



CITY OF MONTROSE

2013

BUDGET

SEPTEMBER 15, 2012



Honorable Mayor, Members of the City Council and Montrose Citizens:

The administration of the City of Montrose respectfully submits the 2013 municipal budget for all funds of the city in the amount of \$35,375,240. The 2013 municipal budget is the result of a comprehensive and collaborative effort by the city staff, elected officials, and members of the newly formed citizen budget advisory committee, to establish a budget designed to meet the current and long term needs of the City organization as well as those of the Montrose community.

As we analyze tax revenues and visitor spending here in Montrose, it is clear to see that the local economy has not truly changed course for the better over the past year. In fact, the unemployment rate in Montrose County is approaching 20% per the USDA statistical data and many people are still having real difficulties making ends meet on a daily basis throughout our community.

As a city that truly cares about our residents and taxpayers, we have worked diligently over the past 12 months to cut our expenses down to only those necessary to carry out the services that our citizens have demanded of us in recent years. We were able to reduce our operating expenses by approximately \$782,000 by streamlining our local government operations through many personnel changes including staff reductions, work reassignments, and early exit incentives. This was a very difficult and sensitive time for our employees and we truly appreciated their patience and understanding throughout the process. The roster of full-time employees has decreased from 188 in 2008 to 148 as we head into 2013, a reduction of 21.3%.

The City of Montrose is very concerned with the overall health and sustainability of our local economy and the City has made great progress in the area of economic and community development over the past 12 months. In 2012, the City of Montrose was able to assist in the efforts of the Black Canyon Golf Course, Telluride/Montrose Regional Air Organization, Montrose Economic Development Corporation, Montrose Association of Commerce and Tourism, Region 10, Montrose Hospice & Palliative Care, Montrose Downtown Development Authority, Colorado Mesa University, Montrose Recreation District, and others; to develop and maintain effective programming to provide services that our residents and visitors find necessary to their quality of life.

Financial Condition

Sales tax is a prominent revenue source for the General Fund. Due to the continued flat nature of our local economy, sales tax revenue is budgeted at a very slight 3.8% increase from the 2012 budget and flat compared to 2011 actual collections. The remaining revenues generated from use taxes and service fees were calculated using various forecasting methods and historical data. General Fund revenues for 2013 are projected to be \$16,904,543, which is a decrease of \$105,847, or .7% from the 2012 budget of \$17,010,390. This decrease is attributable to the modifications that were made to the administrative reimbursement calculation that is used to compensate the General Fund for services provided to the Enterprise Funds. Budgeted expenditures total \$16,895,809, or a .7% decrease from the 2012 budget.

The General Fund undesignated fund balance at December 31, 2012 is estimated to be \$7,663,159 million. Per the City's Regulations Manual, the City shall maintain reserves equal to 50% of the city's

budgeted General Fund operating expenditures. An adequate minimum reserve would be approximately \$7.2 million.

Each year the city transfers funds from the General Fund into the Capital Improvement Fund. The transfer amount is always contingent upon revenue projections, but historically it has been approximately \$400,000 as prescribed by People's Ordinance 1986-1 and \$40,329 for the energy performance contract. In 2012, the City Council adopted a new policy requiring an inflationary adjustment to this figure, thus bringing the recommended annual transfer into the Capital Improvement Fund to approximately \$800,000. The 2013 budget includes a transfer of \$1,330,510 for a variety of projects, including sidewalk and street reconstruction, and other necessary infrastructure improvements.

In addition to the General Fund, the 2013 budget is also made up of special revenue funds, capital improvement funds, debt service funds, permanent funds and enterprise funds. Additional detail for these funds is given below.

Fee Changes

The water, sewer, and sanitation funds of the city are enterprise funds that are funded by user charges rather than taxes. A rate increase is not requested for any of these funds for 2013.

Capital Highlights of 2013 Budget

The status of the current economy leads to a competitive purchasing process. The process ensures that the City is getting the best possible price for items that are bid out and the process helps to reinvest tax dollars into the local economy through the routine use of local contractors and vendors.

General Fund - Installing a sprinkler system at Cedar Cemetery has been budgeted at \$65,000 (1/2 of this project will be paid for by the Demoret Trust Fund)

Capital Improvement Fund - The Capital Improvement Fund has budgeted \$1,740,829 of capital projects. The following projects are planned for 2013:

South Townsend Sidewalk Construction \$360,000 – The city has received a transportation enhancement grant in the amount of \$300,000 from the state for sidewalk construction on South Townsend Avenue from roughly Woodgate Road to Oxbow Crossing Shopping Center. This project will greatly facilitate pedestrian traffic through this corridor.

\$1,161,339 has been budgeted for infrastructure improvements. Paving Selig Avenue from Main to N. Second Street as well as other priority streets will be improved in 2013.

Curb/Gutter/Sidewalk cost share program for replacement of deteriorating sidewalks in residential areas and ADA compliance issues are budgeted at \$150,000 in 2013.

Building Improvement Fund – In 2011, a facility condition assessment was completed and several areas were identified within city facilities that need to be upgraded. \$80,000 has been budgeted to address the priority projects from the study.

Water Fund - \$150,000 has been budgeted in 2013 to complete the three million gallon water tank project that is underway in 2012. A \$500,000 Energy and Mineral Impact Assistance grant was awarded in 2007 to assist in the cost of construction, which is budgeted at \$3 million in 2012. \$1,250,000 has been budgeted to convert the radios on the water meters to an automatic meter reading infrastructure. Also, \$100,000 has been budgeted to replace AC pipe when appropriate.

Sewer Fund – Phase III of the Airport Trunk Sewer line project has been budgeted for \$700,000. The Sunnyside/Mesa Sewer line connection project has been budgeted for \$900,000 in 2013 and is estimated to be finished in 2014.

