

RESOLUTION NUMBER 7167

A RESOLUTION OF THE MISSOULA CITY COUNCIL CREATING A DEBT MANAGEMENT POLICY OF THE CITY OF MISSOULA.

WHEREAS a debt management policy is helpful for issuing, administering and managing municipal debt; and

WHEREAS, Title 7, Chapter 7 of the Montana Code Annotated is entitled “Debt Management” for local government; and

WHEREAS, prudent financial management encourages the Missoula City Council to establish a Debt Management Policy to serve as a guideline when the City of Missoula is issuing debt instruments; and

WHEREAS the Missoula City Council considered and adopted the attached municipal debt policy for the City of Missoula at its ____, 2006 meeting; and

NOW, THEREFORE, BE IT RESOLVED, that the attached Policy of the City of Missoula be established as the official debt management policy.

FURTHER BE IT RESOLVED THAT this document shall also be included in the Missoula Administrative Rules and Procedures as Policy No. ___, on file in the Missoula City Clerks’ Office.

PASSED AND ADOPTED this 16th day of October, 2006.

ATTEST: APPROVED:

/s/ Martha L. Rehbein

/s/ John Engen

Martha L. Rehbein, City Clerk

John Engen, Mayor

(Seal)

Debt Management Policy**City of Missoula****Executive Summary**

This debt policy for the City of Missoula is designed to provide a clear basis as to the City's policies and practices so that our creditors, elected officials and citizens will understand the basis of debt issuance by the City. This policy formally puts in writing what our past and present debt issuance practices have been.

The policy addresses the following issues:

1. Provides a statement of purpose.
2. Provides general guidelines, definitions and conditions for debt issuance.
3. Discusses the various types of debt issued by the City.
4. Identifies debt structuring characteristics addressing repayment terms, tax exempt status, prepayment provisions, sale to accredited investors and credit ratings.
5. Discusses the three methods for selling the City's debt and the preferred method of sale.
6. Provides a process for underwriter selection for negotiated sales.
7. Provides the basis of award for bond sales.
8. Provides the basic guidelines for the City's debt management:
 - Required Debt service cash flow monitoring.
 - Targeted debt level maximum for voted G.O. debt (66% of statutory debt capacity).
 - Targeted debt level maximum for non-voted General Fund debt (66% of legal debt limit).
 - Targeted debt level maximum for annual appropriation obligations (capital leases) which would be 1% of General fund Expenditures in the preceding year.
 - Basis for issuance of revenue debt (enterprise funds).
 - Criteria for securing the issuance of special improvement district debt and curb & gutter debt.
 - Guidelines for the issuance of tax increment debt.
 - Criteria for the refunding of City debt.
 - Criteria for the use of derivatives (currently illegal for Montana cities).
9. Establishes interim reporting to the Mayor and Council.
10. Other administrative procedures and guidelines for the City Finance office.

This Debt Management Policy is adopted to promote the effective use of debt as a financing tool and to guide decision-making on its application.

Debt Management Policy

I. Statement of Purpose

- A. To preserve the public trust and prudently manage public assets to minimize costs to taxpayers and ensure current decisions positively impact future citizens.
- B. To minimize borrowing costs.
- C. To preserve access to capital markets.
- D. To ensure future financial flexibility in debt financing options.

II. Guidelines for Use of Debt Financing

- A. Debt is a financing tool which should only be judiciously used within the City's legal, financial and debt market capacities.
- B. Definitions
 1. Debt. The creation of debt occurs when a governing body incurs a financial obligation that can not, or will not, be repaid from current fiscal period revenues. Debt may be in the form of bond or note.
 2. Short Term Debt. For purposes of this policy, Short Term Debt means debt with a repayment term of less than 5 years.
 3. Long term Debt. For purposes of this Policy, Long Term Debt means debt with repayment terms beyond the term of the Short Term Debt, up to the maximum term allowable by law, generally twenty years.
 4. Cash Flow Financing. Cash flow financing means tax and revenue anticipation notes (TANS and RANS) that are issued in anticipation of the receipt of the revenues, and tax dollars levied and appropriated and expected to be received in the fiscal year in which the note is issued. Because TANS and RANS are payable from current year revenues they do not constitute debt.
- C. General Conditions for the Use of Long-term Debt

Debt will be considered when some or all of the following conditions exist:

 1. Estimated future revenues are sufficient to ensure the long-term viability of repayment of the debt obligation;
 2. Other financing options have been explored and they are not viable for the timely or economic acquisition or completion of a capital project;
 3. A capital project is mandated by federal or state authorities with no other viable funding option available; and
 4. The asset useful life lends itself to long term debt financing.
- D. Debt Issuance versus Pay-As-You-Go (PAYG) Financing

The City shall seek to appropriately use PAYG financing, when feasible, based on the following criteria:

1. The project can be adequately funded from available current revenues and fund balances;
2. The project can be completed within an acceptable timeframe when funded from current revenues;
3. Additional debt levels could adversely impact credit ratings or capacities to repay existing obligations;
4. Market conditions are such that PAYG presents a favorable option; or
5. The asset's useful life itself is not conducive to long term debt financing.

III. Types of Debt

The City may have choices as to the type of debt which would best meet the needs of the particular financing and its overall objectives. The following is a listing of the types of debt and general guidelines as to their use.

A. General Obligation and Related Debt

1. *General Obligation (G.O.).* General Obligation bonds provide the investor with its most secure City transaction, because of the City's pledge of its unlimited authority to levy ad valorem property taxes for debt service. G.O. bonds require voter approval to be issued. The overall amount of G.O. bonds is limited by statute.
2. *General Fund Bonds.* General Fund bonds are secured by a long-term pledge by the City of General Fund revenues. It differs from a G. O. bond in that it is not a long-term pledge of an unconditional levy of property taxes. The issuance of General Fund bonds has three statutory restrictions: a) no single issue can exceed 10% of the General Fund budget for each of the two preceding years; b) at the time of issuance the total of all such debt service can not exceed 2% of the General Fund's revenues for each of the two preceding years; and c) the maximum term of any issue can not exceed 20 years.
3. *Annual Appropriation Obligations.* These obligations are financial contracts which are secured solely by the City's pledge to annually consider an appropriation for their payment. As this consideration is on an annual basis, the obligations do not provide a legally binding commitment for a long-term pledge of repayment. They are less secure to the investor due to the risk of non-appropriation. The City has the potential to use annual appropriation obligations for either governmental purpose projects or as additional security for economic development projects. The City will consider its use in the latter case only in extreme situations and then only for public improvements having a city-wide benefit. In economic development applications the City will look to the related economic development revenues to provide full payment of all obligations and to have a minimum coverage level of 130%.

B. Revenue Debt

1. *Revenue Bonds* can be issued to fund certain types of revenue producing municipal enterprises, infrastructure systems or in relation to economic development projects. Revenue bonds are secured by the revenues of the particular system or project being

financed. Revenue bonds are not secured by general municipal revenues or the general property tax.

2. *Tax Increment Financing (TIF) Debt*; this type of revenue bond is secured by TIF revenues from a TIF district or an individual TIF project. TIF bonds can only fund eligible project costs permitted under the statute. In certain cases TIF bonds may be issued as federally taxable securities due to the nature of expenditures and the special augmented security provided by private parties involved with a development.

C. Special Assessment Debt

1. *Special Improvement District (SID) Debt*; this type of bond is secured by special assessments levied on specific properties for related municipal infrastructure improvements which specially benefit those particular properties. The statute requires a 5% contribution to an overall SID revolving fund, and the provision for up to an additional 5% for the funding of a debt service reserve fund specific to a particular bond issue, if necessary to secure and market the debt.
2. *Curb and Gutter Debt*; this type of bond is secured by special assessments levied on specific properties for these improvements which specially benefit those particular properties. The statute requires a 5% contribution to an overall SID revolving fund.

D. Conduit Bonds

The City may act as an issuer for a private or non-profit party. In these cases the City acts as a 'conduit' issuer of tax-exempt bonds as defined by federal and state law. Conduit bonds are secured solely by revenues of the private or non-profit party, and are not an obligation of the City.

E. Debt Structuring Characteristics

In general the City will seek to structure its debt issues with these terms. The City recognizes that certain debt transactions may require deviations from these terms given the specific financial conditions.

1. *Repayment Term*. The City will structure its debt to comply with all federal and state and local requirements as to repayment terms. The City will seek to repay its debt in an expeditious manner within the City's overall financial objectives and in consideration of the dedicated repayment revenue source(s) and the useful life of the project.
2. *Taxable debt*. The City shall primarily seek to issue and/or guarantee only tax-exempt debt and avoid taxable debt to reduce interest expenses. However, the City recognizes that in certain cases the issuance of taxable debt may be required and/or beneficial to the City in reducing its risk for a particular project. Prior to issuing taxable debt the City will complete an evaluation of the cost and risk differentials.
3. *Prepayment Provisions*. Redemption provisions and call features shall be in compliance with particular statutory provisions by type of issue, and be evaluated in the context of each bond sale to enhance marketability of the bonds; to ensure flexibility related to potential early redemption; to foster future refunding transactions; or in consideration of special conditions of the transaction. Additional cost of call premium and higher interest rates as a result of including a call provision shall also be evaluated.

4. *Sale to Accredited Investors.* Certain issues may be of a highly speculative nature due to the type of project or the revenue structure. The City wants to ensure that all of its issues are purchased by investors fully knowledgeable of the risks involved with the investment. For highly speculative issues the City will require the purchase by qualified investors, those generally defined by the Securities and Exchange Commission, Regulation D. To ensure these types of investors are maintained both in the primary and secondary bond markets, the City will require either minimum denominations of \$50,000 or that all future investors are accredited.
5. *Credit Ratings.* The City will seek to obtain investment grade credit ratings when possible. Credit ratings provide a standard for proper bond structuring, generally expand the market thereby reducing overall financing costs and provide an independent assessment of overall financial condition.

IV. Bond Sale

A. Method of Sale

Three methods of sale exist for the placement of municipal bonds:

1. *Competitive sale.* Bonds are marketed to a wide audience of investment banking (underwriting) firms. Their bids are submitted at a specified time. The underwriter is selected based on its best bid (lowest true interest cost) for its securities.
2. *Negotiated sale.* The City selects the underwriter or group of underwriters of its securities in advance of the bond sale. The City financing team works with the underwriter to bring the issue to market and negotiates all interest rates and terms of the sale.
3. *Private placement.* The City sells its bonds to a limited number of sophisticated investors, and not the general public. Private placement bonds are often characterized as having higher risk or a specific type of investor base.

B. Preferred Method of Sale

The City will sell their municipal bond issues on a competitive basis unless specific conditions exist which warrant a different manner. Such conditions may include:

1. A bond structure which is not conducive to a competitive bond sale due to its structure;
2. An issue which lacks an investment grade rating or has complex security provisions;
3. An issue with a small principal amount; and
4. A municipal bond market which is experiencing significant volatility.

Regardless of the conditions above, the City must follow the particular statutory provisions for the method of sale for each type of issue. Further, on all sales the City will obtain an opinion from its financial advisor as to the reasonableness of the financing structure and the proposed interest rates.

C. Selection of Underwriter for Negotiated Sales

For negotiated sales, the City will select an underwriter(s) through a competitive process. This process will include a request for proposals from firms considered appropriate for the underwriting of the particular issue. The Director of Finance will set criteria deemed appropriate for the evaluation of underwriter proposals and select the underwriter(s) based on such criteria.

D. Award of Sale

The City and its agencies will award the sale of its bonds on a true interest cost (TIC) basis. A TIC basis considers the time value of money in its calculation.

V. Guidelines for Debt Management

Proactive debt management is a key component to the immediate and long-term success of the City's financial objectives. A successful debt management program begins with comprehensive information on the current debt program status and definition of the future direction of the City's capital financing objectives.

The City recognizes that a negative event relating to the repayment of any of its issues will have significant long term adverse consequences for all future debt obligations regardless of type. The City will seek to incorporate into each of its issues sufficient security provisions to mitigate this risk.

A. Debt Service Cash Flow Monitoring

The City shall maintain a system of debt service revenue forecasting for each of its major debt categories. For revenue only transactions the City will assess the probability of future collections of pledged revenues.

B. Guidelines for Targeted Debt Level Maximums

Maintaining the appropriate levels of debt is important to preserve capacity for future infrastructure investments and to position for high credit quality. Each type of debt has its own appropriate level. The appropriate levels are internally determined based on a variety of factors, such as: infrastructure investment needs of the particular service area, capacity to repay debt from the specific revenue source, and the sector's credit rating objectives. Since these factors can change over time, any debt guideline must be periodically reviewed to reflect evolving City conditions.

1. General Obligation Debt

The sum of all City direct debt by type shall not exceed the lesser of:

Percent of Assessed Valuation	66% of legal debt limit
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2. General Fund Debt

Principal Of Each Debt Issue Not To Exceed : (a) 10% of General Fund Budget each preceding two years, and (b) total debt service for all outstanding debt (66 % of General Fund Legal limit = 66% X 2% Revenues for each preceding two years) = 1.32% (of General Fund revenues) which is the targeted limit for General Fund debt issuance.

3. Annual Appropriation Obligations (i.e. capital leases)

Percent of General Municipal Expenditures in preceding year: - 1.0 %

4. Revenue (Enterprise) Obligations

Each type of enterprise fund revenue debt has an estimated capacity caused by its financial position, user rate revenue generation capability, and existing and anticipated future debt requirements.

5. Special Improvement District; Curb and Gutter Revenue Bonds;

The City will seek to maintain a security profile which will assist in mitigating any exposure of revenue deficiency draws against the overall revolving fund and funded reserve levels, and where possible obtain investment-grade credit ratings. The City recognizes that having to draw upon the revolving fund, supplemental reserves or a payment default puts at risk the City's ability to efficiently fund all outstanding and future related issues. To maintain appropriate security the City will generally require the following security profile to each of these issues;

a. Funding of the 5% SID Revolving Fund is mandatory,

b. Financing improvements to properties where at least 50% have structures on the parcels, and

c. Assessments to Market Value being less than 33%.

If these conditions can not be met and the City still wishes to issue the bonds, then the City may seek one or more of the following additional risk mitigation approaches

d. Debt Service Reserve equal to an additional 5% may be established for a specific debt issue,

e. Require the project to be constructed and financed in multiple phases, or

f. Require supplemental private party guarantees in the form of direct pay letters-of-credits from financial institutions with industry credit ratings of good or higher.

6. Tax Increment Financing Debt;

Where possible the City will seek to have pay-as-you-go TIF debt, wherein the project's private beneficiary receives debt payments over a period of time only from actual revenue collections. Where the project or financing does not lend itself to a PAYG approach, the City will require the individual TIF issues to have a funded debt service reserve, coverage at a minimum of 125%, an executed development contract clearly specifying the developer's requirements as to timing and valuation of development with suitable remedies for the City in the event of non-performance. Where appropriate the City will seek such other security guarantees as are deemed necessary solely by the City, regardless of the tax standing of the particular issue.

7. Defeasance, Prepayment and Refunding

The accelerated retirement and restructuring of debt can be valuable debt management tools. Accelerated retirement occurs through the use of defeasance and the exercise of prepayment provisions. Debt is often restructured through the issuance of refunding bonds.

The federal government has placed significant conditions on the tax-exempt refunding of outstanding issues. Refundings have two general categories:

Current refundings, where the refunding bonds are settled within 90 days of an optional prepayment date; and

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

On advance refundings the City will seek to obtain a minimum present value savings level of 3% of the present value of refunded debt service.

State law requires a demonstration of savings of 0.5% reduction in the average coupon interest rate between the refunding and refunded bonds.

8. Derivatives

Montana municipalities are not currently authorized to use derivatives. If state law authorizes municipalities to use derivatives, the City would consider their use in conjunction with significant evaluation as to the risks and benefits and with the advice of independent industry professionals. If used, the City would follow the Government Finance Officers Association's Recommended Practice on the use of Derivatives.

VI. Interim Reporting

The Director of Finance will provide the Mayor, City Council and Chief Administrative Officer a summary debt report at minimum at six-month intervals within 30 days of each December 31st and June 30th. While the contents of the summary debt report may vary over time, at minimum it will cover the actual experience to the Guidelines for Targeted Debt Maximums.

VII. Compliance

A. Compliance with Statutory and Code of Ordinances

The authority and manner in which the City issues its bonds are in large part dictated by the conveyed state statutory authority. The statutes provide numerous requirements on the issuance and structuring of City bonds, with variations by type of debt. The City will follow all statutory requirements in the issuance and structuring of its debt obligations, as well as ordinances provisions relative to debt issuance, term of debt, structuring, method of sale, etc.

B. Monitoring of Covenant Compliance

The City's revenue bonds generally have a number of bond covenants requiring ongoing compliance and conditions for future bond issuance on an equal security ('parity') basis. The City will maintain a compliance monitoring system by revenue bond type of all bond covenants. The system will track trends in coverage levels over time and capacity availability under the additional bonds covenants.

C. Federal Arbitrage and Rebate Compliance

1. The City will fully comply with the federal arbitrage and rebate regulations. Concurrent with this policy, the City will take all permitted steps to minimize any rebate liability through proactive management in the structuring and oversight of its individual debt issues.

2. All of the City's tax-exempt issues and obligations are subject to arbitrage compliance regulations. The Finance Department and the requesting departments shall be responsible for the following:
 - a. Using bond proceeds only for the purpose and authority for which the bonds were issued. Tax-exempt bonds will not be issued unless it can be demonstrated that 85% of the proceeds will be expended within the three-year temporary period.
 - b. Performing rebate calculations on certain construction funds as determined by IRS. The City will engage an arbitrage consulting firm to perform annual rebate calculations.
 - c. Performing rebate computations annually, but in no event later than each five-year anniversary date of the issuance and at the final maturity for all bonds. Examining whether the City met the rebate exception calculation rules.
 - d. Maintaining detailed investment records, including purchase prices, sale prices and comparable market prices for all securities.
 - e. Monitoring expenditure of the bond proceeds and exercising best efforts to spend bond proceeds in such a manner that the City shall meet one of the spend-down exemptions from rebate.
 - f. Monitoring the investment of bond proceeds with awareness of rules pertaining to yield restrictions.

To the extent rebate liability exists, the City will report such liability in its comprehensive annual financial report (CAFR).

VIII. Disclosure Compliance

A. Introduction

Disclosure is both a regulatory requirement and a highly advisable means to enhance the marketing of the City's bonds. The Securities and Exchange Commission (SEC) regulates both primary disclosure, the initial marketing of a bond issue, and continuing disclosure, the ongoing information to the market about the status of the issue and issuer. Initial and ongoing disclosure are subject to the anti-fraud provisions of the securities laws, requiring an issuer to provide all material information about a bond issue and the security for the bond issue. In addition to general anti-fraud issues, the SEC regulates the manner in which bond underwriters can underwrite municipal securities. SEC Rule 15c2-12 (the "Rule") requires, among other things, that an underwriter obtain an official statement meeting certain requirements. The Rule also prohibits an underwriter from marketing municipal securities unless the issuer enters into an undertaking to provide continuing disclosure to the market.

Adequate disclosure on both a primary and continuing basis can enhance the marketability of the City's bonds by providing potential investors with current and professional information regarding the City. Timely and accurate completion of these tasks both influences investors' decisions on purchasing the City's bonds and contributes to the competitive audience for the City's bonds.

The City will fully comply with disclosure regulations.

B. Primary

In the preparation of official statements the City will follow professional and market standards in the presentation of disclosure about its bond issues. The City will facilitate the distribution of the official statements in a timely manner to allow investors adequate time to make their investment decisions in an informed manner. The City will disclose all material information about its bond issue and the security for the bond issue

The City will execute continuing disclosure undertakings in a manner to fully comply with regulatory provisions and ensure a full disclosure of appropriate information to the market.

C. Secondary

The City will meet all substantive and time requirements in its annual continuing disclosure filings, which include making the City's CAFR available to the public 180-270 days after the fiscal year end. The City will keep current with any changes in both the administrative aspects of its filing requirements and the national repositories responsible for ensuring issuer compliance with the continuing disclosure regulations. In the event a 'material event' occurs requiring immediate disclosure, the City will ensure information flows to the appropriate disclosure notification parties in a timely manner.

Any filing may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at <http://www.disclosureusa.org>., unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004.

CITY OF MISSOULA INVESTMENT POLICY

Revised February 2000

Modeled After Government Finance Officers Association
Sample Investment Policy
Committee on Cash Management

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I. Scope

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

1. *Pooling of Funds*

Except for cash in certain restricted and special funds, the City of Missoula will consolidate cash balances from all funds to maximize investment earnings.

Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

II. General Objectives

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

1. *Safety*

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

a. Credit Risk

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

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

b. Interest Rate Risk

The City of Missoula will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
 - Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

2. *Liquidity*

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity).

Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds or local government investment pools, which offer same-day liquidity for short-term funds.

3. *Yield*

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

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

III. Standards of Care

1. *Prudence*

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

2. *Ethics and Conflicts of Interest*

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City of Missoula.

3. *Delegation of Authority*

Authority to manage the investment program is granted to the City's Finance Director/Treasurer, hereinafter referred to as investment officer and derived from the

following: 7-6-201 M.C.A. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy.

Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

IV. Safekeeping and Custody

1. *Authorized Financial Dealers and Institutions*

A list will be maintained of financial institutions authorized to provide investment services. In addition, a list also will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least five years of operation). These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements
- Proof of National Association of Securities Dealers (NASD) certification
- Proof of state registration
- Completed broker/dealer questionnaire
- Certification of having read and understood and agreeing to comply with the City of Missoula's investment policy.

An annual review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the investment officer. (See the GFOA Recommended Practice on "Governmental Relationships with Securities Dealers," in Appendix 3.)

From time to time, the investment officer may choose to invest in instruments offered by minority and community financial institutions. In such situations, a waiver to the criteria under Paragraph 1 may be granted. All terms and relationships will be fully disclosed prior to purchase and will be reported to the appropriate entity on a consistent basis and should be consistent with state or local law. These types of investment purchases should be approved by the appropriate legislative or governing body in advance.

2. *Internal Controls*

The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City of Missoula are protected from loss, theft or misuse. The internal control structure shall be designed

to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the investment officer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record-keeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

3. *Delivery vs. Payment*

All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

V. Suitable and Authorized Investments

1. *Investment Types*

Consistent with the GFOA Policy Statement on State and Local Laws Concerning Investment Practices, the following investments will be permitted by this policy and are those defined by state and local law (7-6-2 01 M.C.A., 7-6-202 M.C.A., 7-6-206 M.C.A. 17-6-204 M.C.A.) where applicable:

7-6-201. Deposit of public funds in financial institutions. (1) Except as provided in 7-6-202, 7-6-206 or 7-6-2701, it shall be the duty of all county and city treasurers and town clerks to deposit all public money in their possession and under their control in any solvent banks, building and loan associations, savings and loan associations, or credit unions located in the county, city, or town of which such treasurer is an officer, subject to national supervision or state examination as the local governing body may designate, and no other.

