

OVERVIEW

The Montana Legislature has passed legislation which allows a municipality to set aside a portion of its general all-purpose levy for replacement and acquisition of property, plant or equipment costing in excess of five thousand dollars (\$5,000.00) with a life expectancy of five (5) years or more.

To set up a capital improvement *fund* the City is required to formally adopt a *Capital Improvement Program (CIP)*. The main advantage of this method of financing is that funds can be earmarked and carried from one year to the next. If it is recognized that renovation of a public building will be needed in five years, an amount can be set aside annually so the project can be funded at the end of five years. The CIP fund also allows a project to be done in phases, with funds allocated for architectural planning the first year and construction in later years.

The Capital Improvement Program is a 5-year planning document designed to guide decisions concerning capital expenditures and not cast in stone. This is a planning document and, as for all planning documents, it is subject to revision in order to reflect changes in community needs and service requirements, environmental factors and Council priorities. The first year of the Plan is intended to accurately reflect that year's anticipated appropriation for major capital projects and is called the *Capital Budget*. The subsequent four years represent an anticipated capital need during the period as submitted by Department Heads. The CIP must be reviewed and revised each year in order to add new projects and revise priorities.

The process of determining major capital needs and establishing a financial program extending beyond the annual budget encourages department managers to examine long-range needs and allows the City to develop more coherent city-wide fiscal policies. The CIP provides a basis to compare and rank projects and provides opportunities to explore alternate funding sources, since most capital improvement requests exceed the available revenues. The Council will be requested from time to time to make revisions to the plan. Staff, as well as Council members, may develop these requests themselves.

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

CIP PURPOSE

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

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

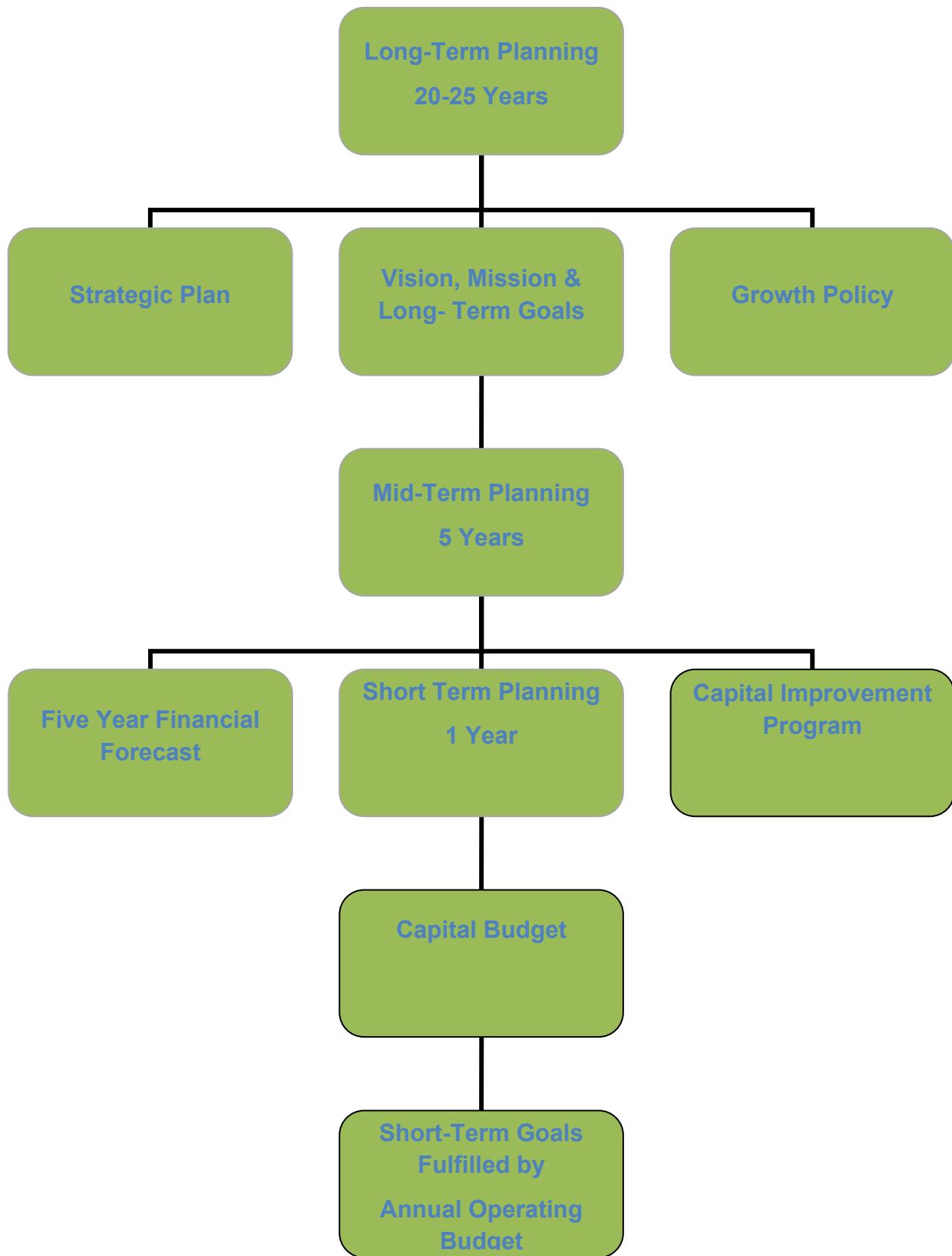
LINKAGE

The City of Missoula conducts various planning processes (long-term, mid-term and short-term), to help guide the government and to insure that decisions are made in the context of the organization as a whole and with a long-term perspective. Diligent efforts are made to insure each of these component planning processes are in concert with one another. This so called "Linkage" is paramount to insure short-term decisions are consistent with the overriding values embodied in the mid-term and long-term planning processes adopted by the City Council. This required linkage dictates that the CIP be developed within the context of and consistent with, the City's long-term and mid-term plans.

One area of linkage between the City's future capital requirements has to do with the level of future debt service, including the debt supported by the General Fund and General Obligation debt supported by taxes. The Debt Management section of this budget reviews the future debt service requirements in these two areas. As discussed in that section of this budget document, after FY 2017, each future year has a smaller debt service requirement than the preceding year for the General Fund and the voted GO debt service. Eventually, after FY 2017, in excess of \$850,000 per year of tax supported projects may be freed up for future debt service requirements. Additionally, new revenue streams, the road and park special district assessments have been approved and developed by the City Council during the past four years. These special district assessments will be used to further enhance and support the City's infrastructure needs in their designated areas. Both the declining future debt service requirements and the availability of a new funding stream will provide more flexibility for the City in future budgets in the Capital Improvement Program that is tax supported.

Each element of the City's planning process has a different purpose and timeframe. The Strategic Plan, Vision, Mission, Long-term Goals and Growth Policy are the most far-reaching in nature — 20 to 25 years. The Capital Improvement Program and the Five-Year Financial Forecast are mid-term in nature — 5 years. The Annual Budget and the Capital Budget are short-term — covering a 1 year timeframe. The most important requisite is that they are coordinated and are in concert with one another.

Shown on the following page is a hierarchy of the City's layered planning processes, all which support one another and are designed with a common goal. The chart depicts how the Capital Improvement Program, the Annual Operating Budget, and the Capital Budget fit within the City's planning process hierarchy.



CAPITAL PLANNING

Capital Planning refers to the process of identifying and prioritizing City capital needs for determining which capital projects should be funded in the capital budget as resources become available. Citywide planning is guided by the City's Strategic Plan and the Growth Policy. These plans provide long term direction for the growth and development of the City.

Proposed capital projects are reviewed for compliance to the adopted Strategic Plan and Growth Policy as part of the budget adoption process.

PROCESS

General Discussion:

The capital improvements process provides for the identification, reviewing, planning, and budgeting of capital expenditures.

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

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

The adoption of a CIP by the City is strictly a statement of intent, not an appropriation of funding for projects contained within. A list of CIP projects will be updated on an annual basis as new needs become known and priorities change. The possibility of a project with a low priority can remain in the CIP longer than four years due to a more important project bumping ahead for quicker implementation. Some projects may also be bumped up in priority and implemented quicker than originally planned.

Definitions:

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

2016-2020 Capital Improvement Program

1. Recommendation for 2016-2020 Capital Improvement Program:

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

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

2. The Project Rating System:

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

3. Coordination:

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

4. External Projects:

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

Annual Review

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

Responsibilities for Program Development

Before a project reaches the Mayor and City Council for FY 2016-2020, each project should be reviewed for financial feasibility, conformance to established plans and response to public need. Responsibility to coordinate with the appropriate department project proposal(s) requiring review for engineering feasibility, environmental impact, land use regulations, grant eligibility and redevelopment plans falls to the Department and Division Head submitting those project proposal(s).

