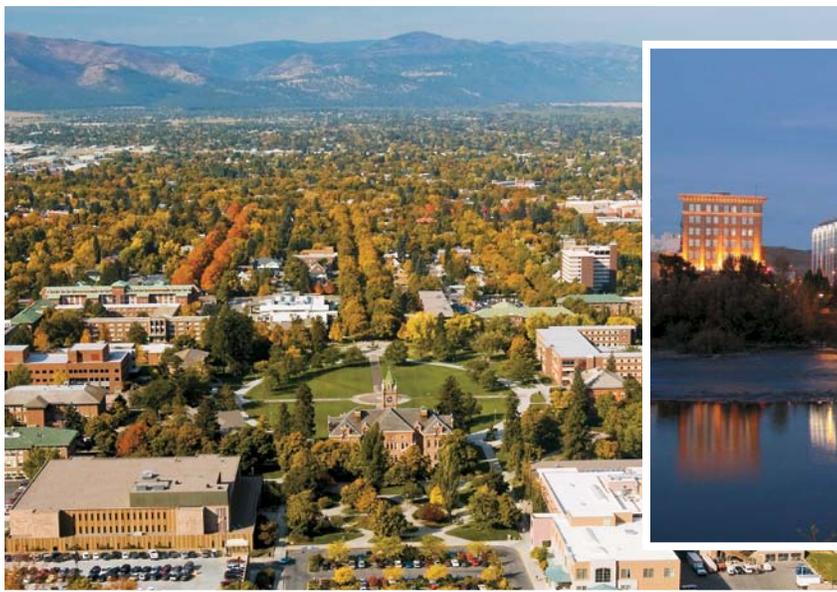
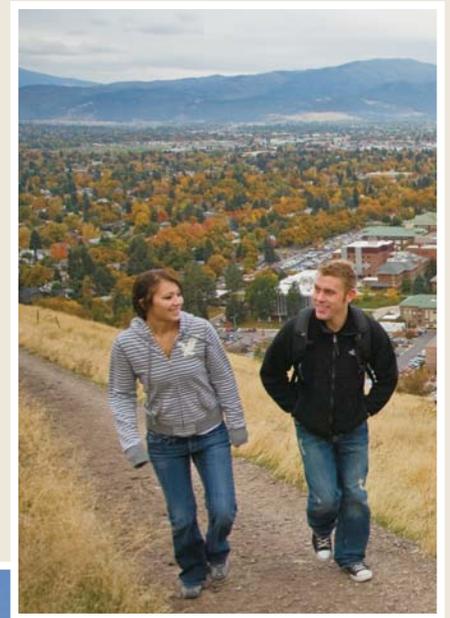


CITY CLUB MISSOULA
February 9, 2015



State of the Community 2015:

BETTER JOBS. BETTER LIVES. Progress through Partnerships.



Our community works hard. We form public-private partnerships, community coalitions and broad-based working groups. We sit on boards, attend meetings, ask questions and listen to the answers. We challenge one another to be fair and to seek solutions. Our community members spend thousands of hours every year pushing each other to protect and preserve what we love about living here, even though what we love often differs from one person to the next. We create ambitious plans together, like developing a regional park at Fort Missoula, building the Missoula College on the riverfront and shepherding economic growth in Bonner. Be proud of this work. We're a better community for it, and we're gaining momentum.



Missoula Mayor John Engen

Missoula is a city of opportunity.

As I begin my 10th year of service as mayor of Missoula, I have a gut feeling that Missoula is poised to grow and prosper in exciting and meaningful ways and that we have more momentum today than ever before in my tenure as a public servant.

Much of that momentum has to do with the great work we've done together as a community — ranging from planning efforts to zoning changes to reorganizing government so it better serves all of us. Some of it has to do with relationships that we've cultivated in the arena of

business and economic development. Some of it has to do with recognizing extremely difficult challenges, like chronic homelessness, hunger and poverty, and planning to meet those challenges head on. Some of it has to do with remembering that when we do things together, we do more of them and we do them better.

Missoula grows closer each year to being a model city because we are in a great place with great people and great partners. In this report you'll learn more about the ways we've worked together to make a real difference in the lives of our citizens and how we have become, and will continue to be, a city of opportunity.

GENERAL FUND EXPENDITURES



URBAN RENEWAL DISTRICTS: We've just created two new Urban Renewal Districts, one that will enhance development sparked by the new Missoula College and one that will create opportunity for manufacturing, commercial and residential development in the North Reserve/Scott Street area. Urban Renewal Districts are important to Missoula's economic well-being and quality of life. They are our most effective tool for improving our neighborhoods and encouraging new private investment, which generally translates into jobs. The benefits of Urban Renewal Districts are strikingly apparent in the transformation along South Brooks Street.

FORT MISSOULA REGIONAL PARK: Missoula voters invested in the future last fall when they approved a \$42 million bond for City playgrounds, County trails and development of Fort Missoula Regional Park. The bond includes \$3 million for new trails throughout the county and \$1 million to refurbish 10 city playgrounds. It also funds the \$38 million Fort Missoula Regional Park project, which features trails and open space, 11 new sports fields, a softball complex and many other park amenities. Construction projects are slated to begin later this year.