(2) Said local governing body is hereby authorized to deposit such public money not necessary for immediate use by such county, city, or town in a savings or time deposit with any bank, building and loan association, savings and loan association, or credit union authorized above or in a repurchase agreement as authorized in 7-6-213.

(3) The treasurer or town clerk shall take from such bank, building and loan association, savings and loan association, or credit union such security as the local governing body may prescribe, approve, and deem fully sufficient and necessary to insure the safety and prompt payment of all such deposits, together with the interest on any time or savings deposits.

(4) All such deposits shall be subject to withdrawal by the treasurer or town clerk in such amounts as may be necessary from time to time. No deposit of funds shall be made or permitted to remain in any bank, building and loan association, savings and loan association, or credit union until the security for such deposits shall have been first approved by the local governing body and delivered to the treasurer or town clerk.

7-6-202. Investment of public money in direct obligations of United States.

(1) A local governing body may invest public money not necessary for immediate use by the county, city, or town in the following eligible securities:

(a) United States government treasury bills, notes, and bonds and in United States treasury obligations, such as state and local government series (SLGS), separate trading of registered interest and principal of securities (STRIPS), or similar United States treasury obligations;

(b) United States treasury receipts in a form evidencing the holder's ownership of future interest or principal payments on specific United States treasury obligations that, in the absence of payment default by the United States, are held in a special custody account by an independent trust company in a certificate or book-entry form with the federal reserve bank of New York; or

(c) obligations of the following agencies of the United States, subject to the limitations in subsection (2):

- (i) federal home loan bank;
- (ii) federal national mortgage association;
- (iii) federal home mortgage corporation; and
- (iv) federal farm credit bank.

(2) An investment in an agency of the United States is authorized under this section if the investment is a general obligation of the agency and has a fixed or zero-coupon rate and does not have prepayments that are based on underlying assets or collateral, including but not limited to residential or commercial mortgages, farm loans, multifamily housing loans, or student loans.

(3) The local governing body may invest in a United States government security money market fund if:

(a) the fund is sold and managed by a management-type investment company or investment trust registered under the Investment Company Act of 1940 (15 U.S.C. 80a-64), as may be amended;

(b) the fund consists only of eligible securities as described in this section;

(c) the use of repurchase agreements is limited to agreements that are fully collateralized by the eligible securities, as described in this section, and the investment company or investment trust takes delivery of the collateral for any repurchase agreement, either directly or through an authorized custodian;

(d) the fund is listed in a national financial publication under the category of "money market mutual funds", showing the fund's average maturity, yield, and asset size; and

(e) the fund's average maturity does not exceed 397 days.

(4) Except as provided in subsection (5), an investment authorized in this part may not have a maturity date exceeding 5 years, except when the investment is used in an escrow account to refund an outstanding bond issue in advance.

(5) An investment of the assets of a local government group self-insurance program established pursuant to 2-9-211 or 39-71-2103 in an investment authorized in this part may not have a maturity date exceeding 10 years, and the average maturity of all those authorized investments of a local government group self-insurance program may not exceed 6 years.

(6) This section may not be construed to prevent the investment of public funds under the state unified investment program established in Title 17, chapter 6, part 2.

7-6-206. Time deposits—repurchase agreement. (1) Public money not necessary for immediate use by a county, city, or town that is not invested as authorized in 7-6-202 may be placed in time or savings deposits with a bank, savings and loan association, or credit union in the state or placed in repurchase agreements as authorized in 7-6-213. Money placed in repurchase agreements is subject to subsection (2).

(2) The local governing body may solicit bids for time or savings deposits from a bank, savings and loan association, or credit union in the state. The local governing body may deposit public money in the institutions unless a local financial institution agrees to pay the same rate of interest bid by a financial institution not located in the county, city, or town. The governing body may solicit bids by notice sent by mail to the investment institutions that have requested that their names be listed for bid notice with the department of administration.

17-6-204. Investment of local government funds. (1) The governing body of any city, county, school district, or other local government unit or political subdivision having funds which are available for investment and are not required by law or by any covenant or agreement with bondholders or others to be segregated and invested in a different manner may direct its treasurer to remit such funds to the state treasurer for investment under the direction of the board of investments as part of the pooled investment fund.

(2) A separate account, designated by name and number for each such participant in the fund, shall be kept to record individual transactions and totals of all investments belonging to each participant. A monthly report shall be furnished to each participant having a beneficial interest in the pooled investment fund, showing the changes in investments made during the preceding month. Details of any investment transaction shall be furnished to any participant upon request.

(3) The principal and accrued income, and any part thereof, of each and every account maintained for a participant in the pooled investment fund shall be subject to payment at any time from the fund upon request. Accumulated income shall be remitted to each participant at least annually.

(4) No order or warrant shall be issued upon any account for a larger amount than the principal and accrued income of the account to which it applies, and if any such order or warrant is issued, the participant receiving it shall reimburse the excess amount to the fund from any funds not otherwise appropriated, and the state treasurer shall be liable under his official bond for any amount not so reimbursed.

Investment in derivatives of the above instruments is not authorized by the City of Missoula's investment policy. (See the GFOA Recommended Practice on "Use of Derivatives by State and Local Governments," 1994.)

2. Collateralization

Where allowed by state law and in accordance with the GFOA Recommended Practices on the Collateralization of Public Deposits, collateralization will be required on non-negotiable certificates of deposit to the extent allowable by state law. (See GFOA Recommended Practices, Appendix 3.) Montana state law (7-6-207 M.C.A. and 7-6-208 M.C.A) establishes the deposit security requirements for City investments:

7-6-207. Deposit security. (1) The local governing body may require security only for that portion of the deposits which is not guaranteed or insured according to law and, as to such unguaranteed or uninsured portion, to the extent of:

(a) 50% of such deposits if the institution in which the deposit is made has a net worth to total assets ratio of 6% or more; or

(b) 100% if the institution in which the deposit is made has a net worth to total assets ratio of 6%. The security shall consist of those enumerated in 17-6-103 or cashier's checks issued to the depository institution by any federal reserve bank.

(2) When negotiable securities are furnished, such securities may be placed in trust. The trustee's receipt may be accepted in lieu of the actual securities when such receipt is in favor of the treasurer or town clerk and his successors. All warrants or other negotiable securities must be properly assigned or endorsed in blank. It is the duty of the appropriate governing body, upon the acceptance and approval of any of the above-mentioned bonds or securities, to make a complete minute entry of the acceptance and approval upon the record of their proceedings, and the bonds and securities shall be reapproved at least quarterly thereafter.

7-6-208. Substitution of deposit security. (1) Any bank, building and loan association, savings and loan association, or credit union pledging securities as provided in 7-6-207, at any time it deems advisable or desirable, may substitute like securities for all or any part of the securities pledged. The collateral so substituted shall be approved by the governing body of the county, city, or town at its next official meeting.

(2) Such securities so substituted shall at the time of substitution be at least equal in principal amount to the securities for which substitution is made. In the event that the securities so substituted are held in trust, the trustee shall, on the same day the substitution is made, forward a receipt by registered or certified mail to the county, city, or town and to the depository bank, building and loan association, savings and loan association, or credit union. The receipt shall specifically describe and identify both the securities so substituted and those released and returned to the depository bank, building and loan association, savings and loan association, or credit union.

Securities eligible for pledging to secure deposits of public funds are enumerated in 17-6-103 M.C.A.

3. *Repurchase Agreements*

Repurchase agreements shall be consistent with GFOA Recommended Practices on Repurchase Agreements, (See GFOA Recommended Practices, Appendix 3.)

VI. Investment Parameters

1. *Diversification*

The investments shall be diversified by:

- limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- limiting investment in securities that have higher credit risks, investing in securities with varying maturities, and
- continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations. (See the GFOA Recommended Practice on "Diversification of Investments in a Portfolio" in Appendix 3.)

2. *Maximum Maturities*

To the extent possible, the City of Missoula shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City of Missoula will not directly invest in securities maturing more than five (5) years from the date of purchase or in accordance with state and local statutes and ordinances. The City of Missoula shall adopt weighted average maturity limitations (which often range from 90 days to 3 years), consistent with the investment objectives. (See the GFOA Recommended Practice on "Maturities of Investments in a Portfolio" in Appendix 3.)

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as LGIPs, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

VII. Reporting

1. *Methods*

The investment officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner, which will allow the City of Missoula to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the investment officer, the legislative body, and any pool participants. The report will include the following:

- a. Listing of individual securities held at the end of the reporting period.
- b. Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity (in accordance with Governmental Accounting Standards Board (GASB) requirements).
- c. Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.
- d. Listing of investment by maturity date.
- e. Percentage of the total portfolio, which each type of investment represents.

2. *Performance Standards*
The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.
3. *Marking to Market*
The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools." (See GFOA Recommended Practices, Appendix 3.) In defining market value, considerations should be given to the GASB Statement 31 pronouncement.

VIII. Policy Considerations

1. *Exemption*
Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.
2. *Amendments*
This policy shall be reviewed on an annual basis. Any changes must be approved by the investment officer and any other appropriate authority, as well as the individual(s) charged with maintaining internal controls.

Appendix 1: Glossary

The following is a glossary of key investing terms, many of which appear in GFOA's Sample Investment Policy.

Accrued Interest — The accumulated interest due on a bond as of the last interest payment made by the issuer.

Agency — A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

Amortization — The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

Average Life — The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

Basis Point — A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., "1/4" of 1 percent is equal to 25 basis points.

Bid — The indicated price at which a buyer is willing to purchase a security or commodity.

Book Value — The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Callable Bond — A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Call Price — The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk — The risk to a bondholder that a bond may be redeemed prior to maturity.

Cash Sale/Purchase — A transaction that calls for delivery and payment of securities on the same day that the transaction is initiated.

*This glossary has been adapted from an article, entitled "Investment terms for everyday use," that appeared in the April 5, 1996, issue of *Public Investor*, GFOA's subscription investment newsletter.

Collateralization — Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

Commercial Paper - An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

Convexity — A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Coupon Rate — The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the "interest rate."

Credit Quality — The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

Credit Risk — The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

Current Yield (Current Return) — A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Delivery Versus Payment (DVP) — A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

Derivative Security — Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

Discount — The amount by which the par value of a security exceeds the price paid for the security.

Diversification — A process of investing assets among a range of security types by sector, maturity, and quality rating.

Duration — A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Fair Value — The amount, at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Federal Funds (Fed Funds) — Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

Federal Funds Rate — Interest rate charged by one institution lending federal funds to the other.

Government Securities — An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

Interest Rate — See "Coupon Rate."

Interest Rate Risk — The risk associated with declines or rises in interest rates, which cause an investment in a fixed-income security to increase or decrease in value.

Internal Controls — An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits require estimates and judgments by management. Internal controls should address the following points:

1. Control of collusion — Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. Separation of transaction authority from accounting and record keeping — By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
3. Custodial safekeeping — Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
4. Avoidance of physical delivery securities — Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. Clear delegation of authority to subordinate staff members - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. Written confirmation of transactions for investments and wire transfers - Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.

7. Development of a wire transfer agreement with the lead bank and third-party custodian - The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

Inverted Yield Curve — A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

Investment Company Act of 1940 — Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Policy — A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Investment-grade Obligations - An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

Liquidity — An asset that can be converted easily and quickly into cash.

Local Government Investment Pool (LGIP) — An investment by local governments in which their money is pooled as a method for managing local funds.

Mark-to-market — The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

Market Risk — The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value — Current market price of a security.

Maturity — The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See "Weighted Average Maturity."

Money Market Mutual Fund — Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

Mutual Fund — An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund's holdings, performance,

management and general investment policy.

3. Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus that is updated and filed by the SEC annually.

Mutual Fund Statistical Services — Companies that track and rate mutual funds, e.g., IBC/Donoghue, Lipper Analytical Services, and Morningstar.

National Association of Securities Dealers (NASD) — A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Net Asset Value — The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below.)

$$[(\text{Total assets}) - (\text{Liabilities})]/(\text{Number of shares outstanding})$$

No Load Fund — A mutual fund, which does not levy a sales charge on the purchase of its shares.

Nominal Yield — The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

Offer — An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask price."

Par — Face value or principal value of a bond, typically \$1,000 per bond.

Positive Yield Curve — A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium — The amount by which the price paid for a security exceeds the security's par value.

Prime Rate — A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

Principal — The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Prospectus — A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

Prudent Person Rule — An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

Regular Way Delivery — Securities settlement that calls for delivery and payment on the third business day following the trade date (T+3); payment on a T+1 basis is currently under consideration. Mutual funds are settled on a same day basis; government securities are settled on the next business day.

Reinvestment Risk — The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

Repurchase Agreement (repo or RP) — An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

Reverse Repurchase Agreement (Reverse Repo) — An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Rule 2a-7 of the Investment Company Act — Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13-month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

Safekeeping — Holding of assets (e.g., securities) by a financial institution.

Serial Bond — A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

Sinking Fund — Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

Swap — Trading one asset for another.

Term Bond — Bonds comprising a large part or all of a particular issue that come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Total Return — The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus

any realized dividends or capital gains. This is calculated by taking the following components during a certain time period.

$$(\text{Price Appreciation}) + (\text{Dividends paid}) + (\text{Capital gains}) = \text{Total Return}$$

Treasury Bills — Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

Treasury Notes — Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from \$1,000 to \$1 million or more.

Treasury Bonds — Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of \$1,000. Currently, the longest outstanding maturity for such securities is 30 years.

Uniform Net Capital Rule — SEC Rule 15C3-1 outlining capital requirements for broker/dealers.

Volatility — A degree of fluctuation in the price and valuation of securities.

"Volatility Risk" Rating — A rating system to clearly indicate the level of volatility and other non-credit risks associated with securities and certain bond funds. The ratings for bond funds range from those that have extremely low sensitivity to changing market conditions and offer the greatest stability of the returns ("aaa" by S&P; "V-1" by Fitch) to those that are highly sensitive with currently identifiable market volatility risk ("ccc-" by S&P, "V-10" by Fitch).

Weighted Average Maturity (WAM) — The average maturity of all the securities that comprise a portfolio. According to SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 90 days and no one security may have a maturity that exceeds 397 days.

When Issued (WI) — A conditional transaction in which an authorized new security has not been issued. All "when issued" transactions are settled when the actual security is issued.

Yield — The current rate of return on an investment security generally expressed as a percentage of the security's current price.

Yield-to-call (YTC) — The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

Yield Curve — A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

Yield-to-maturity — The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

Zero-coupon Securities — Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

Appendix 2: Investment Pools

1. Definition

In most states, there are provisions for the creation and operation of a government investment pool. The purpose of a pool is to allow political subdivisions to pool investable funds in order to achieve a potentially higher yield.

There are basically three (3) types of pools: 1) state-run pools; 2) pools that are operated by a political subdivision where allowed by law and the political subdivision is the trustee; and 3) pools that are operated for profit by third parties. Prior to any political subdivision being involved with any type of pool, a thorough investigation of the pool and its policies and procedures must be reviewed.

2. Pool Questionnaire

Prior to entering a pool, the following questions and issues should be considered:

Securities:

Government pools may invest in a broader range of securities than an entity may invest in. It is important to be aware of, and comfortable with, the securities a pool buys. The following is a list of questions an investment officer may wish to ask a prospective pool:

1. Does the pool provide a written statement of investment policy and objectives?
2. Does the statement contain:
 - a. a description of eligible investment instruments?
 - b. the credit standards for investments?
 - c. the allowable maturity range of investments?
 - d. the maximum allowable dollar weighted average portfolio maturity?
 - e. the limits of portfolio concentration permitted for each type of security?
 - f. the policy on reverse repurchase agreements, options, short sales and futures?
3. Are changes in the policies communicated to the pool participants?
4. Does the pool contain only the types of securities that are permitted by your investment policy?

Interest:

Interest is not reported in a standard format, so it is important to know how interest is quoted, calculated, and distributed in order to make comparisons with other investment alternatives.

Interest Calculations:

1. Does the pool disclose the following about yield calculations:
 - a. the methodology used to calculate interest? (simple maturity, yield to maturity, etc.)
 - b. the frequency of interest payments?

- c. how interest is paid? (credited to principal at the end of the month, each quarter; mailed?)
- d. how are gains/losses reported? factored monthly or only when realized?

Reporting:

- 1. Is the yield reported to participants of the pool monthly? (If not, how often?)
- 2. Are expenses of the pool deducted before quoting the yield?
- 3. Is the yield generally in line with the market yields for other investment alternatives?
- 4. How often does the pool report? What information does that report include? Does it include the market value of securities?

Security:

The following questions are designed to help safeguard funds from loss of principal and loss of market value.

- 1. Does the pool disclose safekeeping practices?
- 2. Is the pool subject to audit by an independent auditor at least annually?
- 3. Is a copy of the audit report available to participants?
- 4. Who makes the portfolio decisions?
- 5. How does the manager monitor the credit risk of the securities in the pool?
- 6. Is the pool monitored by someone on the board of a separate neutral party external to the investment function to ensure compliance with written policies?
- 7. Does the pool have specific policies with regard to the various investment vehicles?
 - a. What are the different investment alternatives?
 - b. What are the policies for each type of investment?
- 8. Does the pool mark the portfolio to its market value?
- 9. Does the pool disclose the following about how portfolio securities are valued:
 - a. the frequency with which the portfolio securities are valued?
 - b. the method used to value the portfolio (cost, current value, or some other method)?

Operations:

The answers to these questions will help determine whether this pool meets the entity's operational requirements:

- 1. Does the pool limit eligible participants?
- 2. What entities are permitted to invest in the pool?
- 3. Does the pool allow multiple accounts and sub-accounts?
- 4. Is there a minimum or maximum account size?
- 5. Does the pool limit the number of transactions each month? What is the number
- 6. Is there a limit on transaction amounts for withdrawals and deposits?
 - a. What is the minimum and maximum withdrawal amount permitted?
 - b. What is the minimum and maximum deposit amount permitted?
- 7. How much notice is required for withdrawals/deposits?
- 8. What is the cutoff time for deposits and withdrawals?
- 9. Can withdrawals be denied?
- 10. Are the funds 100 percent withdrawable at anytime?
- 11. What are the procedures for making deposits and withdrawals?
 - a. What is the paperwork required, if any?
 - b. What is the wiring process?
- 12. Can an account remain open with a zero balance?
- 13. Are confirmations sent following each transaction?

Statements:

It is important for (*the designated official*) and the agency's trustee (when applicable), to receive statements monthly so the pool's records of activity and holdings are reconciled by (*the designated official*) and its trustee.

1. Are statements for each account sent to participants?
 - a. What are the fees?
 - b. How often are they passed?
 - c. How are they paid?
 - d. Are there additional fees for wiring funds? (What is the fee?)
2. Are expenses deducted before quoting the yield?

Questions to Consider for Bond Proceeds:

It is important to know (1) whether the pool accepts bond proceeds and (2) whether the pool qualifies with the U.S. Department of the Treasury as an acceptable commingled fund for arbitrage purposes.

1. Does the pool accept bond proceeds subject to arbitrage rebate?
2. Does the pool provide accounting and investment records suitable for proceeds of bond issuance subject to arbitrage rebate?
3. Will the yield calculation reported by the pool be acceptable to the IRS or will it have to be recalculated?
4. Will the pool accept transaction instructions from a trustee?
5. Are separate accounts allowed for each bond issue so that the interest earnings of funds subject to rebate are not commingled with funds not subject to regulations?

Appendix 3: GFOA Recommended Practices and Policy Statements

A complete list of the City's adopted investment practices can be found in Resolution #6301.

RESOLUTION NUMBER 7786

A resolution fixing the annual appropriations and the Capital Improvement Program for the City of Missoula as set forth in the Fiscal Year 2014 Budget and Capital Improvement Program including:

- The Tourism Business Improvement District work plan and budget for Fiscal Year 2014
- The Business Improvement District work plan and budget for Fiscal Year 2014.
- The Park District Number 1 work plan and budget for Fiscal Year 2014.
- The Road District Number 1 work plan and budget for Fiscal Year 2014

WHEREAS, the City Council of Missoula has deliberated on the Fiscal Year 2014 Budget and held public hearings for public comment.

NOW, THEREFORE, BE IT RESOLVED BY THE MISSOULA CITY COUNCIL:

SECTION I

That the total budgeted expenditures, transfers out and year end fund balance for the City of Missoula, Montana for Fiscal Year 2014 is hereby estimated at \$132,465,272. The breakdown of the funds and estimated local property taxes required are as follows:

Budgeted Expenditures	101,174,535
Inter-fund Transfers Out	17,448,109
Projected End-of-year Fund Balance	13,842,628
Total Funds Required	<u>\$132,465,272</u>
Beginning-of-year Fund Balance	29,741,018
Non-tax Revenues	58,336,658
Inter-fund Transfers In	17,448,109
Sub-total Non-Tax Funds Available	<u>\$105,525,785</u>
Estimated Property Tax Requirements	<u><u>\$26,939,487</u></u>

SECTION II

That annual appropriations and transfers out for various departments of the City of Missoula, Montana for the Fiscal Year 2014 will be controlled and monitored for budgetary compliance at the fund level.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Missoula, Montana shall adopt the Capital Improvement Program for Fiscal Years 2014-2018.

AND, BE IT FURTHER RESOLVED THAT the Missoula City Clerk is directed to enter this resolution into the minutes of the meeting at which this resolution was adopted.

PASSED AND ADOPTED this 3rd day of June, 2013.

ATTEST:

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

APPROVED:

/s/ John Engen
John Engen
Mayor



2013 Certified Taxable Valuation Information

(15-10-202, MCA)

Missoula County
CITY OF MISSOULA

1. 2013 Total Market Value.....	\$ 4,305,020,382
2. 2013 Total Taxable Value.....	\$ 114,068,797
3. 2013 Taxable Value of Newly Taxable Property.....	\$ 1,439,243
4. 2013 Taxable Value less Incremental Taxable Value*	\$ 109,336,360
5. 2013 Taxable Value of Net and Gross Proceeds** (Class 1 and Class 2).....	\$ -

6. TIF Districts

Tax Increment District Name	Current Taxable Value	Base Taxable Value	Incremental Value
URBAN RENEWAL II	3,685,963	1,859,823	1,826,140
URBAN RENEWAL III	9,358,441	7,003,346	2,355,095
U R FRONT ST	1,964,237	1,413,035	551,202
U R RIVERFRONT TRI	116,994	157,858	-

Total Incremental Value \$ 4,732,437

Preparer

Tania C/Helen G

Date 7/30/2013

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

**The taxable value of class 1 and class 2 is included in the taxable value totals.

For Information Purposes Only

2013 taxable value of centrally assessed property having a market value of \$1 million or more, which has transferred to a different ownership in compliance with 15-10-202(2), MCA.