1. Department Heads

- a. Prepare project request forms.
- b. Provide all necessary supporting data (project sheets, maps, environmental data forms, fiscal notes, schedules, etc.) for the CIP Committee.
- c. Review projects with other department heads when there is a need to coordinate projects.
- d. Meet with CIP Team on projects.

2. Public Works

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

3. Health Department

As appropriate, review all projects for environmental impact.

4. Development Services

Review all projects for conformance with the Transportation and Land use Plan, and whether projects being submitted for grants meet grant eligibility criteria and determination of which projects will compete best for competition grants.

5. Missoula Redevelopment Agency

Examine all projects that relate to the Missoula downtown redevelopment area to see that they correspond to Missoula redevelopment plans.

6. CIP Team

- a. Review revenue estimates.
- b. Review fund summaries.
- c. Provide overall coordination for development of the CIP.
- d. Review departmental requests and staff comments.
- e. Review priorities, staff advice, and recommended additions, adjustments, or deletions.
- f. Review financial data and recommend proposed plans for financing CIP.

7. Council Members

Requests that department heads prepare project forms for projects they feel should be considered.

Update, review and approve CIP annually.

Method for Ranking Projects

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

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

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

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

STEP 5 - Determine scheduling of projects relative to allocation of available funds.

2. Rationale for Weight Factor Determination

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

Definition of Criteria:

1. Is the project necessary to meet Federal, State, or local legal requirements? This criterion includes projects mandated by Court Order to meet requirements of law or other requirements. Of special concern are those projects being accessible to the handicapped.
2. Is the project necessary to fulfill a contractual requirement? This criterion includes Federal or State grants that requires local participation. Indicate the Federal grant name and number in the comment column.
3. Is this project urgently required? Will delay result in curtailment of an essential service? This statement should be checked "Yes" only if an emergency is clearly indicated; otherwise, answer "No." If "Yes," be sure to give full justification.

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

4. Does the project provide for or improve public health or safety? This criterion should be answered "No" unless public health or public safety can be shown to be an urgent or critical factor. If yes, please describe the public health or safety urgency.
5. Does the project result in maximum benefits to the community from the investment dollar? (Equipment and small projects should be related to larger program goals.)

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

Examples include when a project may be eligible for a federal or state grant where every dollar of City money will be matched by three dollars of federal monies. Another example would be when a piece of equipment is purchased; it may increase productivity by fifty percent (50%) and thereby reduce personnel and operating costs. This enables the City to avoid additional personnel or operation costs that would have been incurred otherwise in order to keep up with growing public service demand. Another example would include the acquisition of equipment so that a particular operation could be performed in-house as opposed to contracting outside when the in-house costs would be less than outside contracting costs.

Types of analyses include established cost/benefit calculations, return on investment, and payback period through operating savings or other capital savings, and accepted industry rating schemes such as The American Asphalt Institute test. Also, estimate the number of people served over the life expectancy of the project and divide by the cost of the project. Relate this to other similar projects. Put this figure in the comment section and attach the information used to arrive at the figure. Where possible use standard measurements, for example, average daily trips (ADT).

This criterion also applies to the replacement or renovation of obsolete and inefficient facilities, which will result in substantial improvement in services to the public at the least possible cost.

0 – No analysis is submitted where analysis is possible.

1 – Analysis submitted is open to questioning. There are slight benefits to the project and no leveraging.

2 – A credible analysis is submitted showing moderate benefits.

3 – A credible analysis is submitted showing high benefits, which may include substantial leveraging.

6. Does the project require speedy implementation in order to assure its success of maximum effectiveness? (Equipment and small projects should be related to larger program goals.)
 - 0 – Time is not a critical factor (i.e., the project will be as worthwhile doing five years from now as it is now).
 - 1 – Time is of moderate importance.
 - 2 – Time is of substantial importance.
 - 3 – Time is critical factor.

For example, there may be a time limitation on providing a local funding share in order to receive a State or Federal grant. Another example would be if an improvement or replacement project is not performed now, such as replacing a roof, the benefits will be reduced, such as an unrepainted/replaced roof that continues to leak until the building's structure is rotted until there is no structure that can be saved. A third example would be when a hazard, such as environmental pollution, exists and there is an increasing and significant risk that, if the hazard is not abated, then it is likely that significant or irreparable damage occurs or the City might be financially liable for the

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

consequential damage. There may be other reasons why time is of the essence in the success or failure of a project. If the time factor is critical, explain why.

7. Does the project conserve energy, cultural or natural resources, or reduce pollution?
 - 0 – Does not have any conservation aspects or pollution reduction.
 - 1 – Project has minimal amount of conservation aspects or pollution reduction, or there is no substantiation of the claims of these benefits.
 - 2 – Project has significant level of either conservation aspects or pollution reduction, or an accompanying analysis or reference to another study, or plan substantiates this benefit.
 - 3 – Project has both conservation aspects and an accompanying analysis or reference to another study, or plan substantiates pollution reduction or a substantial amount of energy or pollution savings and this claim.
8. Does the project improve, maintain or expand upon essential City services where such services are recognized and accepted as necessary and effective? Identify in comment section what services are expanded. (Provision of a new service can be ranked anywhere on 0-2 scale).
 - 0 – Low to moderate improvement in low to moderately important service.
 - 1 – Maintain current level of service, substantial improvement of low priority service or moderate improvement of an essential service.
 - 2 – Substantial improvement of an essential service.
9. Does the project relate specifically to the City's strategic planning priorities or other plans?
 - 0 – Project enhances another plan, project or program aside from the strategic plan or does not conflict with any other plans, projects or programs (Note plan, project or program related to in comment section.)
 - 1 – Project enhances any of the strategic directions as determined during the City's strategic planning process. Falls within the appropriate year of the strategic plan.
 - 2 – This project substantially benefits any of the strategic directions to any of priorities as determined during the City's strategic planning process. Falls within the appropriate year of the strategic plan.
 - 3 – This project is critical to any of the strategic directions determined during the City's strategic planning process. Falls within the appropriate year of the strategic plan.

2016-2020 Guides for Department Heads in Preparing Information on Projects

Process

1. Requests for all City Hall building construction needs should be sent to the Public Works Director. Please include the following information: the square footage, the number of people affected and the function of the people affected. Also note the problem with the existing space.
2. Submit project forms to the Finance. If there are any organizations in Missoula that you wish to be sure get a copy of the preliminary list, please submit their names and addresses with your projects.
3. All on-road vehicles worth less than \$35,000 are not included in the Capital Improvement Program.
4. Present a list of projects that might be included in the Capital Improvement Program after 2016.

Filling Out Forms

1. Only projects requesting funding during the first three years of the CIP will be evaluated with the criteria and ranked. The other projects are included for planning purposes without expressing intent to fund or not fund.

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

2. Be sure that all information asked for on the form is presented. If further explanation is needed, please attach it to the form.
3. If there is a need to coordinate one project with another project either internal or external, note and explain the need for the coordination in Part 5 of the form (Justification). Attach additional information when necessary.
4. In the justification section (Part 5) of the form explain your choice of a particular funding method(s). Also include a justification for your project and its relation to the criteria.
5. Section 7 of the form should reflect funding sources (include operating budget/in-kind contributions) your totals should equal the total cost of the project, not just the cost to the City.

DESCRIPTION OF PROGRAM CATEGORIES

The capital budget is broken down into the following categories:

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

CIP AMENDMENT PROCEDURE

In the case of a situation that arises which involves receipt of unanticipated revenue or unanticipated Missoula Redevelopment Agency projects the following amendment procedure is prescribed:

1. Department head requests an amendment to the CIP through the Finance Director.
2. CIP Team reviews the request.
3. CIP Team takes the request to all department heads for comments.
4. CIP Team makes recommendation to Council.
5. Amendment goes to Council for approval.

The purpose of this procedure is to handle large capital requests, which occur at mid-fiscal year and to adjust the CIP so that it remains up-to-date and therefore a useful working document.

TAX INCREMENT FUNDS

The unique nature of tax increment funds is recognized. The Missoula Redevelopment Agency undertakes capital expenditures, which are intended to encourage additional private investment within the Central Business District. Not all of these expenditures are committed a year or more in advance and they require the ability on the part of the Missoula Redevelopment Agency (MRA) to respond promptly to developer requests.

Pursuant to the purpose of the CIP all anticipated projects to be funded in part or totally with tax increment funds for acquisition of property and public works facilities will be placed in the CIP. Tax increment funds not committed or anticipated for specific projects within these budget categories will be appropriated as contingency funds, and be made available for authorized expenditures under State law. For project requests made during the fiscal year, which require tax increment financing, the CIP amendment procedure described in Section V shall be used.

The following project categories may be financed with tax increments funds and will not be subject to the CIP process: demolition and removal of structures, relocation of occupants and cost incurred under

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

redevelopment activities described under MCA 7-15-4233. Section MCA 7-15-4233 outlines the exercise of powers and costs incurred for planning and management, administration and specific urban renewal projects, i.e., rehabilitation programs.

