



City of Montrose 2016 Budget

Quality of life is our commitment.

2016 Budget

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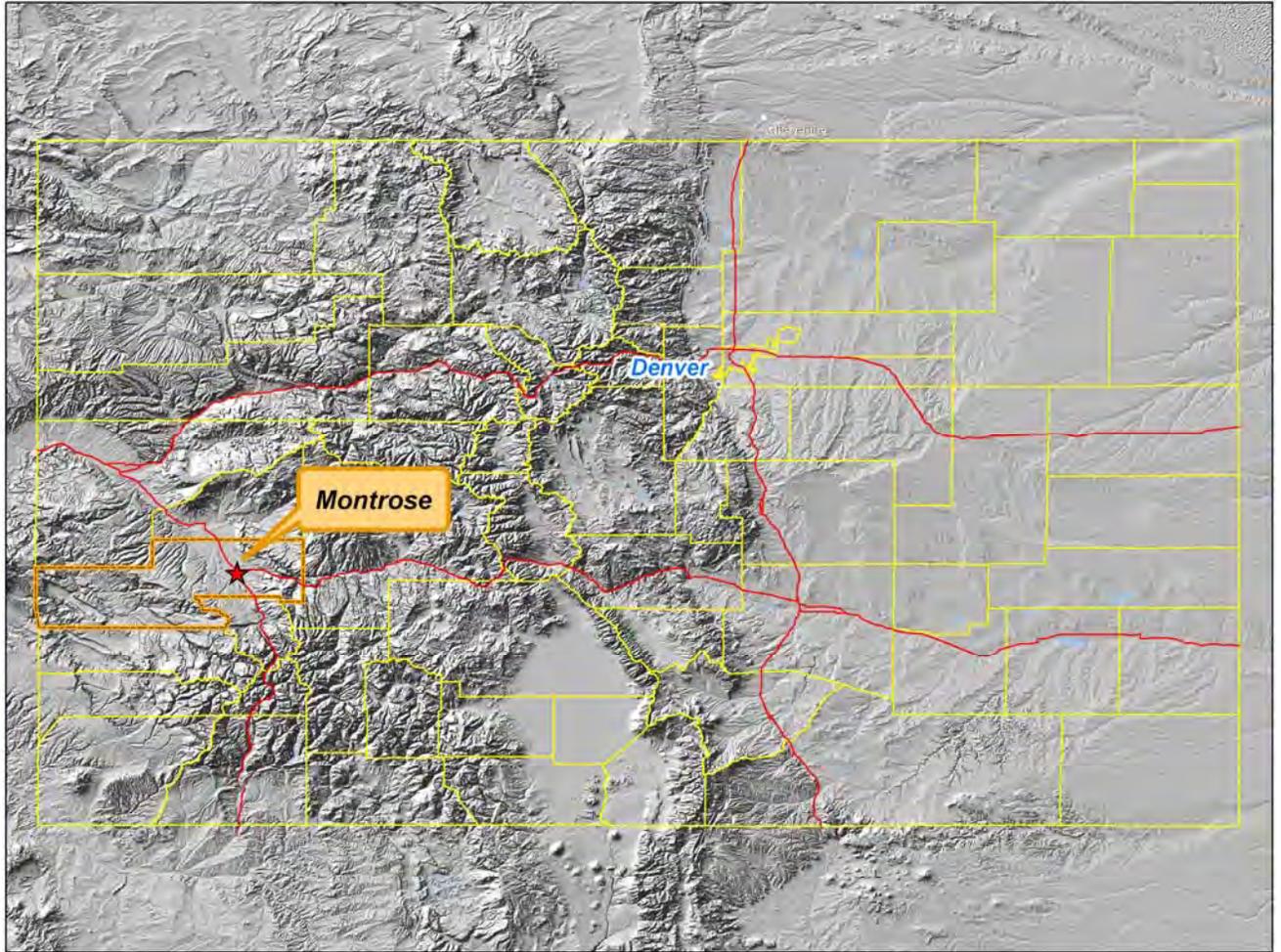
MISSION STATEMENT

The mission of the City of Montrose is to provide the best possible public facilities and services with the resources available, and to work in concert with individuals, public and private entities to constantly maintain and develop the Montrose Community as a healthy, diverse, and attractive place to live, work and play.



*Mayor, David Romero; Council Member, Judy Ann Files; Council Member, Robert Nicholson;
Council Member, Kathy L. Ellis; Mayor Pro Tem Rex Swanson*

“Quality of Life is Our Commitment”

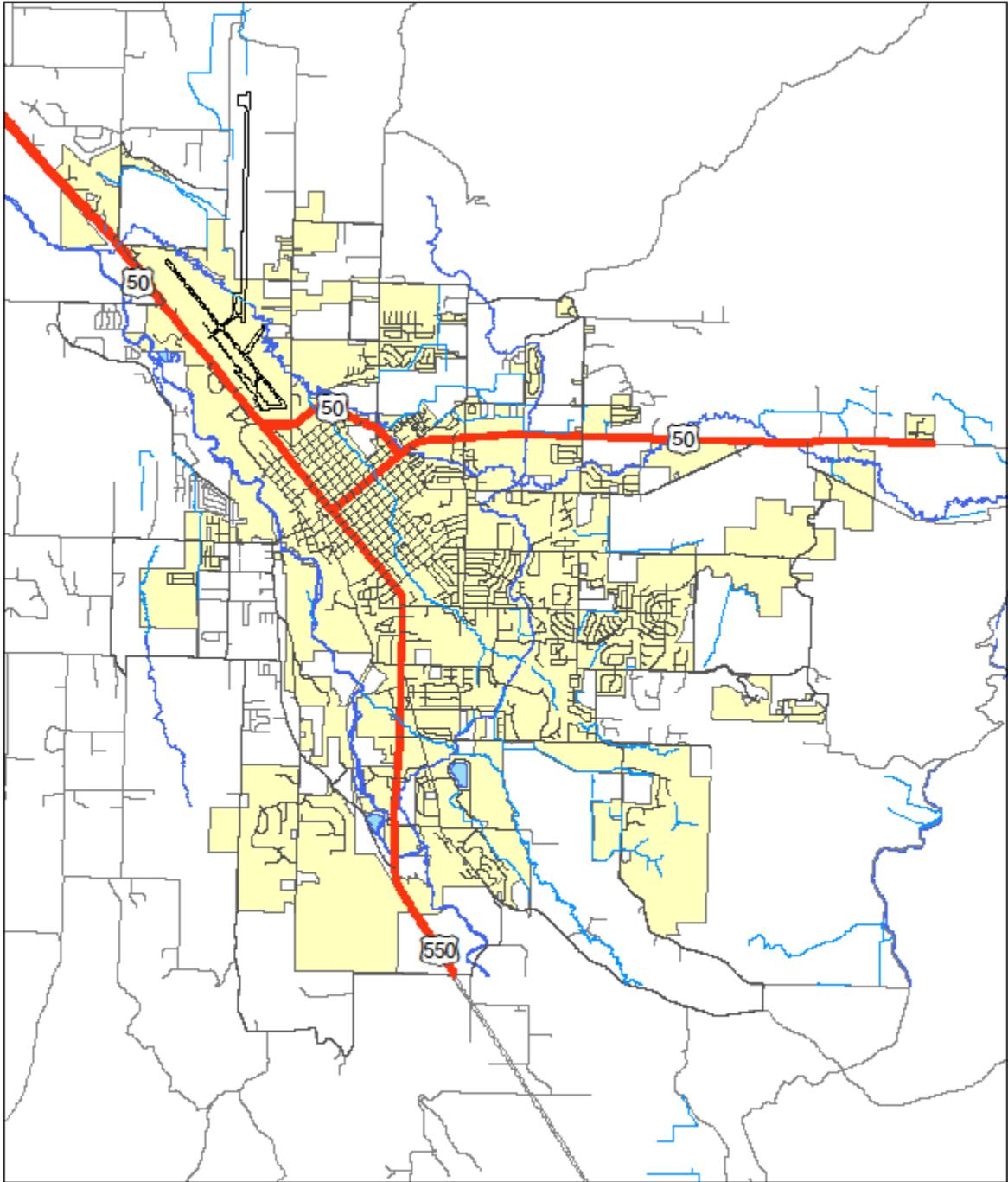


ACKNOWLEDGEMENTS

The preparation of the 2016 Annual Budget was made possible by the combined efforts of City Council, City Manager, Finance Director, Department Heads, Supervisors and City employees. All employees contributing to this document have our sincere appreciation.

**David Romero, Mayor
Rex Swanson, Mayor Pro Tem
Robert Nicholson, Council Member
Kathy L. Ellis, Council Member
Judy Ann Files, Council Member
William E. Bell, City Manager
Shani M. Wittenberg, Finance Director**

David Spear – Cover layout



Montrose City Limits

September, 2010
17.55 Sq. Miles

ORDINANCE NO. 2362

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, 2016

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, 2016, there is hereby appropriated the following amounts from the various funds:

<u>FUND</u>	<u>AMOUNT</u>
100 General Fund	\$19,899,234
200 Retail Sales Enhancement	317,618
220 Downtown Development Authority	145,692
222 DDA Revolving Loan Fund	30,000
224 Greater Montrose Loan Fund	50,000
225 Public/Education/Government	20,000
250 Conservation Trust Fund	45,000
255 Pavilion Senior Center	22,000
270 Special Benefit Fund	49,275
290 Tourism Promotional	427,918
370 2010 Excise Tax Revenue Bonds	368,200
375 Energy Impact Assistance Fire flow Loan	12,190
420 Cemetery Perpetual Care	500
440 Special Improvements Revolving Fund	1,000
460 Grand/Rio Grande Project	160,000
465 Capital Improvement Fund	2,664,000
470 Building Renovations Fund	301,000
500 Water Fund	4,969,542
510 Sewer Fund	3,346,780
550 Sanitation Fund	1,246,860
580 Black Canyon Golf Course	799,216
600 Fleet Management Fund	2,213,673
605 IT Fund	1,130,750
610 Employee Benefit Fund	2,360,000
Total Appropriation	\$40,580,448

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 first reading on Tuesday, the 3rd day of November, 2015, at the hour of 6:00 p.m. at the City Council Chambers in the Elks' Civic Building, in Montrose, Colorado.

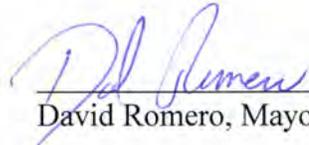
INTRODUCED, READ and PASSED on first reading this 3rd day of November, 2015.

ATTEST:



Lisa DelPiccolo, City Clerk

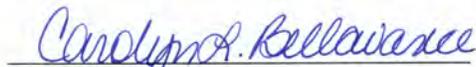




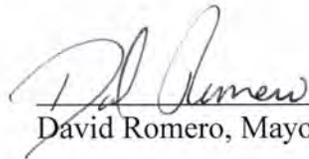
David Romero, Mayor

INTRODUCED, READ AND ADOPTED on second reading this 17th day of November, 2015.

ATTEST:



Carolyn L. Bellavance, Deputy City Clerk



David Romero, Mayor



RESOLUTION 2015 - 22

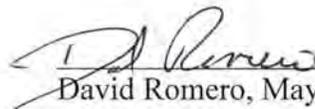
WHEREAS, the City Council of the City of Montrose, Colorado, has held a public hearing and examined the 2016 budget for the City of Montrose, Colorado, and

WHEREAS, said Budget is to be adopted by the Resolution of the Council not less than thirty (30) days prior to the first day of the next fiscal year, which day is January 1, 2016.

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

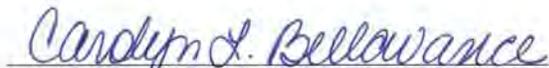
1. The Budget for the year 2016 for the City of Montrose, Colorado, attached thereto, is hereby adopted.

ADOPTED this 17th day of November, 2015, by the City Council of the City of Montrose, Colorado.



David Romero, Mayor

ATTEST:



Carolyn L. Bellavance, Deputy City Clerk





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

The administration of the City of Montrose respectfully submits the 2016 municipal budget for all funds of the City in the amount of \$40,580,448. The 2016 municipal budget is the result of a comprehensive and collaborative effort by the City staff, elected officials, and members of the Montrose citizenry 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.

The City's financial position heading into 2016 is very positive and encouraging. Overall sales tax collections have risen slightly due to an increase in consumer spending, which is most likely a result of the overall economy beginning to rebound both locally and statewide. The general public's discretionary spending related to lodging and restaurants has also increased over the past year and is projected to generate approximately \$317,618 for the Retail Sales Enhancement Fund and \$427,918 for the Tourism & Promotion Fund in 2016. Last year, the City partnered with MuniRevs, a private company based in Durango that assisted us in the transition to electronic filing and remittance for sales tax vendors, and this has helped to make timely filing much more convenient for our customers.

One of our top operational goals over the past couple of years was to establish a Performance Based Pay System to increase the level of accountability to the taxpayers here in Montrose. Our employees worked together to create a completely new system of wage and compensation that is based partly on the market value of their positions among similarly situated public employers (*analyzed every 2 years using data from the Colorado Municipal League and the Mountain States Employers Council*), and based partly on their individual annual performance evaluations. As part of this process, every job description at the City was reviewed in detail and updated to make sure that each of our employees fully understood what was expected of them in regard to performance and productivity. The City of Montrose is currently at a staffing level of 152 full-time employees, which is down from 188 in 2008 or a reduction of approximately 19.1%.

The City of Montrose is very interested in partnering with outside agencies and non-profit organizations to further the community's interests in economic prosperity and community development. In 2015, the City of Montrose was able to assist in the efforts of Region 10, Black Canyon Golf Course, Colorado Flights Alliance (formerly TMRAO), Montrose Economic Development Corporation (MEDC), Montrose Chamber of Commerce, Montrose Hospice & Palliative Care, Montrose/Olathe School District, Montrose Downtown Development Authority (DDA), Colorado Mesa University (CMU), Montrose Recreation District, CASA, Rotary, Haven House, Sharing Ministries, Welcome Home Montrose, Center for Mental Health, Montrose Community Foundation, and others; to develop and maintain effective programming to provide services that our residents and visitors find necessary to maintain their quality of life. We are especially proud of our partnerships with **Region 10** to maintain an active **Small Business Resource Center** and to complete a detailed analysis and implementation strategy related to the necessary Broadband infrastructure to serve our region which resulted in our community receiving a **Broadband Implementation Grant in the amount of approximately \$1.5million; Abrams Advertising** to assist with Main Street building improvements in an effort **to create the Proximity Space**, an innovative downtown environment in which entrepreneurs, small business owners and freelance professionals can network and share resources to make them successful and more beneficial to the Montrose economy (**Proximity Space received the 2015 Governor's Award for Best Downtown Project**); the **Montrose Recreation District, GOCO, FORU, REP, Haynes Excavation, Stonefly Earthworks and others** to design and construct the **Montrose Water Sports Park in Riverbottom Park – 2015 Winner of the**

Starburst Award for Best Outdoor Recreation Project by Great Outdoors Colorado; the Montrose Downtown Development Authority (DDA) to offer direct financial assistance to several downtown businesses as part of the Downtown Opportunity Fund, a small business revolving loan fund; **Colorado Mesa University (CMU)** to assist in the purchase of the Community Options Building for campus expansion in the heart of downtown Montrose; and **Montrose/Olathe School District and Montrose County Public Works** to demo and remove blighted structures adjacent to the Northside Elementary School campus to prepare for the creation of a new **Early Childhood Center** to serve Montrose families. We have enjoyed great success working with our community partners throughout 2015 to improve the Quality of Life here in Montrose!