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

MONTANA DEPARTMENT OF REVENUE

Property Assessment Division
Justice Building

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

July 30, 2013

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

Finance Officer
City of Missoula
435 Ryman
Missoula, MT 59802

RE: **2013 tax base values for the County and City of Missoula**

	<u>Phase-in Value</u>	<u>Taxable Value</u>	<u>Tax Increment</u>	<u>Tax Base</u>
County	\$7,721,133,028	\$205,434,352	- \$ 7,305,928.00 =	\$198,128,424
City	\$4,305,020,382	\$114,068,797	- \$ 4,732,437.00 =	\$109,336,360

Attest:

Tania Cardwell/Helen Greenberg
Tania Cardwell, Taxable Valuation Preparer

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

Wes Redden, Area Manager

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

Resolution Number 7813**A resolution levying taxes for municipal and administrative purposes for the Fiscal Year 2014.**

Whereas, the City Council of Missoula has deliberated on the Fiscal Year 2014 budget and necessary mill levy of property taxes; and,

Whereas, the City of Missoula is using \$4,822,289 of fund balance from the general fund from Fiscal Year 2013 to support expenditures in the General Fund; and

Whereas, pursuant to House Bill 124 and Senate Bill 265 enacted by the 2001 Montana State Legislature, the City has no carry-forward of unlevied tax millage; and

Whereas, the value of a city mill is \$109,336.360.

Now, therefore, be it resolved by the Council of the City of Missoula, Montana:

That there is hereby levied upon all taxable property in the City of Missoula, Montana, the following General and Special taxes for municipal and administrative purposes for the Fiscal Year 2014, to-wit:

All Purpose General Fund levy be established at 193.63 mills;

Employee Health Insurance levy (within levy cap) be established at 12.12 mills;

Employee Health Insurance levy (outside levy cap) be established at 27.17 mills;

2012-A Aquatics Refunding G.O. Bond levy at 1.84 mills;

2006 Fire Station G.O. Bond levy be established at 3.86 mills;

2007 G.O. Refunding bond levy at 4.90 mills;

Total levy for the City of Missoula, Montana - 243.52 mills.

And be it further resolved that the City Clerk is directed to enter this resolution into the minutes of the meeting at which this resolution was adopted.

Passed and adopted this 19th day of August, 2013

Attest:

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

Approved:

/s/ John Engen
John Engen
Mayor

(SEAL)

APPENDIX

TAX LEVY COMPUTATION

DETERMINATION OF TAX REVENUE AND MILL LEVY LIMITATIONS UNDER SECTION 15-10-420, MCA

**AGGREGATE OF ALL FUNDS/ _____ FUND
FYE JUNE 30, 2014**

COUNTY/CITY/TOWN OF _____ **Missoula, MT**

NUMBERS APPEARING IN GREEN ARE ADDITIONS
NUMBERS APPEARING IN RED ARE SUBTRACTIONS

Missoula, MT

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

WHERE FORMULAS EXIST, NO ENTRY IS NECESSARY			EXPLANATION REFERENCE
MAXIMUM PROPERTY TAXES AUTHORIZED: (Note that appropriate statutes are referenced)			
Ad valorem tax revenue authorized to be assessed prior year		<u>22,232,331</u>	(1)
Add: FISCAL YEAR 2013 INFLATION ADJUSTMENT @ 1.2% (Section 15-10-420(1a)(1c), MCA)		<u>228,993</u>	<u>228,993</u> (2)
Less: Property taxes authorized to be assessed in the prior year for Class 1 and 2 property (net and gross proceeds, county only) (Section 15-10-420(6), MCA (enter as negative number))		<u>-</u>	(3)
Add: Personal Property Tax reimbursement received - prior fiscal year - was final year. (Section 15-10-420(7), MCA) (HB 20 and SB 417 reimbursements)		<u>-</u>	(4)
Less: Personal Property Tax reimbursement anticipated - current year (50% of prior FY) (Section 15-10-420(7), MCA) (HB 20 and SB 417 reimbursements) - no longer will be received.		<u>-</u>	(4)
Adjusted ad valorem tax revenue assessed		<u>22,461,324</u>	(5)
CURRENT YEAR LEVY COMPUTATION:			
Taxable value per mill		<u>114,069</u>	(6)
Less per mill incremental value of tax increment financing district (TIF) (enter as negative)		<u>(4,732)</u>	(6a)
Adjusted taxable value (adjusted for removal of TIF per mill incremental district value)		<u>109,336</u>	(6b)
Less: Newly taxable property per mill value, (enter as negative)		<u>(1,439)</u>	(6c)
Taxable value per mill of net and gross proceeds (county only) (enter as negative)		<u>(1,439)</u>	(6d)
Adjusted Taxable value per mill		<u>107,897</u>	(7)
Authorized mill levy under Section 15-10-420, MCA (includes floating mills)		<u>208.17</u>	(8)
Adjusted taxable value per mill		<u>107,897</u>	(7)
Add: Newly taxable property per mill value		<u>1,439</u>	
Taxable value per mill of net and gross proceeds (county only)		<u>-</u>	<u>1,439</u> (6c and d)
Taxable value per mill (including newly taxable property but excluding TIF per mill incremental value)		<u>109,336</u>	(6b)
Authorized mill levy under Section 15-10-420, MCA (includes floating mills)		<u>208.17</u>	(8)
Current property tax revenue authorized limitation		<u>22,760,936</u>	(9)
RECAPITULATION:			
Previous year adjusted property tax revenue assessed (5)		<u>22,461,324</u>	(5)
Amount attributable to newly taxable property and net/gross proceeds		<u>299,612</u>	(10)
Current property tax revenue authorized limitation		<u>22,760,936</u>	(9)

RESOLUTION NUMBER 7815

A resolution levying taxes on the lots, pieces and parcels of land located in the downtown Business Improvement District of the city of Missoula for FY 14 in the amount of \$316,397.55 in accordance with 7-12-1132 MCA.

WHEREAS, pursuant to 7-12-1101, et seq., MCA, the City of Missoula is authorized to create business improvement districts (BID); and

WHEREAS, on April 4, 2005, the Missoula City Council adopted resolution [6898](#) creating a business improvement in downtown Missoula and on March 22, 2010, the City Council adopted resolution [7511](#) to extend the duration of the business improvement district for a period of ten years ; and

WHEREAS, the Mayor with the advice and consent of the City Council has appointed a Board of Trustees in accordance with 7-12-1121, MCA; and

WHEREAS, whereas, in accordance with 7-12-1132, MCA, the BID Board has submitted a work plan and budget for fiscal year 2014; and

WHEREAS, in accordance with 7-12-1132, the City Council has held a public hearing on the BID work plan and budget for fiscal year 2014, and has approved it as part of the city FY 2014 budget, and

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

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

NOW THEREFORE BE IT RESOLVED, the City Council of the City of Missoula hereby levies and assesses a tax on the lots, pieces and parcels of land located in the BID as shown on Exhibit A for fiscal year 2014 according to the following table:

Type of Property	BID Zone 1	BID Zone 2
All property not referred to below	\$200 plus 2.5% of the property's taxable value	\$150 plus 2.0% of the property's taxable value
Land owned by the United States Federal Government	Exempt	Exempt
City land	\$200 plus 2.5 cents per square foot	\$150 plus 2.5 cents per square foot
City park land	\$200 plus 1.0 cent per square foot	\$150 plus 1.0 cent per square foot
County Land	\$200 plus 2.5 cents per square foot	\$150 plus 2.5 cents per square foot
Missoula Parking Commission	\$200 plus 2.5 cents per square foot	\$150 plus 2.5 cents per square foot
Property zoned primarily residential deemed by the Council to be Missoula Zoning Districts R-1, R-2, and R-3	Exempt	Exempt

BE IT FURTHER RESOLVED, that the City Treasurer and the Montana Department of Revenue are hereby instructed to not assess properties located within the Business Improvement District for which the property taxpayer has qualified for property tax assistance as provided by 15-6-134 and 15-6-191, MCA.

BE IT FURTHER RESOLVED, that the taxes for the Downtown Business Improvement District in the amount of \$316,297.55 and listed on Exhibit A are now due and payable to the City Treasurer of the City of Missoula and will be delinquent on November 30, 2013, and May 31, 2014, at 5:00 p.m.

PASSED AND ADOPTED this 26th day of August, 2013.

ATTEST:

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

APPROVED:

/s/ John Engen
John Engen
Mayor

Resolution Number 7819

A resolution of the City Council of the City of Missoula, Montana, levying and assessing the lots and parcels within the City of Missoula Road District Number 1 for the costs associated with providing certain maintenance, purchasing and improvement services in fiscal year 2014 for city-owned facilities, land and equipment under the responsibility and care of the City of Missoula Public Works Department's Street and Vehicle Maintenance Divisions and Development Service's Engineering Division providing for a method of assessments; and providing for other matters properly relating thereto.

**CITY OF MISSOULA
Missoula County, Montana**

City of Missoula Road District Number 1

Be it resolved by the City Council of the City of Missoula, Montana:

Whereas, the City of Missoula, Montana (the "City") is a municipality duly organized and existing under and by virtue of the Constitution and laws of the State of Montana;

Whereas, the City Council of the City (the "Council") is authorized by Montana Code Annotated ("MCA"), Title 7, Chapter 11, Part 10, as amended, to create special districts to provide maintenance, purchasing and improvement services for City-owned facilities, land and equipment under the responsibility and care of the City of Missoula Public Works Department's Street, Engineering, and Vehicle Maintenance Divisions to the inhabitants of the special district;

Whereas, the Council is authorized by MCA, Title 7, Chapter 11, Part 10, as amended, to finance the maintenance, purchasing and improvement services within the special district by levying an assessment on the lots and parcels within the boundaries of the special district;

Whereas, after providing notice and conducting the public hearing required by MCA 7-11-1007, the City adopted Resolution No. 7563 on September 13, 2010, (the "Creation Resolution") creating a special district to known as the "City of Missoula Road District Number 1" (the "District") for the purpose of providing services including but not limited to: (1) maintenance, repair, replacement, upkeep, installation, improvement, operational enhancement, construction, reconstruction, acquisition of right-of-way; and/or (2) implementation of measures required to maintain public health and safety or meet legal or regulatory requirements; and/or (3) purchasing, replacing, and/or maintaining equipment, tools or vehicles used to carry out the functions described herein; and/or (4) any other functions and/or labor, supplies and materials necessary for management and maintenance of City-owned facilities, lands and equipment under the responsibility and care of the City's Public Works Department's Street, Engineering, and Vehicle Maintenance Divisions including but not limited to: streets, alleys, driveways, alley approaches, sidewalks, curbs and gutters, medians, boulevards, lighting, parking lots, support facilities, public amenities, storm water facilities, and traffic control inclusive of traffic signals, signs, and pavement markings, and other public facilities located in the public right-of-way and/or within public easements (collectively, the "Services and Improvements");

Whereas, on December 10, 2012 and December 17, 2012, the Council adopted emergency ordinances 3487 and 3488 respectively which created a Development Services Office and established the composition and duties of the office which includes transferring responsibilities for Engineering Services from the Public Works Department to Development Services beginning January 1, 2013;

Whereas, emergency ordinances go into effect immediately and are effective for ninety days;

Whereas, after providing public notice and conducting a public hearing, the Council adopted ordinances 3491 and 3492 on January 28, 2013, and February 11, 2013, respectively finalizing the creation of the Development Services Office and transferring responsibilities for Engineering Services from the Public Works Department to Development Services and said ordinances are now in effect;

Whereas, after providing public notice and conducting a public hearing, the Council adopted Resolution 7736 on September 24, 2012, establishing a funding assistance program for curb and sidewalk assessments for public right-of-way construction projects, identified the City of Missoula Road District Number 1 as a funding source for ongoing fiscal support of public right-of-way improvement projects and announced the Council's intention to include fiscal support for public right-of-way improvement projects from City of Missoula Road District Number 1 in fiscal year 2014;

Whereas, after due notice and conducting a public hearing, the Council adopted Resolution No. 7786 on June 3, 2013, fixing the annual appropriations and the capital improvement program for the City as set forth in the fiscal year 2014 budget which included a work plan and budget for the District in the amount of \$780,998 in order to provide services and purchase supplies to carry out the work plan established for the District in fiscal year 2014.

Whereas, in accordance with MCA 7-11-1024, the City Council has determined that each lot or parcel of land including the improvements on the lot or parcel shall be assessed for that part of the cost of the special district that its taxable valuation bears to the total taxable valuation of the property in the District;

Whereas, pursuant to MCA Sections 7-11-1025, the City must provide notice of the annual levy and assessment of all lots and parcels in the District for the costs of the Services and Improvements to be provided each year within the District;

Whereas, notice of the annual levy and assessment of all lots and parcels in the District for the costs of the Services and Improvements to be provided within the District to be levied was published in the *Missoula Independent*, a newspaper of general circulation in Missoula County, on August 22, 2013 and August 29, 2013;

Whereas, a public hearing was held on September 9, 2013, during a regular meeting of the Council; and

Whereas, at such hearing the Council heard and passed upon all such protests regarding the annual levy and assessment of all lots and parcels in the District for the costs of the Services and Improvements to be provided within the District.

NOW, THEREFORE IT IS HEREBY FOUND, DETERMINED AND ORDERED, as follows:

Section 1. Assessments; Assessment Methods: Property to be Assessed. Properties located in the District are hereby levied and assessed for their portion of the cost of Services and Improvements to be made in fiscal year 2014 in accordance with this Section 1 and the terms of Resolution No. 7563. The costs to provide the Services and Improvements in the District shall initially be assessed against each lot or parcel of land, including the improvements on the lot or parcel, for that part of the cost of the Services and Improvements that such lot or parcel's taxable valuation bears to the total taxable valuation of the property in the District. Such taxable valuation shall be based upon the last-completed assessment roll for state, City, county and school district taxes. The assessments shall be based on such taxable value as assigned by the Montana Department of Revenue.

In fiscal year 2014, the Council estimates the cost of the Services and Improvements to be performed in the District to total \$780,998. The work plan and budget for the Services and Improvements to be provided in fiscal year 2014 were approved by the City Council on June 3, 2013, and are on file and available for public inspection in the City Clerk's office.

Work plan and budget total:	\$780,998.00
-----------------------------	--------------

LESS fund balance support:	\$76,500.00
Total levy for Road District #1	\$704,498.00

The Council may, and hereby reserves, all rights granted by MCA Section 7-11-1025 to, change the method of assessment for the District for fiscal year 2015 and thereafter.

A map and description of the boundaries of the District are attached hereto as Exhibits "A" and "B".

Section 2. List of Properties Assessed. The official list of those properties subject to assessment, fees or taxation within the District, including the names of the owners of such properties and the amount of assessment on each property, is on file and available for public inspection in the Missoula County Treasurer's Office, and further such list is the last completed county assessment roll for the lots or parcels of land including improvements thereon, within the boundaries of the District. The list may not be distributed or sold for use as a mailing list in accordance with MCA Section 2-6-109.

Section 3. Ratifier. All actions not inconsistent with the provisions of this Resolution heretofore taken by the City and its employees with respect to the creation of the District are hereby in all respects ratified, approved and confirmed.

Section 4. Repealer. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and shall have no further force or effect.

Section 5. No Personal Recourse. No recourse shall be had for any claim based on this Resolution against any Council member or the City, nor any officer or employee, past, present or future, of the City or of any successor body as such, either directly or through the City or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

Section 6. Effective Date. This Resolution shall be in full force and effect from and after its date of adoption.

PASSED AND ADOPTED by the City Council of the City of Missoula, Montana, this 9th day of September, 2013.

CITY OF MISSOULA
Missoula County, Montana

/s/ John Engen
John Engen,
Mayor

ATTEST:

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

(S E A L)

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Missoula, Montana (the "City"), hereby certify that the attached resolution is a true copy of a resolution entitled: **"A resolution of the City Council of the City of Missoula, Montana, levying and assessing the lots and parcels within the City of Missoula Road District Number 1 for the costs associated with providing certain maintenance, purchasing and improvement services in fiscal year 2014 for city-owned facilities, land and equipment under the responsibility and care of the City of Missoula Public Works Department's Street and Vehicle Maintenance Divisions and Development Service's Engineering Division providing for a method of assessments; and providing for other matters properly relating thereto."** (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a meeting on September 9, 2013, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at such meeting, the Resolution was adopted by the following vote:

AYES, and in favor thereof: Childers, Copple, Hertz, Jaffe, Marler, O'Herron, Strohmaier, Taft, Wiener, Wilkins and Wolken

NAYS: none;

ABSENT: Haines;

ABSTAIN: none.

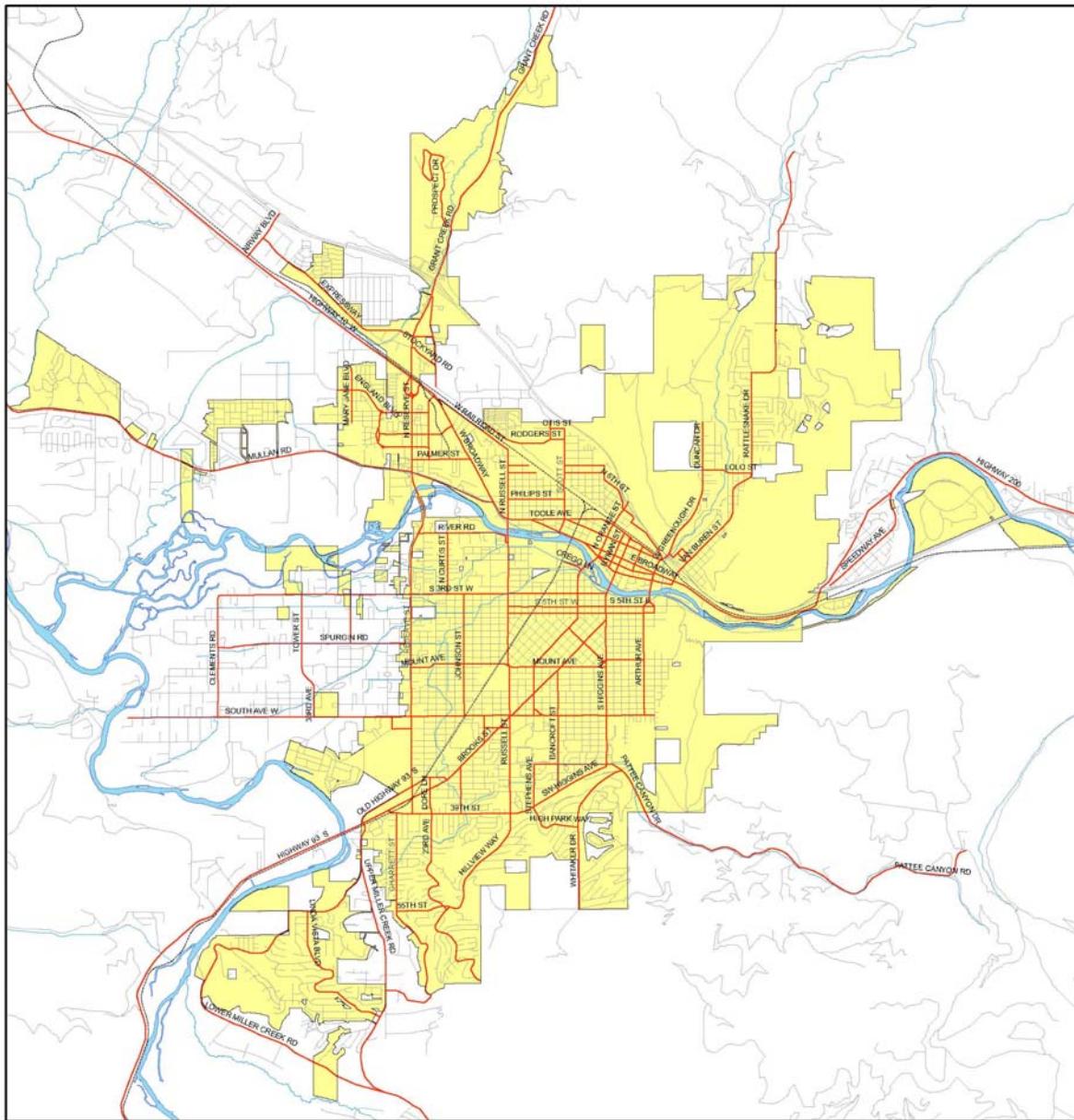
WITNESS my hand officially this 9th day of September, 2013.

CITY OF MISSOULA
Missoula County, Montana

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

(S E A L)
EXHIBIT "A"

MAP OF THE DISTRICT



CITY OF MISSOULA, MONTANA - CITY LIMITS MAP

**City Limits as of:
March 4, 2013**



0 0.5 1 2 Miles

**29.2 Square Miles
18,689 Acres
814,104,849 Square Feet**

Printing Date: Thursday, April 11, 2013
File: CityMap_8.5x11_PDF.mxd
Prepared By: GIS Services

EXHIBIT "B"**DISTRICT BOUNDARIES**

The District boundary is described as the incorporated boundary of the City of Missoula in accordance with City Council municipal annexation resolutions and municipal annexation ordinances filed in the Missoula City Clerk's public records as well as all properties later annexed thereto. Parcels within the boundary are the current parcels subject to City of Missoula property taxes as shown in the tax rolls of the Montana Department of Revenue and inclusive of those parcels that are exempt from property taxes except park land, common areas and greenways, open space lands, and parcels used as a public street and alley right-of-ways as well as all parcels later annexed thereto.

RESOLUTION NUMBER 7818

A resolution of the City Council of the city of Missoula, Montana, levying and assessing the lots and parcels within the city of Missoula Park District Number 1 for the costs associated with providing certain maintenance, purchasing and improvement services in fiscal year 2014 for city-owned facilities, land and equipment under the responsibility and care of the city of Missoula Parks and Recreation Department; providing for a method of assessments; and providing for other matters properly relating thereto.