Fleet Fund - The city's capital budget for the Fleet Fund is \$370,000 for the purchase of four police SUV's with lighting package, one sanitation truck, and a new truck for the sign crew. The city's fleet management goal is to maintain no more than 20% of the fleet beyond its life cycle.

IT Service Fund - An internal service fund for Information Technology was established in 2007 to provide a dedicated level of service for the technology needs of every city department. In 2013, capital purchases include replacing several personal computers and 800 mghz radios throughout the city departments.

Conclusion

The Montrose community has a history of making it through tough times by working together to refocus its efforts with an eye on the future. The City of Montrose has spent the last several months analyzing our processes and systems to make sure that we are working in an efficient and effective manner to serve our taxpayers. After a thorough analysis of the city's needs and a critical look at each line item with the assistance of staff, elected officials and citizen advisors, I am confident that this 2013 budget reflects our commitment to responsible financial management and to maintaining an excellent quality of life for Montrose residents.

As a city organization, we will continue to strive to keep our community moving forward, even during this economic downturn. The city is fortunate to have a professional, competent and dedicated staff that is anxious to work as a team with the City Council and our citizens for the betterment of the city organization and the community that we serve.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Bell', with a long, sweeping underline that extends to the right and then curves back down towards the left.

William E. Bell
City Manager

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF MONTROSE, COLORADO PROVIDING AND APPROPRIATING FUNDS FOR DEFRAYING THE EXPENSES AND LIABILITIES OF THE CITY OF MONTROSE, COLORADO DURING THE FISCAL YEAR BEGINNING JANUARY 1, 2013

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONTROSE, COLORADO, as follows:

SECTION 1:

That for the purpose of paying the expenses and liabilities of the City of Montrose for the fiscal year beginning January 1, 2013, there is hereby appropriated the following amounts from the various funds:

<u>FUND</u>	<u>AMOUNT</u>
100 General Fund	\$16,895,809
200 Retail Sales Enhancement	235,000
207 7 th Judicial Drug Taskforce	300,618
220 Downtown Development Authority	169,604
222 DDA Revolving Loan Fund	40,000
225 Public/Education/Government	21,000
235 Capital Improvements Fund	1,671,339
255 Pavilion Senior Center	3,400
270 Special Benefit Fund	22,685
290 Tourism Promotional	338,750
370 2010 Excise Tax Revenue Bonds	377,475
375 Energy Impact Assistance Fire flow Loan	12,189
400 Demoret Trust	32,500
420 Cemetery Perpetual Care	150
470 Building Renovations Fund	80,000
500 Water Fund	5,168,973
510 Sewer Fund	3,798,236
550 Sanitation Fund	1,458,982
600 Fleet Management Fund	1,218,177
605 IT Fund	859,153
610 Employee Benefit Fund	2,671,200
 Total Appropriation	 \$35,375,240

INTRODUCED, READ and PASSED on first reading this _____ day of _____, 2012.

Thomas Smits, Mayor

ATTEST:

Lisa DelPiccolo, City Clerk

You will please take notice that the Montrose City Council will hold a hearing upon the above Ordinance and on the question of its adoption on second reading on _____, the _____ day of _____, 2009, at the hour of _____ p.m. at the City Council Chambers in the Elks' Civic Building, in Montrose, Colorado.

INTRODUCED, READ AND ADOPTED on second reading this _____ day of _____, 2012.

Thomas Smits, Mayor

ATTEST:

Lisa DelPiccolo, City Clerk

RESOLUTION 2012 - ____

WHEREAS, the City Council of the City of Montrose, Colorado, has held a public hearing and examined the 2013 budget for the City of Montrose, Colorado, and

WHEREAS, said Budget is to be adopted by the Resolution of the Council not less than sixty (60) days prior to the first day of the next fiscal year, which day is January 1, 2013.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MONTROSE, COLORADO, as follows:

1. The Budget for the year 2013 for the City of Montrose, Colorado, attached thereto, is hereby adopted.

ADOPTED this _____ day of _____, 2012, by the City Council of the City of Montrose, Colorado.

Thomas Smits, Mayor

ATTEST:

Lisa DelPiccolo, City Clerk

City of Montrose
2013 PROPOSED BUDGET

	2011 Actuals	2012 Actual 1/1-7/31/12	2012 Projected 8/1-12/31/12	2012 Projected Total	2012 Original Budget	2013 Proposed Budget
GENERAL FUND						
UNRESERVED FUND BALANCE 1/1	\$ 6,070,013			\$ 6,380,361		\$ 7,663,159
REVENUES						
TAXES	\$ 13,787,853	\$ 6,776,515	\$ 6,927,368	\$ 13,703,883	\$ 13,301,000	\$ 13,834,000
LICENSES & PERMITS	\$ 179,778	\$ 132,109	\$ 79,316	\$ 211,425	\$ 210,100	\$ 231,800
INTERGOVERNMENTAL	\$ 1,194,136	\$ 513,738	\$ 647,170	\$ 1,160,908	\$ 1,119,400	\$ 1,151,000
CHARGES FOR SERVICE	\$ 319,770	\$ 132,461	\$ 179,580	\$ 312,041	\$ 331,000	\$ 337,200
COURT REVENUE	\$ 187,150	\$ 108,092	\$ 77,875	\$ 185,967	\$ 163,500	\$ 244,000
DONATIONS & OTHER REVENUES	\$ 332,227	\$ 210,818	\$ 21,284	\$ 232,102	\$ 149,450	\$ 73,950
ADMINISTRATIVE REIMBURSEMENT	\$ 1,174,722	\$ 611,252	\$ 664,031	\$ 1,275,282	\$ 1,275,282	\$ 1,024,193
INCOME FROM INVESTMENTS	\$ 7,047	\$ 9,330	\$ 9,383	\$ 18,713	\$ 2,000	\$ 8,200
TRANSFERS FROM OTHER FUNDS	\$ 48,954	\$ 628,611	\$ -	\$ 628,611	\$ 458,658	\$ 200
TOTAL GENERAL FUND REVENUES	\$ 17,231,636	\$ 9,122,925	\$ 8,606,007	\$ 17,728,932	\$ 17,010,390	\$ 16,904,543
EXPENDITURES						
CITY COUNCIL	\$ 68,334	\$ 56,146	\$ 18,433	\$ 74,579	\$ 76,042	\$ 93,870
WASHINGTON DC CONSULTANT	\$ 36,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
ECONOMIC DEV/COMM SUPP	\$ 406,500	\$ 22,500	\$ 232,500	\$ 255,000	\$ 255,000	\$ 286,000
MONTROSE MUSEUM	\$ 3,442	\$ -	\$ -	\$ -	\$ -	\$ -
PUBLIC RELATIONS	\$ 122,597	\$ -	\$ -	\$ -	\$ -	\$ -
CITY ATTORNEY	\$ 372,528	\$ 214,231	\$ 152,678	\$ 366,909	\$ 374,828	\$ 373,647
CITY MANAGER	\$ 344,118	\$ 102,790	\$ 71,892	\$ 174,681	\$ 300,587	\$ 226,723
HUMAN RESOURCES	\$ 266,758	\$ 169,756	\$ 172,162	\$ 341,918	\$ 333,380	\$ 273,416
PAVILION	\$ 553,851	\$ 281,569	\$ 353,663	\$ 562,127	\$ 586,202	\$ 550,051
GIS	\$ 235,368	\$ 128,854	\$ 101,350	\$ 230,204	\$ 234,795	\$ 233,295
FINANCE	\$ 603,165	\$ 325,007	\$ 262,014	\$ 586,884	\$ 607,972	\$ 567,956
MUNICIPAL COURT	\$ 178,073	\$ 92,326	\$ 70,277	\$ 162,603	\$ 193,232	\$ 179,609
TEEN COURT	\$ 6,000	\$ 6,000	\$ -	\$ 6,000	\$ 6,285	\$ 6,000
COMMUNITY DEVELOPMENT	\$ 487,967	\$ 287,775	\$ 212,283	\$ 500,058	\$ 469,922	\$ 466,518
ADMINISTRATIVE SERVICES	\$ 435,266	\$ 161,258	\$ 112,296	\$ 273,554	\$ 270,688	\$ 320,236
CITY CLERK	\$ 132,347	\$ 120,761	\$ 76,217	\$ 196,978	\$ 206,369	\$ 179,325
MUNICIPAL COMPLEX	\$ 295,332	\$ 208,654	\$ 170,471	\$ 379,126	\$ 392,640	\$ 304,243
POLICE PATROL	\$ 3,324,093	\$ 1,809,060	\$ 1,434,050	\$ 3,243,110	\$ 3,425,573	\$ 3,625,433
POLICE ADMINISTRATION	\$ 1,610,115	\$ 964,451	\$ 789,331	\$ 1,753,782	\$ 1,720,600	\$ 1,561,381
ANIMAL CONTROL	\$ 573,013	\$ 313,220	\$ 301,394	\$ 614,613	\$ 627,289	\$ 564,778
CODE COMPLIANCE	\$ 277,743	\$ 101,716	\$ 80,953	\$ 182,669	\$ 268,590	\$ 209,191
CITY ENGINEER	\$ 304,871	\$ 194,143	\$ 147,643	\$ 341,786	\$ 368,902	\$ 274,629
PUBLIC WORKS ADMIN	\$ 485,119	\$ 278,653	\$ 221,802	\$ 500,455	\$ 522,087	\$ 381,859
STREETS	\$ 2,451,165	\$ 1,293,455	\$ 1,205,975	\$ 2,499,431	\$ 2,636,676	\$ 2,132,015
STREET CLEANING	\$ 348,672	\$ 186,934	\$ 125,534	\$ 312,468	\$ 330,405	\$ 323,876
PARKS	\$ 1,079,990	\$ 670,342	\$ 466,357	\$ 1,136,699	\$ 1,080,777	\$ 1,085,434
TREE PROGRAM	\$ 11,166	\$ 5,175	\$ 9,825	\$ 15,000	\$ 15,000	\$ 15,000
CEMETERY	\$ 89,707	\$ 46,048	\$ 39,115	\$ 85,163	\$ 90,428	\$ 125,646
LIONS COMMUNITY BLD	\$ 4,884	\$ -	\$ -	\$ -	\$ -	\$ -
TRANSFER TO OTHERS	\$ 1,640,047	\$ 737,616	\$ 726,090	\$ 1,463,706	\$ 1,400,206	\$ 2,336,428
PROPERTY/CASUALTY INS	\$ 164,551	\$ 137,917	\$ 48,712	\$ 186,629	\$ 200,000	\$ 199,250
TOTAL GF EXPENDITURES	\$ 16,921,288	\$ 8,916,357	\$ 7,603,018	\$ 16,446,134	\$ 17,010,390	\$ 16,895,809
GF REVENUES OVER (UNDER) EXP	\$ 310,348	\$ 206,568	\$ 1,002,989	\$ 1,282,798	\$ -	\$ 8,734
FUND BALANCE 12/31	\$ 6,380,361			\$ 7,663,159		\$ 7,671,893
RETAIL SALES ENHANCEMENT						
FUND BALANCE 1/1	\$ 42,179			\$ 42,475		\$ 42,474
REVENUES	\$ 241,259	\$ 95,581	\$ 191,163	\$ 286,744	\$ 224,000	\$ 235,000
EXPENDITURES	\$ 240,964	\$ 95,581	\$ 191,163	\$ 286,744	\$ 224,000	\$ 235,000
REVENUES OVER (UNDER) EXP	\$ 295	\$ -	\$ (0)	\$ (0)	\$ -	\$ -
FUND BALANCE 12/31	\$ 42,475			\$ 42,474		\$ 42,474