Financial Condition

Sales tax is a prominent revenue source for the General Fund. In 2014 and 2015, sales tax revenue has increased year over year; therefore 2016 sales tax revenue is budgeted at a modest 5% increase from the 2014 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 2016 are projected to be \$18.2 million (does not include the New Recreation Center sales tax collections), an increase of \$500,000 or approximately 3.0% from the 2015 budget of \$17.7 million.

The General Fund Undesignated Fund Balance as of December 31, 2015 is estimated to be \$9.5 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 \$8.3 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 minimum annual transfer into the Capital Improvement Fund to approximately \$800,000. The past two years the transfer was just over \$1.9 million for a variety of projects, including sidewalk and street reconstruction, and other necessary infrastructure improvements. Our goal is to increase the capital improvements made throughout the community as much as possible every year moving forward because we have suffered from many deferred maintenance items from years past due to difficult times, and our infrastructure is beginning to show its age. We are pleased with the 2016 estimated Capital transfer of \$1,671,577.

In addition to the General Fund, the 2016 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 was not requested for any of these funds in quite a few years. However, in recent years, there have been a rising number of claims by homeowners asking for financial assistance related to clean up costs after experiencing sewer backups. To assist in cases such as these, the City Code was updated to include a 25 cent per month Sewer surcharge for each utility customer beginning in May of 2015. The code was also updated to include an inflationary increase for our water, sewer and trash funds as of April 1 of each year if necessary.

Capital Highlights of 2016 Budget

The following is a summary list of the proposed capital projects for the 2016 construction season. We are pleased to again exceed the minimum annual required contributions to the City's Capital Fund in an effort to provide many long-term improvements to our community's infrastructure.

General Fund –

Take-out improvement at the Water Sports Park

Water Sports Park Concrete Trail Extension

Middle Trail LED lighting installation from S. 9th to S. 12th

Sunset Mesa Entrance Sign

Irrigation Pump rebuild and upgrade - Junction/S. 5th and Riverbottom Park

Capital Improvement Fund –

Grand/ Rio Grande arterial extension design \$160,000

Woodgate Road Improvement \$1,200,000 - This road project has been moved up on the list of improvements due to the construction that will already be happening on the Community Recreation Center site by the Montrose Recreation District. It will increase the safety of drivers, pedestrians, and cyclists by widening and repaving the entire corridor.

Pomona/Columbine Safe Routes to Schools Project \$250,000 – This sidewalk and pedestrian safety project is to provide safer and more convenient passage by students to and from these schools.

Anderson Road paving \$150,000 – In 2015 the water line was replaced on this road prior to the paving in 2016.

CMU Alley paving \$30,000

Hillcrest/Sunnyside Roundabout \$500,000

Otter Road Box Culvert replacement \$200,000

Gateway Beautification and wayfinding signage \$100,000

General Sidewalk Replacement Program to cost share with property owners \$50,000

ADA accessible intersections and ramp installation program \$50,000

Building Improvement Fund – In 2011, a facility condition assessment was completed by an independent professional firm and many areas were identified within city facilities that need to be upgraded. **\$301,000** has been budgeted next year to address priority projects from the study, including improvements at the Pavilion Events Center, City Hall and Elks Civic Building.

Water Fund - \$792,250 has been budgeted in 2016 for valve/hydrant replacements, Homestead Water line design and construction, pressure reducing valve upgrade and monitoring, projects identified in the Master Plan update, and an automatic valve installation pilot project.

Sewer Fund - \$760,000 has been budgeted in 2016 for sewer rehabilitation/replacement projects, projects identified in the Master Plan update and LaSalle Lift Stations elimination project.

Wastewater Treatment Plant - \$120,000 has been budgeted in 2016 to replace oxidation ditch #2 railing and design an upgrade for the headworks building.

Black Canyon Golf Course - \$115,000 has been budgeted in 2016 to replace the Back-9 Pump Station, replace sprinkler heads and rebuild the Back -9 sand bunkers.

Fleet Fund - \$1,173,000 has been budgeted in 2016 for the replacement of six police squads with equipment, four trucks for the Police, Parks and Engineering divisions, one street sweeper, and one trash collection truck based upon a formalized and automated age and condition assessment on each. The City's fleet management goal is to maintain no more than 20% of the fleet beyond its useful life cycle.

IS Service Fund - \$183,000 has been budgeted in 2016 for the replacement of ten handheld and two mobile 800mhz Radios for the Police department, server room UPS, replacement of various IT related items such as switches, firewalls, batteries, SANs and other backup appliances. This internal service fund for Information Systems was established in 2007 to provide a dedicated level of service for the technology needs of every city department in the most efficient and cost effective manner.

Conclusion

The Montrose community is a very desirable place in which to live, work and raise a family! We are all very lucky to have the opportunity to call this our home. This past year has been one of great achievement for our community and the many organizations who diligently serve the growing needs and demands of our citizens. We should all be proud of what Montrose has accomplished over the past year and we should all work hard to actively participate in the many volunteer opportunities that exist to give back to our hometown. There are more wonderful things coming in 2016, so please stay tuned and keep an eye on the future.

After a thorough and thoughtful analysis of the organization's needs, and a critical review of each budgeted line item with the assistance of staff, elected officials and citizen advisors, I am confident that this 2016 budget reflects our commitment to responsible financial management and to maintaining an excellent *Quality of Life* for Montrose area residents.

Sincerely,



William E. Bell
City Manager

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Montrose, Colorado.

On behalf of the Montrose Downtown Development Authority,
(taxing entity)^A

the City Council
(governing body)^B

of the City of Montrose, Colorado
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 22,389,754 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 22,389,754 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/14/2015 for budget/fiscal year 2016.
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>5.0000</u> mills	<u>\$ 111,948.77</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	<div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div> mills	<div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div>
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<div style="border: 2px solid black; padding: 2px;"><u>5.0000</u> mills</div>	<div style="border: 2px solid black; padding: 2px;"><u>\$ 111,948.77</u></div>

Contact person: Lisa DelPiccolo Daytime phone: (970)240-1422
(print)

Signed: _____ Title: City Clerk

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

BUDGET DEVELOPMENT AND OVERVIEW

An annual budget is adopted for all governmental and proprietary funds. After several years of sales tax decreases, there have been several years of sales tax growth. This upward trend has resulted in a year to date increase in sales tax revenues through June, 2015 of 9.4% and a budget variance of +20.2%. Revenues related to growth and construction are slightly lagging behind 2014 through June 2015. Efforts to reduce and find efficiencies in each of the city's funds has continued to be a priority in the preparation of the 2016 budget. Balancing employee salaries and new services to the taxpayer proves to be a challenge.

The budget shall be construed as a policy document, identifying the priorities, goals and objectives of the City. Once adopted, it shall serve as a guide to expenditures, and a communicative device to explain to the citizenry, the State and all who are concerned how the goals of the City are being realized. The budget serves as an expenditure plan formulating actions to be taken in the future year. The document is available in the City Clerk's office for public inspection.

Key Trends and Challenges Impacting the City of Montrose

The City's financial strength and long-range financial planning strategies will continue to be the focus in 2016.

- Sales tax is the city's main revenue source for the general fund; it has seen an increase in 2015 from prior year 2014 every month.
- Although there is a need for alternative and diversified funding sources, **no property tax** is collected by the City of Montrose
- Growth is still minimal in the Montrose area; although building permit revenue in 2015 is keeping pace with 2014. City staff is cognizant of needs related to prior growth that still need to be addressed.
- Management continues to search for ways to improve efficiencies to maintain operating expenditures at a reduced level.
- Additional transfers above the required \$400,000 in Ordinance 1986-1 will be made to the Capital Improvement Fund in 2016.
- Capital projects from the Capital Improvement fund will be substantial in 2016 as the construction of Woodgate Road is completed along with a roundabout at Hillcrest and Sunnyside.
- Capital projects in the Enterprise Funds will lower fund reserves, but increase efficiencies.
- Fleet and IT Internal Service funds remain strong.
- Premiums for employee's health and dental insurance have remained at 2015 levels for 2016 and new eye insurance has been offered after the plan performed well in 2015.

In the midst of these trends, the City Council and staff remain committed to the mission of the City of Montrose to provide the best possible public facilities and services with the resources that are available, to work in concert and cooperation with individuals, public and private entities, to constantly maintain and develop the Montrose community as a healthy, diverse, and attractive place to live, work and play.

Required Minimum Balance

Resolution 2012-14 was adopted by the City Council which recommends a minimum fund balance that equals six (6) months of operating expenditures each year. The proprietary funds minimum target reserve is 90 days of operating expenditures. Currently these reserves are being met in all funds but the Trash and Recycling Fund. The Trash and Recycling Fund purchased single stream recycle containers several years ago with cash and with some contractual changes in 2015 will be at the target minimum reserve by the end of 2016.

Basis of Budgeting

The budget document is prepared in conformity with generally accepted accounting principles and complies with the budget provisions in Article V of the Montrose City Charter. The city uses fund accounting as its budgetary basis of accounting. All funds are appropriated. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The City uses a department line item method for budgeting in each fund. This is a comprehensive method that allows for expenditures to be properly categorized by department. Department heads can look at each department as a whole, or by line item to identify expenditure standing within the year. An actual expenditure to budget report is sent to department heads monthly. Revenues are budgeted by source.

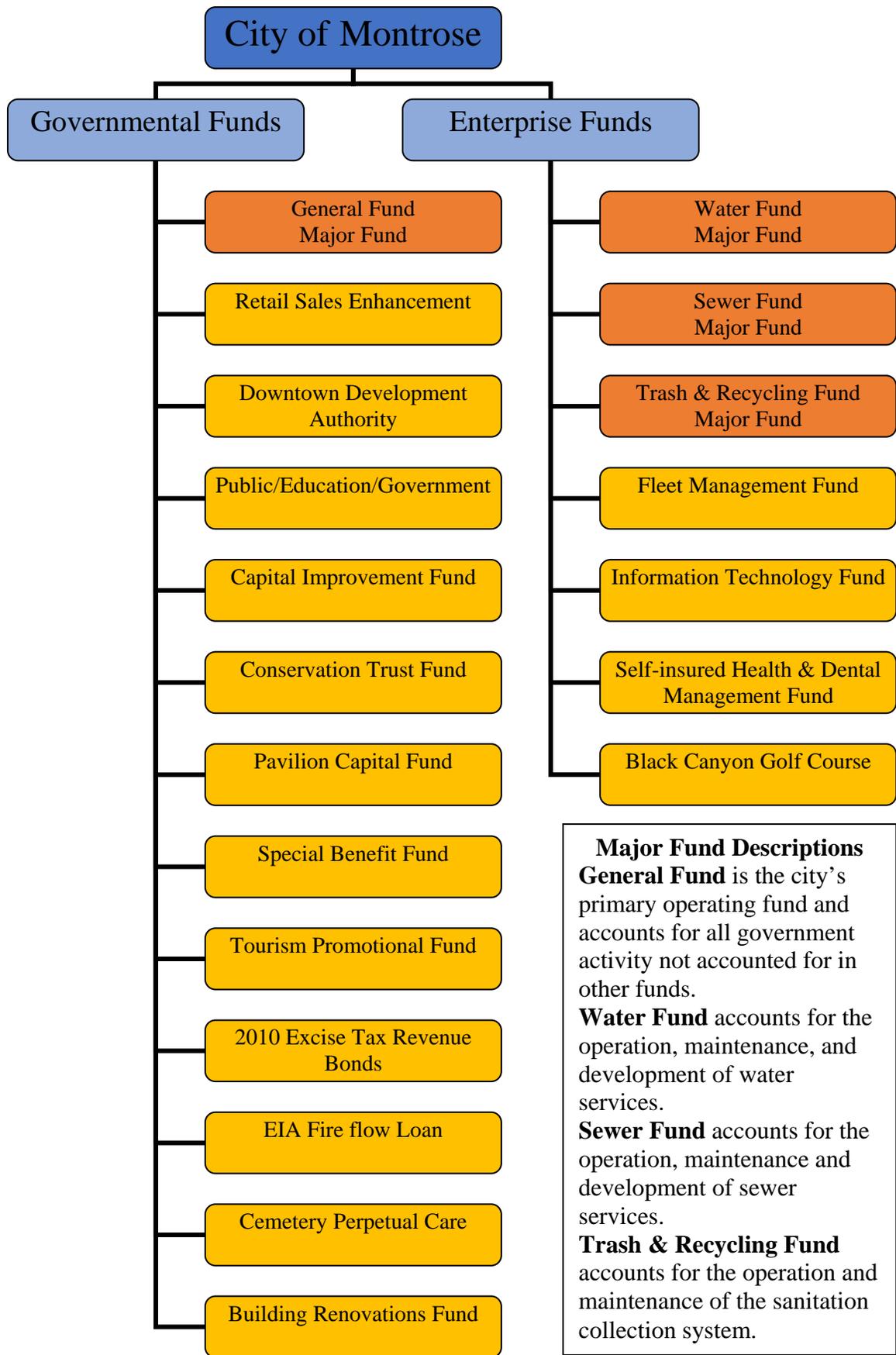
The total fund level constitutes the legal level of control. Expenditures may not exceed appropriations at this level. Within the fund level control basis, management may transfer appropriations without Council approval. Budget revisions at the fund level are subject to approval by ordinance from the City Council. Appropriations lapse at the end of each year. City Council may adopt supplemental appropriations during the year.