CITY OF MISSOULA
Missoula County, Montana

City of Missoula Park District Number 1

Be it resolved by the City Council of the City of Missoula, Montana:

Whereas, the City of Missoula, Montana (the "City") is a municipality duly organized and existing under and by virtue of the Constitution and laws of the State of Montana;

Whereas, the City Council of the City (the "Council") is authorized by Montana Code Annotated ("MCA"), Title 7, Chapter 11, Part 10, as amended, to create special districts to provide maintenance, purchasing and improvement services for City-owned facilities, land and equipment under the responsibility and care of the City of Missoula Parks and Recreation Department to the inhabitants of the special district;

Whereas, the Council is authorized by MCA, Title 7, Chapter 11, Part 10, as amended, to finance the maintenance, purchasing and improvement services within the special district by levying an assessment on the lots and parcels within the boundaries of the special district;

Whereas, after providing notice and conducting the public hearing required by MCA 7-11-1007 the City adopted Resolution No. 7564 on September 13, 2010, (the "Creation Resolution") creating a special district to be known as the "City of Missoula Park District Number 1" (the "District") for the purpose of providing services including but not limited to: (1) maintenance, repair, replacement, upkeep, installation, improvement, operational enhancement, construction, reconstruction, acquisition of land; and/or (2) implementation of measures required to maintain public health and safety or meet legal or regulatory requirements; and/or (3) purchasing, replacing, and/or maintaining equipment, tools or vehicles used to carry out the functions described herein; and/or (4) any other functions, labor, supplies and/or materials necessary for management and maintenance of City-owned facilities, lands and equipment under the responsibility and care of the City of Missoula Parks and Recreation Department including but not limited to: public parks and park areas (as described in the Master Parks and Recreation Plan for the Greater Missoula Area) recreation facilities, trails, open space (as defined in the City of Missoula Urban Area Open Space Plan), urban forest, medians, boulevards, pathways, sidewalks, public easements, and other facilities which are located in the City limits and/or are owned by the City (collectively, the "Services and Improvements");

Whereas, after due notice and conducting a public hearing, the Council adopted Resolution No. 7786 on June 3, 2013, fixing the annual appropriations and the capital improvement program for the City as set forth in the fiscal year 2014 budget which included a work plan and budget for the District in the amount of \$638,297 in order to provide services and purchase supplies to carry out the work plan established for the District in fiscal year 2014;

Whereas, in accordance with MCA 7-11-1024, the City Council has determined that each lot or parcel of land including the improvements on the lot or parcel shall be assessed for that part of the cost of the special district that its taxable valuation bears to the total taxable valuation of the property in the District;

Whereas, pursuant to MCA Sections 7-11-1025, the City must provide notice of the annual levy and assessment of all lots and parcels in the District for the costs of the Services and Improvements to be provided each year within the District;

Whereas, notice of the annual levy and assessment of all lots and parcels in the District for the costs of the Services and Improvements to be provided within the District to be levied was published in the *Missoula Independent*, a newspaper of general circulation in Missoula County, on August 22, 2012 and August 29, 2013; and

Whereas, a public hearing was held on September 9, 2013, during a regular meeting of the Council; and

Whereas, at such hearing the Council heard and passed upon all such protests regarding the annual levy and assessment of all lots and parcels in the District for the costs of the Services and Improvements to be provided within the District.

NOW, THEREFORE IT IS HEREBY FOUND, DETERMINED AND ORDERED, as follows:

Section 1. Assessments; Assessment Methods: Property to be Assessed. Properties located in the District are hereby levied and assessed for their portion of the cost of Services and Improvements to be made in fiscal year 2014 in accordance with this Section 1 and the terms of Resolution No. 7564. The costs to provide the Services and Improvements in the District shall initially be assessed against each lot or parcel of land, including the improvements on the lot or parcel, for that part of the cost of the Services and Improvements that such lot or parcel's taxable valuation bears to the total taxable valuation of the property in the District. Such taxable valuation shall be based upon the last-completed assessment roll for state, City, county and school district taxes. The assessments shall be based on such taxable value as assigned by the Montana Department of Revenue.

In fiscal year 2014, the Council estimates the cost of the Services and Improvements to be performed in the District to total \$628,297. The work plan and budget for the Services and Improvements to be provided in fiscal year 2014 were approved by the City Council on June 3, 2013, and are on file and available for public inspection in the City Clerk's office.

Total levy for Park District #1 \$628,297.00

The Council may, and hereby reserves, all rights granted by MCA Section 7-11-1025 to, change the method of assessment for the District for fiscal year 2015 and thereafter.

A map and description of the boundaries of the District are attached hereto as Exhibits "A" and "B".

Section 2. List of Properties Assessed. The official list of those properties subject to assessment, fees or taxation within the District, including the names of the owners of such properties and the amount of assessment on each property, is on file and available for public inspection in the Missoula County Treasurer's Office, and further such list is the last completed county assessment roll for the lots or parcels of land including improvements thereon, within the boundaries of the District. The list may not be distributed or sold for use as a mailing list in accordance with MCA Section 2-6-109.

Section 3. Ratifier. All actions not inconsistent with the provisions of this Resolution heretofore taken by the City and its employees with respect to the creation of the District are hereby in all respects ratified, approved and confirmed.

Section 4. Repealer. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and shall have no further force or effect.

Section 5. No Personal Recourse. No recourse shall be had for any claim based on this Resolution against any Council member or the City, nor any officer or employee, past, present or future, of the City or of any successor body as such, either directly or through the City or any such successor

body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

Section 6. Effective Date. This Resolution shall be in full force and effect from and after its date of adoption.

PASSED AND ADOPTED by the City Council of the City of Missoula, Montana, this 9th day of September, 2013.

CITY OF MISSOULA
Missoula County, Montana

/s/ John Engen
John Engen,
Mayor

ATTEST:

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

(S E A L)

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Missoula, Montana (the "City"), hereby certify that the attached resolution is a true copy of a resolution entitled: **"A resolution of the City Council of the city of Missoula, Montana, levying and assessing the lots and parcels within the city of Missoula Park District Number 1 for the costs associated with providing certain maintenance, purchasing and improvement services in fiscal year 2014 for city-owned facilities, land and equipment under the responsibility and care of the city of Missoula Parks and Recreation Department; providing for a method of assessments; and providing for other matters properly relating thereto."** (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a meeting on September 9, 2013, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at such meeting, the Resolution was adopted by the following vote:

AYES, and in favor thereof: Childers, Copple, Hertz, Jaffe, Marler, O'Herron, Strohmaier,
Taft, Wiener, Wilkins and Wolken:

NAYS: none:

ABSENT: Haines:

ABSTAIN: none

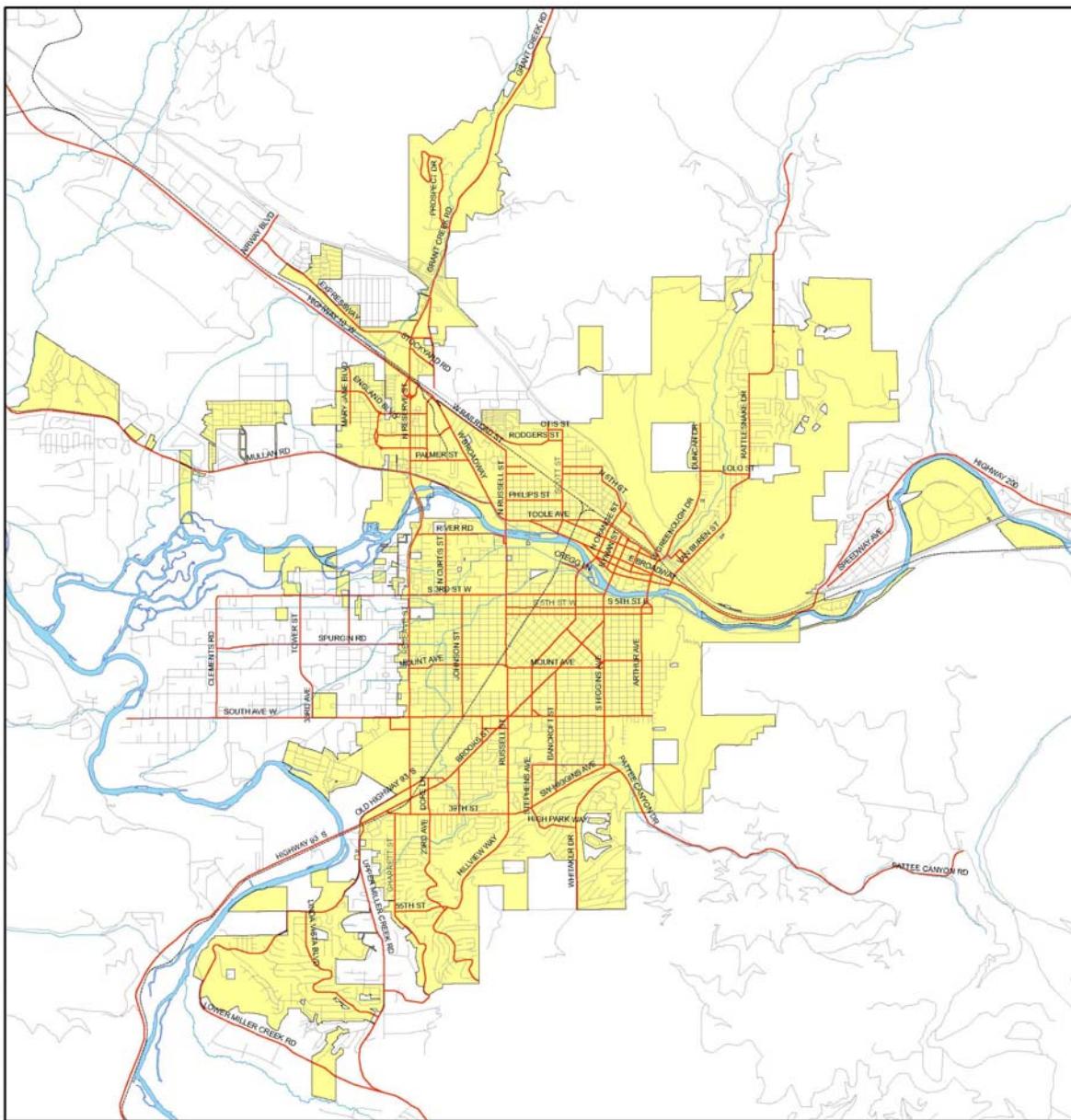
WITNESS my hand officially this 9th day of September, 2013.

CITY OF MISSOULA
Missoula County, Montana

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

(S E A L)

EXHIBIT "A"
Map of the District



CITY OF MISSOULA, MONTANA - CITY LIMITS MAP

**City Limits as of:
March 4, 2013**



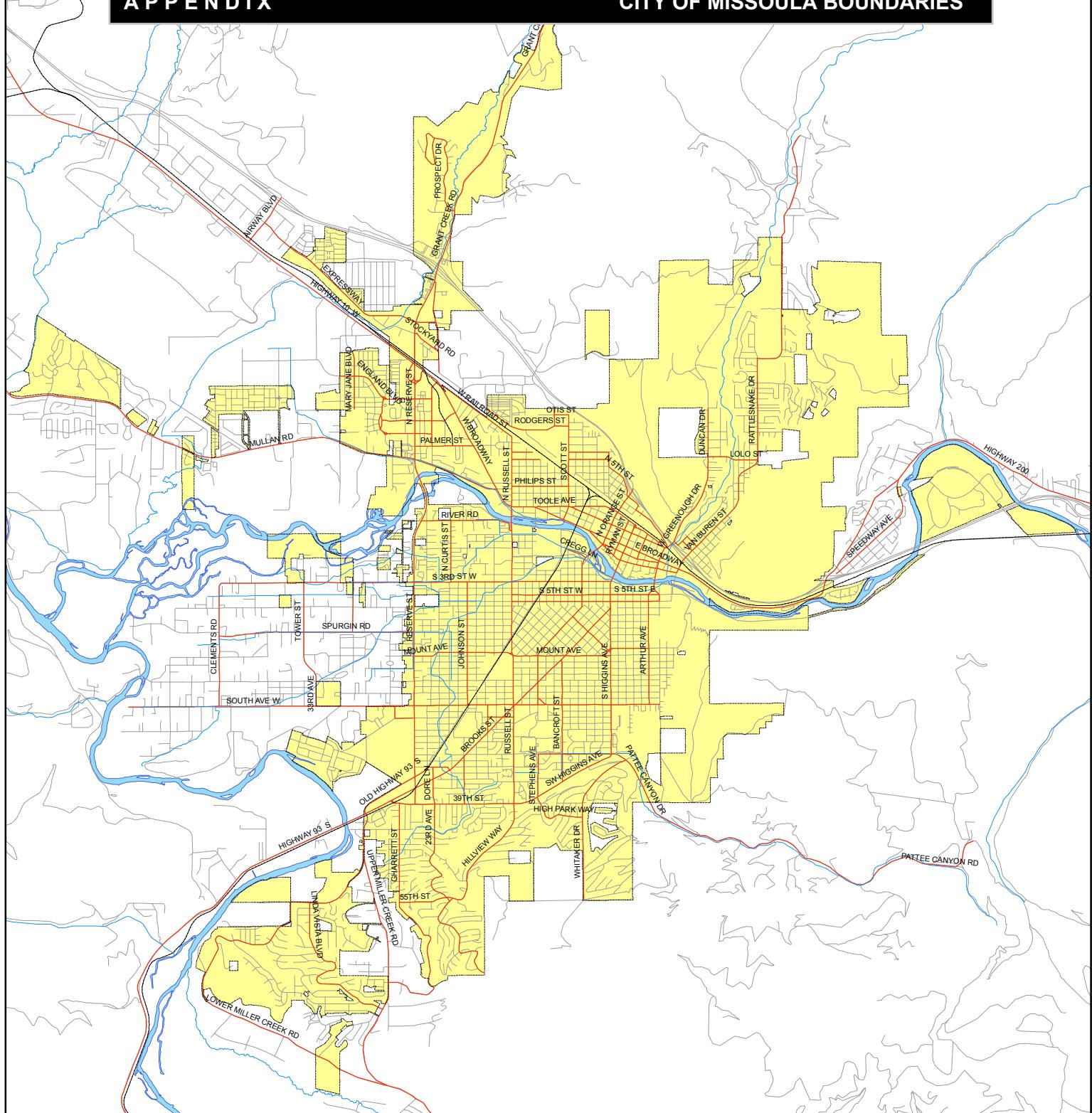
A horizontal scale bar with tick marks at 0, 0.5, 1, and 2. The text 'Miles' is written to the right of the scale bar.

**29.2 Square Miles
18,689 Acres
814,104,849 Square Feet**

Printing Date: Thursday, April 11, 2013
File: CityMap_8.5x11_PDF.mxd
Prepared By: GIS Services

EXHIBIT "B"**DISTRICT BOUNDARIES**

The District boundary is described as the incorporated boundary of the City of Missoula in accordance with City Council municipal annexation resolutions and municipal annexation ordinances filed in the Missoula City Clerk's public records as well as all properties later annexed thereto. Parcels within the boundary are the current parcels subject to City of Missoula property taxes as shown in the tax rolls of the Montana Department of Revenue and inclusive of those parcels that are exempt from property taxes except park land, common areas and greenways, open space lands, and parcels used as a public street and alley right-of-ways as well as all parcels later annexed thereto.



CITY OF MISSOULA, MONTANA - CITY LIMITS MAP

City Limits as of: March 4, 2013



0 0.5 1 2 Miles

29.2 Square Miles

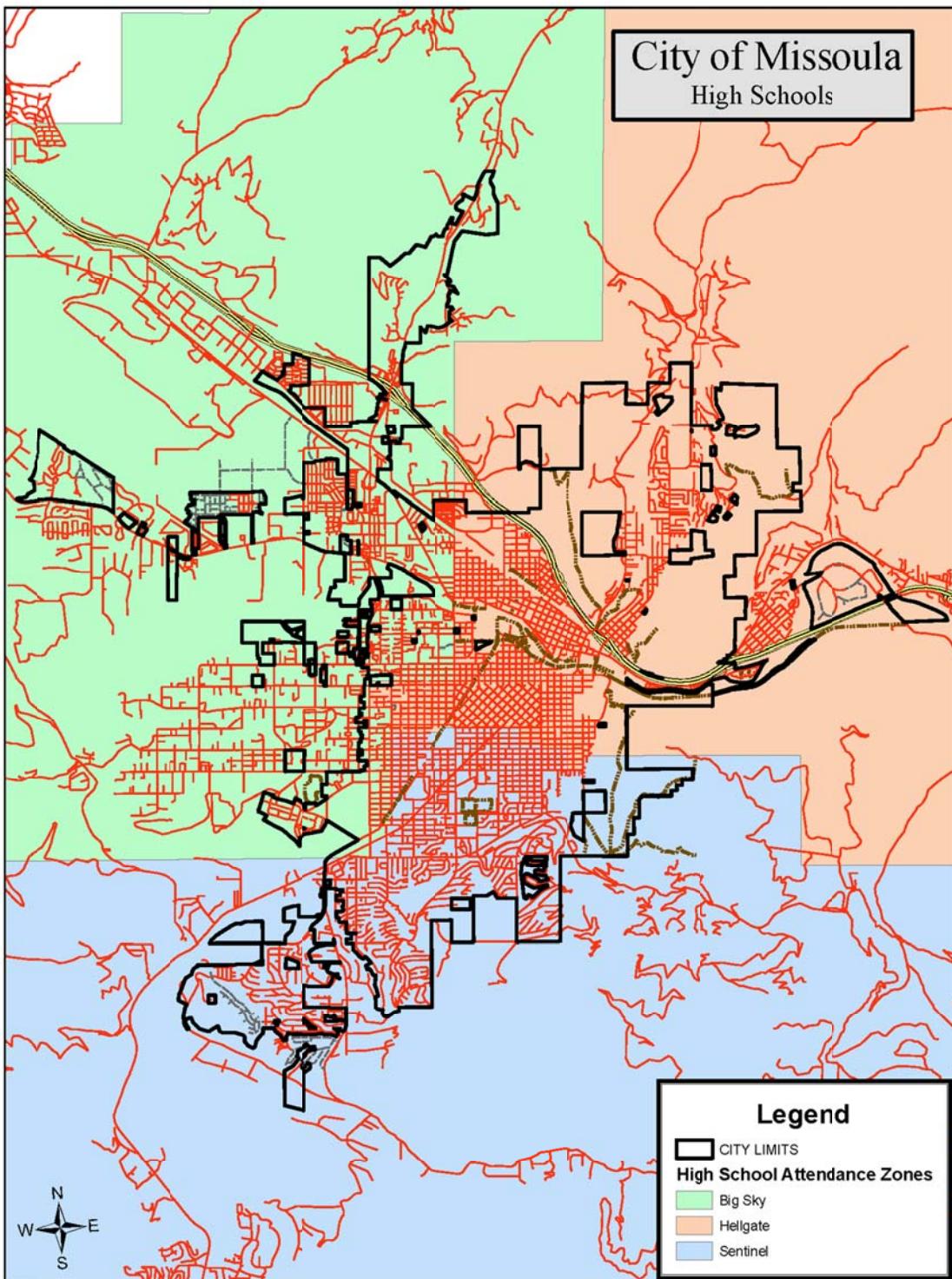
18,689 Acres

814,104,849 Square Feet

Printing Date: Thursday, April 11, 2013
File: CityMap_8.5x11_PDF.mxd



City of Missoula is home to Missoula County School District 1. Included in Missoula County, School District 1 are the following schools that serve the City of Missoula:



High Schools (serves grade 9 through grade 12)

Big Sky High School

3100 South Ave W

Missoula, MT

59804

(406) 728-2401

Hellgate High School

900 S Higgins Ave

Missoula, MT

59801

(406) 728-2402

Willard Alternative High School

901 S 6th St W

Missoula, MT

59801

(406) 542-4073

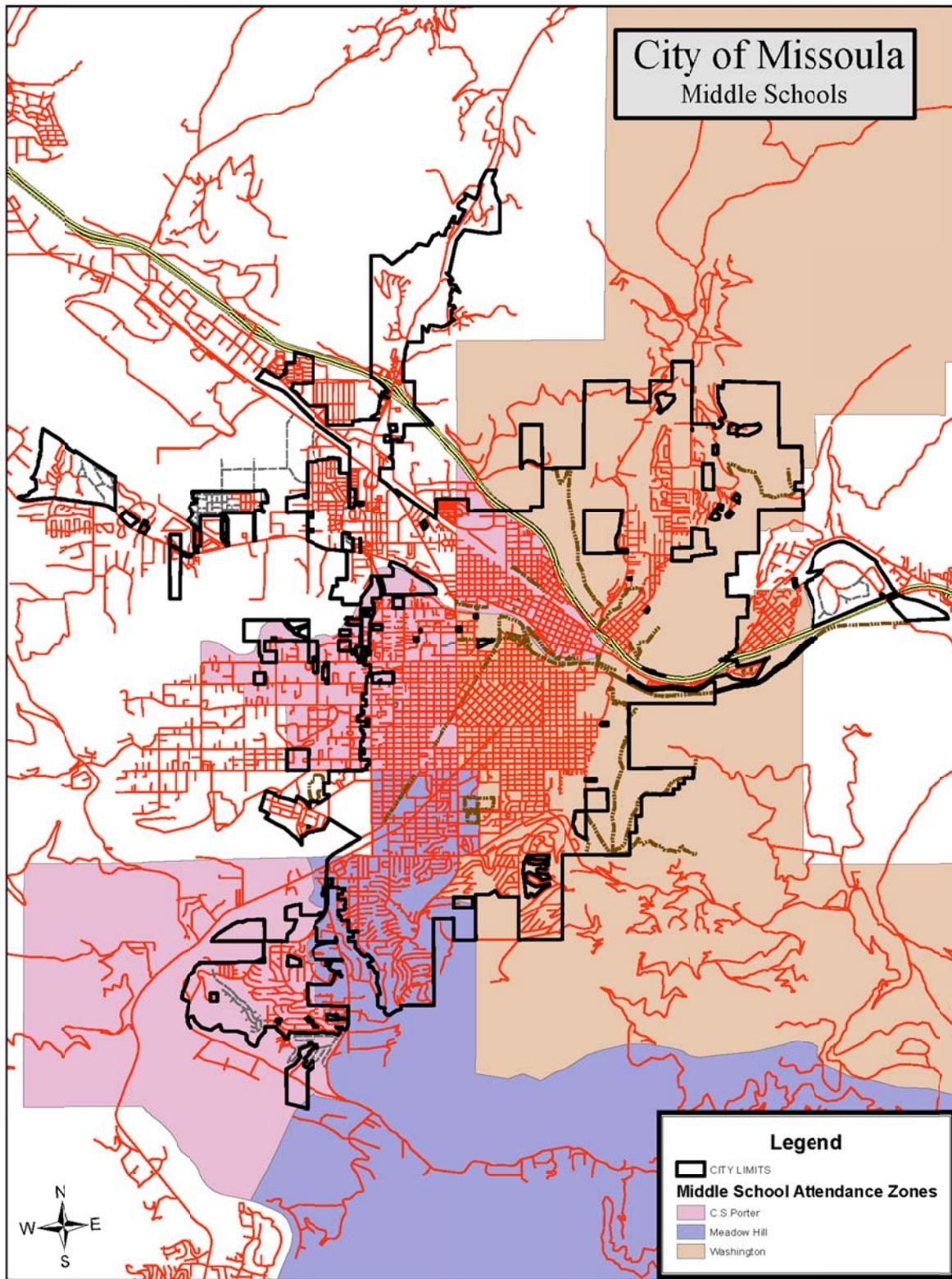
Sentinel High School

901 South Ave W

Missoula, MT

59801

(406) 728-2403



Middle Schools (serves grade 6 through grade 8)