CAPITAL IMPROVEMENT PROGRAM FUNDING MECHANISMS

The FY 2016-2020 Capital Improvement Program has seventeen different sources of funding. Each funding source is described below.

The various projects submitted by the departments are scored and ranked as shown in the statistical charts in Section IV. Projects within each fund source compete against other projects in that fund source for funding.

As noted before, capital projects, unlike operating expenses which recur annually, only require one-time allocations for a given project. This funding flexibility allows the City to use financing and one-time revenue sources to accelerate completion of critical projects.

All potential capital funding resources are evaluated to ensure equity of funding for the CIP. Equity is achieved if the beneficiaries of a project or service pay for it. For example, general tax revenues and/or General Obligation Bonds appropriately pay for projects that benefit the general public as a whole. User fees, development fees, and/or contributions pay for projects that benefit specific users.

General Fund Tax Levy: The City of Missoula sets aside a portion (amount varies from year to year) of its General Fund Tax Levy for projects in a Capital Improvement Program (C.I.P.).

Cash Balance: This fund source is a contribution of the City's general fund cash balance, in addition to the portion of the CIP that comes from the general fund tax levy. This category also includes projects which use excess cash reserves in the CIP fund itself.

State Revenues: The City receives various payments from the State of Montana for different purposes. A portion of Gas Tax revenues is earmarked for labor and material costs of street projects. The City also maintains State routes within City limits and does special street projects for the State. Revenues from these activities are used for labor, material, and capital outlay expenditures.

Tax Increment Funds: This funding source consists of taxes levied on increases in the value of parts of the Central Business District tax base, which began in 1978 and continue today in a few new districts adjacent to the original Central Business District. These funds are earmarked for redevelopment projects within the district boundaries. Several new Urban Renewal Districts have been created to supersede the original downtown district that will address redevelopment issues in two older parts of the City.

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

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

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

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

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

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

Special Assessments

& Other Debt:

Special Assessments are charges against certain properties to defray the cost of infrastructure improvements deemed primarily to benefit those properties. Also included are Revenue bonds where the debt service payments are paid for exclusively from the project earnings and Sidewalk/Curb Assessments. Other debt can include revenue bonds for Sewer project loans and tax increment bonds, which were sold to finance the downtown parking structure. Tax increment bonds are repaid by tax increment revenues, which were previously discussed.

Special District

Assessments for

Roads & Parks:

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

Title One:

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

Trails Fund:

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

Cable TV:

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

User Fees:

User fees are charges for city services where the benefits received from such services can be directly and efficiently applied to those who receive the benefits.

Park Acquisition &

Development Fund:

This fund is set up to account for funding that developer's pay to the City instead of donating park land when they are subdividing bare land.

CMAQ:

These are federal grants aimed at mitigating air quality problems.

Other & Private:

This fund source represents other miscellaneous categories. One type of funding source would be the operating budget, which are the "in-kind" costs of City employee labor that are funded by the operating budget. Private investment is not included in the total City costs of the project, but is shown to demonstrate the "leveraging" of private investment that some projects, especially projects of the Missoula Redevelopment Agency, have. Also included are projects where the State of Montana may fund the project and be responsible for its implementation, so the project does not affect city funds or go through our treasury. These projects are shown because they affect the urban area.

CAPITAL BUDGET AND ITS IMPACT ON FUTURE OPERATING BUDGETS

Whenever the City commits to a CIP plan, there is an associated long-range commitment of operating funds. For this reason, it is important to evaluate capital commitments in the context of their long-range operating impact. Most capital projects affect future operating budgets either positively or negatively due to an increase or decrease in maintenance costs or by providing capacity for new programs to be offered. Such impacts vary widely from project to project and, as such, are evaluated individually during the process of assessing project feasibility. The five-year financial forecast also provides an opportunity to review the operating impact of growth-related future capital projects.

The operating impact of capital projects is analyzed and taken into consideration during the extensive CIP prioritization process. Estimated new revenues and/or operational efficiency savings associated with projects are

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

also taken into consideration (net operating costs). Departmental staff plan and budget for significant start-up costs, as well as the operation and maintenance of new facilities. The cost of operating new or expanded facilities or infrastructure is included in the operating budget in the fiscal year the asset becomes operational. Debt service payments on any debt issued for capital projects is also included in the operating budget.

Listed below are two tables. The first table contains the capital items included in this year's Annual Budget, together with projected impacts on future operating budgets (exclusive of equipment replacement costs). The second table shows the equipment replacement costs by department for the next five fiscal years. A detail of the summarized capital replacement schedule is printed in the appendix to this report.

Please note that the level of operating budget impact is disclosed in the tables below. The General Fund debt service impacts have been in the CIP budget for many years and are discussed in further detail in the debt management section of this document.

The General Fund equipment in the attached replacement schedules will be financed with capital leases ranging from 3 to 7 years. Most leases have a term of 3 to 5 years, depending on the useful life of the equipment. The enterprise fund equipment in the replacement schedule will be paid for in cash.

The future operating debt service impact for both of the new parking structures (East Main Street and the Riverfront Triangle) and the new head-works at the wastewater plant will be completely mitigated by current and future rate increases already in place. Enterprise fund projects supported by revenue bonds will be funded with debt that is rated by national rating agencies (Standard & Poor and Moody's). Rate covenants are in place for the all current revenue bonds requiring that debt service coverage ratios be maintained in order to maintain the debt ratings. No future revenue bonded debt can be issued without a demonstrated history of maintaining adequate debt service coverage ratios (please see the statistical section for coverage calculations for both parking and wastewater).

Other than the debt financed projects discussed above, most non-General Fund supported projects are paid for in cash from various types of revenue streams such as grants and tax increment dollars.

The following capital financings occurred during the previous fiscal year (FY 2015):

- \$3,553,561 Master Governmental Lease Purchase Agreement – heavy equipment/rolling stock for the General Fund and Road and Park District 1 – sold and closed on December 22, 2014.

The following capital financing occurred subsequent to July 1, 2015 (beginning of FY 2016):

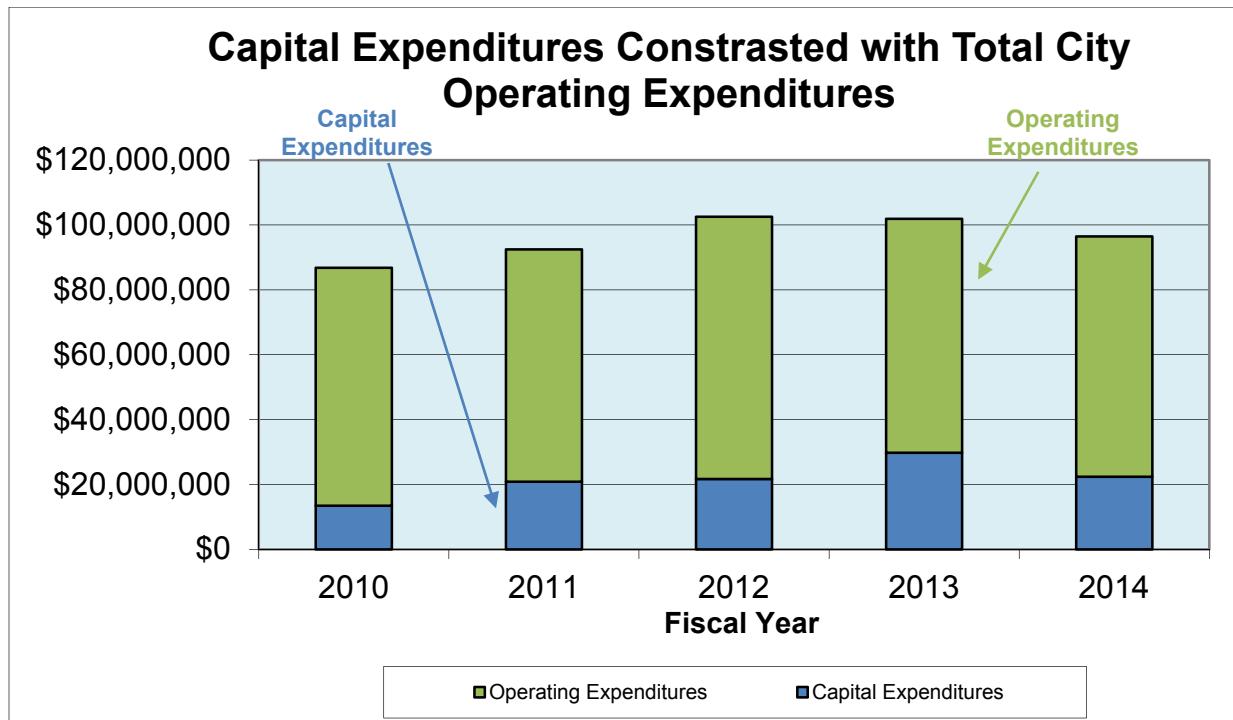
- \$1,646,954 Master Governmental Lease Purchase Agreement – heavy equipment/rolling stock for the General Fund and the Road and Park District 1 – sold and closed on November 20, 2015.
- \$1,400,000 Master Governmental Lease Purchase Agreement – parking meter system purchase and installation for the Missoula Parking Commission – sold and closed on August 26, 2015.