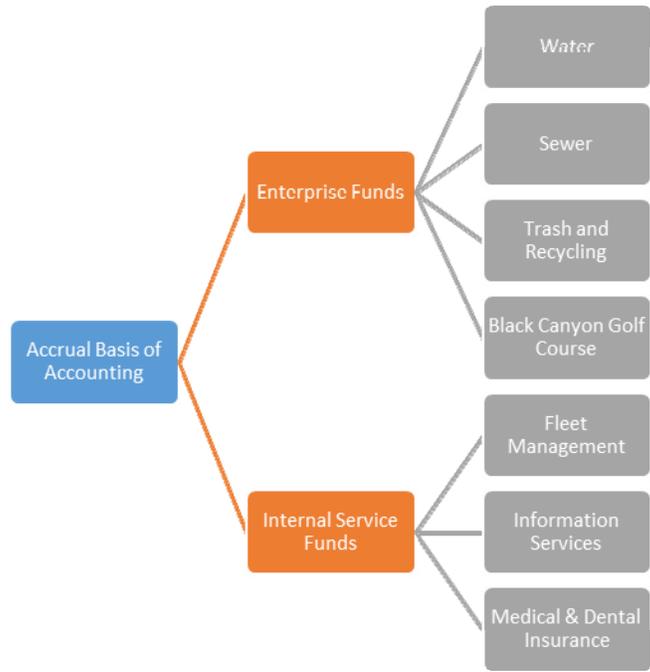
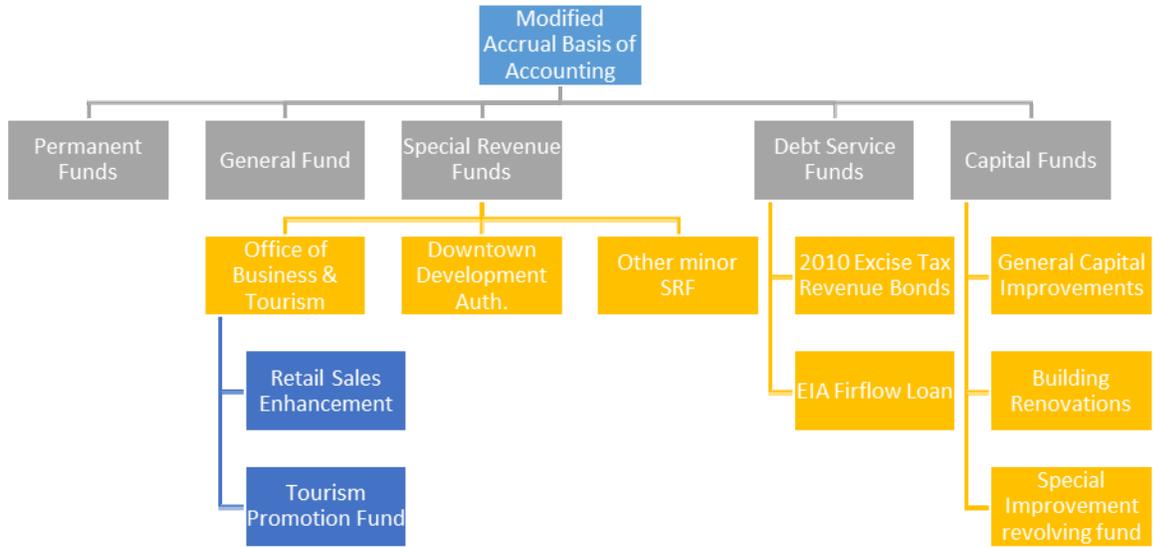
Budgets are adopted on a basis consistent with the accounting basis of all funds except for proprietary-type funds. In the proprietary funds, the City budgets for capital outlays, transfers to and from reserve funds and bond principal and interest payments and does not budget for depreciation.

Basis of Accounting

The modified accrual basis of accounting is used for all governmental fund types and expendable permanent funds. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they became available and measurable. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Sales taxes, franchise taxes, licenses, and interest are susceptible to accrual. Expenditures are recognized in the accounting period when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary fund types, pension trust funds and non-expendable trust funds utilize the accrual basis of accounting. City of Montrose enterprise funds are water, sewer, trash & recycling, golf course, fleet management, information services, and self-insured health and dental management. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.





Documents Utilized in Budget Process

Capital Improvement Program Six-Year Plan 2010-2015

A structured capital improvement process began in January 2008. The Capital Improvements Six-Year Plan was developed by the Montrose Improvement Team (MIT) committee which has city staff and citizen involvement and is referenced during budget development. A detailed listing of capital projects is included in the Capital Expenditures Section of the budget document. The City Council adopted the Capital Improvement Program Six-Year Plan 2010-2015 by Resolution 2008-33 on August 7, 2008. The MIT reconvened in 2011 and made a recommendation to the City Council. Documents used in the development of the capital improvement plan were the *City of Montrose Comprehensive Plan, Downtown Development Plan, 2003, Traffic Issues Task Force reports, Parks and Recreation Needs Assessment Survey*. Due to the economic downturn in 2009, the 2010 – 2015 plan has many unfunded projects and that will be the City’s focus for a few years.

Traffic Task Force Report to City Council

The Traffic Issues Task Force was convened in 2005 with the primary goals of identifying problem traffic areas, vehicular transportation needs with the City of Montrose, alleviating vehicular congestion on Townsend Avenue in compliance with the CDOT Memorandum of Understanding, and improving traffic safety. The Montrose Task Force compiled a report of the most needed transportation projects and the recommendations from this report will be used to determine the priority of transportation projects.

City of Montrose Comprehensive Plan

Beginning in 2007, the City undertook a complex process in conjunction with Winston Associates, Inc. to develop an updated Comprehensive Plan which was adopted on March 6, 2008. The final version of the plan was adopted by Resolution 2008-8 and proves to be a welcome addition to the development of the budget.

The budget process must address how the recommendations from each of the above documents could be addressed with the resources available.

The budget process determines these factors: 1) the level and stability of revenue sources, 2) the services needed to “best fit” the recommendations in the Capital Improvement Program Six-Year Plan, Traffic Task Force Review, and the City of Montrose Comprehensive Plan, and City Council goals 3) funds available for infrastructure, 4) become effective and efficient in providing those services to the citizens of Montrose.

Budget Timeline

The voter's approved changes to the city charter in April of 2014 which affected the budget timeline by extending the presentation of the proposed budget to City Council from September 15th to October 15th of each year. Two hearings of the appropriations ordinance are held in November instead of October with a public hearing being held in conjunction with the First Reading. The annual budget must be adopted by November 30th each year. This deadline was approved by the voter's in April.

The budget timeline is identified below:

January - May	Revenue Projections, Review Fleet & IT replacement schedules, Review Administrative Reimbursement calculation, Review Capital Projects, Update labor plan
June - July	Department budget requests are due to Finance. Department meetings start with the City Manager, Finance Director and each department supervisor. Meetings are set up to review the proposed budget with the Citizen Budget Advisory Committee. Review status of capital improvement projects for carryover to the next year.
August - September	Conduct budget planning sessions/retreat with the City Council
October 15	Proposed Future year Budget to Council per City Charter Public Notice Published for Public Hearing
November	First Reading and Public Hearing on the next year's Budget Appropriations Ordinance Second Reading on next year's Appropriations Ordinance
December	First Reading on current year Supplemental Appropriations Ordinance Public Hearing, Second Reading on current year Supplemental Appropriations Ordinance

Budget Changes

A supplemental appropriation ordinance is generally approved in December of each year. The City Council may increase or decrease the budget and appropriations during the year within restrictions imposed by the City Charter and the Laws of the State of Colorado. The Council may make additional appropriations by ordinance during the fiscal year for unanticipated expenditures required of the City, but such additional expenses shall not exceed the amount by which actual and anticipated revenues of the year are exceeding the revenues as anticipated in the budget, unless the Council determines appropriations are necessary in emergency situations which endanger the public health, peace or safety. Budget amounts included in the financial statements are based on the final, legally amended budget.

City of Montrose

**Budget Calendar for the development
of the 2016 Annual Budget**

JANUARY 2015							January							JULY 2015														
S	M	T	W	T	F	S	30- 2015 Budget due to DOLA							S	M	T	W	T	F	S								
				1	2	3											1	2	3	4								
4	5	6	7	8	9	10										5	6	7	8	9	10	11						
11	12	13	14	15	16	17										12	13	14	15	16	17	18						
18	19	20	21	22	23	24										19	20	21	22	23	24	25						
25	26	27	28	29	30	31										26	27	28	29	30	31							
FEBRUARY 2015							March							AUGUST 2015														
S	M	T	W	T	F	S	13 - Debt Service Bond and Lease Payments							S	M	T	W	T	F	S								
																						1						
1	2	3	4	5	6	7															2	3	4	5	6	7	8	
8	9	10	11	12	13	14																9	10	11	12	13	14	15
15	16	17	18	19	20	21																16	17	18	19	20	21	22
22	23	24	25	26	27	28																23	24	25	26	27	28	29
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MARCH 2015							April							SEPTEMBER 2015														
S	M	T	W	T	F	S	7 - Fleet Recommendations for replacements 21 - Administrative Reimbursement 23 - Labor Plan - Current Staff							S	M	T	W	T	F	S								
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8	9	10	11	12	13	14																						
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22	23	24	25	26	27	28																						
APRIL 2015							June							OCTOBER 2015														
S	M	T	W	T	F	S	19 - Budget Worksheets sent to all Departments 25 - Capital Project Review							S	M	T	W	T	F	S								
1	2	3	4	5	6	7																						
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MAY 2015							July							NOVEMBER 2015														
S	M	T	W	T	F	S	1 - Capital Fund and OBT Revenues Personnel Budget Review 2 - 2015 Capital Project Review and Facility needs 9 - Budget Worksheets Due 16 - Review Market Analysis with Mgmt team							S	M	T	W	T	F	S								
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JUNE 2015							August							DECEMBER 2015														
S	M	T	W	T	F	S	5,6,10 & 26 - Department Head Budget retreat							S	M	T	W	T	F	S								
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AUGUST 2015							September							NOVEMBER 2015														
S	M	T	W	T	F	S	9 - Current Year projections and executive summaries due 18 - City Council Retreat 30 - Citizen Budget Advisory Committee Meeting							S	M	T	W	T	F	S								
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SEPTEMBER 2015							October							NOVEMBER 2015														
S	M	T	W	T	F	S	9 - Health/Dental Analysis 15 - Publish Proposed Budget Worksheets on the Web 15 - 2016 Budget to City Council 23 - Public Notice Published for Public Hearing 28 - Budget Open House							S	M	T	W	T	F	S								
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OCTOBER 2015							November							NOVEMBER 2015														
S	M	T	W	T	F	S	3 - First Reading and Public Hearing on Budget 17 - Second Reading and Public Hearing on Budget 19 - Review current actual expenditures and prepare a supplemental appropriation report w/ CM 24 - Prepare 2015 Supplemental Budget Ordinance							S	M	T	W	T	F	S								
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NOVEMBER 2015							December							NOVEMBER 2015														
S	M	T	W	T	F	S	1 - First reading on 2015 Supplemental 15 - Second reading on 2015 Supplemental							S	M	T	W	T	F	S								
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FINANCIAL POLICIES

BUDGET

Colorado state law requires budgets for all governmental and proprietary funds. In addition, annual budgets are required according to the Montrose City Charter. Article V of the City of Montrose Charter defines the budgetary and financial requirements for the City of Montrose. The annual accounting period is defined as a calendar year, beginning on January 1st and ending on December 31st.

The budget was developed in accordance with the strategic plan and goals developed by Council and Department Heads, the City of Montrose Comprehensive Plan, the Capital Improvements Program Six-Year Plan, and the Traffic Issues Task Force Report. A prudent financial leadership has led to a conservative approach in determining the level of working capital that the City believes is necessary to maintain the various funds. An emphasis on basic City services is seen throughout the budget to maintain a healthy General Fund balance during the economic downturn.

Financial policies were revised and adopted by City Council in May of 2012 to increase the recommended fund balance for the General Fund to a minimum balance that equals six (6) months of operating expenditures as a carryover for each year. The most important variable used in determining the required minimum balance for the General Fund is the stability of the major revenue source (sales and use taxes). The City does not collect property tax.

The City shall have as many funds as may be administratively necessary for the efficient operation of the City. However, funds shall be established only by ordinance or formal resolution of the City Council. Final consent will be accomplished through approval of the Supplemental Budget in December. New funds created at budget time will be addressed for approval through the budgeting ordinance in November of each year.

As a measure to keep Council informed of budgeted revenues and expenditures, a quarterly budget report will be presented to Council outlining year-to-date total revenues and expenditures for the City compared to the annual budget. Treasurer's Cash Report is also provided as well as other accounting information, which may be requested by Council. A sales and use tax report is to be provided to Council on a monthly basis to keep Council informed of the sales and use tax revenues received with a comparison of previous year's revenue received and budgeted projections. Since this is a major revenue source for the General Fund, it is important that Council be apprised of revenue trends which may affect funds available for operational purposes of the City. As sales and use tax revenues fluctuate and are affected by economic conditions, this report provides insight on the future impacts of current financial decisions and lends itself to modifications necessary in this ever-changing environment.

BALANCED BUDGET

A balanced budget is revenues and/or fund balance equaling or greater than expenditures for all funds. A balanced budget should be accomplished with anticipated revenues and estimated expenditures, not using the fund balance to balance the budget unless there is a large excess of funds carried over, or fund balance necessary to close out a fund such as a grant.

AUDIT

The Council shall provide for an independent annual audit of all city accounts. Such audits shall be made by a certified public accountant or firm of certified public accountants, selected by Council. The City is currently contracted with the auditing firm Holscher, Mayberry & Company, P.C. Audited financial statements include all appropriated funds.

INVESTMENT POLICIES

Resolution 2012-15 was adopted by the City Council on July 3, 2012. This resolution updated the City's investment policy. The City of Montrose consolidates cash balances from all funds to maximize investment earnings. Monies that will not be disbursed for a period of 90 days may be invested in one or more of the securities permitted by the Statutes of Colorado governing investing of public funds. The primary objectives of the investment policy are:

- Safety – to mitigate credit risk and interest rate risk.
- Liquidity – remain sufficiently liquid to meet all operating requirements.
- Yield – designed to attain a market rate of return throughout budgetary and economic cycles.

To limit credit risk, the City of Montrose shall limit investment to the safest types of securities, pre-qualifying financial institutions, and diversifying the investment portfolio. Interest rate risk is minimized by structuring the investment portfolio so that securities mature to meet cash requirements and investing in shorter-term securities. Core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

The standards of care incorporated in the policy are:

- Prudence – investment officials shall comply with the “prudent person” standard.
- Ethics and conflicts of interest – investment officials shall be ethical in investment decisions and refrain from personal business activity conflicting with the proper execution of the investment program.

- Delegation of authority – responsibility for the operation of the investment program is delegated to the City Manager, who shall carry out established written procedures and internal controls for the operation of the investment program consistent with the investment policy.

Investment parameters include:

- Diversification – limit investments to avoid overconcentration from a specific issuer.
- Maximum maturities – no more than five years (unless authorized by City Council) with an attempt to match investments with anticipated cash flow requirements.
- Competitive selection of investment instruments – selection of instruments shall be on a competitive basis to ensure best rates.

The City of Montrose personnel responsible for investments are dedicated to the aforementioned policies in order to maintain a stable investment portfolio.

DEBT MANAGEMENT

By City of Montrose Charter, the city may borrow money and issue the following securities: short-term notes; general obligation bonds and other like securities, revenue bonds and other like securities, and local improvement bonds and other like securities. Bonded debt for the City of Montrose is issued only when needed and cost-effective, and in amounts necessary for meeting such needs, unless financial market conditions and/or projections indicate that it is to the City's best interest to deviate from this practice.