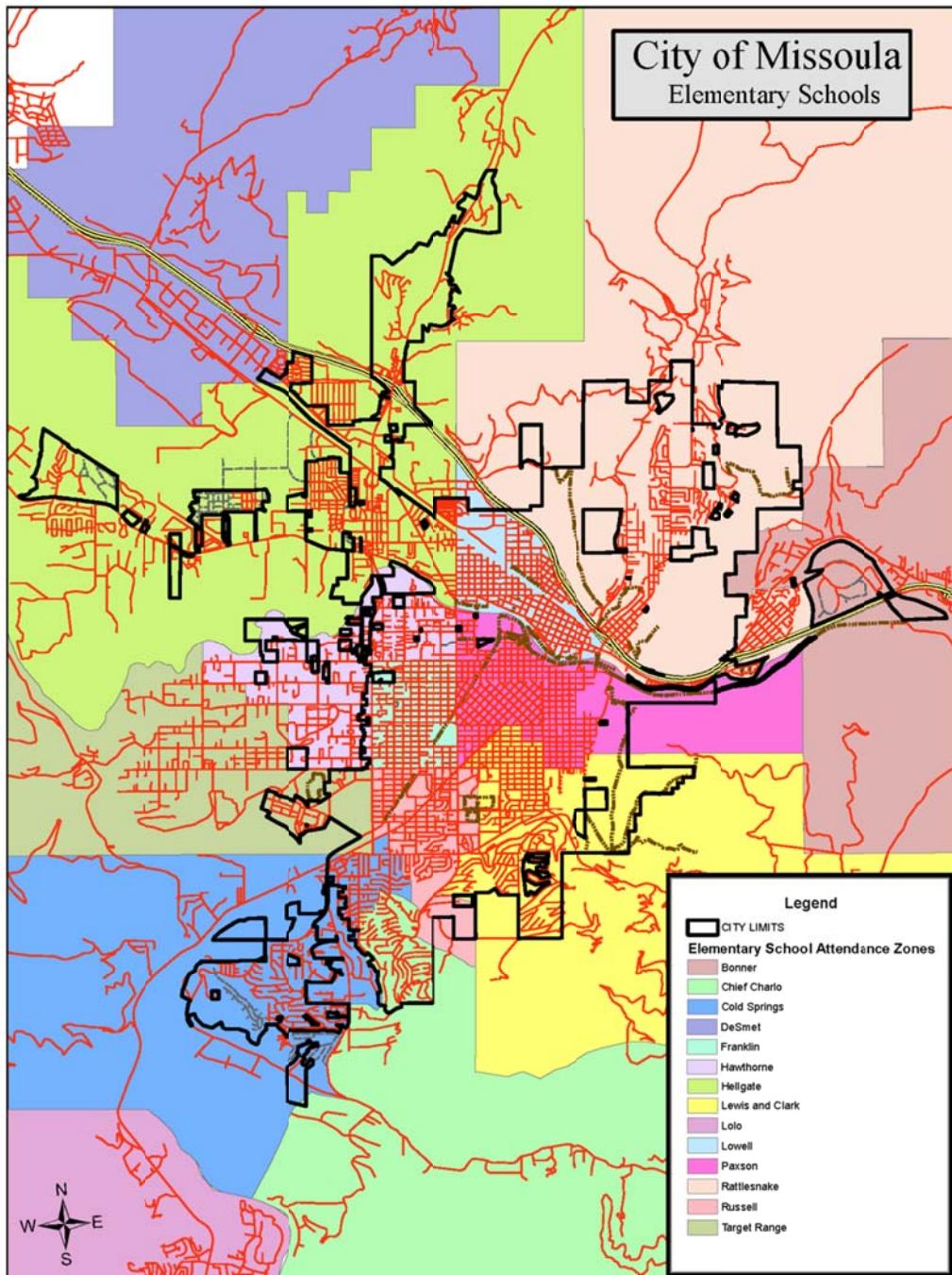
C.S. Porter School

Washington Middle School
Meadow Hill Middle School

2510 Central Ave
645 W Central Ave
4210 Reserve St

Missoula, MT 59804
Missoula, MT 59801
Missoula, MT 59803

(406) 542-4060
(406) 542-4085
(406) 542-4045



Elementary Schools (serves kindergarten through 5th grade)

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

Accrual Basis - A basis of accounting in which transactions are recognized at the time they are incurred, as apposed to when cash is received or spent.

Appropriation – An authorization made by the City Council which permits the City to incur obligations to make expenditures for specific purposes.

Assessed Valuation - A value that is established for real and personal property for use as a basis for levying property taxes.

Asset - Resources owned or held by a government which have monetary value.

Available (Undesignated) Fund Balance - Refers to the funds remaining from the prior years which are available for appropriation and expenditure in the current year.

Balanced Budget – . The city will maintain a balanced budget. This means that:

- Operating revenues must fully cover operating expenditures, including debt service.
- Ending fund balance (or working capital in proprietary funds) must meet minimum policy levels.
- Under this policy, it is allowable for total expenditures to exceed revenues in a given year as long as the projected ending fund balance meets minimum policy levels.

Base Budget Allowances – Funding for ongoing expenditures for personnel, commodities, contractual services and replacement of existing equipment previously authorized. The base budget allowance provides funding to continue previously authorized services and programs.

Bonds – A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation, revenue bonds, and special improvement district bonds. These are most frequently used to finance capital projects.

Bond Rating – An evaluation of a bond issuer's credit quality and perceived ability to pay the principal and interest on time and in full.

Bond Refinancing - The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.

Budget – A plan of financial operation for a specific time period (City of Missoula's budget is for a fiscal year July 1 - June 30). The budget contains the estimated expenditures needed to continue the county's operations for the fiscal year and revenues anticipated to finance them.

Budget Calendar - The schedule of key dates or milestones which the City follows in the preparation, adoption, and administration of the budget.

Budget Message - The opening section of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and recommendations regarding the financial policy for the upcoming period.

Budgetary Basis - This refers to the form of accounting utilized throughout the budget process. These generally take one of three forms: GAAP, Cash, and Modified Accrual.

Budgetary Control - The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenues.

Capital Budget – See Capital Improvement Program

Capital Expenditures – The item has a unit cost over \$5,000, it benefits future periods, it has a normal useful life of 1 year or more, it has an identity that does not change with use (i.e., retains its identity throughout its useful life), and it is identifiable and can be separately accounted for. Improvements to existing assets must add value and life to be included in the value of any Capital item.

Capital Improvements - Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.

Capital Improvement Program (CIP) – A plan for capital expenditures needed to maintain, replace and expand the City's heavy equipment and public infrastructure (for example, streets, parks, buildings, etc). The CIP projects these capital equipment and infrastructure needs for a set number of years (normally 5) and is updated

GLOSSARY

annually to reflect the latest priorities, cost estimates or changing financial strategies. The first year of the adopted Capital Improvement Program becomes the Annual Capital Budget.

Capital Outlay – Items that cost more than \$5,000 and have a useful life of more than one year.

Capital Project – New facility, technology system, land acquisition or equipment acquisition, or improvements to existing facilities beyond routine maintenance. Capital projects are included in the Capital Improvement Program and become fixed assets.

Cash Basis - A basis of accounting in which transactions are recognized only when cash is increased or decreased.

CDBG – Community Development Block Grant.

CIP – See Capital Improvement Program

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contractual Services – Expenditures for services performed by firms, individuals or other city departments.

Debt Ratios - Ratios which provide a method of assessing debt load and the ability to repay debt which plays a part in the determination of credit ratings. They are also used to evaluate the City's debt position over time and against its own standards and policies.

Debt Service – Payment of principal and interest on an obligation resulting from the issuance of bonds.

Debt Service Fund - Debt Service Funds are set up to receive dedicated revenues used to make principal and interest payments on City debt. They are used to account for the accumulation of resources for, and the payment of, general obligation and special assessment debt principal, interest and related costs.

Debt Service Fund Requirements - The amounts of revenue which must be provided for a Debt Service Fund so that all principal and interest payments can be made in full on schedule.

Deficit - The excess of an entity's liabilities over its assets or the excess of expenditures over revenues during a single accounting period.

Department - A major administrative division of the City which indicates overall management responsibility for an operation or a group of related operations within a functional area.

Depreciation - Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence.

Distinguished Budget Presentation Awards

Program - A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Division - A group of homogeneous cost centers within a department, i.e. Administration, Engineering, Signing & Striping, Traffic Sign Maintenance, Communications Maintenance, Street Lighting, Bike-Ped Program and Weed Cutting all make up the Engineering Division within the Public Works Department.

Enterprise Funds – Funds that are accounted for in a manner similar to a private business. Enterprise funds usually recover their costs (including depreciation) through user fees. The City has one such self-supporting fund in its primary governmental reporting unit: Wastewater Treatment Fund.

Estimate – The most recent prediction of current year revenue and expenditures. Estimates are based upon many months of actual expenditure and revenue information and are prepared to consider the impact of unanticipated costs or other economic changes.

Estimated Revenue - The amount of projected revenue to be collected during the fiscal year.

Fixed Assets - Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

FTE – See Full-Time Equivalent

Full Faith and Credit - A pledge of a government's taxing power to repay debt obligations.

Full-Time Equivalent (FTE) – A position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time clerk working for 20 hours per week would be equivalent to one-half of a full-time position or 0.5 FTE.

Fund – An independent governmental accounting entity with a self-balancing group of accounts including assets, liabilities and fund balance, which record all financial transactions for specific activities of government functions.

Fund Balance – As used in the budget, the excess of resources over expenditures. The beginning fund balance is the residual funds brought forward from the previous fiscal year.

GAAP – See Generally Accepted Accounting Principles

GASB – Governmental Accounting Standards Board

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

General Obligation Bonds (G.O. Bonds) – Bonds that require voter approval and finance a variety of public capital projects such as roads, buildings, parks and improvements. The bonds are backed by the "full faith and credit" of the issuing government.

Goal – A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given time period.

G. O. Bonds – See General Obligation Bonds

Governmental Funds - are those through which most governmental functions of the city are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds.

Grant – A contribution by one government unit or funding source to another. The contribution is usually made to aid in the support of a specified function (e.g., public safety or drug enforcement, but it is sometimes for general purposes).

Infrastructure – Facilities that support the daily life and growth of the city, for example, streets, public buildings, wastewater treatment and parks.

Improvement Districts – Special assessment districts formed by property owners who desire and are willing to pay for mutually enjoyed improvements such as roads or maintenance districts.

Intergovernmental Revenue - Funds received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Levy – See Tax Levy

Line-Item Budget - A budget that lists each expenditure category (salary, materials, telephone service, travel, etc.) separately, along with the dollar amount budgeted for each specified category.

Mandate – Legislation passed by the state or federal government requiring action or provision of services and/or programs. Examples include the Americans with Disabilities Act, which requires actions such as physical facility improvements and provision of specialized transportation services.

NVRA – National Voter Registration Act.

Objective – A desired output-oriented accomplishment that can be measured and achieved within a given time frame, and advances the activity and organization toward a corresponding goal.

Operating Budget - The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel; supplies, utilities, materials, travel, and fuel.

Operating Funds – Resources derived from continuing revenue sources used to finance ongoing operating expenditures and "pay-as-you-go" capital projects.

Ordinance – A formal legislative enactment by the City Council. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the city.

Outstanding Bonds – Bonds not yet retired through principal and interest payments.

Overlapping Debt - The City's proportionate share of the debt of other local governmental units which either overlap it or underlie it. The debt is generally apportioned based on relative assessed value.

Pay-As-You-Go Capital Projects – Capital projects whose funding comes from day-to-day City operating revenue sources.

Performance Budget - A budget that focuses upon departmental goals and objectives rather than line items, programs, or funds. Workload and unit cost data are collected in order to assess the effectiveness and efficiency of services.

Personal Services – All costs related to compensating City employees including employee benefits costs such as contributions for retirement, social security, and health and workers' compensation insurance. It also includes fees paid to elected officials, jurors, and election judges and clerks. It does not include fees for professional or other services.

PILT - Payment in Lieu of Taxes from another government or non-profit entity.

Program Budget - A budget that focuses upon broad functions or activities of an agency or jurisdiction rather than upon its organizational budget units or object classes of expenditure.

Property Tax – A levy upon each \$100 of assessed valuation of property within the City of Missoula.

Resolution - A special or temporary order of a legislative body (City Council) requiring less legal formality than an ordinance or statute.

Resources – Total amounts available for appropriation including estimated revenues, fund transfers and beginning fund balances.

Restricted Funds – See Special Revenue Fund.

Revenue - Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

Revenue Bonds – Bonds usually sold for constructing a project that will produce revenue for the government. That revenue is pledged to pay the principal and interest of the bond.

Risk Management - An organized attempt to protect a government's assets against accidental loss in the most economical method.

Salary Savings – Budget savings realized through normal employee turnover.

Special Revenue Fund – A fund used to account for receipts from revenue sources that have been earmarked for specific activities and related expenditures. Examples include funds such as Cemetery Perpetual Care, Drug Forfeiture and Law Enforcement Block Grant .

State-Shared Revenues – Revenues levied and collected by the state but shared with local governments as determined by state government each year. Entitlement funds received by the City from the state is the largest of such shared revenues.

Taxes - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Tax Levy - The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

Transfers In/Out - Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

Unreserved Fund Balance - The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Fees or User Charges – A fee paid for a public service or use of a public facility by the individual or organization benefiting from the service.

Workload Indicator - A unit of work to be done (e.g., number of permit applications received or the number of burglaries to be investigated).

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 396,988	\$ 639,060	\$ 588,145	\$ 759,606	\$ 558,624	\$ 699,325	\$ 740,667	\$ -	\$ -	\$ -
Unreserved	1,450,347	1,167,446	1,341,370	1,365,053	643,449	201,062	1,348,317	-	-	-
Nonspendable*	-	-	-	-	-	-	-	1,148,767	1,232,302	1,259,186
Restricted*	-	-	-	-	-	-	-	165,282	105,804	157,822
Assigned*	-	-	-	-	-	-	-	1,203,481	1,284,045	1,757,237
Unassigned*	-	-	-	-	-	-	-	1,152,657	1,940,474	2,968,122
Total General Fund	<u>\$ 1,847,335</u>	<u>\$ 1,806,506</u>	<u>\$ 1,929,515</u>	<u>\$ 2,124,659</u>	<u>\$ 1,202,073</u>	<u>\$ 900,387</u>	<u>\$ 2,088,984</u>	<u>\$ 3,670,187</u>	<u>\$ 4,562,625</u>	<u>\$ 6,142,367</u>
All other governmental funds										
Reserved	\$ 2,993,025	\$ 3,280,061	\$ 3,602,376	\$ 3,007,558	\$ 3,175,573	\$ 3,654,339	\$ 3,869,555	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2,458,951	2,124,775	1,939,572	1,462,685	3,208,509	3,814,089	4,124,600	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	7,692,538	7,181,073	(5,290,370)	521,612	(1,471,297)	(4,728,035)	(4,089,044)	-	-	-
Nonspendable*	-	-	-	-	-	-	-	11,505	12,042	-
Restricted*	-	-	-	-	-	-	-	7,911,860	7,409,318	6,789,639
Committed*	-	-	-	-	-	-	-	1,374,228	2,048,128	2,892,425
Unassigned*, reported in:										
Special revenue funds	-	-	-	-	-	-	-	(332,574)	(149,817)	(105,325)
Debt service funds	-	-	-	-	-	-	-	(36,421)	(174,575)	(23,761)
Capital projects funds	-	-	-	-	-	-	-	(3,962,631)	(4,602,847)	(645,428)
Neighborhood stabilization funds	-	-	-	-	-	-	-	-	(4,139)	-
Total other governmental funds	<u>\$ 13,144,514</u>	<u>\$ 12,585,909</u>	<u>\$ 251,578</u>	<u>\$ 4,991,855</u>	<u>\$ 4,912,785</u>	<u>\$ 2,740,393</u>	<u>\$ 3,905,111</u>	<u>\$ 4,965,967</u>	<u>\$ 4,538,110</u>	<u>\$ 8,907,550</u>

Source: City of Missoula

* Restated to conform to GASB Statement No. 54

STATISTICAL SECTION

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes and assessments	\$ 18,956,194	\$ 19,470,666	\$ 22,340,804	\$ 24,128,385	\$ 25,071,209	\$ 26,649,687	\$ 27,445,555	\$ 28,256,587	\$ 29,396,016	\$ 31,729,767
Licenses and permits	2,318,146	3,165,413	2,839,058	2,927,474	4,054,474	2,753,704	3,050,653	3,092,436	2,866,229	3,227,926
Intergovernmental	11,091,624	14,238,028	13,208,755	13,035,698	12,747,140	13,147,938	20,456,138	17,531,499	25,130,561	17,665,516
Charges for services	2,700,372	3,298,503	3,625,225	4,540,977	3,911,813	4,439,499	4,475,126	5,160,326	5,106,399	6,057,449
Fines and forfeitures	857,707	1,223,864	1,178,920	1,421,588	1,215,955	1,130,177	1,203,587	1,008,945	1,344,578	1,565,130
Miscellaneous	520,337	309,781	949,537	975,534	1,699,515	1,168,486	1,464,092	1,205,961	613,255	625,976
Interest earnings	449,387	226,538	192,758	538,418	584,698	156,522	63,362	32,409	41,691	47,961
Total revenues	<u>36,893,767</u>	<u>41,932,793</u>	<u>44,335,057</u>	<u>47,568,074</u>	<u>49,284,804</u>	<u>49,446,013</u>	<u>58,158,513</u>	<u>56,288,163</u>	<u>64,498,728</u>	<u>60,919,725</u>
Expenditures										
General government	4,718,579	4,501,423	6,334,244	5,745,356	6,515,738	7,752,035	7,252,975	6,493,866	6,949,250	8,034,601
Public safety	15,420,765	16,957,739	18,138,794	19,880,732	21,637,023	21,669,039	22,227,258	22,431,087	23,834,156	25,803,943
Public works	5,239,404	5,765,617	5,803,509	6,161,928	6,670,377	6,624,812	6,577,834	7,962,836	7,437,537	7,393,392
Public health	1,008,837	1,096,344	1,152,195	1,249,223	1,364,663	1,404,043	1,368,398	1,372,380	1,431,431	1,482,096
Social and economic	100,706	105,238	108,395	132,897	115,000	118,450	118,450	116,000	116,000	116,000
Culture and recreation	2,468,401	2,719,381	3,011,054	3,676,479	3,118,438	3,278,075	3,293,005	3,289,120	3,528,049	3,838,271
Community development	681,088	2,129,109	2,379,741	2,202,392	2,041,498	1,193,372	4,017,676	2,264,947	10,348,859	1,238,419
Conservation of natural resources	-	-	-	-	-	-	7,757	450	100	120
Miscellaneous	795,362	910,387	-	947,093	-	-	1,041,180	1,189,351	1,003,472	1,049,647
Debt service - principal	4,369,674	2,432,981	2,783,319	6,127,301	2,973,898	3,026,661	3,121,407	3,484,312	3,689,100	3,057,702
Debt service - interest	1,126,448	1,428,517	1,357,860	1,671,508	1,665,936	1,595,937	1,584,136	1,595,391	1,556,195	2,531,043
Capital outlay	6,514,225	4,980,661	18,496,532	9,116,240	7,575,647	5,401,985	8,518,735	7,777,324	6,202,777	6,863,986
Total expenditures	<u>42,443,489</u>	<u>43,027,397</u>	<u>59,565,643</u>	<u>56,911,149</u>	<u>53,678,218</u>	<u>52,064,409</u>	<u>59,128,811</u>	<u>57,977,065</u>	<u>66,096,927</u>	<u>61,409,220</u>
Excess of revenues over (under) expenditures	<u>(5,549,722)</u>	<u>(1,094,604)</u>	<u>(15,230,586)</u>	<u>(9,343,075)</u>	<u>(4,393,414)</u>	<u>(2,618,396)</u>	<u>(970,298)</u>	<u>(1,688,902)</u>	<u>(1,598,199)</u>	<u>(489,495)</u>
Other financing sources (uses)										
Transfers in	5,474,240	4,833,042	5,338,325	7,003,875	4,551,456	5,343,911	5,531,051	4,989,066	7,143,975	7,539,764
Transfers out	(5,283,345)	(4,675,148)	(5,170,043)	(6,821,059)	(4,665,834)	(5,282,309)	(5,557,582)	(4,797,139)	(7,478,899)	(8,145,604)
Payments to Refunded Bond Escrow Agent	-	-	-	(2,037,769)	-	-	(983,591)	-	-	(5,541,672)
Refunding Bond Proceeds	-	-	-	4,355,000	-	-	1,000,000	-	-	5,480,000
Premium on Refunded Bonds	-	-	-	-	-	-	-	-	-	152,081
Proceeds from long term debt	18,759,366	994,921	2,850,881	11,574,351	2,378,354	-	3,276,941	4,168,336	2,559,396	1,895,150
Proceeds from sale of capital assets	228,088	46,347	100	-	840,620	82,716	56,794	-	-	22,171
Total other financing sources (uses)	<u>19,178,349</u>	<u>1,199,162</u>	<u>3,019,263</u>	<u>14,074,398</u>	<u>3,104,596</u>	<u>144,318</u>	<u>3,323,613</u>	<u>4,360,263</u>	<u>2,224,471</u>	<u>1,401,890</u>
Net change in fund balances	<u>\$ 13,628,627</u>	<u>\$ 104,558</u>	<u>\$ (12,211,323)</u>	<u>\$ 4,731,323</u>	<u>\$ (1,288,818)</u>	<u>\$ (2,474,078)</u>	<u>\$ 2,353,315</u>	<u>\$ 2,671,361</u>	<u>\$ 626,272</u>	<u>\$ 912,395</u>
Debt service as a percentage of non-capital expenditures	18%	15%	12%	23%	12%	12%	11%	12%	10%	12%

Source: City of Missoula

STATISTICAL SECTION

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

Taxing Authority	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
City of Missoula	182.57	196.39	204.73	212.23	222.45	222.45	225.56	233.24	240.90	243.52
County of Missoula										
County Wide	127.12	129.11	133.64	136.19	140.35	138.94	139.80	142.47	145.04	150.32
County Wide Schools	101.59	102.26	104.26	104.04	105.61	104.62	103.45	100.94	100.17	104.60
Total	228.71	231.37	237.90	240.23	245.96	243.56	243.25	243.41	245.21	254.92
District Schools										
School District One	158.29	150.66	150.26	145.45	140.24	142.75	141.50	145.18	141.88	148.94
High Schools	83.16	83.40	82.21	77.05	79.13	76.46	74.63	76.44	71.92	72.19
Total	241.45	234.06	232.47	222.50	219.37	219.21	216.13	221.62	213.80	221.13
State Levies										
University	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Education Foundation	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Total	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00
Urban Transportation District	12.23	12.38	13.91	14.62	14.86	16.30	16.45	17.69	19.51	21.05
Total Levy on City Residents	<u>710.96</u>	<u>720.20</u>	<u>735.01</u>	<u>735.58</u>	<u>748.64</u>	<u>747.52</u>	<u>747.39</u>	<u>761.96</u>	<u>765.42</u>	<u>786.62</u>
Overall Property Tax Increase(Decrease)	0.29%	1.30%	2.06%	0.08%	1.78%	-0.15%	-0.02%	1.95%	0.45%	2.77%
Other Levies of Interest										
County Only	33.97	31.83	34.50	35.68	35.80	35.80	36.18	36.18	36.38	36.370
Missoula Rural Fire	78.26	79.64	80.89	91.13	94.13	94.13	97.97	97.97	100.33	102.390

Source: County of Missoula Accounting Office

Note: MRA doesn't get University mills.