City of Montrose
2013 PROPOSED BUDGET

	2011 Actuals	2012 Actual 1/1-7/31/12	2012 Projected 8/1-12/31/12	2012 Projected Total	2012 Original Budget	2013 Proposed Budget
7TH JUDICIAL DRUG TASKFORCE						
FUND BALANCE 1/1	\$ 54,551			\$ 50,055		\$ 50,432
REVENUES	\$ 89,601	\$ 62,163	\$ 32,060	\$ 94,223	\$ 99,120	\$ 300,618
EXPENDITURES	\$ 94,097	\$ 53,984	\$ 39,862	\$ 93,846	\$ 99,120	\$ 300,618
REVENUE OVER (UNDER) EXP	\$ (4,495)	\$ 8,179	\$ (7,802)	\$ 377	\$ -	\$ -
FUND BALANCE 12/31	\$ 50,055			\$ 50,432		\$ 814
DDA						
FUND BALANCE 1/1	\$ 17,218			\$ 130,164		\$ 70,018
INTERGOVERNMENTAL	\$ 184,253	\$ 110,887	\$ 17,113	\$ 128,000	\$ 128,000	\$ 225,000
DONATIONS	\$ 1,363	\$ 255	\$ 200	\$ 455	\$ -	\$ -
INTEREST INCOME	\$ 0	\$ -	\$ 500	\$ 500	\$ -	\$ 1,000
TRANSFERS FROM OTHERS	\$ 29,000	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES	\$ 214,616	\$ 111,142	\$ 17,813	\$ 128,955	\$ 128,000	\$ 226,000
EXPENDITURES	\$ 101,670	\$ 92,259	\$ 96,841	\$ 189,101	\$ 179,799	\$ 169,604
REVENUES OVER (UNDER) EXP	\$ 112,946	\$ 18,882	\$ (79,028)	\$ (60,146)	\$ (51,799)	\$ 56,396
FUND BALANCE 12/31	\$ 130,164			\$ 70,018		\$ 126,414
REVOLVING LOAN FUND						
FUND BALANCE 1/1	\$ -			\$ -		\$ 55,500
REVENUES			\$ 95,500	\$ 95,500		\$ 40,000
EXPENDITURES			\$ 40,000	\$ 40,000		\$ 40,000
REVENUES OVER (UNDER) EXP	\$ -	\$ -	\$ 55,500	\$ 55,500	\$ -	\$ -
FUND BALANCE 12/31	\$ -			\$ 55,500		\$ 30,500
PUBLIC/EDUCATION/GOV'T						
FUND BALANCE 1/1	\$ -			\$ 8,852		\$ 28,836
REVENUES	\$ -	\$ 5,116	\$ 15,884	\$ 21,000	\$ 21,000	\$ 21,000
EXPENDITURES	\$ -	\$ 1,016	\$ -	\$ 1,016	\$ 21,000	\$ 21,000
REVENUES OVER (UNDER) EXP	\$ -	\$ 4,100	\$ 15,884	\$ 19,984	\$ -	\$ -
FUND BALANCE 12/31	\$ -			\$ 28,836		\$ 28,836
SURPLUS & DEFICIENCY FUND						
FUND BALANCE 1/1	\$ 153,875			\$ 153,980		\$ 154,177
INTEREST INCOME	\$ 104	\$ 97	\$ 100	\$ 197	\$ 300	\$ 300
FUND BALANCE 12/31	\$ 153,980			\$ 154,177		\$ 154,477
CAPITAL IMPROVEMENT FUND						
FUND BALANCE 1/1	\$ 1,505,004			\$ 381,681		\$ 835,141
STATE GOVERNMENTS	\$ 840,963	\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000
INTEREST INCOME	\$ 4,672	\$ -	\$ 500	\$ 500	\$ 500	\$ 500
TRANSFERS FROM OTHERS	\$ 1,192,994	\$ 532,006	\$ 380,005	\$ 912,011	\$ 912,011	\$ 1,370,839
REVENUES	\$ 2,038,629	\$ 532,006	\$ 380,505	\$ 912,511	\$ 1,212,511	\$ 1,671,339
EXPENDITURES						
CURB/GUTTER/SIDEWALK & ADA	\$ 232,591	\$ 53,432	\$ 50,025	\$ 103,457	\$ 100,000	\$ 150,000
UNCOMPAHGRE EVENTS PLAZA	\$ 750	\$ 91,568	\$ -	\$ 91,568	\$ 78,000	
STREET IMPROVEMENT						\$ 1,161,339
ARTERIAL CONSTRUCTION	\$ 2,928,611	\$ 249,026	\$ -	\$ 249,026	\$ -	\$ -
SOUTH TOWNSEND SIDEWALKS	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 375,000	\$ 360,000
EXPENDITURES	\$ 3,161,952	\$ 394,026	\$ 65,025	\$ 459,051	\$ 553,000	\$ 1,671,339
REVENUES OVER (UNDER) EXP	\$ (1,123,323)	\$ 137,981	\$ 315,479	\$ 453,460	\$ 659,511	\$ -
FUND BALANCE 12/31	\$ 381,681			\$ 835,141		\$ 835,141