CAPITAL EXPENDITURES CONTRASTED WITH TOTAL CITY OPERATING EXPENDITURES

The investment by the City in its capital and infrastructure is of primary importance to insure the long-term viability of service levels. The amount of capital expenditures in relation to the total City budget is a reflection of the City's commitment to this goal.

The City of Missoula strives to provide for adequate maintenance of capital, plant, and equipment and for their orderly replacement. All governments experience prosperous times as well as periods of economic decline. In periods of economic decline, proper maintenance and replacement of capital, plant, and equipment is generally postponed or eliminated as a first means of balancing the budget. Recognition of the need for adequate maintenance and replacement of capital, plant, and equipment, regardless of the economic conditions, will assist in maintaining the government's equipment and infrastructure in good operating condition.

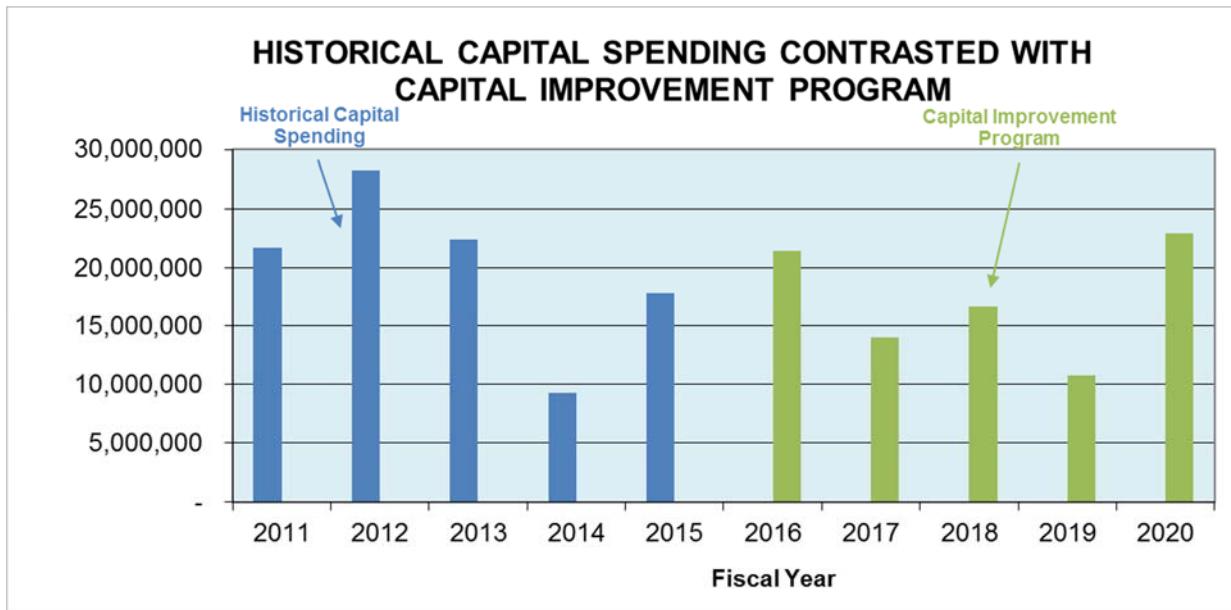
The graph below illustrates Missoula's historical investment in capital. The graph depicts actual capital expenditures over the course the last five years (for which audited values are not available at the time of publication of the budget) as compared to the City's operating budget. Obligating resources to capital investment is appropriate for a growing community, as Missoula strives to meet level of service standards identified in the Strategic Plan and community outcomes identified in the Growth Management Plan.



**CAPITAL IMPROVEMENT PROGRAM (NEXT FIVE YEARS)
CONTRASTED WITH HISTORICAL CAPITAL SPENDING (PREVIOUS
FIVE YEARS)**

Another indicator of Missoula's commitment to providing adequate maintenance of capital, plant, and equipment and orderly and timely replacement of capital, plant and equipment is the amount of projected capital spending over the course of the next five to six years as compared to the previous five-year period. This information is useful to the City Council in their deliberations when determining which items and when these items will or can be included in the Capital Budget. This information also helps the City Council make decisions with a long-term perspective in regards to the capital and operating budget.

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



CAPITAL IMPROVEMENT POLICIES

The City of Missoula has developed a set of financial management policies that cover all aspects of its financial operations. These and other policies are reviewed periodically by the Chief Administrative Office, the Finance Director and the City Council and are detailed in the Executive Summary section of this document. Policies on capital improvements are one component of those financial policies. Listed below are excerpts from those policies, which relate specifically to capital improvements.

CIP Formulation:

- 1) **CIP Purpose.** The purpose of the CIP is to systematically plan, schedule, and finance capital projects to ensure cost-effectiveness as well as conformance with established policies. The CIP is a five-year plan organized into the same functional groupings used for the operating programs. The CIP will reflect a balance between capital replacement projects that repair, replace or enhance existing facilities, equipment or infrastructure; and capital facility projects that significantly expand or add to the City's existing fixed assets.
- 2) **CIP Criteria.** Construction projects and capital purchases of \$5,000 or more will be included in the Capital Improvement Plan (CIP); minor capital outlays of less than \$5,000 will be included in the regular operating budget. The Capital Improvement Plan (CIP) differentiates the financing of high cost long-lived physical improvements from low cost "consumable" equipment items contained in the operating budget. CIP items may be funded through debt financing or current revenues while operating budget items are annual or routine in nature and should only be financed from current revenues.
- 3) **Deteriorating Infrastructure.** The Capital Improvement Plan will include, in addition to current operating maintenance expenditures, adequate funding to support repair and replacement of deteriorating infrastructure and avoidance of a significant unfunded liability.

Project Financing:

- 1) **Minor Capital Projects.** Minor capital projects or recurring capital projects, which primarily benefit current residents, will be financed from current revenues. Minor capital projects or recurring capital projects represent relatively small costs of an on-going nature, and therefore, should be financed with current revenues rather than utilizing debt financing. This policy also reflects the view that those who benefit from a capital project should pay for the project.
- 2) **Major Capital Projects.** Major capital projects, which benefit future residents, will be financed with other financing sources (e.g. debt financing). Major capital projects represent large expenditures of a non-recurring nature which primarily benefit future residents. Debt financing provides a means of generating sufficient funds to pay for the costs of major projects. Debt financing also enables the costs of the project to be supported by those who benefit from the project, since debt service payments will be funded through charges to future residents.

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

FY 2016 Capital Budget & Operating Budget Impacts Projects by Department/Project Name

FY 2016 Capital Budget		Annual Operating Budget Impacts			
Department/Project Title	Appropriation	Personal Services Costs	Other Operating Costs	Debt Service Costs	Total
General Fund Capital Purchases					
PC - Computer Replacement - City Wide	\$ 75,000				\$ 75,000
CIP - General Fund					
White Pine Debt Service Series 2001A	-		129,813		129,813
City Hall Expansion Debt Service	-		81,860		81,860
Aquatics - General Fund Debt Service 2006C (\$1.86 M)	-		130,641		130,641
Fire Station #4 - General Fund Debt Serv. 2007A (\$680K)	-		53,705		53,705
50 Meter Pool - Gen. Fund Debt Serv. (\$840 K)	-		58,825		58,825
Internally Financed Equipment - owed to CIP	-		159,677		159,677
Energy Savings Performance Debt 2010C	-		82,925		82,925
CIP CORE Replacement Equipment	-		333,023		333,023
Wastewater Treatment Plant					
Old Highway 93 Sewer Interceptor	60,000				60,000
Sewer Pipe Rehabilitation Program	200,000				200,000
Russell Street Interceptor (6th-Idaho)	14,000				14,000
Reserve St Lift Station Upgrade & Rehabilitation	1,417,200				1,417,200
Broadway Interceptor(North of Russel St Bridge)	20,000				20,000
Biogas Electrical Generation	1,179,100				1,179,100
Treatment Plant Operating Software	50,000				50,000
Plant Repairs	200,000				200,000
Linda Vista Estates Pump Station and Force Main Upsizing	58,559				58,559
Mass Spectrophotomer	50,000				50,000
Missoula Redevelopment Agency					
Brooks St Corridor Improvements	1,625,000				1,625,000
Burlington/Sidewalks	687,500				687,500
Other Funds - CIP - FY 2016					
Copier Replacement Schedule	5,000				5,000
Vehicle Replacement Schedule	1,886,600				1,886,600
Energy Conservation and Climate Action Activities	1,915,000				1,915,000
Caras Park Outfall-Stormwater Retrofit	196,000				196,000
CAFR Builder	18,575				18,575
Sign Plotter Replacement	19,720				19,720
Self Host Automation	153,448				153,448
Animal Control Re-Roof	20,000				20,000
Aquatics CIP Plan for Splash & Currents	126,000				126,000
Park Asset Management(Replace, Renovate, Improve)	70,000				70,000
Park Development & Expansion	230,540				230,540
Grant Creek Trail-Cable Rail	45,000				45,000
Msla to Lolo/Bitterroot Transporation Corridor	156,000				156,000
All Abilities Playground at McCormick	300,000				300,000
Trail maps for Wayfind Missoula	32,000				32,000
Park & Trails Bond Playgrounds	135,000				135,000
FMRP Equiment Needs	115,000				115,000
Recreation Passenger Van	45,000				45,000
1 Ton Pickup Truck	45,000				45,000
Traffic Control Equipment	18,000				18,000
Station 1 Roof Repairs	35,000				35,000
Fleet Management Software	19,085				19,085
Boat Ramp Design & Permit	10,900				10,900
Grant Creek/I-90 Intersection Improvements	400,000				400,000
South 3rd Street Reconstruction (Russell to Reserve)	1,122,000				1,122,000
Hillview Way Street Improvements	3,679,428				3,679,428
Street Improvement and Major Maintenance Program	1,253,100				1,253,100
Annual Sidewalk Installation/Replacement Program	2,010,000				2,010,000
GRAND TOTAL	\$ 19,697,755	\$ -	\$ 1,030,469	\$ 20,728,224	