STATISTICAL SECTION

CITY OF MISSOULA, MONTANA ESTIMATED MARKET VALUE, TAXABLE VALUE AND MILL LEVY Last Ten Fiscal Years

Fiscal Year	Estimated Market Value	Taxable Value City Without Tax Increment	Ratio of Total Assessed Value to Total Estimated Market Value	Taxable Value Tax Increment Districts	Mill Levy
2005	\$ 2,636,857,585	\$ 84,586,453	3.21%	\$ 3,603,495	182.57
2006	2,805,424,077	91,358,406	3.26%	3,844,866	196.39
2007	2,901,638,641	93,533,579	3.22%	1,446,959	204.73
2008	3,195,587,513	99,332,558	3.11%	1,806,159	212.23
2009	3,369,424,088	103,000,436	3.06%	1,909,938	222.45
2010	3,757,969,949	104,408,018	2.78%	4,507,159	222.45
2011	3,965,146,053	106,229,033	2.68%	5,245,004	225.56
2012	4,140,685,284	107,878,992	2.61%	5,114,782	233.24
2013	4,110,699,383	108,167,019	2.63%	4,530,936	240.90
2014	4,305,020,382	109,336,360	2.54%	4,732,437	243.52

Source: Missoula County Assessors Office

STATISTICAL SECTION

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

Fiscal Year	Real Property	Equipment & Fixtures	Electric, Airline & Telecommunications			Railroad	Electric, Phone Co-ops & Pollution Control	Other	Tax Increment District	Total Taxable Assessed Value
			Electric	Airline &	Telecommunications					
2005	\$ 78,436	\$ 4,362	\$ 4,902	\$ 372	\$ 363	\$ (246)	\$ (3,603)	\$ 84,586		
2006	81,061	4,529	4,999	363	380	27	(3,845)	87,514		
2007	84,231	4,697	5,291	346	379	61	(1,471)	93,534		
2008	91,045	4,474	7,475	313	382	-	(1,806)	101,883		
2009 ^	-	-	-	-	-	-	-	-	-	-
2010	96,352	5,133	3,585	348	380	3,117	(4,507)	104,408		
2011	96,914	4,785	5,304	397	393	3,681	(5,245)	106,229		
2012	98,235	4,851	5,376	402	398	3,732	(5,115)	107,879		
2013	98,669	3,852	5,175	440	407	4,154	(4,531)	108,167		
2014	99,741	4,086	4,928	587	346	4,350	(4,732)	109,305		

*Property in the City does have a Market Value is assessed at actual value at a rate of 2.5%; therefore, the assessed values are equal to actual value.

*This table presents taxable property assessments at values calculated after certified values were received from the Department of Revenue. These values will not articulate to certified values due to the date that this report is run by the Department of Revenue.

^ 2009 Values are no longer available due to Department of Revenue (DOR) software constraints and timing issues in FY2009.

Source: Missoula County Assessor's Office and Department of Revenue.

STATISTICAL SECTION

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

Fiscal Year	Assessed Value City Property	New Construction						% Change Over Last Year	
		Single Family		Multi-Family		All Construction			
		Number	Value Estimate	Number	Value Estimate	Number	Value Estimate		
2004	\$ 2,403,250,454	367	\$ 31,611,232	359	\$ 15,081,537	1,663	\$ 109,963,100	-43.31%	
2005	2,636,857,585	457	38,970,878	194	8,157,757	1,677	113,217,490	2.96%	
2006	2,805,424,077	374	35,521,132	79	4,393,527	1,494	99,855,627	-11.80%	
2007	2,901,638,641	303	31,466,438	153	7,595,391	1,613	89,139,379	-10.73%	
2008	3,195,587,513	229	21,554,764	154	9,711,099	1,530	133,165,009	49.39%	
2009	3,369,424,088	142	11,627,586	73	3,019,865	1,291	63,987,567	-51.95%	
2010	3,757,969,949	139	12,643,362	63	2,552,415	1,306	54,867,213	-14.25%	
2011	3,965,146,053	95	8,892,276	262	17,010,385	1,283	87,790,572	60.01%	
2012	4,140,685,284	96	9,675,751	329	15,186,996	1,395	58,443,007	-33.43%	
2013	4,110,699,383	127	11,284,179	371	14,682,857	1,485	68,558,394	17.31%	

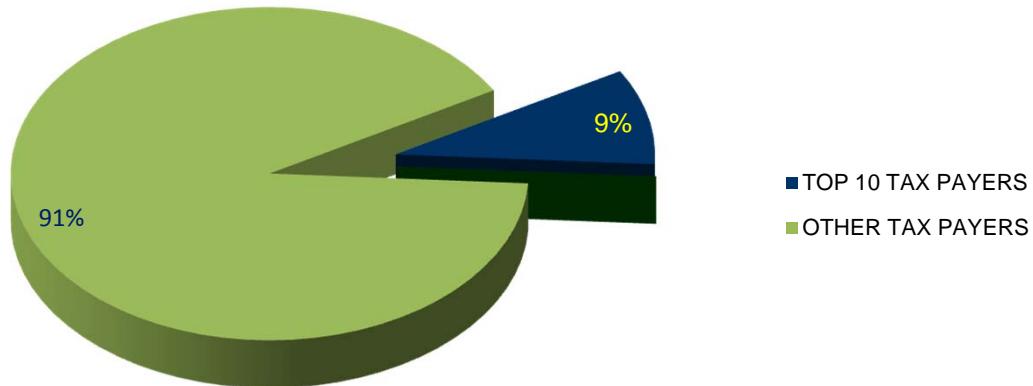
Source: City of Missoula Building Inspection Office and Missoula County Assessor

**CITY OF MISSOULA
FOR FY 2013 - FY 2014**

Rank	Taxpayer	Taxable Value
1	NORTHWESTERN CORPORATION	\$ 3,225,247
2	QWEST COMMUNICATIONS	1,632,708
3	BRESNAN COMMUNICATIONS	1,097,194
4	MOUNTAIN WATER COMPANY	952,986
5	CELLCO PARTNERSHIP DBA VERIZON	760,955
6	SOUTHGATE MALL	703,949
7	GATEWAY LIMITED PARTNERSHIP	570,011
8	ST PATRICK HOSPITAL CORPORATION	462,068
9	MONTANA RAIL LINK	383,021
10	FIRST INTERSTATE BANK	349,036

\$ 10,137,175

SOUTHGATE MALL

**Top 10 Taxpayers as compared to
remaining taxpayers**

CITY OF MISSOULA, MONTANA
PROPERTY TAX LEVIES AND COLLECTIONS
GOVERNMENTAL FUND TYPES
Last Ten Fiscal Years

Fiscal Year Ended June 30th	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date*			Percentage of Delinquencies
		Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy	
2004	\$ 14,911,332	\$ 14,943,191	100.21%	\$ 281,762	\$ 15,224,953	102.10%	-0.21%
2005	15,976,238	15,900,407	99.53%	208,969	16,109,376	100.83%	0.47%
2006	18,368,735	17,935,902	97.64%	366,878	18,302,780	99.64%	2.36%
2007	19,967,941	19,806,028	99.19%	220,890	20,026,918	100.30%	0.81%
2008	21,454,303	20,926,264	97.54%	56,389	20,982,653	97.80%	2.46%
2009	22,915,155	21,901,904	95.58%	887,073	22,788,977	99.45%	4.42%
2010	22,916,556	22,249,952	97.09%	942,450	23,192,402	101.20%	2.91%
2011	23,960,119	22,526,690	94.02%	1,003,845	23,530,535	98.21%	5.98%
2012	20,656,453	20,154,453	97.57%	203,657	20,358,110	98.56%	2.43%
2013	20,204,318	20,114,458	99.56%	718,962	20,833,420	103.11%	0.44%

Source: City of Missoula

* This includes all collections, current and delinquent

STATISTICAL SECTION

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

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

Market Valuation	\$	4,110,699,383
Market Valuation (Less Tax Increment)	\$	4,106,168,447
Taxable Valuation	\$	112,409,928
Taxable Valuation (Less Tax Increment)	\$	108,167,019
Population		67,699
Direct Debt Per Capita	\$	186
Direct and Overlapping Debt Per Capita	\$	404
Direct Debt to Market Valuation		0.31%
Direct and Overlapping Debt to Market Valuation		0.67%
Direct Debt to Taxable Valuation		11.18%
Direct and Overlapping Debt to Taxable Valuation		24.35%
Market Valuation per Capita	\$	60,720
Taxable Valuation per Capita	\$	1,598

Source: City of Missoula

STATISTICAL SECTION

SUMMARY OF DIRECT DEBT, INDIRECT DEBT AND DEBT RATIOS REQUIRED CONTINUING DISCLOSURE AS OF JUNE 30, 2013

	Summary of Direct Debt		
	Gross Debt	Less: Debt Service Funds (a)	Net Direct Debt
General Obligation Debt Supported by Taxes	\$ 12,570,000	\$ -	\$ 12,570,000
Debt Supported by General Fund	5,285,000	-	5,285,000
Revenue Debt (Sewer)	23,600,000	(b)	23,600,000
Revenue Debt (TIF and Parking)	26,801,713	(c)	26,801,713
Subtotal of Direct Debt	<u>\$ 68,256,713</u>		<u>\$ 68,256,713</u>

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

	Summary of Indirect Debt		
	G.O. Debt as of June 30, 2013	Debt Applicable to Tax Capacity of City Percentage [^]	Amount
Taxing Unit:			
Missoula County High School District	\$ 9,670,000	57.60%	\$ 5,569,920
Hellgate Elementary School District	10,910,000	15.68%	1,710,221
School District No. 20 (Desmet)	215,000	0.50%	1,075
Missoula County	14,102,000	53.30%	7,516,366
Subtotal of Indirect Debt	<u>\$ 34,897,000</u>		<u>\$ 14,797,582</u>
Total of Direct and Indirect Debt			<u>\$ 83,054,295</u>

	Debt Ratios*	
	G.O. Net Direct Debt	G.O. Indirect & Net Direct Debt
Current Year Estimated Value Per Capita	0.31%	0.67%

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

[^]The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Local Schools

STATISTICAL SECTION

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 42,362	\$ 43,815	\$ 48,253	\$ 84,236	\$ 85,308	\$ 93,949	\$ 93,949	\$ 99,129	\$ 103,517	\$ 102,767
Total net debt applicable to limit	<u>15,566</u>	<u>14,511</u>	<u>18,972</u>	<u>17,944</u>	<u>16,426</u>	<u>16,426</u>	<u>15,224</u>	<u>13,966</u>	<u>12,661</u>	<u>11,520</u>
Legal debt Margin	<u>\$ 26,796</u>	<u>\$ 29,304</u>	<u>\$ 29,281</u>	<u>\$ 66,292</u>	<u>\$ 68,882</u>	<u>\$ 77,523</u>	<u>\$ 78,725</u>	<u>\$ 85,163</u>	<u>\$ 90,856</u>	<u>\$ 91,247</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>36.75%</u>	<u>33.12%</u>	<u>39.32%</u>	<u>21.30%</u>	<u>19.26%</u>	<u>17.48%</u>	<u>16.20%</u>	<u>14.09%</u>	<u>12.23%</u>	<u>11.21%</u>

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed Value of Taxable Property as Ascertained by the last Assessment for Taxes	\$ 4,110,699
Debt Limit 2.5% of Assessed Value (1)	<u>2.50%</u>
General Obligation Debt Limit	102,767
Less: Outstanding General Obligation Debt, June 30, 2013	<u>11,520</u>
Total net debt applicable to limit	<u>91,247</u>
Legal Debt Margin	<u>\$ 91,247</u>

(1) Montana Statute (7-7-4201) prescribes a legal debt limit of 2.5% of the total assessed value of taxable property, which was increased in the FY 2007 legislature from 1.51%.

Source: City of Missoula
Source: Missoula County Assessors Office

STATISTICAL SECTION

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

Fiscal Year	Governmental Activities					Business-Type Activities		Total Personal Per capita Income*		Debt as a Percentage of Personal Income		Debt Per Capita	Debt as a Percentage of Market Value
	General Obligation Bonds	Limited Obligation Bonds	Special Assessment Bonds	State Board of Investment Loans	Sidewalk and Curb Warrants	Revenue Bonds	Total Primary Government	Total Population					
2004	\$ 15,895,000	\$ 1,440,000	\$14,649,201	\$ 100,179	\$ 316,409	\$15,215,987	\$ 47,616,776	\$ 30,098	62,120	2.55%	767	1.81%	
2005	15,020,000	1,380,000	14,226,402	546,373	228,628	16,586,138	47,987,541	31,397	63,396	2.41%	757	1.71%	
2006	14,070,000	1,315,000	15,594,203	440,972	120,923	17,079,212	48,620,310	33,247	64,081	2.28%	759	1.68%	
2007	18,720,000	4,760,000	15,455,681	252,453	120,923	16,797,231	56,106,288	34,451	65,826	2.47%	852	1.76%	
2008	17,500,000	5,360,000	15,510,165	222,425	120,923	15,818,231	54,531,744	35,294	66,000	2.34%	826	1.62%	
2009	16,235,000	5,130,000	14,030,295	191,309	100,248	14,801,231	50,488,083	35,156	66,295	2.17%	762	1.34%	
2010	15,065,000	4,935,000	14,350,241	159,063	-	13,883,485	48,392,789	35,592	66,500	2.04%	728	1.29%	
2011	13,840,000	5,625,000	15,021,055	125,646	-	24,579,098	59,190,799	36,032	66,788	2.46%	886	1.58%	
2012	12,570,000	5,285,000	15,322,685	91,014	-	23,600,000	56,868,700	36,479	67,242	2.32%	846	1.37%	
2013	11,465,000	4,935,000	13,796,516	55,126	-	22,437,000	52,688,642	36,931	67,699	2.11%	778	1.28%	

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Montana Department of Labor - Research and Analysis Bureau

*2010 is the most recent data available. Preceding years to 2001-2009 are City estimates.

CITY OF MISSOULA, MONTANA
RATIO OF ANNUAL DEBT SERVICE REQUIREMENTS FOR
Last Ten Fiscal Years
Amounts expressed in thousands, except population and per capita

Fiscal Year	General Obligation Bonds	Total Taxable Assessed Valuation	Percentage of Taxable Value of Property	Estimated Population	Per Capita
2004	\$ 15,895	\$ 82,076	19%	62,120	255.87
2005	15,020	84,586	18%	63,396	236.92
2006	14,070	91,358	15%	64,081	219.57
2007	18,720	93,534	20%	65,826	284.39
2008	17,500	99,333	18%	66,000	265.15
2009	16,235	103,000	16%	66,295	244.89
2010	15,065	104,408	14%	66,500	226.54
2011	13,840	106,229	13%	66,788	207.22
2012	12,570	107,879	12%	67,242	186.94
2013	11,465	108,167	11%	67,699	169.35

Source: City of Missoula

Source: Missoula County Assessors Office

Source: Bureau of Economic Analysis

STATISTICAL SECTION

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

Fiscal Year	Operating Revenues	Operating Expenses (1)	Net Revenue Available for Debt	Debt Service Requirements			
				Principal Paid	Interest Paid	Total Debt Service	Coverage (2)
2004	\$ 6,308,650	\$ 3,036,426	\$ 3,272,224	\$ 689,000	\$ 503,234	\$ 1,192,234	274%
2005	7,265,854	3,151,625	4,114,229	797,233	655,716	1,452,949	283%
2006	6,620,032	3,263,652	3,356,380	894,751	660,341	1,555,092	216%
2007	6,778,103	3,492,891	3,285,211	941,000	682,728	1,623,728	202%
2008	6,848,299	3,900,755	2,947,544	979,000	641,677	1,620,677	182%
2009	6,543,754	3,860,411	2,683,343	1,017,000	605,558	1,622,558	165%
2010	6,705,911	3,769,644	2,936,267	1,050,023	568,464	1,618,487	181%
2011 ^	6,678,968	3,876,659	2,802,309	1,511,485	721,218	2,232,703	126%
2012	7,375,912	4,701,243	2,674,669	979,098	876,018	1,855,116	144%
2013	7,838,369	5,069,308	2,769,061	1,186,000	711,146	1,897,146	146%

^ Debt Service Coverage Calculation - 2013	
FY 2013	
Revenues	
Operating Revenue	\$ 8,084,602
Less: Federal Credit	(246,233)
Total Operating Revenue	<u>7,838,369</u>
Expenses	
Operating Expenses	(7,823,788)
Add back Depreciation	2,754,480
Total Operating Expenses	<u>(5,069,308)</u>
Revenues Available for Debt Service:	\$ 2,769,061
Debt Service	
Principal	\$ 1,549,000
Interest	957,379
Less - Refunded Debt Principal	(363,000)
Less: Federal Credit	(246,233)
Net Debt Service	<u>\$ 1,897,146</u>
Coverage	146%

Source: City of Missoula Annual Financial Reports

(1) Does not include depreciation or bond interest.

(2) Net revenues divided by the maximum debt payment due in any future calendar year.

CITY OF MISSOULA, MONTANA
REVOLVING FUND YEAR-END BALANCES
REQUIRED CONTINUING DISCLOSURE
Last Ten Fiscal Years

Fiscal Year	Revolving Fund Cash Balance	Principal Amount of Bonds	Percentage
2004	\$ 955,785	\$ 14,357,629	6.7%
2005	808,460	14,226,402	5.7%
2006	889,718	15,594,203	5.7%
2007	954,148	15,455,681	6.2%
2008	779,966	15,510,165	5.0%
2009	719,399	14,030,295	5.1%
2010	746,320	14,250,241	5.2%
2011	794,547	15,021,055	5.3%
2012	774,812	15,322,685	5.1%
2013	719,735	14,189,516	5.1%

Source: City of Missoula

STATISTICAL SECTION

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Beginning Balance	\$ 778,049	\$ 955,785	\$ 808,460	\$ 889,718	\$ 954,148	\$ 779,966	\$ 719,399	\$ 764,101	\$ 794,547	\$ 791,209
Disbursements/Transfers	177,736	(147,325)	81,258	64,430	(174,182)	(60,567)	44,702	30,446	(3,338)	(55,943)
Ending Balance	<u>\$ 955,785</u>	<u>\$ 808,460</u>	<u>\$ 889,718</u>	<u>\$ 954,148</u>	<u>\$ 779,966</u>	<u>\$ 719,399</u>	<u>\$ 764,101</u>	<u>\$ 794,547</u>	<u>\$ 791,209</u>	<u>\$ 735,266</u>
Assets:										
Cash	\$ 852,799	\$ 808,460	\$ 885,738	\$ 928,632	\$ 776,343	\$ 702,257	\$ 746,320	\$ 793,639	\$ 774,812	\$ 719,735
Due from SID Funds	72,062	-	-	-	-	-	-	-	865	-
Other Receivables	320,488	227,828	218,910	222,281	184,856	182,844	167,952	135,548	134,640	119,108
Total Assets	1,245,349	1,036,288	1,104,648	1,150,913	961,200	885,101	914,272	929,187	910,317	838,843
Liabilities:										
Deferred Revenue	289,564	227,828	214,930	196,765	181,233	165,702	150,171	134,639	119,108	103,577
Total Liabilities	289,564	227,828	214,930	196,765	181,233	165,702	150,171	134,639	119,108	103,577
Total Fund Balance	<u>\$ 955,785</u>	<u>\$ 808,460</u>	<u>\$ 889,718</u>	<u>\$ 954,148</u>	<u>\$ 779,966</u>	<u>\$ 719,399</u>	<u>\$ 764,101</u>	<u>\$ 794,547</u>	<u>\$ 791,209</u>	<u>\$ 735,266</u>

Source: City of Missoula

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

Fiscal Year	Population		Income Statistics		State Unemployment Rate	Missoula County Unemployment Rate
	Estimated City Population (1)	County Population	Total Personal Income (2)	Per Capita Income (2)		
2004	62,120	100,891	\$ 3,032,540	\$ 30,098	4.3%	4.0%
2005	63,396	102,118	3,204,473	31,397	4.0%	3.7%
2006	64,081	104,145	3,460,865	33,247	3.5%	3.3%
2007	65,826	105,911	3,646,623	34,451	2.5%	2.3%
2008	66,000	107,565	3,795,962	35,294	4.1%	4.1%
2009	66,295	108,000	3,818,772	35,156	5.3%	5.1%
2010	66,500	108,500	3,866,079	35,592	6.6%	6.3%
2011	66,788	109,299 *	3,913,971 *	36,032 *	6.9%	6.8%
2012	67,242	110,042 *	3,962,457 *	36,479 *	6.5%	6.4%
2013	67,699	110,791 *	4,011,544 *	36,931 *	5.5%	5.7%

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

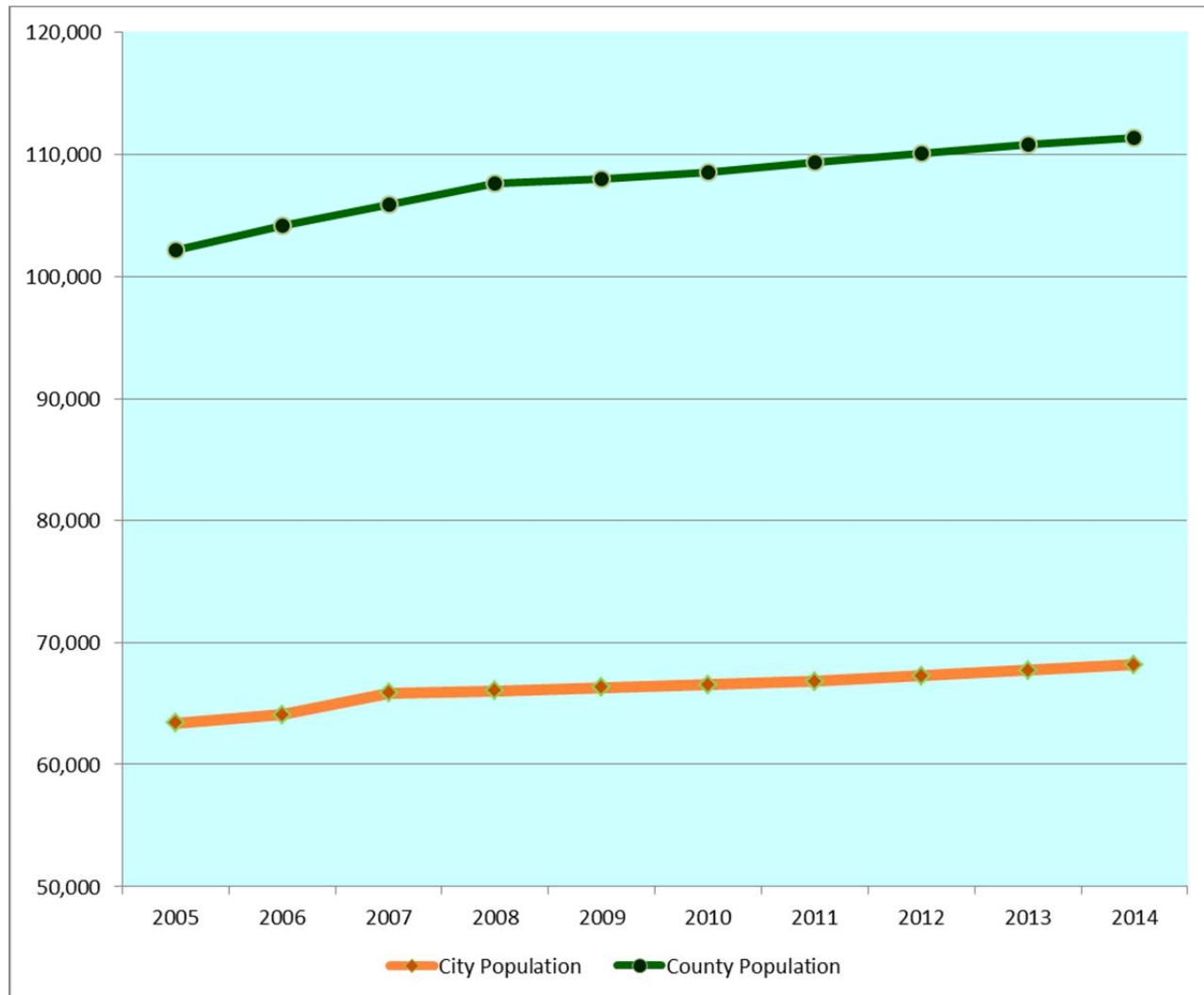
(2) Only Missoula County information available.