City of Montrose
2013 PROPOSED BUDGET

	2011 Actuals	2012 Actual 1/1-7/31/12	2012 Projected 8/1-12/31/12	2012 Projected Total	2012 Original Budget	2013 Proposed Budget
CONSERVATION TRUST FUND (LOTTERY)						
FUND BALANCE 1/1	\$ 150,381			\$ 236,974		\$ 361,933
REVENUES						
INTERGOVERNMENTAL	\$ 157,493	\$ 50,486	\$ 100,972	\$ 151,458	\$ 80,000	\$ 80,000
DONATIONS	\$ (1,500)	\$ -	\$ -	\$ -	\$ -	\$ -
INTEREST INCOME	\$ 306	\$ 538	\$ 923	\$ 1,461	\$ 800	\$ 1,000
REVENUES	\$ 156,299	\$ 51,024	\$ 101,895	\$ 152,919	\$ 80,800	\$ 81,000
EXPENDITURES						
REVENUES OVER (UNDER) EXP	\$ 86,594	\$ 27,764	\$ 97,195	\$ 124,959	\$ 80,800	\$ 81,000
FUND BALANCE 12/31	\$ 236,974			\$ 361,933		\$ 442,933

SENIOR CENTER						
FUND BALANCE 1/1	\$ 12,580			\$ 13,833		\$ 14,556
REVENUES						
INTERGOVERNMENTAL	\$ 3,304	\$ 1,750	\$ 1,250	\$ 3,000	\$ 4,200	\$ 3,410
EXPENDITURES						
REVENUES OVER (UNDER) EXP	\$ 1,253	\$ 422	\$ 301	\$ 723	\$ 25	\$ 10
FUND BALANCE 12/31	\$ 13,833			\$ 14,556		\$ 14,566

SPECIAL BENEFIT FUND						
FUND BALANCE 1/1	\$ 43,710			\$ 46,387		\$ 56,756
REVENUES						
STATE GOVERNMENTS	\$ -	\$ -			\$ -	\$ -
PARKS DEVELOPMENT	\$ 6,300	\$ 1,575	\$ 2,100	\$ 3,675	\$ 3,675	\$ 3,000
DONATIONS	\$ 8,058	\$ 9,898	\$ 4,968	\$ 14,867	\$ 8,000	\$ 8,000
INTEREST INCOME	\$ 1	\$ -	\$ 100	\$ 100	\$ 50	\$ -
EQUITY TRANSFER						\$ 11,685
REVENUES	\$ 14,359	\$ 11,473	\$ 7,168	\$ 18,642	\$ 11,725	\$ 22,685
EXPENDITURES						
REVENUES OVER (UNDER) EXP	\$ 2,677	\$ 8,851	\$ 1,518	\$ 10,369	\$ (435)	\$ -
FUND BALANCE 12/31	\$ 46,387			\$ 56,756		\$ 45,071

TOURISM PROMOTIONAL FUND						
FUND BALANCE 1/1	\$ -			\$ (45)		\$ 0
REVENUES						
HOTEL ROOM TAX	\$ 71,276	\$ 29,849	\$ 29,849	\$ 59,698	\$ 68,000	\$ 63,000
RESTAURANT TAX	\$ 288,130	\$ 149,327	\$ 149,327	\$ 298,654	\$ 275,000	\$ 275,000
HOTEL ROOM TAX PENALTY & INT	\$ 390	\$ 10	\$ 10	\$ 21	\$ 500	\$ 250
RESTAURANT TAX PENALTY & INT	\$ 432	\$ 137	\$ 137	\$ 275	\$ 800	\$ 500
EXCISE TAXES	\$ 360,227	\$ 179,323	\$ 179,323	\$ 358,647	\$ 344,300	\$ 338,750
EXPENDITURES						
REVENUES OVER (UNDER) EXP	\$ (45)	\$ 38,191	\$ (38,146)	\$ 45	\$ -	\$ -
FUND BALANCE 12/31	\$ (45)			\$ 0		\$ 0

2010 EXCISE TAX REVENUE BONDS						
FUND BALANCE 1/1	\$ 60,443			\$ 59,693		\$ 59,543
REVENUES						
INTERGOVERNMENTAL	\$ 374,075	\$ 250,050	\$ 125,025	\$ 375,075	\$ 375,075	\$ 377,475
EXPENDITURES						
REVENUES OVER (UNDER) EXP	\$ (750)	\$ 217,513	\$ (217,663)	\$ (150)	\$ (150)	\$ -
FUND BALANCE 12/31	\$ 59,693			\$ 59,543		\$ 59,543