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 24, 2015, was \$273,602,605. The legal debt limit of 5% is \$13,530,130. Certain debt is excluded from this calculation such as water, storm sewer, sanitary sewer, sewage disposal, short-term notes (< 3 years), and local improvement securities. Debt applicable to the limit is as follows:

Energy Impact Loan	\$43,221
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PROCUREMENT

Policies regarding procurement are established in the Procurement Manual which was updated in October 2012. The manual serves as a source of information and detailed procedures for decentralized purchasing and as a tool for maximizing quality and value for the tax dollar. Ordinance 2323 was modified in August of 2013 which increased the threshold for spending by the City Manager from \$20,000 to \$50,000. The department head may authorize direct purchases up to \$2,000. A request for quote process is completed by the purchasing agent for purchases between \$2,001 and \$10,000. A formal competitive solicitation is completed for goods and services over \$10,001 with city

manager approval up to \$50,000. City Council approval is obtained for purchases over \$50,001.

ASSET MANAGEMENT

The City Council adopted Resolution No. 2009-9 sets forth a capital asset policy for the City of Montrose. This policy was added to the finance regulations within the City of Montrose Regulations Manual and reads as follows:

5-11-1 Capital Asset Policy

(A) Capital assets, including but not limited to property, plant, equipment, and infrastructure assets (e.g., land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, bridges and water and sewer infrastructure), shall be reported in the applicable governmental or business-type activities columns in the City government-wide financial statements. Capital assets shall be defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated life in excess of three (3) years. Such assets shall be recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets shall be valued at their estimated fair market value on the date donated.

(B) Maintenance, repairs and renewals that neither materially add to the value of the property, nor appreciably prolong its life, shall be charged to expense as incurred. Gains or losses on dispositions of property and equipment shall be included in income.

(C) Improvements shall be capitalized and depreciated over the remaining useful lives of the capital asset, as applicable. Depreciation shall be calculated using the straight-line method over the estimated useful life, and no depreciation shall be recorded in the year of acquisition or construction of such assets. Infrastructure assets shall be capitalized as a separate category.

(D) Estimated useful life of assets shall be as follows:

Infrastructure	10-25 years
Equipment	3-20 years
Transmission and distribution lines and meters	12-30 years
Treatment and filtration plants	20-40 years
Reservoirs and storage facilities	50-100 years
Buildings	30 years

(E) Lower-cost assets: Assets having a value between \$500 and \$4,999 shall not be classified as capital assets. These assets shall be tagged with an asset number and control over the asset shall be vested within the department to which the asset is assigned. All other asset items having a value less than \$500 shall not be tagged with an asset number and control over the asset shall be vested with the department to which the asset is assigned.

(F) The department head for the department to which an asset is assigned shall take appropriate actions to protect the asset from damage and theft. A periodic review of minimal assets shall be conducted at the department level. At the end of an asset's useful life, the asset shall be disposed of according to approved guidelines for disposal of assets.

TAXPAYER'S BILL OF RIGHTS

The Taxpayer's Bill of Rights (TABOR) was enacted by the "People of the State of Colorado", which took effect December 31, 1992. This amendment has limited fiscal year spending and restrains most of the growth of government. TABOR allows the maximum annual percentage change in each local district's fiscal year spending to equal inflation in accordance with the Consumer Price Index for Denver-Boulder in the prior calendar year plus annual local growth, adjusted for revenue changes approved by voters after 1991. If revenue from sources not excluded from fiscal year spending exceeds the limits in dollars for that fiscal year, the excess has to be refunded in the next fiscal year to taxpayers unless voters approve a revenue change as an offset. TABOR was adhered to in preparation of the 2013 budget.

At the City of Montrose general municipal election of April 2, 1996, the electors voted to allow the City of Montrose to retain and expend the full proceeds of the City's existing sales and use tax, non-federal grants, permits and other fees attributable to building and land use development and regulation, and revenues attributable to improvement districts, not withstanding any State restriction on fiscal year spending. Resolution 1996-1 submitted this ballot question to a vote of the electors.

In 2006, the voters approved a measure to allow the city to keep any revenues that exceed the limits set by TABOR in each future year and restrict them to be used on transportation projects. Resolution 2006-27 submitted this ballot question to a vote of the electors.

GUIDING PRINCIPLES OF THE COMPREHENSIVE PLAN

The City Council adopted the City of Montrose Comprehensive Plan by Resolution 2008-8 on March 6, 2008. Eight guiding principles identified in the City of Montrose Comprehensive Plan are:

1. Plan long range, implement consistently in the short-term.
2. Strengthen our role as a regional center and attract quality jobs to sustain us.
3. Grow efficiently.
4. Develop convenient "centers".
5. Provide a broad range of housing choice.
6. Protect, and provide access to, important environmental resources.
7. Connect roads and be transit-friendly.
8. Provide public services and facilities necessary for health, safety and welfare.

Each department's services are linked to the guiding principles.

CITY COUNCIL GOALS

City staff has set action items to be accomplished in line with the City Council goals.

GOAL #1: Complete review & revision of Municipal Code

- *Clarification of City Regulations v. City Code
- *Administrative Policies v. Council Policies
- *Streamline & simplify regulatory process
- *Gain input on potential policy changes from all city staff

GOAL #2: Establish a formal economic development policy

- *Clear & precise application process for business financial assistance
- *Transparency and early notification to City Council required
- *Primary focus on business retention, expansion, and entrepreneurship

GOAL #3: Perform multi-level analysis to enhance use of the Pavilion

- *Develop targeted marketing and events promotion strategy
- *Maintain and upgrade facilities to enhance marketability

GOAL #4: Examine processes related to city budget policy document

- *Include review of timelines, financial benchmarks, priorities, & input

GOAL #5: Appraise and revise employee performance evaluation and total compensation systems

- *Revise employee evaluation processes to include pay-for-performance elements
- *Review & revise employee benefits policy based upon comparable employers

GOAL #6: Enhance regional cooperation and shared services

- *Implement quarterly meetings with other government agencies & special districts
- *Implement quarterly planning retreats with Montrose County Commissioners

GOAL #7: Explore property acquisition opportunities

- *Uncompahgre River Corridor
- *Removal and/or adaptive reuse of blighted or underutilized buildings
- *Brownfields redevelopment

GOAL #8: Increase availability and public access to high-speed broadband Internet

FINANCIAL PLAN

This budget document is meant to be an all-inclusive financial plan for the City of Montrose. The financial challenge was to maintain operations of the city with limited revenues. An overview of the city's fund structure representing fund appropriation is included in the Fund Summary section of the document. Descriptions of major funds are included. The Fund Summary provides an overview of revenues and expenditures, along with a three-year comparison.

Major revenue sources have been compiled in the Revenue section of the document, documenting projection methods. A projected fund balance for each fund is included in the Fund Summary section. The document includes an Operating Expenses section and

Capital Expenditures Section with comparisons to prior years. Discussions of capital expenditure impact are included in the Capital Expenditure section. The Debt Service section provides a breakdown of current debt obligations.

A discussion of the basis of budgeting for all funds is found in the Budget Policies and Development section of the document.

OPERATIONS GUIDE

The City provides a full range of services. These services include police protection; water, sewer and sanitation service; the construction and maintenance of highways, streets and infrastructure; parks, recreation trails and cemetery operations and maintenance; recreational activities and cultural events; performing arts/community/senior center operations; administrative services and most recently the Office of Business and Tourism and the Black Canyon Golf Course. Growth has presented significant challenges for the City.

REVENUES

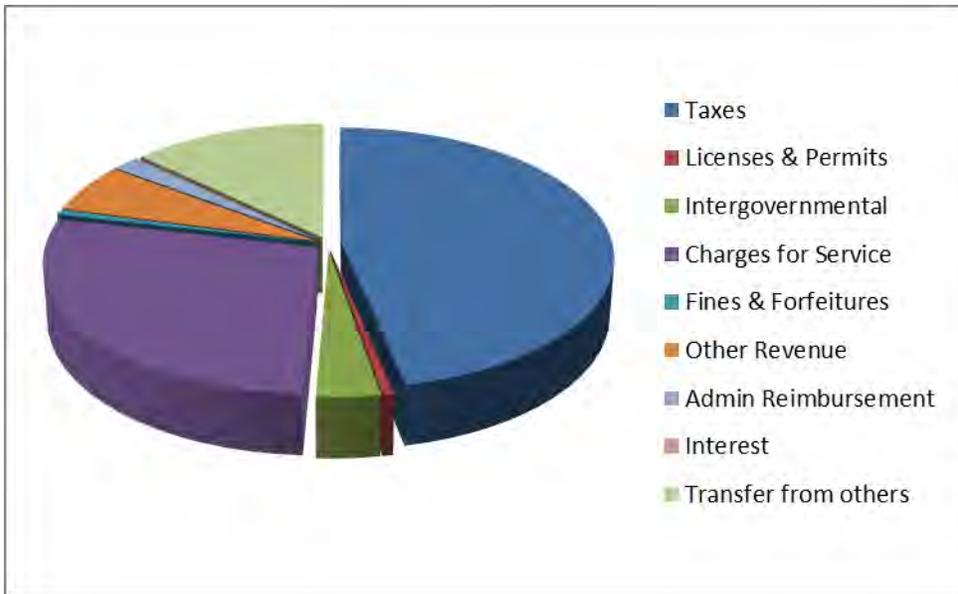
Total operating revenue for all funds for the City of Montrose is projected at \$38,312,442. Reserves in the amount of \$2,525,371 will be utilized to build capital projects in the water, sewer and general capital improvement funds as well as replace equipment in the fleet management fund. Sales & Use Tax is the city's main source of revenue, which comprises 73% of general fund revenues. Revenues are beginning to level out with an increase over the prior year of 2015. Year-to-date through June sales and use taxes increased 11.5% from prior year. Currently, the City of Montrose is experiencing increases in construction use tax and hotel and restaurant excise taxes. Revenues related to growth and development such as building permits have increased in 2015 over 2014 and are very comparable to 2009 revenues.



The chart below includes revenues for all city funds.

Revenue by Category	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Budget	2016 Budget	% of 2016 Budget
Taxes	14,564,436	15,021,062	15,482,587	16,440,998	15,755,674	17,889,471	46.69%
Licenses & Permits	179,778	222,037	192,008	251,116	223,400	221,400	0.58%
Intergovernmental	4,007,116	3,618,449	2,032,924	1,842,294	2,242,284	1,305,620	3.41%
Charges for Service	10,454,182	10,990,676	10,427,919	10,874,204	10,807,377	10,682,362	27.88%
Fines & Forfeitures	187,150	192,556	240,771	229,713	220,800	231,800	0.61%
Other Revenue	2,789,893	2,717,890	2,530,743	3,445,307	2,260,758	2,314,969	6.04%
Admin Reimbursement	1,342,338	1,396,167	1,024,193	912,000	794,917	641,468	1.67%
Interest	51,014	86,230	60,323	59,127	60,100	56,351	0.15%
Transfer from others	4,339,772	5,070,535	4,569,081	5,047,764	5,108,971	4,969,001	12.97%
Total Revenue	37,915,680	39,315,602	36,560,547	39,102,524	37,474,281	38,312,442	100.00%
% Change	-1.25%	3.69%	-7.01%	6.95%	-4.16%	2.24%	

A pie chart emphasizes the amount of revenues from sales and use tax collections.



GENERAL FUND

SALES TAX

The sales rate for the City of Montrose is 3%. The city anticipates collecting \$13,244,724 from retail sales tax in 2015. Sales tax is the largest revenue source for the General Fund. Sales tax funds the operating costs associated with providing services associated with the General Fund. In 2015, \$400,000 will be transferred to the Capital Improvement Fund as dictated by People's Ordinance No. 1986-1 as well as an additional \$1,271,577 to fund street improvements.

Projection Method:

Because sales tax is a prominent revenue source for the general fund, extensive efforts are undertaken to project this revenue. Forecasting method used is trend analysis using past actual data. The projection is then analyzed and compared with current revenues to determine accuracy. This revenue was budgeted with a 5.0% increase from 2014 Actual collections.

HIGHWAY USERS TAX

The Highway Users Tax is statutorily defined, state-collected, locally shared revenue that is distributed monthly. The municipality share is based on the number of vehicles registered and the center line miles of streets in each municipality. The municipality share is recalculated annually. The City of Montrose estimated share for 2016 is \$700,000.

Projection Method:

This Revenue is budgeted based on Colorado Municipal League projections.

USE TAX

This use tax rate for the City of Montrose is 3%. It is anticipated that this revenue will be the third largest revenue source for the general fund; however it has declined from a high point of \$1.1 million in 2007. Use tax includes the use tax on a vehicle purchase. The city anticipates collecting \$838,000 from this revenue source.

Projection Method:

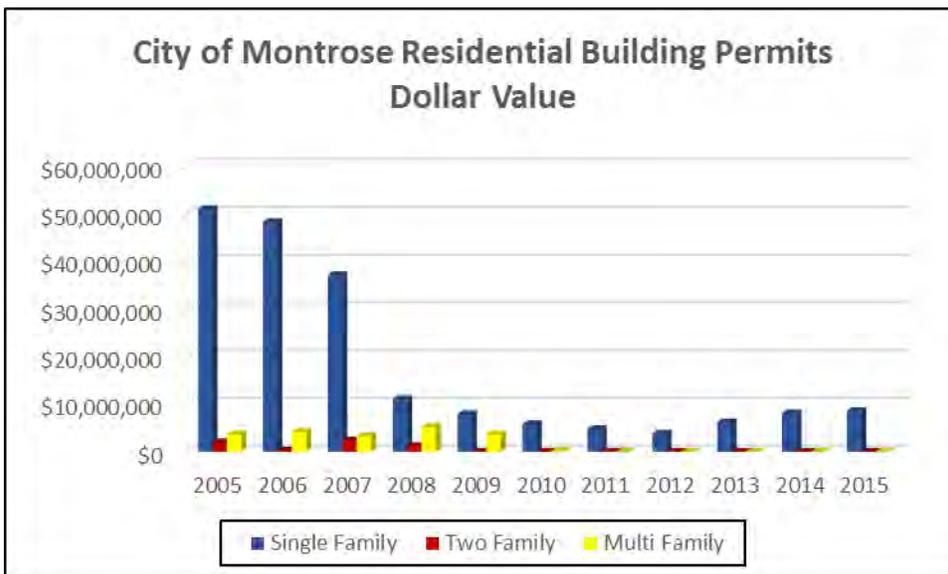
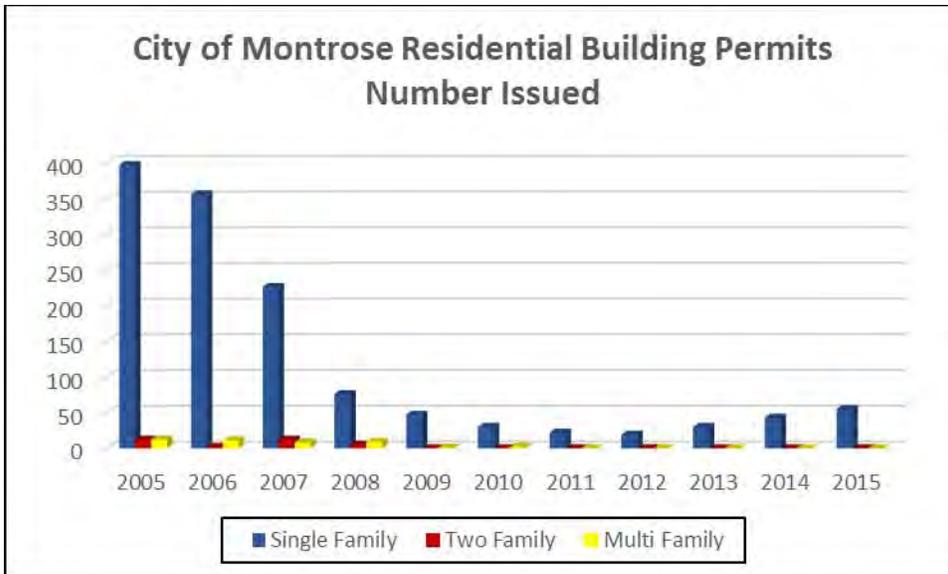
Forecasting method is trend analysis utilizing past actual data with a comparison to the current stream of revenue in 2015. This tax base is affected by growth in commercial business and is a less stable source of revenue. The Sales of vehicles as well as new business activity has increased in 2015 over 2014 collections.