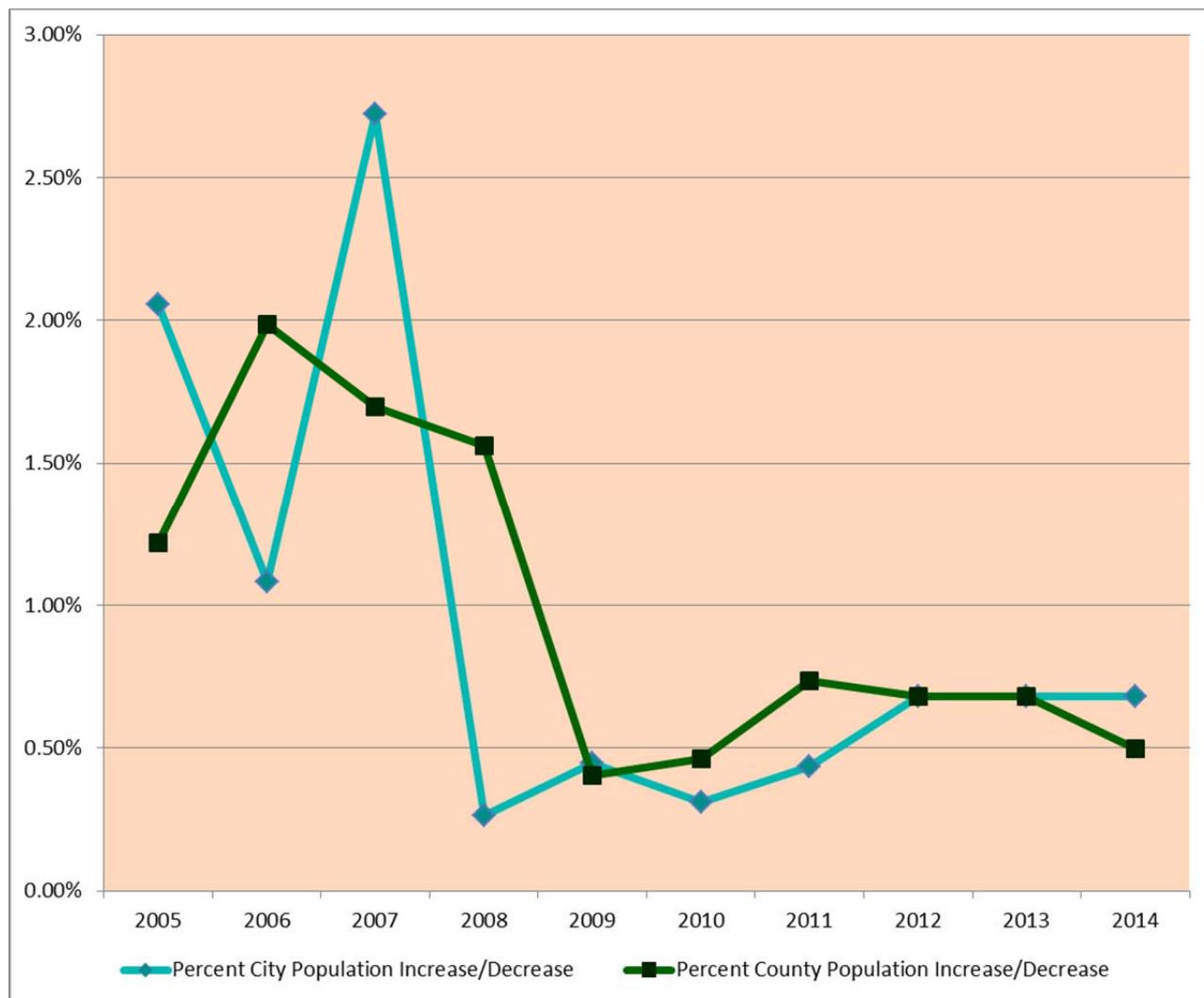
* Estimate based on average increase of prior years.

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

N/A - Not available

County and City of Missoula Population per year



County and City of Missoula Percent increase in population per year

STATISTICAL SECTION

City of Missoula
Climate Demographics
Last 30 years

Temperature	Missoula (1893-2003)	Kalispell (1899-2003)	Butte (1894-2003)	State of Montana	State of Idaho
Latest 30 Year Normal Temperature (1971-2000)	44.8	42.6	39.5	-	-
Average Temperature (Jan-Dec)	44.3	43.1	39.9	-	-
Lowest Temperature	-33 (1/26/57)	-38 (1/30/50 - 1/31/50)	-52 (2/9/33)	-70 Rogers Pass (1/20/54)	-60 Island Park Dam (1/18/43)
Highest Temperature	107 (7/6/2007)	105 (8/4/61)	100 (7/22/31)	117 Medicine Lake (7/5/37)	118 Orofino (7/28/34)
Precipitation	Missoula (1893-2003)	Kalispell (1899-2003)	Butte (1894-2003)	State of Montana	State of Idaho
Latest 30 Year Normal Precipitation (1971-2000)	13.84	17.21	12.78	-	-
Average Precipitation (Jan-Dec)	13.65	16.22	12.97	-	-
Driest Month	Trace August 1967	Trace August 1955	Trace October 1987	-	-
Driest Year	8.16 1931	10.42 1944	6.89 1935	-	-
Greatest 24-hour Precipitation	2.32 inches (11/5/1927)	2.71 inches (6/29/1982)	3.00 inches (06/09/1913)	-	-
Wettest Month	7.38 inches May 1980	6.02 inches July 1983	8.86 inches June 1913	-	-
Wettest Year	21.92 inches 1998	25.23 inches 1996	20.55 inches 1909	-	-
Annual Average Snowfall	44 inches 27.5 inches (11/30/1893)	58.3 inches 20.1 inches (12/27/1911)	61.3 inches 30.0 inches (10/10/1911)	-	-
Greatest 24-hour Snow	54.1 inches December 1996	55.9 inches December 1936	32.5 inches October 1911	-	-
Greatest Monthly Snow	106.1 inches 1996	148.8 inches 1996	125.5 inches 1996	-	-
Greatest Annual Snowfall	27.0 inches (12/29/1996)	61.0 inches (12/30/1996)	27.0 inches (12/29/1996)	-	-
Greatest Snow Depth					

Source: National Weather Service Forecast Office, Missoula, MT

CITY OF MISSOULA, MONTANA
TOP EMPLOYERS IN CITY OF MISSOULA
Current and Ten Years Ago

Employer	Type of Product or Service	2013	Percentage of Total City Employment	2004	Percentage of Total City Employment
University of Montana	Higher Education	3,122	4.61%	2795	4.50%
St. Patrick Hospital	Healthcare	1,698	2.51%	1450	2.33%
Community Medical Center	Healthcare	1,174	1.73%	1243	2.00%
Missoula County Public Schools	Public Education	1,165	1.72%	1481	2.38%
DirecTV Customer Service	Service	850	1.26%	*	*
Missoula County	County Government	810	1.20%	700	1.13%
Us Forrest Service	Federal Government	745	1.10%	400	0.64%
Wal-Mart	Retail	585	0.86%		*
Opportunity Resources	Service	533	0.79%		*
City of Missoula	City Government	521	0.77%	516	0.83%
Western Montana Clinic	Healthcare			544	0.88%
Smurfit-Stone Container Company	Wood Products			510	0.82%
Stimpson Lumber Company	Wood Products			425	0.68%

* Employers were added after 2004

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

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

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

Note: Basic Services provided through City government include Police and Fire protection, Municipal Sewer and Sanitation, street Maintenance and Construction, Building Inspection, Zoning Enforcement, Public Works, and Parks and Recreation. As of June 30, 2008, the City employed approximately 639 workers, including Seasonal and Intermittent. Of the total City workforce, approximately 40% were members of organized bargaining units. State law requires Montana Cities to bargain collectively with formally recognized bargaining units. The City considers relations with its bargaining groups to be satisfactory.

Source: City of Missoula

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

	<u>2013 (A)</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Goods Producing	4,100	4,400	4,700	4,600	5,500	6,100	6,200	6,200	6,200	6,200
Trade, Transportation and Utilities	11,000	11,600	11,400	11,300	12,100	12,900	12,900	12,800	12,600	12,500
Professional and Business Service	6,800	6,800	6,900	6,900	6,100	6,200	5,900	5,200	5,000	4,900
Educational and Health Services	10,000	9,800	9,500	9,200	8,900	8,700	8,300	8,300	8,200	8,000
Healthcare and Social Assistance	9,300	9,200	9,000	8,700	8,400	8,200	7,900	7,900	7,800	7,600
Leisure and Hospitality	7,000	7,400	6,900	7,000	7,600	7,900	7,600	7,100	6,900	6,800
Government	10,600	10,300	8,400	10,300	8,300	9,300	10,400	10,600	10,200	10,100
	<u>58,800</u>	<u>59,500</u>	<u>56,800</u>	<u>58,000</u>	<u>56,900</u>	<u>59,300</u>	<u>59,200</u>	<u>58,100</u>	<u>56,900</u>	<u>56,100</u>

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

(A) Most recent data available through May 2013.

All other years are annual data

STATISTICAL SECTION

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Business Licenses Issued	7,907	4,484	5,173	5,290	6,386	5,141	5,947	5,103	5,872	5,585
Amount of SID's Billed	\$ 2,275,546	\$ 2,241,307	\$ 2,748,200	\$ 2,793,604	\$ 2,802,979	\$ 2,781,168	\$ 2,979,149	\$ 2,979,149	\$ 2,806,974	\$ 2,565,463
# Sewer Bills	35,448	36,641	38,728	41,002	41,818	42,323	42,860	43,493	44,495	45,042
Public Safety Activities										
Citations issued	25,136	31,008	33,262	38,468	32,219	31,700	25,136	20,232	20,554	18,139
Orders of Protection issued	298	586	604	417	400	398	277	209	236	203
Attorney's Office - Lawsuits & Claims	51	53	51	47	49	41	26	24	22	32
Attorney - Opened criminal files	2,476	2,179	4,235	3,181	2,708	2,372	2,313	3,029	4,007	4,260
Officers/1,000 population	1	2	2	2	2	2	2	1	2	2
Total sworn officers	88	96	100	102	101	101	100	100	104	106
Police calls for Service	37,398	37,494	43,778	40,515	40,981	41,424	41,373	40,272	41,334	42,302
Total Fire Department Incident Responses*	4,729	4,701	5,259	5,497	5,805	5,850	6,217	5,752	6,131	6,548
Public Works										
Miles of sidewalk installed	17.45	24.74	9.34	9.19	7.00	4.00	6.78	5.42	4.72	5.58
Building Permits Issued	1,677	1,494	1,613	1,613	1,530	1,291	1,306	1,283	1,395	1,485
Construction Value of Bldg permits issued	\$ 113,217,490	\$ 99,855,627	\$ 89,139,379	\$ 89,139,379	\$ 133,165,009	\$ 63,987,567	\$ 54,867,213	\$ 87,790,572	\$ 58,443,007	\$ 68,558,394
Miles of Street - per State Gas Tax Report	349	359	359	338	312	383	391	413	416	419
Population	62,120	63,396	64,081	65,826	66,000	66,295	66,500	66,788	67,242	67,699

Source: City of Missoula

* Fire Department Incident Responses are based on Calendar Years. Current Year number through 12/31/12.

STATISTICAL SECTION

CITY OF MISSOULA, MONTANA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Seven Fiscal Years

Function	Fiscal Year						
	2013	2012	2011	2010	2009	2008	2007
GENERAL GOVERNMENT							
Vehicles	2	2	4	4	4	7	5
Buildings	4	4	3	3	3	3	2
PUBLIC SAFETY ACTIVITIES							
Fire Stations	5	5	5	5	5	5	5
Fire Engines/Trucks/Vehicles/Vans	32	31	25	25	26	26	27
Police Motorcycles	5	4	6	6	6	6	6
Police Patrol Cars/Passenger Vehicles/Other Vehicles	59	66	63	63	62	58	47
PUBLIC WORKS							
Streets (sq. yards)	7,539,539	7,399,746	7,265,469	7,056,869	6,837,927	6,826,850	6,761,248
Curbs (lineal feet)	2,182,153	2,159,796	2,135,361	2,100,819	1,957,574	1,997,728	1,957,574
Sidewalks (sq. feet)	13,345,978	12,824,406	12,699,836	10,599,017	10,232,017	10,015,638	9,830,923
Storm Sewer (lineal feet)	179,388	172,360	168,148	162,158	157,826	153,275	153,275
Sumps	4,183	5,524	5,496	5,385	5,307	5,307	5,160
Signs	60,103	59,236	58,369	57,502	56,635	53,768	54,901
Vehicles	123	163	165	163	161	107	98
Buildings	5	4	4	4	4	4	7
PUBLIC HEALTH ACTIVITIES							
Cemetery & Buildings	7	7	7	7	7	7	7
Vehicles/Tractors/Trucks/Mowers	18	17	15	14	14	16	17
CULTURE AND RECREATION							
Parks	70	70	69	68	67	51	46
Trails					22	20	18
Commuter	23	23	22	22	N/A	N/A	N/A
Recreational	56	56	55	55	N/A	N/A	N/A
Park Shelter/Band Shells/Pavilions	18	17	15	12	10	10	10
Buildings	23	23	23	23	23	23	20
Vehicles (Including trailers)	108	59	59	59	58	55	57
HOUSING & COMMUNITY DEVELOPMENT							
Vehicles	1	1	1	1	1	10	10
Buildings	-	-	-	-	-	2	2

Capital Asset Statistics by Function information prior to 2006 is not readily available in this format.

Source: City of Missoula Fixed Asset Accounting Module

Source: Various City of Missoula Departments

STATISTICAL SECTION

CITY OF MISSOULA, MONTANA SPECIAL ASSESSMENTS BILLED AND COLLECTED Last Ten Fiscal Years

Fiscal Year	Assessments Billed	Current Assessments Paid	Percent Collected	Delinquent Assessments Paid	Total Assessments Paid	Penalty and Interest Paid
2004	\$ 2,275,546	\$ 2,105,570	92.53%	\$ 94,509	\$ 2,200,079	\$ 14,225
2005	2,241,307	2,132,336	95.14%	425,988	2,558,324	16,314
2006	2,748,200	2,638,272	96.00%	246,280	2,884,552	10,996
2007	2,793,604	3,695,269	132.28%	106,930	3,802,199	11,629
2008	2,802,979	2,690,299	95.98%	107,817	2,798,116	11,653
2009	2,781,168	2,666,875	95.89%	109,340	2,776,215	11,539
2010	2,979,149	2,796,909	93.88%	136,607	2,933,516	14,999
2011	2,979,149	2,818,935	94.62%	159,941	2,978,876	18,139
2012	2,806,974	2,760,131	98.33%	160,377	2,920,508	16,070
2013	2,565,463	2,549,864	99.39%	51,388	2,601,252	8,058

Note: Property tax levies are set in August at the time the City budget is approved and billed November 1 by the County. Half of the taxes are due by November 30 and the other half by May 31. After those dates, the bills are delinquent (and a lien is placed on the property). The interest charged on delinquent taxes is one percent per month, with a two percent penalty.

Source: City of Missoula

STATISTICAL SECTION

CITY OF MISSOULA, MONTANA
SPECIAL IMPROVEMENT DISTRICT 512, 521 AND 522
REQUIRED CONTINUING DISCLOSURE

Fiscal Year	Combined Market Value of All Districts	Average Ratio of Market Value to Assessments of Individual Parcels	Highest Ratio of Market Value to Assessments of Individual Parcels	Lowest Ratio of Market Value to Assessments of Individual Parcels	Median Ratio of Market Value to Assessments of Individual Parcels
2004	\$ 158,065,283	\$ 89.06	\$ 1,154.30	\$ 6.30	\$ 79.15
2005	166,871,500	95.60	2,692.30	2.07	117.52
2006	158,701,080	757.82	10,797.00	5.82	221.17
2007	191,613,295	1,219.98	13,841.43	6.35	221.37
2008	211,405,977	317.09	4,977.27	5.04	141.94
2009	234,349,048	954.97	6,111.87	20.47	160.49
2010	236,039,170	1,071.95	30,710.27	22.07	247.40
2011	215,320,296	1,296.29	51,474.37	40.46	823.26
2012	296,665,021	1,601.54	60,391.92	47.21	957.42
2013	343,496,868	817.76	40,261.28	47.92	433.47

Source: City of Missoula and Missoula County Assessor's Office

STATISTICAL SECTION

CITY OF MISSOULA, MONTANA SPECIAL IMPROVEMENT DISTRICTS Current as of June 30, 2013

SID Number	Combined Market Value of All Districts	Average Ratio of Market Value to Assessments of Individual Parcels	Highest Ratio of Market Value to Assessments of Individual Parcels	Lowest Ratio of Market Value to Assessments of Individual Parcels	Median Ratio of Market Value to Assessments of Individual Parcels
FY11 Total ^	\$ 2,698,949,941	\$ 1,042.61	\$ 42,350.68	\$ 0.03	\$ 341.14
FY12 Total ^	<u>\$ 3,105,150,944</u>	<u>\$ 893.51</u>	<u>\$ 26,719.49</u>	<u>\$ 1.76</u>	<u>\$ 429.81</u>
0508	3,424,049	110.99	527.11	10.36	26.28
0510	29,236,770	423.29	4,290.59	1.82	210.25
0511	14,946,066	35.42	195.21	3.11	21.44
512/521/522	343,496,868	817.76	40,261.28	47.92	433.47
0520	160,628,685	74.37	11,200.24	10.13	58.30
0524	880,271,878	194.25	12,117.08	2.99	110.41
0525	35,220	51.75	253.47	6.44	29.03
0526	140,750,098	57.45	879.59	0.74	31.82
0530	10,732,348	1,360.03	10,611.06	729.07	1,064.84
0531	14,495,427	349.08	1,360.03	175.44	272.33
0532	78,994,531	115.38	346.00	68.62	113.05
0533	13,480,435	44.29	338.42	1.79	26.74
0534	15,631,241	40.30	69.13	22.19	41.01
0535	62,911,878	878.03	5,891.83	278.93	817.57
0536	26,496,829	38.92	102.05	21.71	36.09
0539	8,268,286	316.56	921.78	132.45	259.90
0540	115,995,172	63.72	118.37	12.44	62.59
0541	567,578,895	563.38	37,233.65	2.33	421.60
0543	98,186,866	650.26	1,617.08	29.98	601.74
0544	93,556,091	47.39	139.17	2.16	47.74
0545	15,176,397	450.55	1,415.20	137.89	400.95
0546	12,659,776	530.99	805.65	284.98	527.32
0548	3,773,425	12.96	21.99	0.14	13.54
CS08	29,321,049	105.97	1,023.41	5.89	70.44
CS09	23,476,616	40.50	216.61	0.98	28.19
CS10	36,572,889	49.77	950.22	2.04	26.18
CS12	51,034,315	205.53	3,892.44	9.98	83.45
CS13	60,036,577	633.42	10,016.98	6.76	221.12
CS341	45,062,421	226.14	4,995.82	0.75	98.41
CS342	103,471,838	404.72	5,258.01	1.50	145.05
CS343	52,652,053	167.92	1,756.56	1.09	85.46
CS344	93,715,915	139.90	1,001.42	2.52	97.14
CS345	83,503,927	167.43	1,197.52	7.93	112.75
CS346	37,241,880	108.13	623.36	5.31	42.06
FY13 Total ^	<u>\$ 3,326,816,711</u>	<u>\$ 9,476.55</u>	<u>\$ 161,648.33</u>	<u>\$ 2,028.38</u>	<u>\$ 6,638.26</u>

Source: City of Missoula and Missoula County Assessor's Office

^ First year to disclose information for all City SID's is FY 2011

STATISTICAL SECTION

CITY OF MISSOULA, MONTANA
MISSOULA PARKING COMMISSION RATES AND FEES
Last Ten Fiscal Years

Fiscal Year	On-Street		Garage		Parking		Average	
	Hourly	Parking	Hourly	Parking	Garage	Lease Space	Off-Street	Off-Street and Garage
					Range			Lease Rate
2004	\$ 0.50	\$ 0.25	\$ 0.25	\$ 0.25	\$ 55.00 TO 65.00	\$ 30.00 TO 50.00	\$ 44.00	
2005	0.50		0.25		55.00 TO 65.00	30.00 TO 50.00		44.00
2006	0.50		0.25		55.00 TO 65.00	30.00 TO 50.00		44.00
2007	0.50		0.25		55.00 TO 65.00	30.00 TO 50.00		45.00
2008	0.50		0.25		55.00 TO 65.00	30.00 TO 50.00		45.00
2009	0.50		0.25		55.00 TO 65.00	30.00 TO 50.00		45.00
2010	0.50		0.25		55.00 TO 65.00	30.00 TO 50.00		45.00
2011	0.50		1.00		65.00 TO 75.00	35.00 TO 55.00		49.00
2012	0.50		1.00		65.00 TO 75.00	30.00 TO 55.00		51.00
2013	0.50		1.00		65.00 TO 75.00	30.00 TO 55.00		51.00

Source: Missoula Parking Commission

STATISTICAL SECTION

CITY OF MISSOULA, MONTANA
MISSOULA PARKING COMMISSION OPERATIONS AND FACILITIES
Last Ten Fiscal Years

Fiscal Year	Parking Meters	Leased Parking Spaces	Parking Lots Throughout Downtown Missoula	Leased Parking Garage Spaces	University District Parking Permits	Percentage of Parking Ticket Revenue	Percentage of Parking Meter Revenue	Percentage of Garage Parking Revenue	Percentage of Leased Parking Revenue other than Parking Garage	Percentage of Other Garage Revenue
2004	1,064	829	13	259	1,097	20%	32%	18%	24%	6%
2005	1,161	816	13	257	1,145	17%	36%	20%	23%	3%
2006	1,075	801	13	257	1,124	20%	34%	14%	28%	5%
2007	1,075	801	13	257	1,124	20%	34%	14%	27%	4%
2008	1,075	801	13	257	1,592	18%	31%	16%	21%	14%
2009	1,129	800	12	257	1,011	19%	35%	16%	21%	10%
2010	1,061	800	12	257	1,166	18%	37%	18%	23%	4%
2011	1,061	800	12	257	1,198	18%	37%	18%	23%	4%
2012	1,015	855	12	257	1,012	17%	38%	14%	29%	3%
2013	1,015	890	12	460	1,025	20%	34%	16%	24%	6%

Source: Missoula Parking Commission

STATISTICAL SECTION

CITY OF MISSOULA, MONTANA COMPONENT UNIT REVENUE BOND COVERAGE PARKING COMMISSION REVENUE BONDS

FISCAL YEAR	OPERATING REVENUES	SID 470 REVENUES	OPERATING EXPENSES (A)	NET			TOTAL DEBT SERVICE	COVERAGE (B)
				AVAILABLE FOR DEBT SERVICE	PRINCIPAL PAID	INTEREST PAID		
2004	\$1,407,378	\$ 2,838	\$ 964,510	\$ 445,706	\$ 85,000	\$ 74,950	\$ 159,950	2.79
2005	1,369,511	1,450	864,335	506,626	90,000	70,990	160,990	3.15
2006	1,474,651	-	855,051	619,600	95,000	66,230	161,230	3.84
2007	1,391,368	-	903,019	488,349	100,000	63,237	163,237	2.99
2008	1,429,972	-	1,008,437	421,535	105,000	58,345	163,345	2.58
2009	1,448,179	-	1,013,313	434,866	110,000	53,162	163,162	2.67
2010	1,415,863	-	1,026,254	389,609	115,000	46,778	161,778	2.41
2011	1,443,085	-	947,789	495,296	120,000	(86,268)	33,732	14.68
2012	1,739,234	-	876,485	862,749	220,000	384,813	604,813	1.43
2013 *	1,838,073	-	972,402	865,671	210,000	302,292	512,292	1.69

* Debt Service Coverage Calculation - 2013	
FY 2013	
Revenues	
Total Operating Revenue	\$ 1,569,651
MRA Pledge	<u>268,422</u>
Total Revenues Pledged	1,838,073
Expenses	
Operating Expenses	(1,128,206)
Add back Depreciation ^	
Add back PILOT-Admin Chg	<u>155.804</u>
Total Operating Expenses	(972,402)
Revenues Available for Debt Service	<u>\$ 865,671</u>
Debt Service	
Principal	\$ 210,000
Interest	542,023
Less: Federal Credit	<u>(239,731)</u>
Net Debt Service	<u>\$ 512,292</u>
Coverage	1.69

(A) Does not include depreciation or bond interest.

