESPONSE					
6685		WILD LAND ENGINE (TYP)	RESPONSE	\$ 110,000				
4002		WILDLAND ENGINE (TYP)	RESPONSE					
3361		WILD LAND ENGINE (TYP)	RESPONSE					
7237		WILD LAND ENGINE (TYP)	RESPONSE					
9098		WILD LAND ENGINE (TYP)	RESPONSE					
5803		COMMAND VEHICLE	RESPONSE		\$ 60,000			
GER		GENERATORS (All 5 Stat)	RESPONSE					
COMP		COMPRESSORS AND FILL	RESPONSE					
		SCBA (15 YRS)	PPE					
		INFORMATION SYSTEMS	6 UNITS					
		THERMAL IMAGERS (5 YR)	7 UNITS					\$ 21,000
		HAND HELD RADIOS	60 UNITS	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
		MOBILE RADIOS	30 UNITS	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
		DEFIBRILLATORS (10 YRS)	5 UNITS					
		LAND FOR STATION 6						
<b>Total Core Units</b>		<b>17</b>		<b>\$ 1,582,000</b>	<b>\$ 95,000</b>	<b>\$ 465,000</b>	<b>\$ 465,000</b>	<b>\$ 56,000</b>

FIRE DEPT. ADMINISTRATION				FY2015	FY2016	FY2017	FY2018	FY2019
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION					
902	8034	CHEVROLET IMPALA	ASST. CHIEF			\$ 30,000		
903	8497	CHEVROLET UPLANDER	ASST. CHIEF		\$ 30,000			
906	6651	CHEVROLET COLORADO	INSPECTION	\$ 30,000				
908	8001	FORD RANGER	INSPECTION		\$ 30,000			
909	8070	TOYOTA PRIUS	CHIEF					
912	8493	FORD F 250	INSPECTION		\$ 35,000			
<b>Total Core Units</b>		<b>6</b>		<b>\$ 30,000</b>	<b>\$ 95,000</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ -</b>

BUILDING DIVISION				FY2015	FY2016	FY2017	FY2018	FY2019
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION					
401	8106	FORD ESCAPE	INSPECTION			\$ 30,000		
402	8093	FORD RANGER EXT CAB	INSPECTION	\$ 30,000				
403	6660	CHEVROLET COLORADO	INSPECTION				\$ 30,000	
406	6924	JEEP PATRIOT	INSPECTION					\$ 30,000
407	6924	JEEP PATRIOT	INSPECTION					\$ 30,000
408	8107	FORD ESCAPE	INSPECTION			\$ 30,000		
410	8108	FORD ESCAPE	INSPECTION			\$ 30,000		
<b>Total Core Units</b>		<b>7</b>		<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ 90,000</b>	<b>\$ 30,000</b>	<b>\$ 60,000</b>

# CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

UNIT #	STREET DIVISION		OPERATION FUNCTION	FY2015	FY2016	FY2017	FY2018	FY2019
	FAM #	VEHICLE DESCRIPTION						
101	6166	GMC EXT CAB 1/2 TON	ADMIN	\$ 30,000				
102	6685	GMC EXT CAB 1/2 TON	ADMIN		\$ 30,000			
103	8495	GMC EXT CAB 1/2 TON	ADMIN		\$ 30,000			
104	6037	DODGE 3/4 TON	PAVING CREW			\$ 45,000		
110	9650	F350 FLAT BED / LIFT GA	OPERATIONS					
111	8194	FORD F350 CREW CAB	OPERATIONS			\$ 40,000		
112	8045	JOHNSTON 650	SWEEPER	\$ 220,000				
113	8049	JOHNSTON 650	SWEEPER	\$ 220,000				
114	8013	JOHNSTON 650	SWEEPER					
115	8113	JOHNSTON 650	SWEEPER					
116	8014	JOHNSTON 650	SWEEPER					
117	8094	ISUZU JOHNSTON 650	SWEEPER		\$ 220,000			
118	9620	PETER BILT JOHNSTON 65	SWEEPER					
120	6689	ELGIN BROOM BEAR	SWEEPER	\$ 220,000		\$ 220,000		
121	6022	IH TANDEM VAC-CON	VACUUM					
122	8492	CAT	GRADER					
123	1285	CAT	GRADER			\$ 225,000		
124	9598	F350 FORD DUMP BOX	1 TON DUMP					
131	8158	I.H. TANDEM AXLE	TANDEM DUMP					
132	6153	I.H. TANDEM AXLE	TANDEM DUMP					\$ 130,000
135	8172	FREIGHTLINER	TANDEM DUMP					
136	8142	FREIGHTLINER	FLUSHER				\$ 170,000	
137	8178	FREIGHTLINER	TANDEM DUMP					
138	8186	I.H. 7400	FLUSHER			\$ 170,000		
139	8157	I.H. TANDEM AXLE	TANDEM DUMP					
140	5613	STERLING TANDEM AXLE	TANDEM DUMP	\$ 130,000				
143	8192	ROSCO SPR-H	CHIP SPREADER			\$ 200,000		
145	6170	BARBER GREENE	PAVER					
146	7795	CAT	LOADER		\$ 145,000			
147	7798	CAT	LOADER		\$ 145,000			
149	8498	CAT	BACKHOE					
150	6621	BOMAG	ASPHALT ROLL					\$ 75,000
154	6627	CAT	LOADER					\$ 102,000
155	8146	KOMTSU	LOADER					
169	7796	FORD SINGLE AXLE	ANTI-ICE\FLOW	\$ 120,000				
171	7832	BOBCAT	SKID STEER		\$ 52,000			
175	7327	FORD\ROSCO	POTHOLE TRUCK		\$ 155,000			
176	5611	STERLING	SANDER\FLOW			\$ 120,000		
177	6164	STERLING	SANDER\FLOW				\$ 120,000	
178	8008	IH 7400 SINGLE AXLE	SANDER\FLOW				\$ 120,000	
179	8079	FREIGHTLINER	DEDICATED SANDERS					
180	8080	FREIGHTLINER	DEDICATED SANDERS					
181	8081	FREIGHTLINER	DEDICATED SANDERS					
182	8080	FREIGHTLINER	DEDICATED SANDERS					
183	8080	FREIGHTLINER	DEDICATED SANDERS					

# CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

195	8112	HUDSON HD	ASPHALT RECYCLER					
196	8007	CATERPILLAR PS 150B	RUBBER TIRE ROLLER			\$ 80,000		
197	6643	DYNAPACK CP1329	RUBBER TIRE ROLLER			\$ 80,000		
198	6643	CIMLINE CRACK SEALER	CRACK SEALER					\$ 45,000
T-100		TRAIL KING	TRAILER		\$ 41,000			
T102		WALTON	TRAILER			\$ 41,000		
T-105		TOW MASTER	TRAILER					
T-145		ECONOLINE	PAVER TRAILER					
P105		BOSS RTE PLO	SNOW PLOW					
P130		SCHMIDT	SNOW PLOW	\$ 19,000				
P167	8028	SCHMIDT	SNOW PLOW	\$ 19,000				
P168	4236	SCHMIDT	SNOW PLOW	\$ 19,000	\$ 16,000			
P169	8154	SCHMIDT HSP4210POLI	SNOW PLOW					
P176	8004	SCHMIDT	SNOW PLOW	\$ 19,000				
P177	8004	SCHMIDT	SNOW PLOW					
P178	8012	SCHMIDT	SNOW PLOW					
P179	8073	HENKE	SNOW PLOW					
P180	8111	HENKE	SNOW PLOW					
P181	8075	HENKE	SNOW PLOW	\$ 19,000				
P182	9612	BONNELL	SNOW PLOW					
P183	9613	BONNELL	SNOW PLOW					
CS150	6698	NORTON CLIPPER	CEMENT SAW					
		SANDERS	1 PER 2 YEARS	\$ 12,000		\$ 10,000		\$ 10,000
		ASPHALT WACKIER	1 PER 2 YEARS	\$ 5,000		\$ 5,000		\$ 5,000
		DEICER UNITS	1 PER 2 YEARS		\$ 10,000		\$ 10,000	
		SKID STEER WITH ASPHALT		\$ 61,000				
<b>Total Core Units</b>		<b>67</b>		<b>\$ 1,113,000</b>	<b>\$ 844,000</b>	<b>\$1,076,000</b>	<b>\$ 580,000</b>	<b>\$ 367,000</b>