CONSTRUCTION USE TAX

Construction use tax is paid when a building permit is issued. This revenue source is highly subject to growth and development in the area. This revenue is projected to be \$259,000 for 2016. This is an increase based on collections in 2014 and 2015 exceeded the projection.

Projection Method:

An analysis is done on the number of building permits issued, area annexations and subdivision permits. This revenue is volatile and is subject to economic conditions. Building permits in 2015 increased from permits issued in 2014.



FRANCHISE FEE TAX

Franchise fees are taxes collected by ordinance or contract agreements and paid by local electrical, gas, telephone and cable television companies. These companies are given the right to locate, build, construct, acquire, purchase, extend, maintain, and operate within the city streets, alleys, and public ways to furnish services to the City of Montrose residents. Anticipated revenue from this source is \$1,051,000.

Projection Method:

Use of historical actual fees collected to project future revenues.

INTERGOVERNMENTAL REVENUES

Intergovernmental revenues are received from other governmental agencies and include motor vehicle registration, cigarette tax, severance tax, and grant revenue.

Projection Method:

Use of trend analysis is used where applicable. Other processes include contractual obligations; statute defined; and grants awards.

SPECIAL REVENUE FUNDS

RETAIL SALES ENHANCEMENT

City of Montrose Ordinance 1410 created a Retail Sales Enhancement Program to enhance retail sales within the city limits. It is funded by retention of 2% of the 3.33% allowable vendor's fee when a sales tax return is filed on time. Since the City implemented online filing, this revenue has shown a steady increase due to the ease of filing by our vendors

Projection Method:

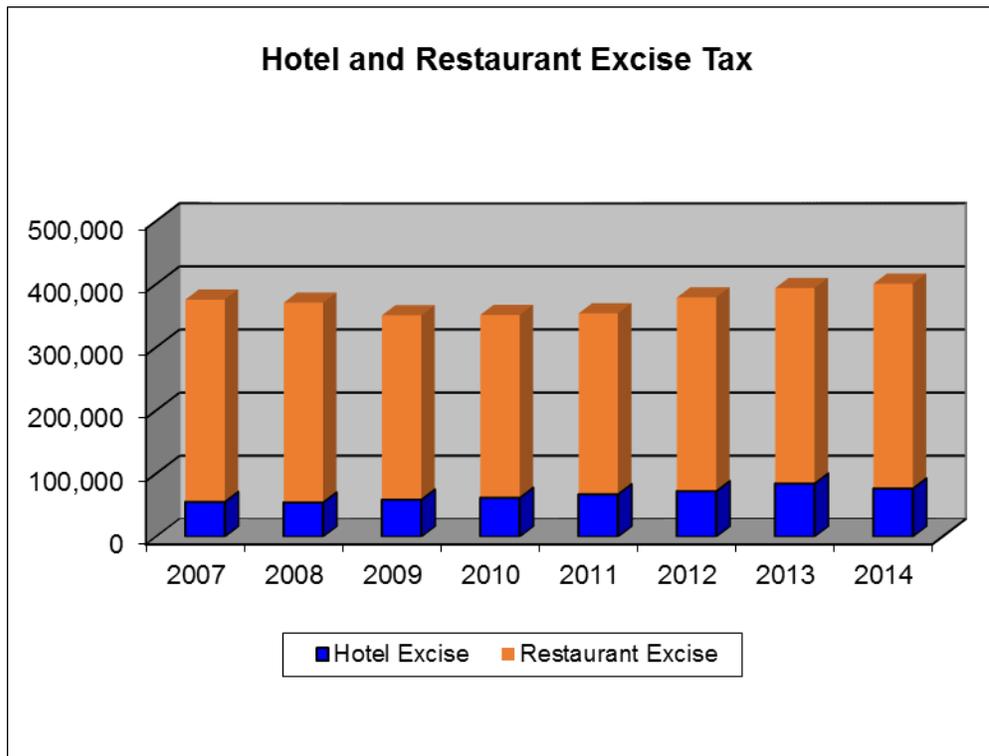
Revenue amount from sales tax multiplied by the allotted 2%.

TOURISM PROMOTIONAL SALES TAX

Revenues from the hotel and restaurant excise tax are earmarked for tourism promotion. Expenditures from the fund shall be for the purpose of promoting tourism, advertising the community, attracting conferences, conventions, and meetings, or for other purposes relating to attracting tourist and visitor business to the city.

Projection Method:

Historical analysis of prior ten years of revenue coupled with trend analysis. National and regional economic conditions factor into this revenue.



DEBT SERVICE FUNDS

TRANSFERS FROM OTHERS

The General Fund transfers revenues to the Debt Service for payment of the 2010 Sales, Use and Excise Revenue bonds which refunded the 1998 bond issue. Transfer is made based on principal/interest payment due in that year.

PERMANENT FUNDS

Revenues in these funds are minimal at this time. Sale of cemetery lots is the largest revenue estimated to be \$2500 in 2016.

ENTERPRISE FUNDS

CHARGES FOR SERVICES

The Water Fund, Sewer Fund, and Sanitation Fund all provide services for which there are charges. The Water Fund will generate the largest portion of revenue from charges for services at approximately \$5.0 million, Sewer Fund at \$2.5 million, and Trash & Recycling Fund at \$1.5 million in revenues. There will not be any rate increases for 2015.

Projection Method:

These revenues are largely based on consumption and change in customer base. Revenues are projected using trend analysis coupled with rate increases in the water, sewer, and sanitation funds.

INTERNAL SERVICE FUNDS

EQUIPMENT USAGE

Equipment usage in both the Fleet Fund and the IT Fund represents the largest source of income for these internal service funds. Fleet Fund revenue is based on actual usage of fuel, parts replacement and equipment replacement charges. In 2016, this revenue is projected at \$1,560,500. IT Fund revenue is based on equipment replacement charges, copy charges and labor costs.

Projection Method:

Fleet equipment usage is projected based on average of prior 18 months of actual fuel usage, parts costs and labor. Depreciation schedules are utilized for replacement costs. IT equipment usage is based on a schedule of replacement for computer equipment, software maintenance agreements, phone usage, and copy usage.

ALL OTHER REVENUES

There are many other revenues not outlined above that are intricate in covering the cost of services and operations offered by the city. All revenues contribute to the financial well being of the operations of the city.

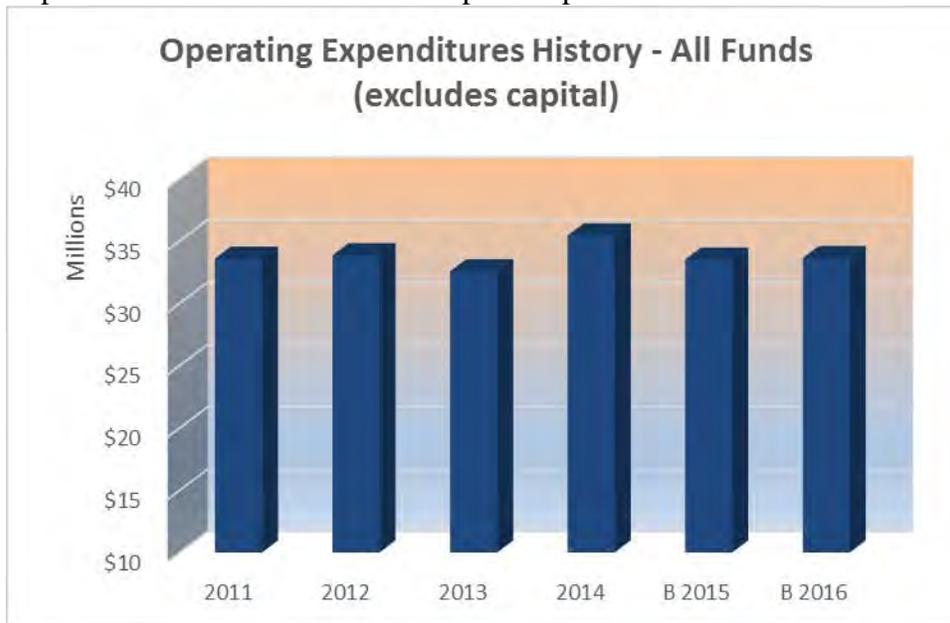
Projection Method:

Analysis of other revenues included trend analysis, review of historical data, expected development activity, local and national economic factors, consumptions, growth factors (building permits, annexations, and subdivisions), cost reimbursement factors, or rate structures.

OPERATING EXPENSES

Total operating expenditures budgets for all funds total \$33,623,143 for 2016 representing an increase of .37% from the 2015 budget. Transfers to the capital improvement fund will be \$1,671,577 which includes the annual payback amount of \$40,329 for the energy performance project. Continuous rigorous efforts have been taken by departments to reduce operating expenses and find efficiencies to better serve the Montrose community. Operating transfers in and out are included; therefore over-all expenditures would be overstated by that transfer.

Capital items are included in the Capital Expenditures section.



The chart below includes operating expenditures for all funds.

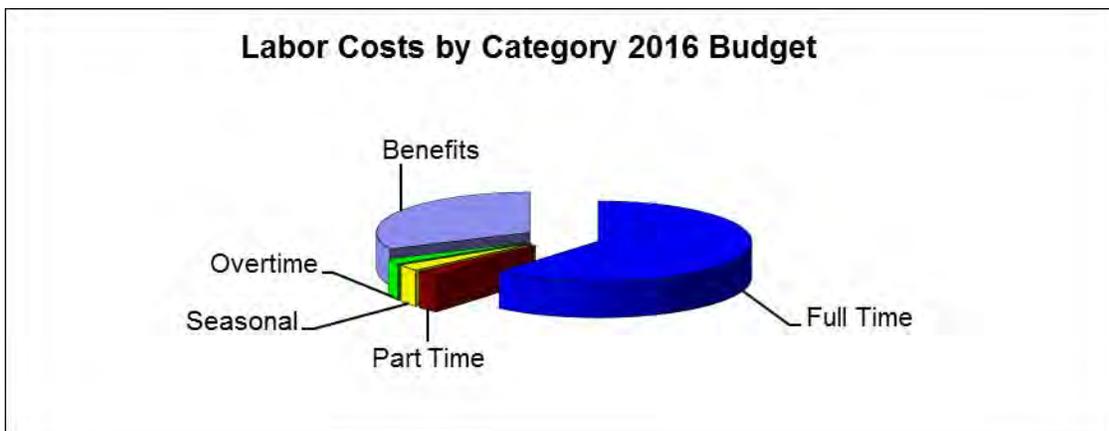
Operating Exp. By Category (excluding capital)	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Budget 2015	Budget 2016	% of 2016 Budget Operating Expense
Labor and Benefits	\$12,208,833	\$11,903,990	\$11,501,351	\$12,096,022	\$13,070,765	\$13,347,918	40%
Non-Personnel Operating	20,802,033	21,360,067	20,495,138	22,790,859	19,575,003	19,429,510	58%
Debt Service	561,657	575,798	565,058	548,252	852,270	845,715	3%
Total Operating Expenditures	\$33,572,523	\$33,839,855	\$32,561,547	\$35,435,133	\$33,498,038	\$33,623,143	100%
% Change	-3.93%	0.80%	-3.78%	8.83%	-5.47%	0.37%	

LABOR AND BENEFITS COST

Labor and benefits represents 40% of the operating expenses and debt service is a minimum at 3%. Benefits for full-time employees include Medicare, social security, 401a contributions, medical insurance, dental insurance, life insurance, disability insurance, vision insurance and an HSA contribution. Employees requiring cellular phone service for business reasons receive a monthly stipend.

In 2014, a pay for performance evaluation process was implemented and bonuses were awarded to those employees that are performing. All eligible employees may participate in a high deductible health plan (HDHP). Employees contribute approximately 15% of the premium to fund their medical insurance. In 2016, premium contribution will remain the same as 2015 premiums. As positions are vacated, there is an analysis that takes place between the Department Head and City Manager to decide whether or not the position needs to be filled.