City of Montrose
2013 PROPOSED BUDGET

	2011 Actuals	2012 Actual 1/1-7/31/12	2012 Projected 8/1-12/31/12	2012 Projected Total	2012 Original Budget	2013 Proposed Budget
EIAF - FIRE FLOW LOAN						
FUND BALANCE 1/1	\$ 14,448			\$ -		\$ -
REVENUES	\$ 12,189	\$ -	\$ 12,189	\$ 12,189	\$ 12,199	\$ 12,189
EXPENDITURES	\$ 26,637	\$ 12,189	\$ -	\$ 12,189	\$ 12,189	\$ 12,189
REVENUES OVER (UNDER) EXP	\$ (14,448)					
FUND BALANCE 12/31	\$ -			\$ -		\$ -
DEMORET TRUST						
FUND BALANCE 1/1	\$ 71,323			\$ 71,231		\$ 64,475
REVENUES	\$ 158	\$ -	\$ 300	\$ 300	\$ 50,500	\$ 32,500
EXPENDITURES	\$ 250	\$ 7,056	\$ -	\$ 7,056	\$ 50,500	\$ 32,500
REVENUES OVER (UNDER) EXP	\$ (92)	\$ (7,056)	\$ 300	\$ (6,756)	\$ -	\$ -
FUND BALANCE 12/31	\$ 71,231			\$ 64,475		\$ 32,375
CEMETERY PERPETUAL CARE FUND						
FUND BALANCE 1/1	\$ 105,391			\$ 106,511		\$ 108,157
REVENUES	\$ 1,231	\$ 1,064	\$ 760	\$ 1,824	\$ 1,350	\$ 2,454
EXPENDITURES	\$ 111	\$ 104	\$ 74	\$ 178	\$ 150	\$ 150
REVENUES OVER (UNDER) EXP	\$ 1,120	\$ 960	\$ 686	\$ 1,646	\$ 1,200	\$ 2,304
FUND BALANCE 12/31	\$ 106,511			\$ 108,157		\$ 110,461
SPECIAL IMPROVMENTS REVOLVING FUND						
FUND BALANCE 1/1	\$ 144,569			\$ 261,217		\$ 362,373
REVENUES	\$ 126,845	\$ 101,866	\$ -	\$ 101,866	\$ 111,100	\$ 99,237
EXPENDITURES	\$ 10,197	\$ 709	\$ -	\$ 709	\$ -	\$ -
REVENUES OVER (UNDER) EXP	\$ 116,648	\$ 101,156	\$ -	\$ 101,156	\$ 111,100	\$ 99,237
FUND BALANCE 12/31	\$ 261,217			\$ 362,373		\$ 461,610
BUILDING RENOVATION FUND						
FUND BALANCE 1/1	\$ 137,885			\$ 137,885		\$ 137,885
REVENUES	\$ -					\$ 200,000
EXPENDITURES	\$ -					\$ 80,000
REVENUES OVER (UNDER) EXP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
FUND BALANCE 12/31	\$ 137,885			\$ 137,885		\$ 257,885
WATER FUND						
CASH & INVESTMENTS 1/1	\$ 8,075,939			\$ 7,804,735		\$ 6,133,076
REVENUES						
INTERGOVERNMENTAL	\$ 24,030	\$ -	\$ 408,000	\$ 408,000	\$ 402,000	\$ 8,000
CHARGES FOR SERVICE	\$ 5,089,974	\$ 3,140,795	\$ 2,243,416	\$ 5,384,211	\$ 5,206,400	\$ 5,199,240
CAPITAL CONT WTR CAPACITY FEE	\$ 53,950	\$ 25,908	\$ 18,506	\$ 44,414	\$ 47,500	\$ 47,800
TRANSFER COST ALLOCATION	\$ 167,616	\$ 101,304	\$ 72,360	\$ 173,664	\$ 173,664	\$ -
INTEREST INCOME	\$ 14,405	\$ 9,026	\$ 6,447	\$ 15,474	\$ 5,000	\$ 10,000
TRANSFERS FROM OTHER FUNDS	\$ -	\$ 488,656	\$ 586	\$ 489,242	\$ 67,835	\$ -
REVENUES	\$ 5,349,974	\$ 3,765,689	\$ 2,749,315	\$ 6,515,004	\$ 5,902,399	\$ 5,265,040
EXPENDITURES						
RECORDS & COLLECTIONS	\$ 330,236	\$ 190,376	\$ 143,346	\$ 333,723	\$ 347,328	\$ 182,291
WATER DISTRIBUTION & MAINT.	\$ 4,760,195	\$ 2,515,895	\$ 5,095,054	\$ 7,610,948	\$ 6,476,402	\$ 4,746,064
WATER DEBT SERVICE	\$ 530,746	\$ 50,872	\$ 191,122	\$ 241,993	\$ 242,075	\$ 240,618
TOTAL EXPENDITURES	\$ 5,621,178	\$ 2,757,142	\$ 5,429,522	\$ 8,186,664	\$ 7,065,805	\$ 5,168,973
REVENUE OVER (UNDER) EXPENSES	\$ (271,204)	\$ 1,008,547	\$ (2,680,206)	\$ (1,671,660)	\$ (1,163,406)	\$ 96,067
CASH & INVESTMENTS 12/31	\$ 7,804,735			\$ 6,133,076		\$ 6,229,143