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

DEPARTMENT	EQUIPMENT REPLACEMENT TOTALS				
	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>
FLEET SERVICES					
Total Operating Portion	\$ -	\$ 35,000	\$ -	\$ -	\$ -
Total CIP Portion	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUDGET AND CIP	\$ -	\$ 35,000	\$ -	\$ -	\$ -
P.W. ENGINEERING					
Total Operating Portion	\$ 30,000	\$ 90,000	\$ 5,000	\$ 60,000	\$ -
Total CIP Portion	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUDGET AND CIP	\$ 30,000	\$ 90,000	\$ 5,000	\$ 60,000	\$ -
POLICE DEPARTMENT					
Total Operating Portion	\$ 143,000	\$ 329,000	\$ 366,000	\$ 289,000	\$ 406,000
Total CIP Portion	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUDGET AND CIP	\$ 143,000	\$ 329,000	\$ 366,000	\$ 289,000	\$ 406,000
FIRE EMERGENCY VEHICLES					
Total Operating Portion	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Total CIP Portion	\$ 60,000	\$ 430,000	\$ 430,000	\$ 21,000	\$ 1,414,000
TOTAL BUDGET AND CIP	\$ 95,000	\$ 465,000	\$ 465,000	\$ 56,000	\$ 1,449,000
FIRE ADMINISTRATION					
Total Operating Portion	\$ 95,000	\$ 30,000	\$ -	\$ -	\$ -
Total CIP Portion	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUDGET AND CIP	\$ 95,000	\$ 30,000	\$ -	\$ -	\$ -
P.W. STREET DIVISION					
Total Operating Portion	\$ 60,000	\$ 85,000	\$ -	\$ -	\$ -
Total CIP Portion	\$ 784,000	\$ 991,000	\$ 580,000	\$ 367,000	\$ 1,135,000
TOTAL BUDGET AND CIP	\$ 844,000	\$ 1,076,000	\$ 580,000	\$ 367,000	\$ 1,135,000
P.W. VEHICLE MAINTENANCE					
Total Operating Portion	\$ -	\$ -	\$ -	\$ -	\$ -
Total CIP Portion	\$ 25,000	\$ 70,000	\$ -	\$ -	\$ -
TOTAL BUDGET AND CIP	\$ 25,000	\$ 70,000	\$ -	\$ -	\$ -
P.W. TRAFFIC SERVICES					
Total Operating Portion	\$ -	\$ -	\$ -	\$ -	\$ -
Total CIP Portion	\$ 150,000	\$ 16,000	\$ -	\$ -	\$ -
TOTAL BUDGET AND CIP	\$ 150,000	\$ 16,000	\$ -	\$ -	\$ -
PARKS DEPARTMENT					
Total Operating Portion	\$ 120,000	\$ -	\$ 30,000	\$ -	\$ -
Total CIP Portion	\$ 45,000	\$ 446,000	\$ 260,000	\$ 118,000	\$ 82,000
TOTAL BUDGET AND CIP	\$ 165,000	\$ 446,000	\$ 290,000	\$ 118,000	\$ 82,000
Grand Total Operating Portion	\$ 483,000	\$ 604,000	\$ 436,000	\$ 384,000	\$ 441,000
Grand Total CIP Portion	\$ 1,064,000	\$ 1,953,000	\$ 1,270,000	\$ 506,000	\$ 2,631,000
TOTAL GENERAL FUND	\$ 1,547,000	\$ 2,557,000	\$ 1,706,000	\$ 890,000	\$ 3,072,000

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

DEPARTMENT		EQUIPMENT REPLACEMENT TOTALS				
		<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>
CEMETERY						
Total Operating Portion		\$ -	\$ -	\$ -	\$ -	\$ -
Total CIP Portion		56,000	40,000	30,000	56,000	30,000
TOTAL BUDGET AND CIP		\$ 56,000	\$ 40,000	\$ 30,000	\$ 56,000	\$ 30,000
P.W. BUILDING INSPECTION						
Total Operating Portion		\$ -	\$ 90,000	\$ 30,000	\$ 60,000	\$ 30,000
Total CIP Portion		-	-	-	-	-
TOTAL BUDGET AND CIP		\$ -	\$ 90,000	\$ 30,000	\$ 60,000	\$ 30,000
P.W. WASTE WATER TREATMENT						
Total Operating Portion		\$ 180,000	\$ 45,000	\$ 70,000	\$ 35,000	\$ 180,000
Total CIP Portion		265,000	48,000	488,000	235,000	-
TOTAL BUDGET AND CIP		\$ 445,000	\$ 93,000	\$ 558,000	\$ 270,000	\$ 180,000
PARKING COMMISSION						
Total Operating Portion		\$ 30,000	\$ 73,000	\$ -	\$ 28,000	\$ 82,000
Total CIP Portion		-	-	-	-	-
TOTAL BUDGET AND CIP		\$ 30,000	\$ 73,000	\$ -	\$ 28,000	\$ 82,000
Total Operating Portion		\$ 210,000	\$ 208,000	\$ 100,000	\$ 123,000	\$ 292,000
Total CIP Portion		321,000	88,000	518,000	291,000	30,000
TOTAL NON-GENERAL FUND		531,000	296,000	618,000	414,000	322,000
Grand Total		\$ 2,078,000	\$ 2,853,000	\$ 2,324,000	\$ 1,304,000	\$ 3,394,000
Federal Transportation Portion		(191,400)	(339,300)	(147,900)	-	-
TOTALS		\$ 1,886,600	\$ 2,513,700	\$ 2,176,100	\$ 1,304,000	\$ 3,394,000

EQUIPMENT REPLACEMENT DETAIL

FLEET SERVICES						
UNIT #	VEHICLE DESCRIPTION	OPERATION FUNCTION	FY2016	FY2017	FY2018	FY2019
800	TOYOTA PRIUS	ADMIN			\$35,000	
887	DODGE GRAND CARAVAN	MRA				
Total	2		\$0	\$0	\$35,000	\$0

ENGINEERING DIVISION						
UNIT #	VEHICLE DESCRIPTION	OPERATION FUNCTION	FY2016	FY2017	FY2018	FY2019
502	FORD ESCAPE	ENGR				
503	JEEP GRAND CHEROKEE	ADMIN		\$30,000		
505	JEEP LIBERTY	ENGR.				\$30,000
506	FORD RANGER EXT CAB	INSPECTION				
507	GMC SONOMA	INSPECTION				
509	CHEVROLET IMPALA	ADMIN				\$30,000
510	GMC COLORADO	ENGR		\$30,000		
511	GMC SIERRA 2500	ENGR		\$30,000		
512	CHEVROLET COLORADO	INSPECTION	\$30,000			
514	FORD F250	INSPECTION				
SEWER TAP COMPRESSORS		ENGR.			\$5,000	
Total	10		\$30,000	\$90,000	\$5,000	\$60,000

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET
EQUIPMENT REPLACEMENT DETAIL