### VEHICLE MAINT. DIVISION

UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	FY2015	FY2016	FY2017	FY2018	FY2019
702	8031	HYSTER	OPERATION		\$ 25,000			
777		CAT - OLYMPIAN	GENERATOR			\$ 70,000		
		SMALL PLATFORM LIFT	OPERATIONS					
		CARGO TRAILER	OPERATIONS					
<b>Total Core Units</b>		<b>2</b>		<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 70,000</b>	<b>\$ -</b>	<b>\$ -</b>

### TRAFFIC DIVISION

UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	FY2015	FY2016	FY2017	FY2018	FY2019
561		ISUZU PAINT MRL STRIP	PAINT STRIPER					
564	8135	HONDA RANCHER ATV	OPERATIONS					
573	6687	DODGE GRAND CARAVAN	VAN	\$ 25,000				
582	4304	GMC CABOVER	SIGN MAINT					
584		SMART TRAILER	RADAR			\$ 16,000		
585	4857	FREIGHTLINER AERIAL LIFT	MAN LIFT		\$ 150,000			
588	8086	GMC SIERRA	COM SHOP					
589		GMC	W500	\$ 48,000				
591	6690	LONG CHIH	RADAR	\$ 16,000				
		LIFT GATES FOR 587 565	SIGN MAINT	\$ 7,000				
<b>Total Core Units</b>		<b>9</b>		<b>\$ 96,000</b>	<b>\$ 150,000</b>	<b>\$ 16,000</b>	<b>\$ -</b>	<b>\$ -</b>

# CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

WWT DIVISION								
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	FY2015	FY2016	FY2017	FY2018	FY2019
302	8143	FORD FUSION HYBRID	PLANT MAINT		\$ 30,000			
310	6686	CAT 416 D LOADER BACK	PLANT MAINT				\$ 70,000	
313	8171	FORD TRANSIT CONNECT	OPERATIONS					
314	6145	GMC SIERRA 3500	PLANT MAINT			\$ 45,000		
316	8056	DOOSAN FORKLUFT	PLANT MAINT					
317		PIPEHUNTER SIDEKICK E	OPERATIONS					
321	8056	IH AQUATEC	OPERATIONS					
322	8144	CHEVROLET	COLORADO	\$ 35,000			\$ 35,000	
324	6622	CHEVY 1 TON	OPERATIONS					
325	8197	FORD RANGER	OPERATION	\$ 35,000				\$ 35,000
326	8145	CHEVROLET	COLORADO	\$ 35,000			\$ 35,000	
328	6152	IH AQUATEC	VACUUM				\$ 270,000	
329		FORD LNT 8000	JETTER					
330	7051	INGERSOLL RAND	COMPRESSOR			\$ 18,000		
332		FREIGHTLINER	JETTER		\$ 235,000			
334	8177	GMC SIERRA 1500	OPERATIONS			\$ 30,000		
335	6624	SECAJETTER UNIT	COLLECTIONS					\$ 235,000
336	8057	FORD F350	COLLECTIONS	\$ 45,000				
337	8067	FORD F350	COLLECTIONS	\$ 45,000				
338	8183	FORD F350	COLLECTIONS	\$ 45,000				
339	8184	FORD F350	COLLECTIONS	\$ 45,000				
375		FORD 4" PUMP	PLANT					
381		COMC 3" PUMP	PLANT					
385		LANDA PRESSURE WASH	PLANT					
387		OLYMPIAN GENERATOR	COLLECTIONS				\$ 41,000	
388		OLYMPIAN GENERATOR	COLLECTIONS				\$ 41,000	
390		OLYMPIAN GENERATOR	COLLECTIONS				\$ 41,000	
392		SULLAIR 210H COMPRES	COLLECTIONS	\$ 38,000				
NV6		NASHUA TRAILER	COLLECTIONS					
T301		RETTIG UTILITY TRAILER	COLLECTIONS	\$ 6,500				
T329		SECAJETTER UNIT	COLLECTIONS				\$ 25,000	
<b>Total Core Units</b>		<b>31</b>		<b>\$ 149,500</b>	<b>\$ 445,000</b>	<b>\$ 93,000</b>	<b>\$ 558,000</b>	<b>\$ 270,000</b>