City of Montrose
2013 PROPOSED BUDGET

	2011 Actuals	2012 Actual 1/1-7/31/12	2012 Projected 8/1-12/31/12	2012 Projected Total	2012 Original Budget	2013 Proposed Budget
SEWER FUND						
CASH & INVESTMENTS 1/1	\$ 8,071,473			\$ 2,989,512		\$ 1,527,432
REVENUES						
INTERGOVERNMENTAL	\$ 98,391	\$ -	\$ -	\$ -	\$ -	\$ -
CHARGES FOR SERVICE	\$ 2,818,105	\$ 1,656,332	\$ 1,181,556	\$ 2,837,887	\$ 2,777,000	\$ 2,804,233
CONTRIBUTED CAPITAL AND LEASE	\$ 148,396	\$ 132,297	\$ 64,212	\$ 196,509	\$ 137,700	\$ 141,700
INTEREST INCOME	\$ 18,074	\$ 4,063	\$ 2,902	\$ 6,964	\$ 1,000	\$ 10,000
TRANSFERS FROM OTHERS	\$ 420,000	\$ 48,699	\$ -	\$ 48,699	\$ 48,699	\$ -
TRANSFER FROM RESERVES						\$ 842,303
REVENUES	\$ 3,502,966	\$ 1,841,390	\$ 1,248,670	\$ 3,090,060	\$ 2,964,399	\$ 3,798,236
RECORDS & COLLECTIONS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,331
SEWER MAINTENANCE	\$ 5,954,916	\$ 1,288,856	\$ 1,986,706	\$ 3,275,562	\$ 3,302,223	\$ 2,418,090
1996 REVENUE BONDS	\$ 799,779	\$ -	\$ -	\$ -	\$ -	\$ -
SEWER TREATMENT	\$ 1,558,591	\$ 627,122	\$ 540,477	\$ 1,167,599	\$ 1,106,018	\$ 1,072,484
SEWER PRE-TREATMENT	\$ 62,205	\$ 35,927	\$ 31,430	\$ 67,357	\$ 67,285	\$ 71,462
2004 REVENUE BONDS	\$ 209,436	\$ 41,622	\$ -	\$ 41,622	\$ 198,061	\$ 196,869
EXPENDITURES	\$ 8,584,927	\$ 1,993,527	\$ 2,558,613	\$ 4,552,140	\$ 4,673,587	\$ 3,798,236
REVENUES OVER (UNDER) EXPENSES	\$ (5,081,961)	\$ (152,137)	\$ (1,309,943)	\$ (1,462,080)	\$ (1,709,188)	\$ -
CASH & INVESTMENTS 12/31	\$ 2,989,512			\$ 1,527,432		\$ 685,129
SANITATION FUND						
CASH & INVESTMENTS 1/1	\$ 493,874			\$ 377,840		\$ 232,199
CHARGES FOR SERVICE	\$ 1,536,276	\$ 893,986	\$ 638,561	\$ 1,532,547	\$ 1,530,000	\$ 1,520,136
SALE OF SUPPLIES	\$ 622	\$ 68	\$ 49	\$ 117	\$ 500	\$ 500
INTEREST INCOME	\$ 87	\$ 97	\$ 69	\$ 166	\$ 200	\$ 50
TRANSFERS FROM OTHERS	\$ -	\$ 109,403	\$ -	\$ 109,403	\$ 109,403	\$ -
REVENUES	\$ 1,536,985	\$ 1,003,554	\$ 638,679	\$ 1,642,233	\$ 1,640,103	\$ 1,520,686
EXPENDITURES	\$ 1,653,020	\$ 830,957	\$ 956,916	\$ 1,787,873	\$ 1,548,589	\$ 1,458,982
REVENUES OVER (UNDER) EXPENSES	\$ (116,034)	\$ 172,597	\$ (318,237)	\$ (145,641)	\$ 91,514	\$ 61,704
CASH & INVESTMENTS 12/31	\$ 377,840			\$ 232,199		\$ 293,903
FLEET MANAGEMENT FUND						
CASH & INVESTMENTS 1/1	\$ 2,325,917			\$ 1,978,434		\$ 1,782,475
CHARGES FOR SERVICE	\$ -	\$ 54	\$ -	\$ 54	\$ -	\$ -
EQUIPMENT USAGE	\$ 1,895,857	\$ 832,946	\$ 758,893	\$ 1,591,839	\$ 1,581,900	\$ 1,584,700
INTEREST INCOME	\$ 1,903	\$ 1,837	\$ 3,149	\$ 4,986	\$ 2,000	\$ 4,000
REVENUES	\$ 1,897,760	\$ 834,838	\$ 762,042	\$ 1,596,880	\$ 1,583,900	\$ 1,588,700
EXPENDITURES	\$ 2,245,242	\$ 1,380,669	\$ 412,170	\$ 1,792,839	\$ 2,086,713	\$ 1,218,177
REVENUES OVER (UNDER) EXP	\$ (347,483)	\$ (545,831)	\$ 349,872	\$ (195,959)	\$ (502,813)	\$ 370,523
CASH & INVESTMENTS 12/31	\$ 1,978,434			\$ 1,782,475		\$ 2,152,998

City of Montrose
2013 PROPOSED BUDGET

	2011 Actuals	2012 Actual 1/1-7/31/12	2012 Projected 8/1-12/31/12	2012 Projected Total	2012 Original Budget	2013 Proposed Budget
INFORMATION TECHNOLOGY						
CASH & INVESTMENTS 1/1	\$ 964,424			\$ 758,344		\$ 821,953
CABLE TV FRANCHISE/ PEG FEE	\$ 20,843	\$ -	\$ -	\$ -	\$ -	\$ -
INTERGOVERNMENTAL	\$ 10,753	\$ 4,567	\$ 2,280	\$ 6,847	\$ 8,400	\$ 33,400
EQUIPMENT USAGE	\$ 681,266	\$ 536,779	\$ 383,434	\$ 920,213	\$ 908,726	\$ 726,190
RADIO USAGE	\$ 62,363	\$ 33,768	\$ 24,120	\$ 57,889	\$ 60,100	\$ 52,300
INTEREST INCOME	\$ 638	\$ 703	\$ 700	\$ 1,403	\$ 500	\$ 1,500
TRANSFER FROM RESERVES					\$ 19,301	\$ 44,046
TOTAL REVENUES	\$ 775,862	\$ 575,818	\$ 410,534	\$ 986,352	\$ 997,027	\$ 857,436
TOTAL EXPENDITURES	\$ 973,091	\$ 450,930	\$ 471,814	\$ 922,743	\$ 997,027	\$ 859,153
REVENUES OVER (UNDER) EXP	\$ (197,228)	\$ 124,888	\$ (61,280)	\$ 63,608	\$ -	\$ (1,717)
CASH & INVESTMENTS 12/31	\$ 767,196			\$ 821,953		\$ 820,236
HEALTH/DENTAL/LIFE INSURANCE FUND						
CASH & INVESTMENTS 1/1	\$ 110,514			\$ 26,307		\$ 149,490
FLEX CONTRIBUTIONS	\$ 102,230	\$ 53,001	\$ 38,867	\$ 91,868	\$ 130,000	\$ 30,000
INSURANCE DAMAGE REIMBURSEMENT	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -
MISCELLANEOUS REVENUE	\$ -	\$ -	\$ -	\$ -	\$ 315,000	\$ -
INTEREST INCOME	\$ 4	\$ -	\$ 300	\$ 300	\$ 300	\$ -
OPERATING TRANSFERS IN	\$ 2,218,695	\$ 1,355,821	\$ 994,268	\$ 2,350,089	\$ 2,462,000	\$ 2,563,000
COBRA	\$ 12,819	\$ 18,354	\$ -	\$ 18,354	\$ 2,500	\$ 14,000
TRANSFER FROM RESERVES						\$ 64,200
REVENUES	\$ 2,333,748	\$ 1,527,175	\$ 1,033,436	\$ 2,560,611	\$ 2,909,800	\$ 2,671,200
EXPENDITURES	\$ 2,417,955	\$ 1,359,587	\$ 1,204,840	\$ 2,437,428	\$ 2,871,000	\$ 2,671,200
REVENUES OVER (UNDER) EXP	\$ (84,207)	\$ 167,588	\$ (171,405)	\$ 123,183	\$ 38,800	\$ -
CASH & INVESTMENTS 12/31	\$ 26,307			\$ 149,490		\$ 85,290