MOUNTAIN WATER CASE: Missoula is the only major city in Montana that does not own its municipal water system. Yet Missoula also has some of the highest water rates. Mountain Water, the local water utility, is now owned by a global investment firm whose principals are considering a sale to a Canadian company. The City of Missoula is pursuing ownership of Mountain Water through condemnation after offering to purchase the company but having its offers rejected. Water is essential to life, and the infrastructure that delivers it to citizens should be owned by the public.

IMPROVING SERVICE TO CITIZENS: For citizen convenience, the City is adding more services online — electrical, plumbing and mechanical permits are available online, and most 2015 business license renewals will be online too. The Missoula Police Department continues to work to improve victim-centered services to victims of sexual assault. The new Special Victims Unit brings together in a dedicated space investigators who were chosen for their skills. The City is a partner in Mountain Line's Zero Fare initiative, providing free transit service for all.

PRESERVING GREAT PLACES: The City worked in partnership with Garden City Harvest and Missoula County Public Schools to secure a 40-year lease for 13 acres on Duncan Drive that hold the PEAS Farm and playing fields. A partnership with the Missoula Art Museum and Adventure Cycling will bring a new urban art park and plaza to downtown. Public Open Space money is at work on the ground building the new Grant Creek Trail, and those funds and expertise helped preserve permanent public access from the trailhead at the Waterworks Hill parking lot to City open space land farther north.

University of Montana



University of Montana President *Royce Engstrom*

Missoula and the University of Montana combine to create one of the most beautiful settings in the nation, and it's always a pleasure to work with City and County officials to strengthen our bonds. When we communicate and work well together, great things happen. Case in point: UM's MonTEC business incubator now hosts 10 tenant companies that employ nearly 100 Missoula workers. MonTEC also works with 10 affiliates that use the facility but don't have offices. Our anchor tenant, Rivertop Renewables, a designer of environmentally friendly chemicals, recently launched construction of its first commercial plant with partners in Virginia. Indeed, the future continues to brighten for Rivertop — a company directly produced by

UM research efforts. The University also worked with Montana technology companies to launch the Cyber Innovation Laboratory, which trains students in cybersecurity and big data. Local companies approached us with a need, and we did our utmost to respond. Also important to our community, UM works to improve health care needs with our Family Medicine Residency of Western Montana, which will have 30 resident physicians in training by summer 2015, and with on-campus clinics in programs such as physical therapy, speech, language and hearing. Truly, we are stronger when working together.

Scholarships & Fee Waivers, 9%

Salaries, 59%

Operating Costs, 8%

Equipment & Capital, 1%

Transfers, 2%



Employee Benefits, 21%

FUNDRAISING RECORD:

This sector provides general fund support for student financial aid. The UM Foundation raises significant funding from private sources as well. In the 2014-15 academic year, donations to the Foundation provided more than \$5.2 million to support University scholarships.

JOB CREATOR:

UM is Missoula's largest employer. Its general fund budget supports more than 1,600 faculty, staff, graduate assistant and administrative positions, but the University directly employs 3,000 people from all sources. These employees helped make UM the only university in the state ranked in the top 200 colleges in the nation by U.S. News & World Report.

DATA ON DEMAND:

This part of the budget covers all the heat, water, electricity and utility/hardware-related items needed to keep UM running smoothly. After four years of planning, campus just added a new modular data center that looks like a big white box near UM's heating plant. The new facility is remarkably energy efficient, using Montana's natural air to cool equipment.

LORD OF LIBRARIES:

This category mostly consists of library purchases and lease payments on copier equipment at UM. The University's Maureen and Mike Mansfield Library was recently lauded for serving as the regional depository library for government documents and much more. The library also made the papers of renowned forester and conservationist William Robert "Bud" Moore available in 2014.

PAYING DIVIDENDS:

This slice of the UM dollar goes to the employee-paid portion of payroll taxes, health insurance premiums and retirement benefits. The employees receiving these benefits produce great results, such as a \$45 million cooperative agreement award to UM from the U.S. Army Corps of Engineers. The University will help the Corps study and solve environmental and cultural resource problems across the nation.