CEMETERY								
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	FY2015	FY2016	FY2017	FY2018	FY2019
601	1643	CASE 580 CKB	Loader w/3 pt. Hitch					\$ 56,000
602	4058	SULLAIR COMPRESSOR DR	Air Compressor					
604		TORO WALK BEHIND	Mower					
605	8116	KUBOTA	Mower					
608		HUSTLER \ ATTACHMENT	Mower	\$ 40,000				
609		HUSTLER \ ATTACHMENT	Mower					
610		POLARIS RANGER	Utility Cart		\$ 16,000			
611	8140	TORO WORKMAN	Utility Cart					
613	8039	JOHN DEERE	Tractor					
614		KUBOTA	Utility Cart	\$ 16,000				
615		HUSTLER \ ATTACHMENT	Mower		\$ 40,000			
616		PROCORE 880	SOIL AERATOR				\$ 30,000	
618		HUSTLER \ ATTACHMENT	Mower			\$ 40,000		

# CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

625	8077	BACKHOE LOADER	OPERATION					
698	9611	KUBOTA	UTV					
		UTILITY CART/SPRAYER/	OPERATION					
<b>Total Core Units</b>		<b>15</b>		<b>\$ 56,000</b>	<b>\$ 56,000</b>	<b>\$ 40,000</b>	<b>\$ 30,000</b>	<b>\$ 56,000</b>

PARKS DEPARTMENT								
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	FY2015	FY2016	FY2017	FY2018	FY2019
201	6680	DODGE DURANGO	PARK ADMIN					
205		DODGE DAKOTA	OPERATIONS					
208	9652	FORD F350 FLAT BED LI	OPERATIONS					
209		BABB TRAILER W/ PRESS	OPERATIONS			\$ 21,000		
210	8015	CHEVY SILVERADO HYBR	OPERATIONS				\$ 35,000	
211	8156	POLARIS 6x6 UTV	CONSERVATION					\$ 20,000
212	8025	MORBARK CHIPPER	CONSERVATION					
214	5354	CASE 580L	OPERATIONS				\$ 85,000	
224		JOHN DEERE TRACTOR 65	CONSERVATION			\$ 65,000		
225	8132	BOBCAT TOOLCAT	OPERATIONS					\$ 70,000
233	8173	HONDA RUBICON	OPERATIONS				\$ 10,000	
239	9595	KUBOTA 3680	OPERATIONS					
243		CHEVY PICKUP	OPERATIONS	\$ 45,000				
245	9651	TORO 5900 16' MOWER	OPERATIONS					
246		FORD F700 AERIAL U FT	FORESTRY			\$ 150,000		
248	9597	BANDIT 3200 STUMP GR	FORESTRY					
252	8083	MINNITI TRUCK	OPERATIONS	\$ 15,000				
253	8084	HONDA (MINI TRUCK)	OPERATIONS	\$ 15,000				
255	8085	MINNITI TRUCK	OPERATIONS	\$ 15,000				
256		LAND PRIDE SEEDER	OPERATIONS					\$ 13,000
258	9623	KUBOTA MOWER	OPERATIONS					
262	6682	TORO	OPERATIONS			\$ 90,000		
264	9654	FORD F350 DUMP BOX	OPERATIONS					
265	5325	CHEVROLET 3/4 TON PICK	OPERATIONS	\$ 30,000				
267	4787	BANDIT M250 CHIPPER	FORESTRY					
272	6626	GMC SIERRA PICKUP	OPERATIONS				\$ 30,000	
275	8002	JOHN DEERE 1445	MOWER			\$ 40,000		
276		JOHN DEERE 1445	MOWER			\$ 40,000		
278		425 JOHN DEERE TRACT	MOWER\SNOW					
286	8003	TORO 580D MOWER	MOWER	\$ 90,000				
287	8005	KUBOTA UTV	OPERATIONS				\$ 40,000	
289	8011	KUBOTA UTV	OPERATIONS				\$ 40,000	
298	8002	JOHN DEERE 1445	MOWER				\$ 40,000	
T202		B-WELDING TRAILER	OPERATIONS	\$ 10,000				
T203		B-WELDING TRAILER	OPERATIONS	\$ 10,000				
T204		SPORT LAND TRAILER	OPERATIONS					
T205		SPORT LAND TRAILER	OPERATIONS					
T206		SPORT LAND TRAILER	OPERATIONS					
T207		UTILITY TRAILER	OPERATIONS			\$ 10,000		
T208		UTILITY TRAILER	OPERATIONS				\$ 10,000	
T211		TITAN 16' TRAILER	OPERATIONS			\$ 15,000		
T214		REDMAX 12 TON TRAILER	OPERATIONS			\$ 15,000		
T215		TRAILER	OPERATIONS	\$ 15,000				
T262	6681	PJ TRAILER	OPERATIONS					\$ 15,000

## CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

273A	PULL BEHIND AERATOR	OPERATIONS					
	MINNI EXCAVATOR	OPEN SPACE	\$ 36,000				
	16 FOOT TURF MOWER	ATHLETIC FIELDS	\$ 90,000				
	MOTORIZED WHEEL BAR	OPEN SPACE	\$ 8,000				
	FERTILIZER SPREADER	PARK ADMIN	\$ 3,000				
	RECREATION VANS	OPERATIONS	\$ 90,000	\$ 45,000			
<b>Total Core Units</b>		<b>45</b>	<b>\$ 352,000</b>	<b>\$ 165,000</b>	<b>\$ 446,000</b>	<b>\$ 290,000</b>	<b>\$ 118,000</b>

PARKING COMM.								
UNIT #	FAM #	VEHICLE DESCRIPTION	OPERATION FUNCTION	FY2015	FY2016	FY2017	FY2018	FY2019
858	6168	CHEVROLET 3500	METER READ					
865	8180	GO-4	METER READ			\$ 28,000		
866	?	GO-4	METER READ					\$ 28,000
867	8030	GO-4	METER READ	\$ 28,000				
868	8029	GO-4	METER READ	\$ 28,000				
869	8160	GO-4	METER READ					
870	6615	GMC	SNOW PLOW		\$ 30,000			
871	6676	JOHN DEERE GATOR	SNOW PLOW	\$ 18,000				
872	8190	GMC SIERRA	SNOW PLOW			\$ 45,000		
872		SKID STEER	SNOW PLOW					
<b>Total Core Units</b>		<b>10</b>		<b>\$ 74,000</b>	<b>\$ 30,000</b>	<b>\$ 73,000</b>	<b>\$ -</b>	<b>\$ 28,000</b>

### COPIER EQUIPMENT REPLACEMENT SCHEDULE--ALL

COPIER DESCRIPTION	FY2015	FY2016	FY2017	FY2018	FY2019
<b>GENERAL FUND DEPARTMENTS</b>					
Attorney - Konica Minolta BizHub 353	\$ 12,500	\$ -	\$ -	\$ -	\$ -
Clerk - Konica Minolta BizHub C550	13,000	-	-	-	-
Council - HP LaserJet 4345xsMFP	8,000	-	-	-	-
Human Resources - Minolta Di3510	-	-	-	-	-
Mayor - Sharp MX3501N	11,000	-	-	-	-
Muni Court - Konica Minolta BizHub 350	-	-	-	-	-
HP DesignJet 5500PF 42 (plotter)	-	-	-	-	-
PW - Minolta Di3500E	-	-	-	-	-
Police - HP DesignJet 5500PS	-	-	-	-	-
Police - Konica Minolta BizHub C552	-	-	14,000	-	-
Konica Minolta Di3510F	-	-	-	-	-
Fire - HP DesignJet 5500 PS (Plotter)	12,000	-	-	-	-
Streets - Minolta Dialta	-	-	-	-	-
Parks - Minolta Di3510	-	-	-	-	-
Parks - HP DesignJet 5500 (plotter)	-	-	-	-	-
Parks - Konica Minolta BizHub 350	-	-	-	-	-
<b>TOTAL GENERAL FUND</b>	<b>\$ 56,500</b>	<b>\$ -</b>	<b>\$ 14,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>CEMETERY</b>					
Cemetery - Sharp MX 3501N	\$ -	\$ -	\$ -	\$ -	\$ -
Cemetery - Cannon ImageRunner 2200	-	-	-	-	-
<b>TOTAL CEMETERY</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>MRA</b>					
Sharp MX4101N	\$ -	\$ 11,000	\$ -	\$ -	\$ -
<b>TOTAL MRA</b>	<b>\$ -</b>	<b>\$ 11,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET**

<b>WWT DIVISION</b>					
HP 5500N Color LaserJet	\$ 7,000	\$ -	\$ -	\$ -	\$ -
Konica 7020	-	-	-	-	-
<b>TOTAL WWT P</b>	<b>\$ 7,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>BUILDING DIVISION</b>					
Building - Konica Minolta BizHub 350	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL BUILDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>GRAND TOTALS</b>	<b>\$ 63,500</b>	<b>\$ 11,000</b>	<b>\$ 14,000</b>	<b>\$ -</b>	<b>\$ -</b>