DEBT SERVICE

Combined Debt Summary

The City of Montrose Charter establishes a legal debt limitation of 5% of the assessed valuation of taxable property in the City, as shown by the last preceding assessment. The assessed valuation of taxable property in the City as of August 23, 2012, was \$302,712,340. Based on this valuation, the legal debt limit is \$15,135,617. Certain debt is excluded from the calculation for water, storm sewer, sanitary sewer, sewage disposal, short-term notes (< 3 years), and local improvement securities. This limitation does not apply to revenue bonds as addressed in Article VI, Section 5 of the City of Montrose Charter.

Assessed taxable property valuation	\$302,712,340
5% Debt Limitation	\$15,135,617
Energy Impact Loan	\$70,531
Total subject to debt limitation	\$70,531
2010 General Fund Revenue Bonds	\$1,675,000
2004 Water and Sewer Revenue Bonds	\$4,065,000
Total not subject to limitation	\$5,740,000
TOTAL DEBT	\$5,810,531

Energy Impact Assistance Loan

The Energy Impact Assistance Loan in the amount of \$151,900 was received November 1999 to help construct an independent pumped storage system to provide fire protection to the Aerospace Research Industrial Park. This is a 20-year loan at 5% interest. Montrose Economic Development Council is to provide the City of Montrose with funds to make these payments.

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Yearly Payment</u>
9/1/13	8,663	3,527	12,190
9/1/14	9,096	3,094	12,190
9/1/15	9,551	2,639	12,190
9/1/16	10,028	2,162	12,190
9/1/17	10,530	1,660	12,190
9/1/18	11,055	1,134	12,189
9/1/19	11,608	581	12,189
Total	\$70,531	\$14,797	\$85,328

General Fund Excise Tax Revenue Bonds, Series 2010

The City previously issued General Fund Excise Tax Revenue Bonds, Series 1998, in the amount of \$5,000,000 on July 1, 1998. Proceeds of the bond were used for the construction, installation and improvement of streets relating to the San Juan Avenue and other streets including, but not limited to, Grand/Rio Grande Avenues. Ordinance 2248 approved the issuance of sales and use tax revenue refunding bonds, Series 2010, for the purpose of generating savings to the city through the refunding of outstanding series 1998 bonds. Bond underwriter is George K. Baum & Company with a net interest cost 2.5641% payable semi-annually.

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Yearly Payment</u>
04/01/13		28,662.50	
10/01/13	320,000	28,662.50	377,325
04/01/14		24,662.50	
10/01/14	325,000	24,662.50	374,325
04/01/15		20,600.00	
10/01/15	330,000	20,600.00	371,200
04/01/16		14,000.00	
10/01/16	340,000	14,000.00	368,000
04/01/17		7,200.00	
10/01/17	360,000	7,200.00	374,400
Total	\$1,675,000	\$190,250.00	\$1,865,250

**Water and Sewer Revenue Refunding
and Improvement Bonds Series 2004**

Revenue Bonds in the amount of \$6,045,000 were issued on March 15, 2004 for the purpose of refunding City's outstanding 1993 water and sewer revenue refunding bonds and financing \$4,000,000 in improvements to the City's water and sewer systems. The debt is paid from the net revenue derived from the operation and use of the City's water and sewer enterprise system. Interest rate on bonds is 2.0% - 4.3% payable semi-annually. The paying agent is UMB Bank. The following debt payment schedule is for the Water and Sewer Revenue Refunding and Improvement Bonds, Series 2004.

Date	Principal	Interest	Yearly Payment
04/01/13		88,668	
10/01/13	260,000	88,668	437,336
04/01/14		82,493	
10/01/14	275,000	82,493	439,986
04/01/15		75,962	
10/01/15	290,000	75,962	441,924
04/01/16		69,075	
10/01/16	300,000	69,075	438,150
04/01/17		61,950	
10/01/17	315,000	61,950	438,900
04/01/18		55,335	
10/01/18	330,000	55,335	440,670
04/01/19		48,405	
10/01/19	345,000	48,405	441,810
04/01/20		41,160	
10/01/20	360,000	41,160	442,320
04/01/21		33,600	
10/01/21	375,000	33,600	442,200
04/01/22		25,725	
10/01/22	390,000	25,725	441,450
04/01/23		17,535	
10/01/23	405,000	17,535	440,070
04/01/24		9,030	
10/01/24	420,000	9,030	438,060
Total	\$4,065,000	\$1,217,876	\$5,282,876