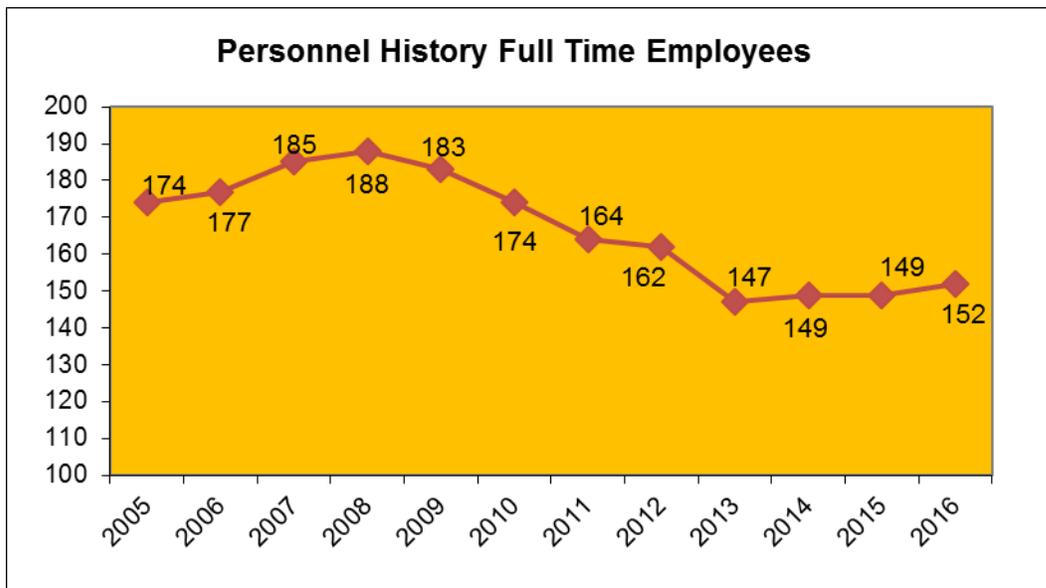
Labor by Category	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Budget 2015	Budget 2016	% of 2016 Budget
Full Time Salaries	7,994,487	7,814,198	7,505,243	7,800,258	7,503,433	7,934,121	61%
Continuos Part Time	216,414	320,572	368,324	251,489	326,339	315,734	2%
Seasonal Salaries	-	-	-	260,697	358,614	327,654	3%
Overtime	301,324	274,185	258,361	311,605	270,600	275,350	2%
Benefits	3,609,296	3,495,035	3,369,422	3,868,311	4,004,479	4,126,494	32%
Total	\$12,121,521	\$11,903,990	\$11,501,350	\$12,492,360	\$12,463,465	\$12,979,353	100%
% Change	0.86%	-1.79%	-3.38%	8.62%	-0.23%	4.14%	



PERSONNEL REDUCTIONS:

2011	2012	2013	2014	2015	2016
Deputy City Clerk	Finance Admin. Clerk	Parks Planner	Building Maintenance Worker	Parks Worker	Planning Services Director
Utility Worker	Court Administrator	Budget Analyst	PW Building Maintenance Worker	Cemetery Sexton	
Procurement Agent	Code Enforcement Officer	Public Works Manager		Emergency Mgmt. Coordinator	
Senior Planner	Street Maint. Worker (2)	Animal Shelter Technician			
Assistant Pavilion Director	Utility Worker (2)	Animal Control Officer			
Mechanic	Assistant City Manager	Customer Service Tech.			
Police Officers (2)					

In 2016, two full-time positions were added to the budget. They include a Pro Shop Attendant at the Black Canyon Golf Course and a GIS/Asset Management position.

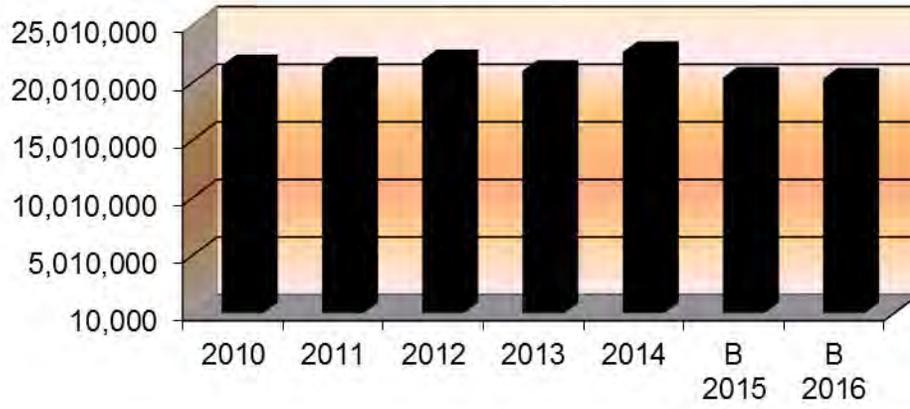


NON-PERSONNEL COSTS

Non-personnel operating expenses represent the largest portion of the 2016 operating budget at 58%. The four largest line items in the non-personnel operating expenses are contract services, treated water purchases, transfers to other funds, and expenses related to the health & dental self- insurance fund. Contract services include items such as electrical, plumbing, roofing, cleaning, dispatch services and technical services. The transfer line item includes the transfers made from the General Fund to the Capital Projects Fund and the Debt Service Fund. Health & Dental expenses include claims payments as well as premiums paid to handle the claims. Prior year actual depreciation expenses are shown in the chart, but are not a budgeted amount.

Non-Personnel Operating (excluding capital)	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Budget 2015	Budget 2016	% of 2016 Budget Operating Expense
Office Supplies	\$ 40,987	\$ 35,302	\$ 51,248	\$ 51,936	\$ 54,275	\$ 57,345	0.28%
Postage	59,121	62,028	60,208	74,352	71,735	85,420	0.42%
Supplies/Equip	646,507	1,158,175	865,937	1,371,712	1,240,032	1,219,370	6.02%
Asphalt/fuel/oil	416,102	444,154	525,576	588,696	493,150	470,150	2.32%
Water Purchase	1,946,499	2,018,824	1,797,956	1,812,249	2,086,735	2,086,735	10.29%
Equip Repairs	225,475	213,267	370,228	369,310	291,350	369,700	1.82%
Advertising	37,454	76,959	216,594	212,558	342,248	177,600	0.88%
Dues/Subs/permits	87,364	99,046	94,439	106,319	99,756	103,052	0.51%
Utilities/phone	1,114,658	1,185,451	1,125,119	1,237,498	1,195,940	1,261,100	6.22%
Contract Serv	1,891,760	1,888,152	1,509,912	1,721,994	1,799,839	2,416,166	11.92%
Landfill Fees	491,474	488,123	546,815	456,631	445,000	290,000	1.43%
Programs/ Volunteer			16,713	56,495	87,874	22,000	0.11%
Building Repair	43,977	56,362	66,840	135,189	166,450	122,475	0.60%
Travel/Mtg Exp	137,312	132,224	142,167	184,163	220,060	223,680	1.10%
Depreciation	3,440,607	3,439,319	3,652,577	3,548,338			0.00%
Community Appreciation	24,000	12,144	27,200	94,929	151,250	159,150	0.79%
Claims/Ins	216,066	228,018	308,349	272,029	247,300	285,282	1.41%
Irrigation Repairs				24,337	14,000	31,908	0.16%
Radio Repair/Rep	12,491	8,283	6,631	4,363	6,000	6,000	0.03%
Aid to Others	-	-		865,530	1,500,000	1,500,000	7.40%
Transfer to Other	2,074,605	2,760,607	2,382,292	2,567,392	2,578,839	2,424,939	11.96%
Adm Reimburse	1,342,338	1,396,167	1,024,193	912,000	794,917	641,468	3.16%
Interfund Lease	1,663,015	1,621,770	1,521,402	1,692,070	1,642,800	1,548,455	7.64%
Radio/IT Lease	732,777	976,403	773,517	664,299	766,207	881,613	4.35%
Health/Dental expenses	3,486,730	2,486,624	2,666,200	2,369,068	2,540,000	2,360,000	11.64%
Debt Payments	594,816	572,269	566,871	554,078	852,520	845,965	4.17%
Other Operating	531,313	514,353	626,104	636,704	674,910	680,752	3.36%
Total	\$ 21,257,448	\$ 21,874,024	\$ 20,945,088	\$ 22,584,239	\$ 20,363,187	\$ 20,270,325	100.00%
% Change	-3.39%	2.90%	-4.25%	7.83%	-9.83%	-0.46%	

**Historical Non-Personnel Expenditures All Funds
(includes transfers & depreciation)**



CAPITAL EXPENDITURES

An extensive capital improvement process was completed at the beginning of 2008. The Montrose Improvement Team consisting of five citizens, a city council representative, a planning commission representative, and key City of Montrose staff, reviewed 57 requests for capital improvements. The committee reviewed projects for community enhancement, parks, trails and sidewalks, and public facilities. A task force dedicated to transportation made recommendations on traffic issues. The Capital Improvement Program Six-Year Plan was compiled for years 2010-2015 in the areas of review. In 2011, the MIT reconvened to update the capital improvement document. The committee held 23 community outreach meetings and held an open house in April of 2011. The 2012-2016 Capital Improvement document has been completed.

The City of Montrose contracted with independent engineering firms to complete an analysis of both the water and sewer systems. Master plans have been completed for both systems with recommendations on capital projects. In 2015, the budget includes updates to these master plans. The Airport Trunk Sewer line project was identified as the most important sewer project and construction began in 2011; with the final phase completed in 2013.

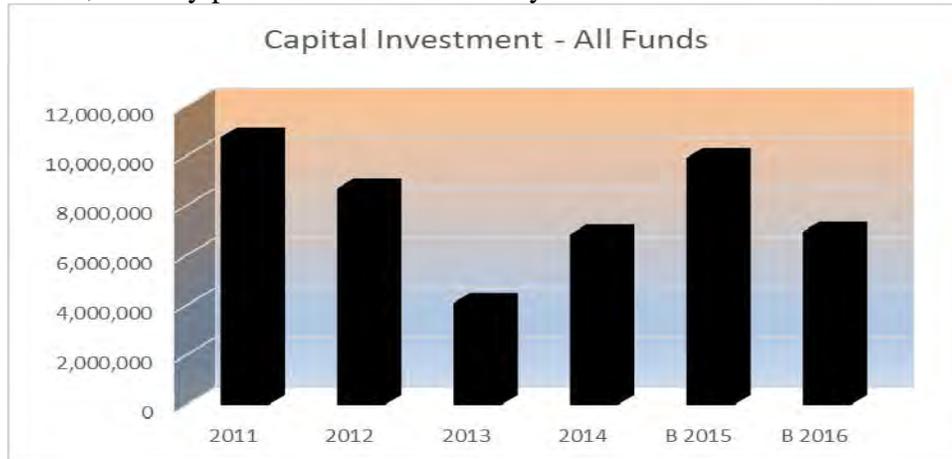
Capital expenditures in 2016 are budgeted in the amount of \$6,957,305. Street Improvements continue to be a large portion of the capital expense. In 2016, improvements to Woodgate Road, designing an extension to the Grand/Rio Grande project, construction of a roundabout at Hillcrest and Sunnyside, paving Anderson Road and the continuation of smaller street and sidewalk projects. Only 6.6% of capital improvement expenditures planned for 2016 will be expensed through the General Fund and the majority of this expense is for broadband projects in conjunction with Region 10. Water fund and Sewer fund capital expenditures comprise 27.6% of the total. Capital projects will reduce the reserves in the water and sewer funds. In-house labor supplied by City of Montrose employees is included in the labor line item and is not included in the budgeted capital projects line item.

Capital expenditures are those items that are non-routine with a cost threshold of \$5,000 or more. Departments reimburse the fleet fund for replacement of vehicles and equipment through the interfund lease line item. Those capital purchases are then made from the Fleet Fund. Fleet age has been greatly reduced and the number of vehicles beyond useful life is low.

The chart below includes capital outlay for all funds of the City.

Capital by Category	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Budget 2015	Budget 2016	% of 2016 Budget
Land & Building	\$313,635	\$0		\$969,061	\$0	\$0	
Vehicles and Equipment	1,193,779	579,032	807,801	732,960	1,817,044	1,750,355	25%
Capital Improvement Projects	9,240,010	8,108,538	3,286,417	5,142,841	8,098,155	5,206,950	75%
Total Capital Expenditures	\$10,747,424	\$8,687,570	\$4,094,218	\$6,844,862	\$9,915,199	\$6,957,305	100%
% Change	130.64%	-19.17%	-52.87%	67.18%	44.86%	-29.83%	

Early in 2014, the City purchased the Black Canyon Golf Course.



GENERAL FUND - 100

The General Fund has the following projects planned for 2016:

- **Take-out improvement at the Water Sports Park**
- **Water Sports Park Concrete Trail Extension**
- **Middle Trail LED lighting installation from S. 9th to S. 12th**
- **Sunset Mesa Entrance Sign**
- **Irrigation Pump rebuild and upgrade - Junction/S. 5th and Riverbottom Park**

Impact on Fund Balance

Projected Beginning Fund Balance	Projected Revenues	Projected Operating Expenses	Projected Capital Expenses	Projected Ending Fund Balance
\$9,527,122	\$19,756,959	\$19,439,454	\$459,780	\$9,384,847

The fund will continue to maintain a Fund Balance in excess of six (6) months of operating expenditures when the projected operating expenses is reduced by the portion budgeted for the Montrose Recreation District (\$1,500,000).

CAPITAL IMPROVEMENT FUND – 465 (In 2014, this was the 235 fund)

- **Woodgate Road Improvement \$1,200,000** - This road project has been moved up on the list of improvements due to the construction that will already be happening on the Community Recreation Center site by the Montrose Recreation District. It will increase the safety of drivers, pedestrians, and cyclists by widening and repaving the entire corridor.
- **Pomona/Columbine Safe Routes to Schools Project \$250,000** – This sidewalk and pedestrian safety project is to provide safer and more convenient passage by students to and from these schools.
- **Anderson Road paving \$150,000** – In 2015 the water line was replaced on this road prior to the paving in 2016.
- **CMU Alley paving \$30,000**
- **Hillcrest/Sunnyside Roundabout \$500,000**
- **Otter Road Box Culvert replacement \$200,000**
- **Gateway Beautification and wayfinding signage \$100,000**
- **Brownfields assessments \$117,000**
- **General Sidewalk Replacement Program to cost share with property owners \$50,000**
- **ADA accessible intersections and ramp installation program \$50,000**

Impact on Fund Balance

Projected Beginning Fund Balance	Projected Revenues	Projected Operating Expenses	Projected Capital Expenses	Projected Ending Fund Balance
\$1,815,266	\$1,677,439	\$0.00	\$2,664,000	\$828,705

Capital fund balance will be utilized to complete these projects.

CIVIC CAMPUS UPGRADES - 470

In 2011, a facility condition assessment was completed by an independent professional firm and many areas were identified within city facilities that need to be upgraded. **\$301,000** has been budgeted next year to address priority projects from the study, including improvements at the Pavilion Events Center, City Hall and Elks Civic Building.

Impact on Fund Balance

Projected Beginning Fund Balance	Projected Revenues	Projected Operating Expenses	Projected Capital Expenses	Projected Ending Fund Balance
\$374,780	\$80,500	\$0.00	\$301,000	\$154,280

WATER FUND - 500

In 2016, the following projects are budgeted in this fund:

- Valve and hydrant replacement
- Projects identified in the Master Plan Update
- PRV upgrade and monitoring equipment
- Pilot project installing automatic valves on city meters
- Replace AC Pipe when appropriate
- Homestead Water line design and construction

Impact on Reserves:

Projected Beginning Reserves	Projected Revenues	Projected Operating Expenses	Projected Capital Expenses	Projected Ending Reserves
\$9,601,606	\$4,921,375	\$4,117,892	\$851,650	\$9,553,439

The fund will continue to maintain reserves in excess of the 90 day target reserve.

SEWER FUND - 510

In 2016 capital projects will included sewer rehabilitation/replacement, projects identified in the Master Plan update and LaSalle Lift Stations elimination project.

Impact on Reserves:

Projected Beginning Reserves	Projected Revenues	Projected Operating Expenses	Projected Capital Expenses	Projected Ending Reserves
\$2,237,807	\$3,211,285	\$2,275,505	\$1,071,275	\$2,102,312

The fund will continue to maintain reserves in excess of the 90 day target reserve.

FLEET MANAGEMENT FUND - 600

The Fleet Management Fund is an internal service fund which means that a transfer is made on a monthly basis from other city departments into the fleet fund to pay for replacement of equipment and vehicles. The fleet manager establishes a listing of vehicles and equipment to be replaced each year based on the FASTER database. Some years require more extensive purchases than other years.