POLICE DEPARTMENT		OPERATION FUNCTION	FY2016	FY2017	FY2018	FY2019	FY2020
UNIT #	VEHICLE DESCRIPTION						
1	FORD ESCAPE	ADMIN			\$25,000		
5	CHEVROLET IMPALA	DETECTIVE				\$25,000	
6	FORD ESCAPE	ADMIN					
7	CHEVROLET G30 VAN	CRIME VAN					
8	DODGE JOURNEY	ADMIN					
9	DODGE 1500	K9				\$45,000	
11	CHEVROLET IMPALA	DETECTIVE	\$25,000				
12	CHEVROLET IMPALA	DETECTIVE					
19	FORD TAURUS	DETECTIVE					
20	DODGE DAKOTA	AI	\$40,000				\$40,000
23	DODGE DAKOTA	AI					
24	DODGE JOURNEY	ADMIN					
26	DODGE JOURNEY	ADMIN					
27	DODGE JOURNEY	ADMIN					
42	FORD EXPEDITION	K9	\$40,000				
48	CHEVROLET TAHOE	PATROL		\$38,000			
50	DODGE CHARGER	PATROL					
55	DODGE CHARGER	PATROL	\$42,000			\$38,000	
60	DODGE CHARGER	PATROL		\$38,000			\$38,000
61	DODGE CHARGER	PATROL		\$38,000			\$38,000
62	DODGE CHARGER	PATROL		\$38,000			\$38,000
63	DODGE CHARGER	PATROL		\$38,000			\$38,000
64	DODGE CHARGER	PATROL		\$38,000			\$38,000
65	DODGE CHARGER	PATROL		\$38,000			\$38,000
66	DODGE CHARGER	PATROL		\$38,000			\$38,000
67	DODGE CHARGER	PATROL			\$38,000		
70	DODGE CHARGER	PATROL			\$38,000		
71	DODGE CHARGER	PATROL			\$38,000		
72	DODGE CHARGER	PATROL			\$38,000		
73	DODGE CHARGER	PATROL			\$38,000		
74	DODGE CHARGER	PATROL			\$38,000		
75	DODGE CHARGER	PATROL			\$38,000		
80	DODGE CHARGER ALL WHL DRIVE	PATROL				\$45,000	
81	DODGE CHARGER ALL WHL DRIVE	PATROL				\$45,000	
82	DODGE CHARGER ALL WHL DRIVE	PATROL				\$45,000	
83	DODGE CHARGER ALL WHL DRIVE	PATROL				\$45,000	
84	DODGE CHARGER ALL WHL DRIVE	PATROL				\$45,000	
85	DODGE CHARGER ALL WHL DRIVE	PATROL				\$45,000	
1207	HONDA ST1300PA	PATROL				\$25,000	
1271	HONDA ST1300PA	PATROL				\$25,000	
1276	HONDA ST1300PA	PATROL				\$25,000	
1338	HONDA ST1300PA	PATROL				\$25,000	
8033	CHEVROLET IMPALA	DETECTIVE		\$25,000			
8040	FORD F150 CREW CAB	DETECTIVE				\$40,000	
8059	CHEVROLET IMPALA	DETECTIVE			\$25,000		
8060	CHEVROLET IMPALA	DETECTIVE			\$25,000		
8088	MALIBU HYBRID	DETECTIVE					\$25,000
8089	MALIBU HYBRID	DETECTIVE					\$25,000
8090	MALIBU HYBRID	DETECTIVE					\$25,000
	NEW CRO VEHICLE	PATROL	\$32,000				
Total	49		\$179,000	\$329,000	\$341,000	\$493,000	\$406,000

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

EQUIPMENT REPLACEMENT DETAIL

FIRE DEPARTMENT		OPERATION FUNCTION	FY2016	FY2017	FY2018	FY2019	FY2020
UNIT #	VEHICLE DESCRIPTION						
	CATARAFT TUBES AND TRAILER	RESCUE					
4461	FIRE ENGINE (TYPE 1)	RESPONSE					
2	RESCUE WATER CRAFT	RESCUE					
1073	FIRE ENGINE (TYPE 1)	RESPONSE					
3227	FIRE ENGINE (TYPE 1)	RESPONSE			\$470,000		
2341	FIRE ENGINE (TYPE 1)	RESPONSE		\$456,000			
1373	FIRE ENGINE (TYPE 1)	RESPONSE					
6664	FIRE ENGINE (TYPE 1)	RESPONSE					
9974	FIRE ENGINE (TYPE 1)	RESPONSE					
4747	LADDER TRUCK	RESPONSE					
9021	LADDER TRUCK	RESPONSE				\$1,400,000	
4197	WATER TENDER (20 YR)	RESPONSE					
3885	WILDLAND ENGINE (TYPE 3)	RESPONSE					
8685	WILD LAND ENGINE (TYPE 2)	RESPONSE		\$117,000			
4002	WILDLAND ENGINE (TYPE 3)	RESPONSE					
7237	WILD LAND ENGINE (TYPE 6)	RESPONSE					
3131	COMMAND VEHICLE	RESPONSE					
3132	COMMAND VEHICLE	RESPONSE					
5803	COMMAND VEHICLE	RESPONSE	\$60,000				
	GENERATORS (All 5 Stations)	RESPONSE					
	COMPRESSORS AND FILL STATION	RESPONSE				\$50,000	
	SCBA (15 YRS)	PPE					
	INFORMATION SYSTEMS (MIDC'S)	6 UNIYS					
	THERMAL IMAGERS (6 YRS)	7 UNITS				\$21,000	\$14,000
	HAND HELD MOBILE RADIOS	60 UNITS	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
	DEFIBRILLATORS (10 YRS)	5 UNITS					
	LAND FOR STATION 6						
Total	18		\$95,000	\$608,000	\$505,000	\$106,000	\$1,449,000

FIRE DEPT. ADMINISTRATION		OPERATION FUNCTION	FY2016	FY2017	FY2018	FY2019	FY2020
UNIT #	VEHICLE DESCRIPTION						
902	CHEVROLET IMPALA	FIRE CHIEF		\$30,000			
903	CHEVROLET UPLANDER	MOTOR POOL	\$30,000				
NEW	CHEVROLET COLORADO	INSPECTION					
908	FORD RANGER	INSPECTION	\$30,000				
909	TOYOTA PRIUS	EMS					
912	FORD F 250	TRAINING	\$35,000				
Total	6		\$95,000	\$30,000	\$0	\$0	\$0

BUILDING DIVISION		OPERATION FUNCTION	FY2016	FY2017	FY2018	FY2019	FY2020
UNIT #	VEHICLE DESCRIPTION						
401	FORD ESCAPE	INSPECTION		\$30,000			
403	CHEVROLET COLORADO	INSPECTION			\$30,000		
404	JEEP PATRIOT	INSPECTION				\$30,000	
406	JEEP PATRIOT	INSPECTION				\$30,000	
407	JEEP PATRIOT	INSPECTION				\$30,000	
408	FORD ESCAPE	INSPECTION		\$30,000			
410	FORD ESCAPE	INSPECTION		\$30,000			
	NEW VEHICLE REQUEST	INSPECTION	\$30,000				
Total	7		\$30,000	\$90,000	\$30,000	\$60,000	\$30,000

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

EQUIPMENT REPLACEMENT DETAIL

STREET DIVISION		OPERATION FUNCTION	FY2016	FY2017	FY2018	FY2019	FY2020
UNIT #	VEHICLE DESCRIPTION						
101	GMC EXT CAB 1/2 TON	ADMIN					
102	GMC EXT CAB 1/2 TON	ADMIN	\$30,000				
103	GMC EXT CAB 1/2 TON	ADMIN	\$30,000				
104	DODGE 3/4 TON	PAVING CREW		\$45,000			
110	F350 FLAT BED / LIFT GATE	OPERATIONS					
111	FORD F350 CREW CAB	OPERATIONS		\$40,000			
112	JOHNSTON 650	SWEEPER					
113	JOHNSTON 650	SWEEPER					
114	JOHNSTON 650	SWEEPER				\$250,000	
115	JOHNSTON 650	SWEEPER					\$250,000
116	JOHNSTON 650	SWEEPER					
117	ISUZU JOHNSTON 650	SWEEPER	\$220,000				
118	PETERBILT JOHNSTON 650	SWEEPER					\$250,000
120	ELGIN BROOM BEAR	SWEEPER					
121	IH TANDEM VAC-CON	VACUUM					\$270,000
122	CAT	GRADER					\$225,000
123	CAT	GRADER	\$225,000				
124	F350 FORD DUMP BOX	1 TON DUMP					
125	ELGIN BROOM BEAR	SWEEPER					
131	I.H. TANDEM AXLE	TANDEM DUMP					\$130,000
132	I.H. TANDEM AXLE	TANDEM DUMP				\$130,000	
135	FREIGHTLINER	TANDEM DUMP					
136	FREIGHTLINER	FLUSHER	\$190,000				
137	FREIGHTLINER	TANDEM DUMP					
138	I.H. 7400	FLUSHER	\$190,000				
139	I.H. TANDEM AXLE	TANDEM DUMP					
140	STERLING TANDEM AXLE	TANDEM DUMP					
143	ROSCO SPR-H	CHIP SPREADER			\$200,000		
145	CAT AP500E	PAVER					
146	CAT	LOADER	\$165,000				
147	CAT	LOADER	\$165,000				
149	CAT	BACKHOE					
150	BOMAG	ASPHALT ROLL				\$75,000	
154	CAT	LOADER				\$102,000	
155	KOMTSU	LOADER					
169	FORD SINGLE AXLE	ANTH-CEPLOW					
171	BOBCAT	SKID STEER				\$55,000	
172	CAT	SKID STEER					
173	FORD F750	POTHOLE TRUCK					
175	FORD\ROSCO	POTHOLE TRUCK	\$155,000				
176	STERLING	SANDER\PLLOW		\$120,000			
177	STERLING	SANDER\PLLOW			\$120,000		
178	IH 7400 SINGLE AXLE	SANDER\PLLOW			\$120,000		
179	FREIGHTLINER	DEDICATED SANDERS					
180	FREIGHTLINER	DEDICATED SANDERS					
181	FREIGHTLINER	DEDICATED SANDERS					
182	FREIGHTLINER	DEDICATED SANDERS					
183	FREIGHTLINER	DEDICATED SANDERS					
184	FREIGHTLINER 108SD	SANDER\PLLOW					
185	AUTOCAR	VACUUM SWEEPER					
186	AUTOCAR	VACUUM SWEEPER					
187	AUTOCAR	VACUUM SWEEPER					
194	CIMLINE CRACK SEALER	CRACK SEALER					
195	HUDSON HD	ASPHALT RECYCLER					
196	CATERPILLAR PS 150B	RUBBER TIRED ROLLER			\$80,000		
197	DYNAPACK CP132 9	RUBBER TIRED ROLLER			\$80,000		
T-100	TRAIL KING	TRAILER	\$41,000				
T102	WALTON	TRAILER		\$41,000			
T-105	TOW MASTER	TRAILER					
T-145	ECONOLINE	PAVER TRAILER					
T-146	TOWMASTER T40	PAVER TRAILER					