(B) Net available divided by debt service.

^ Depreciation not available at time of Budget Publication

Source: City of Missoula Annual Reports

STATISTICAL SECTION

CITY OF MISSOULA, MONTANA
COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY
HISTORICAL VALUE OF TAX INCREMENT DISTRICTS
For the Last Ten Fiscal Years

Urban Renewal District II			
Fiscal Year	Personal Attached Taxable Value	Personal Property (Unattached) Taxable Value	Total Taxable Value
2004	\$ 2,243,639	\$ 128,090	2,371,729
2005	2,377,104	190,777	2,567,881
2006	2,444,439	197,268	2,641,707
2007	2,660,473	311,261	2,971,734
2008	2,718,817	342,487	3,061,304
2009	3,162,083	358,422	3,520,505
2010	3,302,146	318,269	3,620,415
2011	3,415,110	336,897	3,752,007
2012	3,371,473	309,233	3,680,706
2013	3,379,411	262,535	3,641,946

Urban Renewal District III			
Fiscal Year	Real Property & Personal Attached Taxable Value	Personal Property (Unattached) Taxable Value	Total Taxable Value
2004	\$ 6,739,549	\$ 469,329	7,208,878
2005	6,809,431	621,899	7,431,330
2006	6,991,926	677,495	7,669,421
2007	7,111,962	586,632	7,698,594
2008	7,306,424	406,379	7,712,803
2009	8,468,861	468,589	8,937,450
2010	9,027,375	514,481	9,541,856
2011	8,939,540	568,590	9,508,130
2012	9,118,547	552,532	9,671,079
2013	8,797,853	381,195	9,179,048

Front Street URD			
Fiscal Year	Real Property & Personal Attached Taxable Value	Personal Property (Unattached) Taxable Value	Total Taxable Value
2009 *	\$ 1,362,450	\$ 51,225	\$ 1,413,675
2010	1,571,488	50,604	1,622,092
2011	2,105,933	124,059	2,229,992
2012	1,908,040	121,154	2,029,194
2013	1,903,163	83,983	1,987,146

Riverfront Triangle URD			
Fiscal Year	Real Property & Personal Attached Taxable Value	Personal Property (Unattached) Taxable Value	Total Taxable Value
2010 ^	\$ 1,571,488	\$ -	\$ 1,571,488
2011	153,701	36,236	189,937
2012	132,286	36,579	168,865
2013	112,584	279	112,863

* First year data available as district was created in FY 2009

^ First year data available as district was created in FY 2010

Source: City of Missoula and Missoula County Assessor's Office

STATISTICAL SECTION

CITY OF MISSOULA, MONTANA
COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY
TAXABLE VALUE OF DISTRICTS COMPARED TO CITY
For the Last Ten Fiscal Years

Urban Renewal District II

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
2005	\$ 91,358,406	\$ 2,567,881	\$ 708,058	0.8%
2006	93,533,579	2,641,707	781,884	0.8%
2007	99,332,558	2,971,734	1,111,911	1.1%
2008	103,000,436	3,061,304	1,201,481	1.2%
2009	106,334,891	3,520,504	1,392,741	1.3%
2010	107,159,214	3,620,415	1,760,592	1.6%
2011	111,474,037	3,752,007	1,892,184	1.7%
2012	112,993,774	3,680,706	1,820,883	1.6%
2013	112,697,955	3,641,946	1,782,123	1.6%
2014	109,336,360	3,686,503	1,859,823	1.7%

Urban Renewal District III

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
2005	\$ 91,358,406	\$ 7,431,330	\$ 426,984	0.5%
2006	93,533,579	7,669,421	665,075	0.7%
2007	99,332,558	7,698,594	694,248	0.7%
2008	103,000,436	7,712,803	708,457	0.7%
2009	106,334,891	8,937,450	1,933,104	1.8%
2010	107,159,214	9,541,856	2,537,510	2.4%
2011	111,474,037	9,508,130	2,503,784	2.2%
2012	112,993,774	9,671,079	2,666,733	2.4%
2013	112,697,955	9,179,048	2,174,702	1.9%
2014	109,336,360	9,358,441	2,355,095	2.2%

Front Street URD

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
2009 *	\$ 106,334,891	\$ 1,413,675	\$ 640	0.0%
2010	107,159,214	1,622,092	209,057	0.2%
2011	111,474,037	2,229,992	816,957	0.7%
2012	112,993,774	2,029,197	616,159	0.5%
2013	112,697,955	1,987,146	574,111	0.5%
2014	109,336,360	1,964,237	551,202	0.5%

Riverfront Triangle

Fiscal Year	Total City Taxable Value	Total Taxable Value Within Tax Increment District	Incremental Taxable Value Within Tax Increment District	Tax Increment as Percentage of City's Taxable Value
2010 ^	\$ 104,408,018	\$ 133,871	\$ -	0.0%
2011	111,474,037	189,937	32,079	0.0%
2012	112,993,774	168,865	11,007	0.0%
2013	112,697,955	112,863	-	0.0%
2014	109,336,360	116,994	-	0.0%

* First year data available as district was created in FY 2009

^ First year data available as district was created in FY 2010

Source: City of Missoula and Missoula County Assessor's Office

STATISTICAL SECTION

CITY OF MISSOULA, MONTANA
COMPONENT UNIT MISSOULA REDEVELOPMENT AGENCY
TRENDS IN PROPERTY VALUATION IN CITY
For the Last Ten Fiscal Years

Fiscal Year	City Appraised Value	City Taxable Value (includes district)	Incremental Taxable Value District I	Incremental Taxable Value District II	Incremental Taxable Value District III	Incremental Taxable Value Front Street URD	Incremental Taxable Value Riverfront	Net Taxable Value (excluding districts)
2005	\$ 2,805,424,077	\$ 91,358,406	\$ 2,709,824	\$ 708,058	\$ 426,984	\$ -	\$ -	\$ 87,513,540
2006	2,901,638,641	94,980,538	not applicable	781,884	665,075	-	-	93,533,579
2007	3,195,587,513	101,138,717	not applicable	1,111,911	694,248	-	-	99,332,558
2008	3,369,424,008	103,000,436	not applicable	1,201,481	708,457	-	-	101,090,498
2009	3,412,313,560	106,334,891	not applicable	1,392,741	1,933,104	640	-	103,008,406
2010	3,684,720,974	107,159,214	not applicable	1,760,592	2,537,510	209,057	-	102,652,055
2011	3,965,146,053	111,474,037	not applicable	1,892,184	2,503,784	816,957	32,079	106,229,033
2012	4,140,685,284	112,993,774	not applicable	1,820,883	2,666,733	616,159	11,007	107,878,992
2013	4,110,699,383	112,697,955	not applicable	1,782,123	2,174,702	574,111	-	108,167,019
2014	4,305,020,382	114,068,797	not applicable	1,826,140	2,355,095	551,202	-	109,336,360

Source: City of Missoula and Missoula County Assessor's Office

STATISTICAL SECTION

CITY OF MISSOULA, MONTANA
MISSOULA REDEVELOPMENT AGENCY
COMPONENT UNIT TAX INCREMENT REVENUE BOND COVERAGE
URD II: MILLSITE \$3.6M BONDS

FISCAL YEAR	PROJECTED PLEDGED TAX INCREMENT	MAXIMUM PROJECTED DEBT SERVICE	COVERAGE
2007			
With State Entitlement	\$ 1,033,421	\$ 250,500	413%
Without State Entitlement	749,799	250,500	299%
2008			
With State Entitlement	1,129,477	250,500	451%
Without State Entitlement	845,855	250,500	338%
2009			
With State Entitlement	1,302,970	250,400	520%
Without State Entitlement	1,019,348	250,400	407%
2010			
With State Entitlement	1,369,859	250,400	547%
Without State Entitlement	1,113,237	250,400	445%
2011			
With State Entitlement	1,493,995	250,400	597%
Without State Entitlement	1,210,373	250,400	483%
2012			
With State Entitlement	1,429,000 A	500,400 B	286%
Without State Entitlement	1,173,740	500,400	235%
2013			
With State Entitlement	1,474,944 C	250,400	589%
Without State Entitlement	1,157,656	500,400	231%
2014			
With State Entitlement	1,522,881	676,428 D	225%
Without State Entitlement	1,208,093	500,400	241%

- A State Entitlement amount reduced by 10% to \$255,260 by 2011 Legislative action
- B Civic Stadium Note issued February 2012 is subordinate to the Series 2006 bonds so not included in Max. Eligible DS. \$500K Max Annual DS until FY15
- C Personal Property Tax Reduction Reimbursement approved by 2011 Legislature under SB372. Annual Reimbursement is \$62,028
- D Series 2013 \$5.75M Bond issued March 2013 on parity with Series 2006 Bond. Max. Annual DS \$426,028

Source: City of Missoula Annual Reports

STATISTICAL SECTION

CITY OF MISSOULA, MONTANA
PROPERTY TAX LEVIES IN THE URBAN RENEWAL DISTRICT II
Last Ten Fiscal Years

Taxing Authority	FY '05 2004/05	FY '06 2005/06	FY '07 2006/07	FY '08 2007/08	FY '09 2008/09	FY '10 2009/10	FY '11 2010/11	FY '12 2011/12	FY '13 2012/13	FY '14 2013/14
State University Mill Levy	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
State Statewide School Equalization	31.28	30.20	25.91	25.39	25.44	26.92	26.60	26.28	26.55	26.15
General Countywide School Levy	79.45	77.20	67.53	66.04	67.17	54.71	53.28	51.18	51.46	52.68
Missoula County	99.42	97.47	86.56	86.44	89.27	72.66	72.00	72.24	74.51	75.71
Missoula Highschool District	65.04	62.96	53.25	48.91	50.33	39.98	38.44	38.76	36.94	36.36
City of Missoula	142.78	148.27	132.60	134.71	141.49	116.33	116.17	118.27	123.75	122.64
Urban Transportation District	9.56	9.35	9.01	9.28	9.45	8.52	8.47	8.97	10.02	10.60
Increment 1-1C *	153.64	175.00	256.84	266.50	270.27	353.75	359.55	372.64	369.31	387.47
Subtotal	587.17	606.45	637.70	643.27	659.42	678.87	680.51	694.34	698.54	717.61

School District 1-1C	123.79	113.74	97.32	92.32	89.20	74.65	72.88	73.61	72.88	75.01
Total levies for property in the District lying within School District 1-1C	710.96	720.19	735.02	735.59	748.62	753.52	753.39	767.95	771.42	792.62

Taxing Authority	FY '05 2004/05	FY '06 2005/06	FY '07 2006/07	FY '08 2007/08	FY '09 2008/09	FY '10 2009/10	FY '11 2010/11	FY '12 2011/12	FY '13 2012/13	FY '14 2013/14
State University Mill Levy	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
State Statewide School Equalization	21.23	21.13	21.46	20.06	18.77	24.90	22.73	25.87	25.85	26.37
General Countywide School Levy	53.93	24.02	55.95	52.19	49.56	49.44	43.27	50.14	49.71	53.27
Missoula County	67.48	68.21	71.71	68.31	65.86	65.66	58.47	70.77	71.98	76.55
Missoula Highschool District	44.15	44.06	44.11	38.65	37.13	36.13	31.21	37.97	35.69	36.76
City of Missoula	96.92	103.75	109.86	106.45	104.38	105.12	94.34	115.86	119.55	124.01
Urban Transportation District	6.49	6.54	7.46	7.33	6.97	7.70	6.88	8.79	9.68	10.72
Increment 4-1C *	314.24	328.52	335.27	355.00	402.98	398.69	441.03	384.35	384.05	382.13
Subtotal	610.44	602.23	651.82	653.99	691.65	693.64	703.93	699.75	702.51	715.81

School District 4-1C	65.38	70.20	77.67	64.27	73.61	74.27	66.18	75.98	71.89	74.84
Total levies for property in the District lying within School District	675.82	672.43	729.49	718.26	765.26	767.91	770.11	775.73	774.40	790.65

* Note: Tax Increment districts are not taxing authorities and do not levy taxes, i.e. levy mills. Total incremental taxable value can be viewed as a percentage of total taxable value in a district, from information provided by the Montana Department of Revenue. For purposes of disclosure, this report shows that same percentage broken down as a portion of the total mills levied in the

STATISTICAL SECTION

MISSOULA COUNTY
Urban Renewal District II - Top 10 Taxpayers
Tax Year 2013 (FY14)

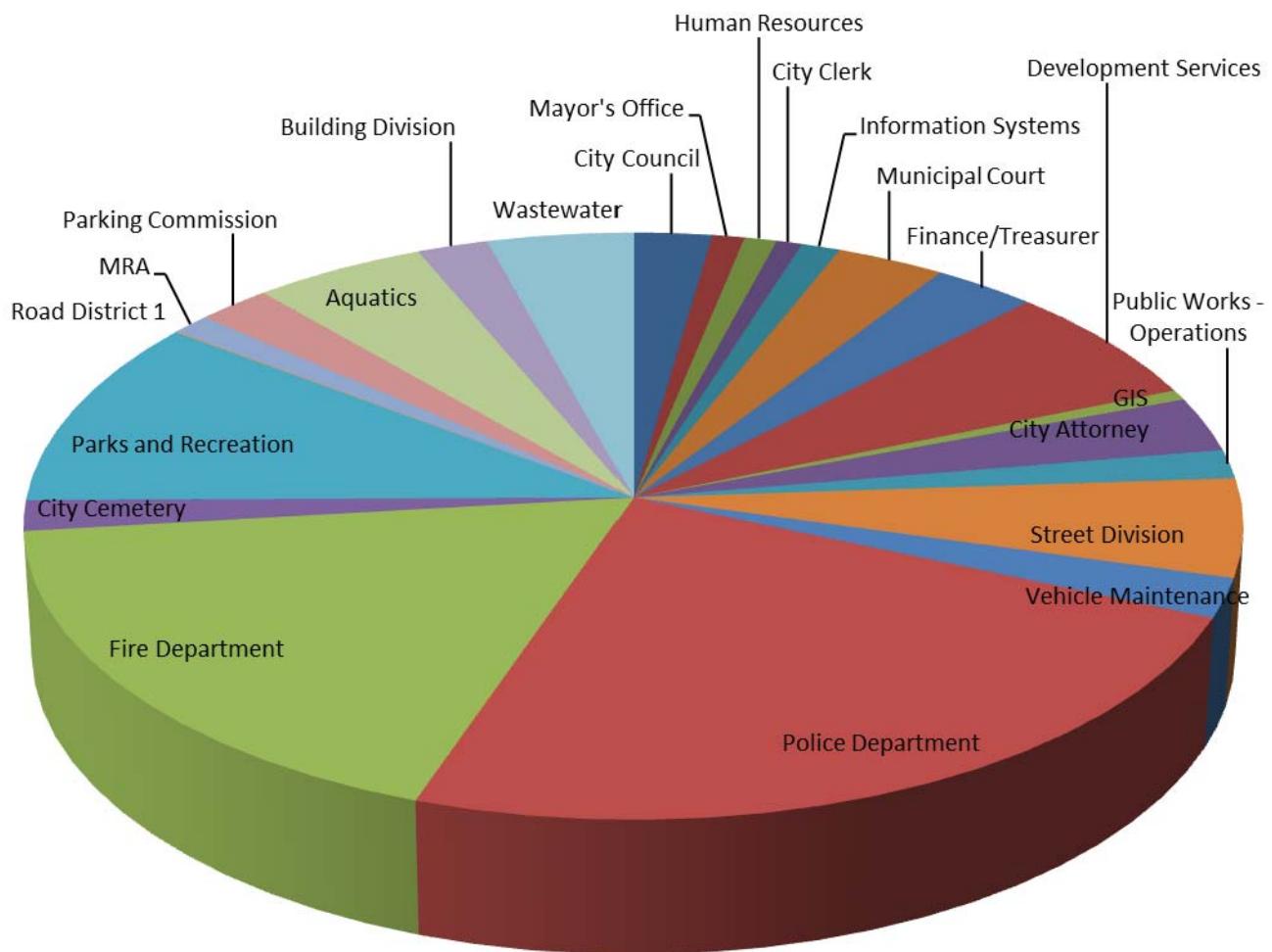
Taxpayer	Type of Business	2013		2013 Market Value	2013 Taxable Value
		Total Tax			
1 Safeway Inc.	Grocery Store	\$ 186,610		\$ 8,719,465	\$ 230,321 *
2 Mountain Water Co	Water Company	160,818		7,760,071	200,372
3 Nutritional Laboratories	Food Supplement Manufacturer	128,697		5,928,328	148,496
4 Good Food Store	Coop Communications	101,511		5,076,547	123,597
5 Blackfoot Telephone	Commercial Grocery	89,958		3,747,264	112,419
6 Missoula Electric Coop	Coop Electric Utility	87,929		3,662,745	109,882
7 Like-Nu Auto Services	Automotive Repair	57,976		2,845,207	72,269
8 Norman B. Carey	Bowling Alley, Undeveloped Land	52,514		2,522,381	64,069
9 Talbert Demeester	Residential/Commercial Development	43,665		2,064,080	52,427
10 Millsite Revitalization Project LLC	Undeveloped Land	37,818		1,952,428	46,828
	Total	\$ 947,496		\$ 44,278,516	\$ 1,160,680

* Combines two tax IDs listed separately for Safeway and Nutritional Labs on County report.

STATISTICAL SECTION
**CITY OF MISSOULA
SCHEDULE OF FTE TRENDS
FY 2009 – 2014**

	2009 # FTE	2010 # FTE	2011 # FTE	2012 # FTE	2013 # FTE	2014 Adopted
<i>City Departments</i>						
City Council	12.00	12.00	12.00	12.00	12.00	12.00
Mayor's Office	5.00	5.00	5.00	5.00	5.00	5.00
Human Resources	4.15	4.00	4.00	4.00	4.00	5.00
City Clerk	4.50	4.50	3.50	4.00	4.00	4.00
Information Systems	6.00	6.00	6.00	6.00	6.00	6.00
Municipal Court	13.00	14.25	13.75	13.75	16.75	16.85
Finance/Treasurer	16.00	15.00	15.00	15.00	15.00	16.00
Development Services	0.00	0.00	0.00	0.00	33.71	34.71
GIS	0.00	0.00	0.00	0.00	0.00	3.00
City Attorney	14.90	13.25	12.75	14.00	15.00	16.00
Public Works - Operations	29.87	29.87	29.82	27.52	11.42	8.42
Street Division	28.54	28.54	25.38	28.54	28.79	28.79
Vehicle Maintenance	11.00	11.00	10.50	10.50	10.50	11.50
Police Department	124.50	124.50	117.00	117.00	122.00	126.00
Fire Department	95.00	94.00	95.00	95.00	95.00	95.00
City Cemetery	8.92	8.92	8.92	8.92	8.92	8.92
Parks and Recreation	55.74	55.74	52.51	55.74	55.80	55.34
Total General	429.12	426.57	411.13	416.97	443.89	452.53
General Fund % Increase	0.07%	-0.59%	-3.62%	1.42%	6.46%	1.95%
<i>Special District Funds</i>						
Road District 1	-	-	3.16	-	0.25	0.25
Parks District 1	-	-	3.23	-	-	-
Total Special District	-	-	6.39	-	0.25	0.25
<i>Enterprise Funds</i>						
Aquatics	30.81	30.81	30.81	26.81	26.81	26.81
MRA	6.00	6.00	6.00	6.00	6.00	6.00
Building Division	13.00	9.00	9.00	9.00	10.99	10.99
Wastewater	22.20	22.20	21.50	21.50	21.50	22.50
Parking Commission	11.00	11.00	11.33	11.33	11.50	11.50
Total Enterprise	83.01	79.01	78.64	74.64	76.80	77.80
Non-General Fund % Increase	-0.41%	-4.82%	-0.47%	-5.09%	2.89%	1.30%
Total for City Departments	512.13	505.58	496.16	491.61	520.94	530.58

City FTE Count by Department - FY 2014



City FTE Count by Function - FY2014