- Six PD sedans with equipment
- Four trucks (PD, Parks, and Engineering)
- One trash collection truck
- One Street Sweeper

Impact on Fund Balance

Projected Beginning Fund Balance	Projected Revenues	Projected Operating Expenses	Projected Capital Expenses	Projected Ending Fund Balance
\$2,398,739	\$1,576,500	\$1,040,673	\$1,173,000	\$1,761,566

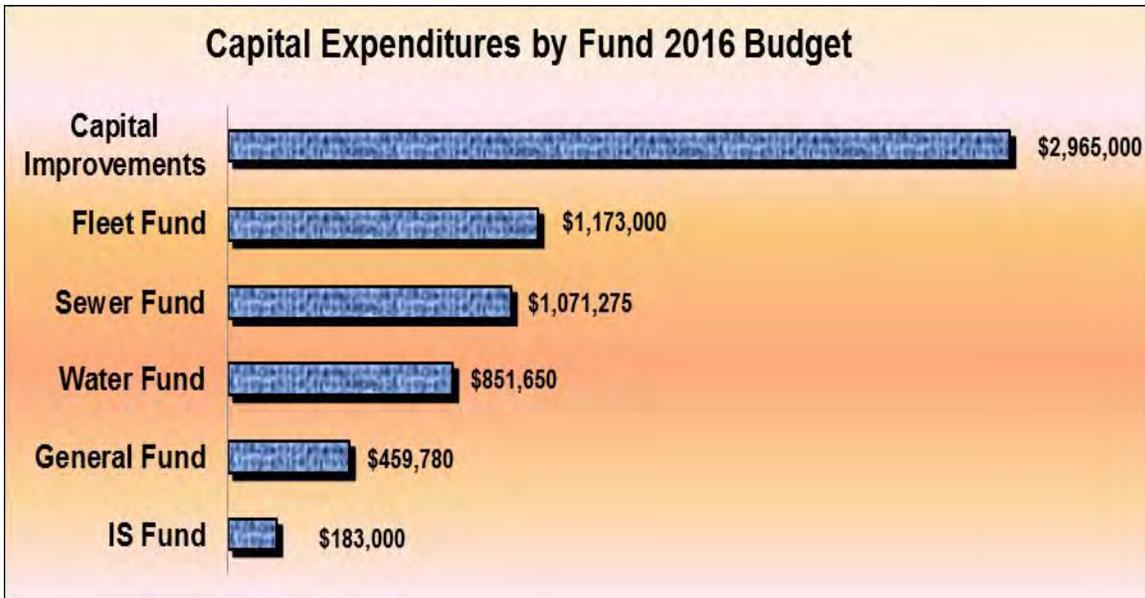
The fund will continue to maintain reserves in excess of the 90 day target reserve.

INFORMATION SERVICES FUND - 605

The Information Services (IS) Fund is an internal service fund which means that a transfer is made on a monthly basis from other city funds into the IS fund to pay for replacement of computer and phone equipment. The IS fund maintains a listing of computer equipment to be replaced. Most purchases are recorded in the equipment/furniture less than \$5,000 line item. The capital purchases are items over \$5,000. For 2016, capital purchases include upgrades to computer equipment and 800 MHZ radios. Restricted funds ending 2014 are \$387,037. These reserves are restricted for the purchase of 800 MHz radios used by the police and public works departments.

Impact on Fund Balance

Projected Beginning Fund Balance	Projected Revenues	Projected Operating Expenses	Projected Capital Expenses	Projected Ending Fund Balance
\$814,277	\$769,550	\$947,750	\$183,000	\$453,077



CAPITAL EXPENDITURE LISTING

Vehicle Listing	Replacement Unit	Department	Amount	Fund
Six sedans	268,269,270,271,272,273	PD	\$300,000	Fleet
Four Trucks	166,6	PD/Parks/Engineering	\$100,000	Fleet
Three mowers	230,259	Parks	\$30,000	Fleet
Trash Truck	347	Trash & Recycling	\$270,000	Fleet
Street Sweeper	330	Street Cleaning	\$300,000	Fleet
Total			\$1,000,000	

Operating Equipment Listing	Department	Amount	Fund Source
PD Equipment	Police	\$37,480	General Fund
Three snow plows	Streets	\$24,000	General Fund
Asset Management Database	Multiple	\$106,000	Multiple
Vactor Debris Tank	Sewer	\$50,000	Fleet
IT Computer Equipment	All departments	\$183,000	IT
Back 9 Pump station	Turf Maint. BCGC	\$115,000	BCGC
AVL Project	Various	\$25,000	Fleet
Total		\$540,480	

Capital Improvement Projects	Department	Amount	Fund Source
Parks & Trail Improvement	Parks	\$17,500	General Fund
Broadband Projects	ICE	\$300,000	General Fund
Street Improvements	Streets	\$118,800	Capital Fund
Entrance Sign	Sunset Mesa	\$26,800	General Fund
Water Sports Park Improvements	Parks	\$35,000	CTF
Outside kennels and storage facility	Animal Services	\$17,400	Special Benefit
Pump house upgrades	Parks	\$28,000	Special Benefit
Grand/Rio Grande Road Improvements	Engineering	\$160,000	Grand/RioGrande
Curb/Gutter/Sidewalk/ADA	Engineering/Streets	\$367,000	Capital Fund
Anderson Road Paving	Streets	\$150,000	Capital Fund
CMU Alley	Streets	\$30,000	Capital Fund
Hillcrest/Sunnyside Roundabout	Engineering	\$500,000	Capital Fund
Otter Road Box Culvert	Engineering	\$200,000	Capital Fund
Gateway beautification/wayfinding	OBT	\$100,000	Capital Fund
Water Improvement Projects	Water	\$851,850	Water
Sewer Improvement Projects	Sewer	\$874,275	Sewer
WWTP Improvement Projects	Sewer Treatment	\$197,000	Sewer
TOTAL		\$4,274,625	

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 24, 2015, was \$270,602,605. Based on this valuation, the legal debt limit is \$13,530,130. 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	\$270,602,605
5% Debt Limitation	\$13,530,130
Energy Impact Loan - Industrial Park Fire flow	<u>\$43,221</u>
Total subject to debt limitation	<u>\$43,221</u>
2010 General Fund Excise Tax Revenue Bonds	\$700,000
2004 Water and Sewer Revenue Refunding and Improvement Bonds	<u>\$3,240,000</u>
Total not subject to limitation	<u>\$3,940,000</u>
Total Debt	<u>\$3,983,221</u>

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.

Date	Principal	Interest	Yearly payment
9/1/2016	10,028	2,162	12,190
9/1/2017	10,530	1,660	12,190
9/1/2018	11,055	1,134	12,189
9/1/2019	11,608	581	12,189
Total	\$43,221	\$5,537	\$48,758

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.

Date	Principal	Interest	Yearly payment
4/1/2016		14,000	
10/1/2016	340,000	14,000	368,000
4/1/2017		7,200	
10/1/2017	360,000	7,200	374,400
Total	700,000	42,400	742,400

**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
4/1/2016		69,075	
10/1/2016	300,000	69,075	438,150
4/1/2017		61,950	
10/1/2017	315,000	61,950	438,900
4/1/2018		55,335	
10/1/2018	330,000	55,335	440,670
4/1/2019		48,405	
10/1/2019	345,000	48,405	441,810
4/1/2020		41,160	
10/1/2020	360,000	41,160	442,320
4/1/2021		33,600	
10/1/2021	375,000	33,600	442,200
4/1/2022		25,725	
10/1/2022	390,000	25,725	441,450
4/1/2023		17,535	
10/1/2023	405,000	17,535	440,070
4/1/2024		9,030	
10/1/2024	420,000	9,030	438,060
Total	3,240,000	723,630	3,963,630

FUND TYPES

General Fund is the chief operating fund of a government. The fund is used to account for all financial resources except those required to be accounted for in another fund. All of a government's activities are reported in the general fund unless there is a compelling reason to report an activity in some other fund type.

Special Revenue Funds are used to account for the proceeds of specific revenue sources, other than major capital projects, that are legally restricted to expenditure for specified purposes

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest

Enterprise Funds are used to account for functions presented as business-type activities, where the intent is that the cost of providing goods or services to the general public on a continuing basis be financed or received primarily through user charges or determination of net income is appropriate for accountability purposes.

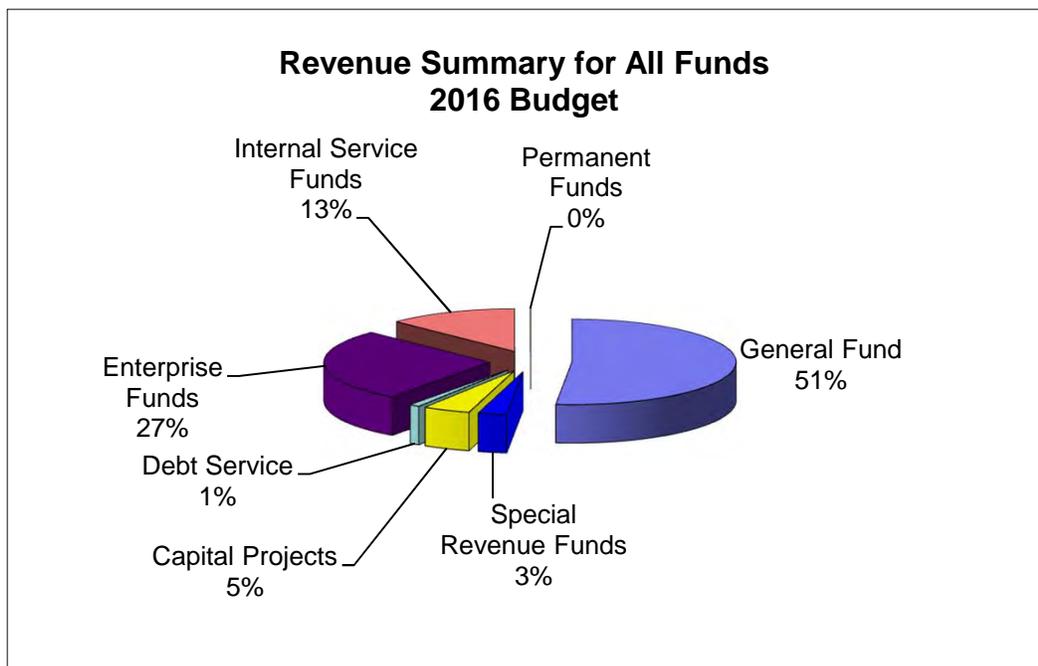
Internal Service Funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, on a cost-reimbursement basis.

Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for the benefit of the city or its residents.

City of Montrose - Revenue Summary

	ACTUAL 2014	BUDGET 2015	BUDGET 2016
	<u> </u>	<u> </u>	<u> </u>
GENERAL FUND			
Tax Revenue	\$15,608,864	\$14,949,924	\$17,043,721
License and Permits	251,116	223,400	221,400
Intergovernmental Revenues	1,231,713	1,129,000	1,161,320
Charges for Services	364,199	290,400	295,000
Fines & Forfeitures	229,713	220,800	231,800
Other Revenues	89,092	81,650	55,050
Transfer Cost Allocation	912,000	794,917	641,468
Interest Income	15,345	18,250	12,200
Transfer from Others	83,817	61,000	95,000
TOTAL GENERAL FUND	<u>\$18,785,860</u>	<u>\$17,769,341</u>	<u>19,756,959</u>
SPECIAL REVENUE FUNDS			
Tax Revenue	701,247	680,750	745,750
Intergovernmental Revenues	234,599	212,500	197,500
Charges for Services	50,401	43,200	34,500
Fines & Forfeitures	0	0	0
Other Revenue	32,477	13,000	57,000
Interest Income	1,360	1,700	2,500
Transfer from Others	1,000	43,875	30,500
TOTAL SPECIAL REVENUE FUNDS	<u>\$1,021,084</u>	<u>\$995,025</u>	<u>\$1,067,750</u>
CAPITAL PROJECTS			
Intergovernmental Revenues	\$144,619	\$917,384	\$0
Other Revenues	\$95,101	\$0	\$4,500
Interest Income	\$11,600	\$3,500	\$13,500
Transfer from Others	\$2,188,296	\$1,962,396	\$1,752,439
TOTAL CAPITAL PROJECTS	<u>\$2,439,616</u>	<u>\$2,883,280</u>	<u>\$1,770,439</u>
DEBT SERVICE			
Charges for Services	\$12,189	\$12,190	\$12,190
Interest Income	\$0	\$0	\$0
Transfers from Others	\$248,700	\$371,400	\$368,200
TOTAL DEBT SERVICE FUNDS	<u>\$260,889</u>	<u>\$383,590</u>	<u>\$380,390</u>
ENTERPRISE FUNDS			
Intergovernmental Revenues	\$267,937	\$8,000	\$8,000
Charges for Services	\$9,796,431	\$9,267,000	\$9,617,772
Other Revenues	\$1,249,506	\$259,450	\$526,769
Transfer Cost Allocat	\$0	\$0	\$0
Interest Income	\$22,304	\$30,000	\$20,601
Transfer from Others	\$255,100	\$125,000	\$307,862
TOTAL ENTERPRISE FUNDS	<u>\$11,591,277</u>	<u>\$9,689,450</u>	<u>\$10,481,004</u>

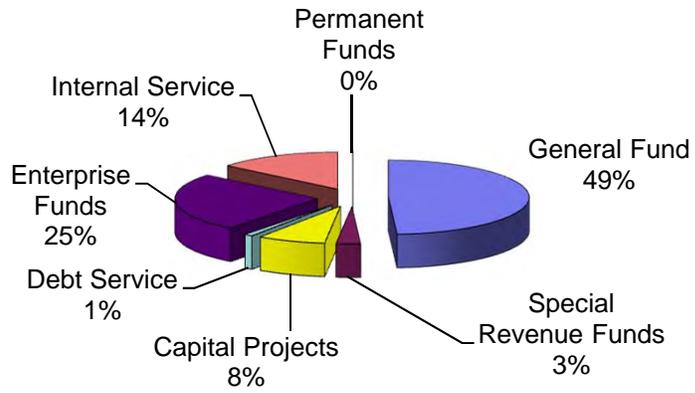
	ACTUAL 2014	BUDGET 2015	BUDGET 2016
INTERNAL SERVICE FUNDS			
Intergovernmental Revenues	\$53,719	\$8,400	\$38,800
Charges for Services	\$503	\$538	\$720,400
Other Revenues	\$1,729,600	\$1,663,250	\$1,586,650
Interest Income	\$3,820	\$5,500	\$4,500
Transfers from Others	\$0	\$0	\$0
Operating Transfers In	\$2,224,253	\$2,516,300	\$2,500,000
TOTAL INTERNAL SERVICE FUNDS	\$4,011,895	\$4,193,988	\$4,850,350
PERMANENT FUNDS			
Charges for Services	\$0	\$1,200	\$2,500
Other Revenues	\$0	\$0	\$0
Interest Income	\$3,480	\$150	\$3,150
TOTAL PERMANENT FUNDS	\$3,480	\$1,350	\$5,650
TOTAL REVENUE	\$38,114,102	\$35,916,024	\$38,312,542