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

EQUIPMENT REPLACEMENT DETAIL

STREET DIVISION (Cont'd)		OPERATION FUNCTION	FY2016	FY2017	FY2018	FY2019	FY2020
UNIT #	VEHICLE DESCRIPTION						
P105	BOSS RTE PLO	SNOW PLOW					
P130	SCHMIDT	SNOW PLOW					
P167	SCHMIDT	SNOW PLOW					
168 (SPARE)	SCHMIDT	SNOW PLOW					
P169	SCHMIDT HSP4210POLLY	SNOW PLOW	\$19,000				
P176	SCHMIDT	SNOW PLOW					
P177	SCHMIDT	SNOW PLOW					
P178	SCHMIDT	SNOW PLOW					
P179	HENKE	SNOW PLOW					
P180	HENKE	SNOW PLOW					
P181	HENKE	SNOW PLOW					
P182	BONNELL	SNOW PLOW					
P183	BONNELL	SNOW PLOW					
CS150	NORTON CLIPPER	CEMENT SAW					
	SANDERS	1 PER 2 YEARS		\$16,000		\$16,000	
	ASPHALT WACKIER	1 PER 2 YEARS		\$5,000		\$5,000	
	DEICER UNITS	1 PER 2 YEARS	\$10,000		\$10,000		\$10,000
	NEW FOR FY 16 HEAVIER ROLLER	NEW REQUEST	\$180,000				
Total	78		\$1,175,000	\$712,000	\$610,000	\$633,000	\$1,135,000

VEHICLE MAINTENANCE		OPERATION FUNCTION	FY2016	FY2017	FY2018	FY2019	FY2020
UNIT #	VEHICLE DESCRIPTION						
702	HYSTER	OPERATION			\$25,000		
777	CAT - OLYMPIAN	GENERATOR				\$50,000	
Total	2		\$0	\$0	\$25,000	\$50,000	\$0

TRAFFIC DIVISION		OPERATION FUNCTION	FY2016	FY2017	FY2018	FY2019	FY2020
UNIT #	VEHICLE DESCRIPTION						
561	ISUZU NPR	OPERATIONS					
564	HONDA RANCHER ATV	OPERATIONS					
567	ISUZU NPR	OPERATIONS					
573	DODGE GRAND CARAVAN	VAN			\$30,000		
584	SMART TRAILER	RADAR		\$16,000			
585	FREIGHTLINER AERIAL LIFT	MAN LIFT	\$180,000				
588	GMC SIERRA	COM SHOP					
591	LONG CHIH	RADAR		\$16,000			
592	ISUZU NPR	OPERATIONS					
Total	9		\$180,000	\$32,000	\$30,000	\$0	\$0

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

EQUIPMENT REPLACEMENT DETAIL

WWT DIVISION		OPERATION FUNCTION	FY2016	FY2017	FY2018	FY2019	FY2020
UNIT #	VEHICLE DESCRIPTION	PLANT MAINT	\$30,000				
302	FORD FUSION HYBRID	PLANT MAINT					
310	CAT 416 D LOADER BACKHOE	PLANT MAINT			\$70,000		
313	FORD TRANSIT CONNECT	OPERATIONS					
314	GMC SIERRA 3500	PLANT MAINT		\$45,000			
316	DOOSAN FORKLIFT	PLANT MAINT					
317	PIPEHUNTER SIDEKICK EASMENT	OPERATIONS					
321	IH AQUATEC	OPERATIONS					
323	DODGE GRAND CARAVAN	OPERATIONS					
324	CHEVY 1 TON	OPERATIONS					
325	FORD RANGER	OPERATION				\$35,000	
326	CHEVROLET	COLORADO			\$35,000		
328	IH AQUATEC	VACUUM			\$270,000		
329	FORD LNT 8000	JETTER					
330	INGERSOLL RAND	COMPRESSOR		\$18,000			
332	FREIGHTLINER	JETTER	\$235,000				
334	GMC SIERRA 1500	OPERATIONS		\$30,000			
335	SECA JETTER UNIT	COLLECTIONS				\$235,000	
336	FORD F350	COLLECTIONS	\$45,000				\$45,000
337	FORD F350	COLLECTIONS	\$45,000				\$45,000
338	FORD F350	COLLECTIONS	\$45,000				\$45,000
339	FORD F350	COLLECTIONS	\$45,000				\$45,000
375	FORD 4" PUMP	PLANT					
381	COMC 3" PUMP	PLANT					
385	LANDA PRESSURE WASH	PLANT					
387	OLYMPIAN GENERATOR	COLLECTIONS			\$41,000		
388	OLYMPIAN GENERATOR	COLLECTIONS			\$41,000		
390	OLYMPIAN GENERATOR	COLLECTIONS			\$41,000		
392	SULLAIR 210H COMPRESSOR	COLLECTIONS					
NV6	NASHUA TRAILER	COLLECTIONS					
T301	RETTIG UTILITY TRAILER	COLLECTIONS			\$7,000		
T329	SECA JETTER UNIT	COLLECTIONS			\$25,000		
Total Core Units	31		\$445,000	\$93,000	\$530,000	\$270,000	\$180,000

CEMETERY		OPERATION FUNCTION	FY2016	FY2017	FY2018	FY2019	FY2020
UNIT #	VEHICLE DESCRIPTION	Loader w/3pt. Hitch					
601	CASE 580 CKB	Air Compressor					
602	SULAIR COMPRESSOR DF210HJD	Mower					
604	TORO WALK BEHIND	Mower					
605	KUBOTA	Mower					
608	HUSTLER \ ATTACHMENTS	Mower		\$40,000			
609	HUSTLER \ ATTACHMENTS	Mower					
610	POLARIS RANGER	Utility Cart			\$16,000		
611	TORO WORKMAN	Utility Cart					
613	JOHN DEERE	Tractor					
614	KUBOTA	Utility Cart		\$16,000			
615	HUSTLER \ ATTACHMENTS	Mower			\$40,000		
616	PROCORE 880	SOIL AERATOR					\$30,000
618	HUSTLER \ ATTACHMENTS	Mower				\$40,000	
625	BACKHOE LOADER	OPERATION					
698	KUBOTA	UTV					
Total Core Units	15		\$0	\$56,000	\$56,000	\$40,000	\$30,000