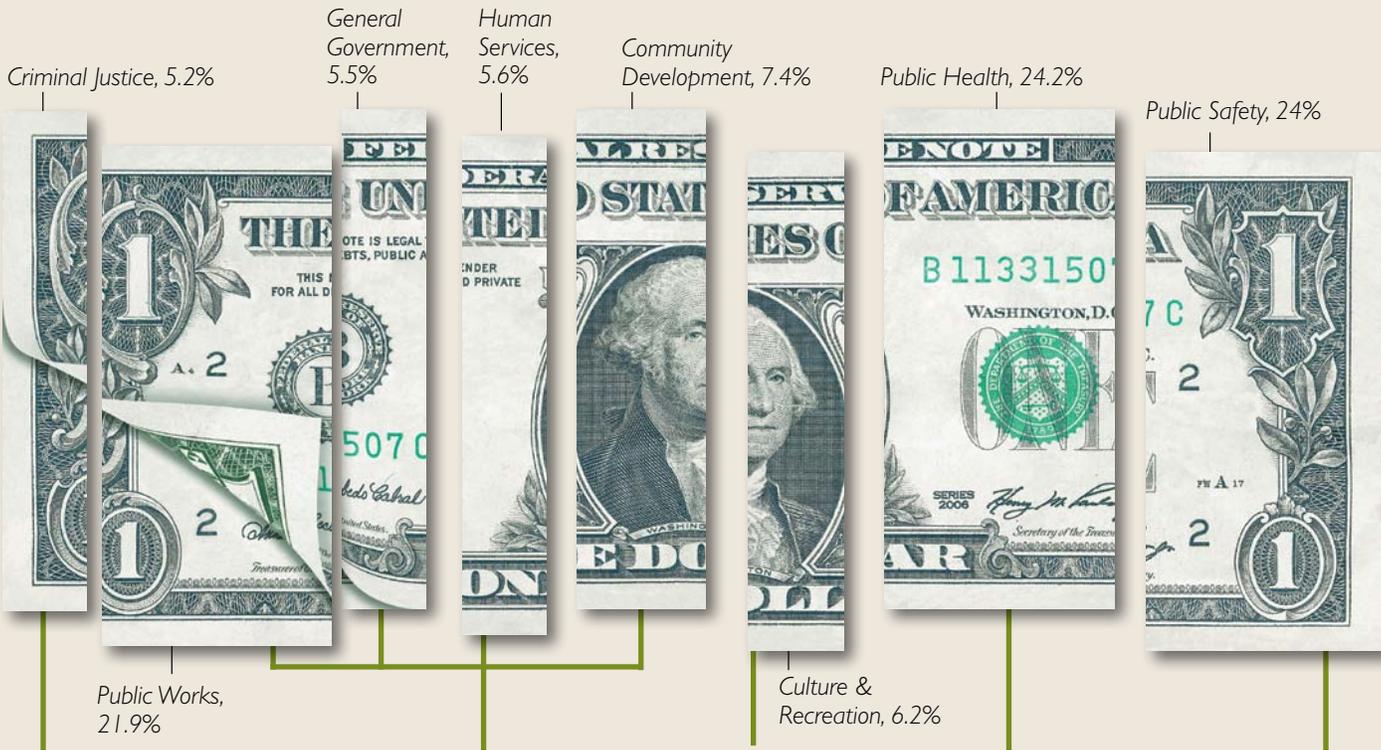
Missoula County



Missoula County Commissioner *Bill Carey*

Missoula County is a beautiful place to live and a vibrant place to work. Continually enhancing residents' quality of life and supporting long-term economic development strategies have been among our top priorities in your county government. These efforts are evident in initiatives such as the newly formed Bonner-Milltown community Targeted Economic Development Districts. These TEDDs encourage a diverse economy by supporting companies like Harris Manufacturing and Alcom to establish businesses that provide quality jobs for our residents and economic benefits for our community. We're also busy investing in our community through the County's Parks and Trails program, which plans, develops and manages more than 90 parks on more than

645 acres — plus 45 miles of trails throughout the county. We're redeveloping our growth policy and subdivision regulations, and improving coordination among our departments that serve the business sector and support our economy as well. Missoula County's efforts throughout the year have been strong and effective. Our employees' dedication to their work on your behalf has never been more important. Our commitment to you is steadfast. This is your county, and these are just a few of the projects we've been working on for you.



EFFICIENT PUBLIC SPACES: Justice Court judges and staff relocated to their new courtrooms and offices last year. As one of the County's busiest departments, their first floor location is ideal. Improvements to customer service areas throughout the courthouse and annex, made possible by the courthouse renovation project, provide citizens a more efficient and comfortable place to handle their public business.

BETTER COMMUNICATION: Missoula County citizens will see significant improvements in communication efforts with the community this year. The commissioners prioritized those efforts in this fiscal year's budget and citizens can look forward to a new website, greater social media outreach, and technology improvements that will improve transparency and introduce efficiencies to County government processes.

COMMUNITY CONNECTIONS: Missoula County's Parks and Trails program staff members are hard at work and will begin accepting trails project requests this summer. The voter-approved parks and trails bond brings an opportunity to leverage funding for trail projects throughout Missoula County. Nearly three-quarters of households use existing trails in the county and adding to the trail network enhances recreational opportunities of all kinds.

EFFECTIVE PROGRAMS THAT MAKE A DIFFERENCE: Public health nurses in the Nurse-Family Partnership are hard at work in our community offering long-term support to low-income, first-time moms from pregnancy through their children's second birthdays. Each dollar invested yields six dollars in return through cost savings from other public support programs. Mothers and their babies are healthier and have greater economic self-sufficiency through this high-impact program.

TECHNOLOGY IMPROVEMENTS FOR SAFER COMMUNITIES: Missoula County is proud to be the first location in the state where text to 9-1-1 is available. This function allows citizens to text 9-1-1 from a cellphone when they are unable to communicate otherwise. Text to 9-1-1 is the first step in the world of Next Generation 9-1-1, which will include the ability to communicate using pictures and data.