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

EQUIPMENT REPLACEMENT DETAIL

PARKS DEPARTMENT		OPERATION FUNCTION	FY2016	FY2017	FY2018	FY2019	FY2020
UNIT #	VEHICLE DESCRIPTION						
201	DODGE RAM 1500	OPERATIONS					
202	DODGE GRAND CARAVAN	OPERATIONS					
205	FORD TRANSIT 15 PASSENGER	OPERATIONS					
208	FORD F350 FLAT BED LIFT GATE	OPERATIONS					
209	BABB TRAILER W/ PRESSURE WASHER	OPERATIONS	\$21,000				
210	CHEVY SILVERADO HYBRID	OPERATIONS		\$35,000			
211	POLARIS 6x6 UTV	CONSERVATION			\$20,000		
212	MORBARK CHIPPER	CONSERVATION				\$40,000	
214	CASE 580L	OPERATIONS		\$85,000			
221	FORD TRANSIT 15 PASSENGER	RECREATION					
224	JOHN DEERE TRACTOR 6310	CONSERVATION	\$65,000				
225	BOBCAT TOOLCAT	OPERATIONS			\$70,000		
229	KUBOTA F3990	OPERATIONS					
233	HONDA RUBICON	OPERATIONS		\$10,000			
239	KUBOTA 3680	OPERATIONS					
241	TORO 5900 16' MOWER	MOWER					
243	CHEVY PICKUP	OPERATIONS	\$45,000				
245	TORO 5900 16' MOWER	OPERATIONS					
246	FORD F700 AERIAL LIFT TRUCK	FORESTRY	\$110,000				
248	BANDIT 3200 STUMP GRINDER	FORESTRY					
252	MITSUBISHI (MINNI TRUCK)	OPERATIONS		\$30,000			
253	HONDA (MINI TRUCK)	OPERATIONS		\$30,000			
255	MITSUBISHI (MINNI TRUCK)	OPERATIONS		\$30,000			
256	LAND PRIDE SEEDER	OPERATIONS			\$13,000		
258	KUBOTA MOWER	OPERATIONS					
262	TORO	OPERATIONS	\$90,000				
264	FORD F350 DUMP BOX	OPERATIONS					
265	CHEVROLET 1/2 TON PICKUP	OPERATIONS	\$30,000				
272	GMC SIERRA PICKUP	OPERATIONS		\$30,000			
275	JOHN DEERE 1445	MOWER	\$40,000				
276	JOHN DEERE 1445	MOWER	\$40,000				
277	BANDIT 255XP	CHIPPER					
286	TORO 580D MOWER	MOWER					
287	KUBOTA UTV	OPERATIONS		\$40,000			
289	KUBOTA UTV	OPERATIONS		\$40,000			
294	FORD F 250	OPERATIONS					
295	TORO 5900 16' MOWER	MOWER					
298	JOHN DEERE 1445	MOWER		\$40,000			
T202	B-WELDING TRAILER	OPERATIONS					
T203	B-WELDING TRAILER	OPERATIONS					
T204	SPORT LAND TRAILER	OPERATIONS				\$10,000	
T205	SPORT LAND TRAILER	OPERATIONS					\$10,000
T206	SPORT LAND TRAILER	OPERATIONS					\$10,000
T207	UTILITY TRAILER	OPERATIONS	\$10,000				
T208	UTILITY TRAILER	OPERATIONS			\$10,000		
T211	TITAN 16' TRAILER	OPERATIONS		\$15,000			
T214	REDMAX 12 TON TRAILER	OPERATIONS		\$15,000			
T215	TRAILER	OPERATIONS					
T262	PJ TRAILER	OPERATIONS				\$15,000	
273A	PULL BEHIND AERATOR	OPERATIONS					\$12,000
	RECREATION VANS	OPERATIONS					
	SKID STEER	OPERATIONS	\$90,000				
	ONE TON TRUCK	OPERATIONS	\$45,000				
	PAVEMENT STRIPPER	GREEN WAYS	\$8,000				
	PAVEMENT GRINDER	GREEN WAYS	\$14,000				
	11 FOOT MOWER	GREEN WAYS		\$78,000			
	ARROW BOARD TRAILER	GREEN WAYS		\$18,000			
	CHIPPER	GREEN WAYS		\$45,000			
	RECREATION VANS	OPERATIONS	\$90,000				

CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

EQUIPMENT REPLACEMENT DETAIL

PARKS DEPARTMENT (Cont'd)		OPERATION FUNCTION	FY2016	FY2017	FY2018	FY2019	FY2020
UNIT #	VEHICLE DESCRIPTION						
*	NEW ITEMS FOR FORT MISSOULA						
*	72" MOWER NEW ITEM FORT MSLA	OPERATIONS	\$31,000				
*	FIELD PAINTER NEW ITEM FORT MSLA	OPERATIONS	\$8,000				
*	AERATOR NEW ITEM FORT MSLA	OPERATIONS	\$10,000				
*	SPREADER NEW ITEM FORT MSLA	OPERATIONS	\$5,000				
*	1/2 TON TRUCK NEW ITEM FORT MSLA	OPERATIONS	\$30,000				
*	UTILITY VEHICLE NEW ITEM FORT MSLA	OPERATIONS	\$18,000				
*	3 YARD DUMP TRAILER NEW ITEM FORT	OPERATIONS	\$8,000				
*	LINE TRIMMER, BLOWER SNOW BLADES	OPERATIONS	\$5,000				
*	16' MOWER NEW ITEM FORT MSLA	OPERATIONS		\$90,000			
*	72" MOWER NEW ITEM FORT MSLA	OPERATIONS		\$31,000			
*	1/2 TON TRUCK NEW ITEM FORT MSLA	OPERATIONS		\$30,000			
Total	50		\$437,000	\$698,000	\$380,000	\$118,000	\$82,000

PARKING COMM.		OPERATION FUNCTION	FY2016	FY2017	FY2018	FY2019	FY2020
UNIT #	VEHICLE DESCRIPTION						
858	CHEVROLET 3500	METER READ			\$50,000		
865	GO-4	METER READ				\$32,000	
866	GO-4	METER READ					
867	GO-4	METER READ		\$32,000			
868	GO-4	METER READ			\$32,000		
869	GO-4	METER READ				\$32,000	
870	GMC	SNOW PLOW					\$50,000
871	JOHN DEERE GATOR	SNOW PLOW					
872	GMC SIERRA	SNOW PLOW				\$50,000	
874	JOHNSTON 605	SWEeper					
Total	10		\$0	\$32,000	\$82,000	\$82,000	\$82,000

Grand Total	287	\$2,666,000	\$2,770,000	\$2,629,000	\$1,912,000	\$3,394,000
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CAPITAL IMPROVEMENT PROGRAM & CAPITAL BUDGET

COPIER EQUIPMENT REPLACEMENT SCHEDULE - ALL

COPIER DESCRIPTION	FY2016	FY2017	FY2018	FY2019	FY2020
GENERAL FUND DEPARTMENTS					
Attorney - Konica Minolta BizHub 353					
Clerk - Konica Minolta BizHub C550	\$ -	\$ -	\$ -	\$ -	\$ -
Council - HP LaserJet 4345xs MFP	\$ -	\$ -	\$ -	\$ -	\$ -
Finance - HP LaserJet 8150DN	5,000	\$ -	\$ -	\$ -	\$ -
Human Resources - Minolta Di3510	\$ -	\$ -	\$ -	\$ -	\$ -
Mayor - Sharp MX3501N	\$ -	\$ -	\$ -	\$ -	\$ -
Muni Court - Konica Minolta BizHub 350	\$ -	\$ -	\$ -	\$ -	\$ -
HP DesignJet 5500PF 42 (plotter)	\$ -	\$ -	\$ -	\$ -	\$ -
PW - Minolta Di6500E	\$ -	\$ -	\$ -	\$ -	\$ -
Police - HP DesignJet 5500PS	\$ -	\$ -	\$ -	\$ -	\$ -
Police - Konica Minolta BizHub C552	\$ -	14,000	\$ -	\$ -	\$ -
Konica Minolta Di3510F	\$ -	\$ -	\$ -	\$ -	\$ -
Fire - HP DesignJet 5500 PS (Plotter)	\$ -	\$ -	\$ -	\$ -	\$ -
Streets - Minolta Dialta	\$ -	\$ -	\$ -	\$ -	\$ -
Parks - Minolta Di3510	\$ -	\$ -	\$ -	\$ -	\$ -
Parks - HP DesignJet 5500 (plotter)	\$ -	\$ -	\$ -	\$ -	\$ -
Parks - Konica Minolta BizHub 350	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL GENERAL FUND	\$ 5,000	\$ 14,000	\$ -	\$ -	\$ -
CEMETERY					
Cemetery - Sharp MX 3501N	\$ -	\$ -	\$ -	\$ -	\$ -
Cemetery - Cannon ImageRunner 2200	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CEMETERY	\$ -	\$ -	\$ -	\$ -	\$ -
MRA					
Sharp MX4101N	\$ -	\$ 11,000	\$ -	\$ -	\$ -
TOTAL MRA	\$ -	\$ 11,000	\$ -	\$ -	\$ -
WWT DIVISION					
HP 5500N Color LaserJet	\$ -	\$ -	\$ -	\$ -	\$ -
Konica 7020	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL WWTP	\$ -	\$ -	\$ -	\$ -	\$ -
BUILDING DIVISION					
Building - Konica Minolta BizHub 350	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL BUILDING	\$ -	\$ -	\$ -	\$ -	\$ -
GRAND TOTALS - COPIERS	\$ 5,000	\$ 25,000	\$ -	\$ -	\$ -