**TOTAL FUNDS EXPENDITURE SUMMARY
2016 BUDGET**

Department	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Permanent
City Council/Youth Council	144,435						
Economic Development	154,000						
City Attorney	406,384						
City Manager	479,638						
Human Resources	258,759						
Pavilion	528,874						
G.I.S.	312,624						
Finance	670,433						
Municipal and Teen Court	198,391						
Community Development	364,979						
Innovation & Citizen Engage	450,948						
City Clerk	249,792						
Municipal Building	424,753						
Police and Animal Control	6,842,070						
Building Services	156,231						
Engineer	241,709						
Public Works Admin	196,259						
Street Maintenance	2,116,027						
Street Cleaning	299,461						
Parks	969,096						
Tree Program	15,000						
Sunset Mesa Maintenance	163,497						
Cemetery	55,903						
Transfers to Others	3,924,939						
Property Casualty Insurance	275,032						
Retail Sales Enhancement		317,618					
DDA & PAX		145,692					
Downtown Opportunity Fund		30,000					
Greater Montrose Loan Fund		50,000					
Public/Education/Government		20,000					
Conservation Trust		45,000					
Pavilion Senior Center		22,000					
Special Benefit Fund		49,275					
Tourism Promotional Fund		427,918					
Curb, Gutter, Sidewalk			367,000				
General Capital Improvements			997,000				
Arterial Construction			1,200,000				
South Townsend Sidewalks			100,000				
Grand/Rio Grande Project			160,000				
Facilities Fund			301,000				
Special Improvements Revolving			1,000				
2010 Revenue Bonds				368,200			
EIA Fireflow Loan				12,190			
Utility - Water					4,969,542		
Utility - Sewer					3,346,780		
Trash & Recycling					1,246,860		
Black Canyon Golf Course					799,216		
Fleet Management						2,213,673	
IT Equipment Replacement						1,130,750	
Health/Dental Insurance						2,360,000	
Cemetery Care							500
Total Expenditures	19,899,234	1,107,503	3,126,000	380,390	10,362,398	5,704,423	500
TOTAL EXPENDITURES - ALL FUNDS							40,580,448

Expenditure Summary for All Funds 2016 Budget



TOTAL FUNDS EXPENDITURE SUMMARY

Prior Year Comparison

	2014 Actual	2015 Budget	2016 Budget
GENERAL FUND			
City Council	117,936	116,220	141,910
Youth Council	-	-	2,525
Economic Development	301,756	363,000	154,000
City Attorney	284,311	410,129	406,384
City Manager	344,469	337,015	277,609
Website/Communications	117,555	121,112	133,599
Competitive Sports	45,821	51,993	68,430
Human Resources	223,818	233,072	258,759
Pavilion	510,650	512,516	528,874
G.I.S.	264,904	256,552	312,624
Finance	613,484	619,015	670,433
Municipal and Teen Court	171,535	179,690	198,391
Community Development	407,491	419,859	364,979
Admin. Services	133,907	257,341	450,948
City Clerk	218,855	212,460	249,792
Municipal Building	413,853	650,835	424,753
Police and Animal Control	5,845,179	6,175,985	6,842,070
Code Compliance	137,796	147,741	156,231
Engineer	236,237	256,375	241,709
Public Works Admin	288,848	280,381	196,259
Street Maintenance	2,220,261	2,207,379	2,116,027
Street Cleaning	248,639	323,836	299,461
Parks	1,162,576	1,008,441	969,096
Tree Program	13,323	15,000	15,000
Sunset Mesa Maintenance	12,802	132,325	163,497
Cemetery	94,230	55,664	55,903
Transfers to Others	3,432,922	4,038,839	3,924,939
Property Casualty Insurance	990,956	545,325	275,032
TOTAL GENERAL FUND	18,854,115	19,928,100	19,899,234
SPECIAL REVENUE FUNDS			
Retail Sales Enhancement	277,341	383,558	317,618
DDA	158,748	144,940	145,692
Downtown Improvement	52,730	37,300	30,000
Greater Montrose Loan fund	-	80,000	50,000
Public/Education/Government	2,532	20,000	20,000
Conservation Trust	230,000	80,000	45,000
Pavilion Senior Center	24,099	30,000	22,000
Special Benefit Fund	36,713	124,400	49,275
Tourism Promotional Fund	354,875	591,673	427,918
TOTAL SPECIAL REVENUE FUNDS	1,137,037	1,491,871	1,107,503

TOTAL FUNDS EXPENDITURE SUMMARY

Prior Year Comparison

	2014 Actual	2015 Budget	2016 Budget
CAPITAL IMPROVEMENT FUNDS			
Special Improvements Revolving	655	1,000	1,000
Curb, Gutter, Sidewalk	148,844	517,000	367,000
General Capital Improvements	511,554	118,800	997,000
Arterial Construction	426,011	3,000,000	1,200,000
Gateway Beautification	206,759	510,000	100,000
Uncompahgre River Improvements	1,164,505	510,000	-
Grand/Rio Grande Project	-	15,000	160,000
Facilities Fund	87,331	313,180	301,000
TOTAL CAPITAL IMP. FUNDS	2,545,660	4,984,980	3,126,000
DEBT SERVICE FUNDS			
2010 Revenue Bonds	374,525	371,400	368,200
EIA Fireflow Loan	12,189	12,190	12,190
TOTAL DEBT SERVICE FUNDS	386,714	383,590	380,390
ENTERPRISE FUNDS			
Utility - Water	4,738,888	4,885,000	4,969,542
Utility - Sewer	3,918,140	4,069,000	3,346,780
Sanitation	1,513,274	1,416,000	1,246,860
Black Canyon Golf Course	733,056	632,300	799,216
TOTAL ENTERPRISE FUNDS	10,903,359	11,002,300	10,362,398
INTERNAL SERVICE FUNDS			
Fleet Management	1,647,684	2,215,480	2,213,673
IT Equipment Replacement	800,025	1,066,416	1,130,750
Health/Dental Insurance	2,369,068	2,540,000	2,360,000
TOTAL INTERNAL SERVICE FUNDS	4,816,776	5,821,896	5,704,423
PERMANENT FUNDS			
Demoret Trust	16,618	-	-
Cemetery Care	120	500	500
TOTAL PERMANENT FUNDS	16,738	500	500
 TOTAL ALL FUNDS	 38,660,399	 43,613,237	 40,580,448

SUMMARY OF TRANSFERS

	Transfer from Account	Transfer to Account	2016
Special Revenue Funds			
Retail Sales Enhancement	200-6050-750-000	290-4900-900-000	\$30,500
Debt Service Fund			
Excise Tax Revenue Bonds	100-5180-750-000	370-4900-900-000	\$368,200
Permanent Fund			
Cemetery Perpetual Care	420-9020-750-000	100-4900-900-000	\$500
Capital Improvement Fund			
Capital Projects	100-5180-750-000	465-4900-900-000	\$1,629,410
Repayment of Energy Perf Facility Fund	100-5180-750-000	465-4900-900-000	\$40,329
	100-5180-750-000	470-4900-900-000	\$80,000
Black Canyon Golf Course	100-5180-750-000	580-4900-900-000	\$307,000
TOTAL OF TRANSFERS			\$2,455,939
ADMINISTRATIVE REIMBURSEMENT			
Water Fund Transfer	500-7020-751-000	100-4700-701-000	276,079
Sewer Fund Transfer	510-7035-751-000	100-4700-701-000	241,223
Sanitation Fund Transfer	550-7100-751-000	100-4700-701-000	124,166
TOTAL ADMINISTRATIVE REIMBURSEMENT			641,468

City of Montrose Revenues, Expenditures and Fund Balance

	2014 Actuals	2015 Actual through June	Actual Projected through 12/31/15	2015 Original Budget	2016 Budget
GENERAL FUND					
UNASSIGNED FUND BALANCE 1/1	\$ 8,819,736		\$ 8,927,883		\$ 9,527,122
REVENUES					
SALES, USE AND FRANCHISE TAXES	\$ 15,608,864	\$ 8,505,169	\$ 17,029,788	\$ 14,949,924	\$ 17,043,721
LICENSES & PERMITS	\$ 251,116	\$ 124,040	\$ 352,196	\$ 223,400	\$ 221,400
INTERGOVERNMENTAL REV	\$ 1,231,713	\$ 433,155	\$ 1,295,891	\$ 1,129,000	\$ 1,161,320
PAVILION REVENUE	\$ 174,728	\$ 57,575	\$ 130,203	\$ 131,000	\$ 148,000
COMPETITIVE SPORTS REVENUE	\$ 9,430	\$ 14,542	\$ 15,518	\$ 16,000	\$ 17,800
CHARGES FOR SERVICES	\$ 200,539	\$ 53,451	\$ 124,365	\$ 159,400	\$ 149,700
FINES & FORFEITURES	\$ 229,713	\$ 121,063	\$ 235,503	\$ 220,800	\$ 231,800
OTHER REVENUES	\$ 68,595	\$ 16,390	\$ 330,270	\$ 65,650	\$ 34,550
TRANSFER COST ALLOCATION	\$ 912,000	\$ 397,458	\$ 794,917	\$ 794,917	\$ 641,468
INTEREST INCOME	\$ 15,345	\$ 6,872	\$ 13,894	\$ 18,250	\$ 12,200
TRANSFERS FROM OTHERS	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000
DRUG TASKFORCE REVENUES	\$ 83,697	\$ 6,055	\$ 39,747	\$ 51,000	\$ 85,000
TOTAL REVENUES	\$ 18,785,741	\$ 9,735,770	\$ 20,362,291	\$ 17,769,341	\$ 19,756,959
EXPENDITURES					
CITY COUNCIL	\$ 117,936	\$ 80,057	\$ 118,229	\$ 116,220	\$ 141,910
YOUTH COUNCIL	\$ -	\$ -	\$ -	\$ -	\$ 2,525
ECONOMIC DEVELOPMENT	\$ 301,756	\$ 284,700	\$ 405,371	\$ 363,000	\$ 154,000
CITY ATTORNEY	\$ 284,311	\$ 151,020	\$ 338,999	\$ 410,129	\$ 406,384
CITY MANAGER	\$ 344,469	\$ 160,467	\$ 322,383	\$ 337,015	\$ 277,609
WEBSITE/COMMUNICATIONS:	\$ 117,555	\$ 55,709	\$ 113,065	\$ 121,112	\$ 133,599
COMPETITIVE SPORTS	\$ 45,721	\$ 34,371	\$ 59,772	\$ 51,993	\$ 68,430
HUMAN RESOURCES	\$ 223,818	\$ 118,698	\$ 247,056	\$ 233,072	\$ 258,759
PAVILION	\$ 510,650	\$ 231,432	\$ 494,858	\$ 512,516	\$ 528,874
GEOGRAPHIC INFORMATION SYSTEMS	\$ 264,867	\$ 112,046	\$ 215,921	\$ 256,552	\$ 312,624
FINANCE	\$ 613,484	\$ 297,043	\$ 610,221	\$ 619,015	\$ 670,433
MUNICIPAL COURT	\$ 165,505	\$ 96,053	\$ 146,298	\$ 173,690	\$ 192,391
TEEN COURT	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
PLANNING SERVICES	\$ 407,491	\$ 201,751	\$ 363,299	\$ 419,859	\$ 364,979
INNOVATION & CITIZEN ENGAGEMENT	\$ 135,536	\$ 126,759	\$ 233,960	\$ 162,341	\$ 450,948
CITY CLERK	\$ 218,855	\$ 98,079	\$ 213,404	\$ 212,460	\$ 249,792
FACILITY MANAGEMENT	\$ 413,816	\$ 374,512	\$ 622,194	\$ 375,876	\$ 424,753
POLICE PATROL	\$ 3,584,134	\$ 1,767,622	\$ 3,596,947	\$ 3,819,275	\$ 4,328,232
POLICE ADMINISTRATION	\$ 1,339,155	\$ 648,982	\$ 1,309,756	\$ 1,417,249	\$ 1,540,727
DRUG TASKFORCE	\$ 336,053	\$ 144,462	\$ 292,987	\$ 326,176	\$ 343,738
CODE ENFORCEMENT	\$ 80,042	\$ 35,486	\$ 80,537	\$ 83,340	\$ 86,622
ANIMAL CONTROL	\$ 505,379	\$ 202,995	\$ 515,891	\$ 529,945	\$ 542,751
BUILDING SERVICES	\$ 137,639	\$ 67,358	\$ 136,842	\$ 147,741	\$ 156,231
ENGINEER	\$ 236,237	\$ 118,544	\$ 264,445	\$ 256,375	\$ 241,709
PUBLIC WORKS ADMIN	\$ 288,848	\$ 131,407	\$ 263,718	\$ 280,381	\$ 196,259
STREET MAINTENANCE	\$ 2,042,887	\$ 1,034,221	\$ 2,123,151	\$ 2,207,379	\$ 2,116,027
STREET CLEANING	\$ 248,639	\$ 126,596	\$ 295,367	\$ 323,836	\$ 299,461
PARKS	\$ 1,162,576	\$ 376,425	\$ 942,395	\$ 1,008,441	\$ 969,096
TREE PROGRAM	\$ 13,323	\$ 6,435	\$ 15,127	\$ 15,000	\$ 15,000
SUNSET MESA MAINTENANCE	\$ 12,802	\$ 64,306	\$ 121,895	\$ 132,325	\$ 163,497
CEMETERY	\$ 94,230	\$ 13,514	\$ 36,927	\$ 55,664	\$ 55,903
TRANSFER TO MRD AND OTHER FUNDS	\$ 3,432,922	\$ 1,713,244	\$ 3,966,483	\$ 2,538,839	\$ 3,924,939
INSURANCE/FLEET VEHICLES/OTHER EXP	\$ 990,956	\$ 133,600	\$ 1,289,555	\$ 256,525	\$ 275,032
TOTAL EXPENDITURES	\$ 18,677,594	\$ 9,013,892	\$ 19,763,052	\$ 17,769,341	\$ 19,899,234
REVENUES OVER (UNDER) EXPENDITURES	\$ 108,147	\$ 721,878	\$ 599,239	\$ -	\$ (142,275)
UNASSIGNED FUND BALANCE 12/31	\$ 8,927,883		\$ 9,527,122		\$ 9,384,847

	2014 Actuals	2015 Actual through June	Actual Projected through 12/31/15	2015 Original Budget	2016 Budget
RETAIL SALES ENHANCEMENT					
FUND BALANCE 1/1	\$ 111,369		\$ 116,503		\$ 64,351
TOTAL REVENUES	\$ 282,475	\$ 115,437	\$ 286,050	\$ 260,200	\$ 293,000
TOTAL EXPENDITURES	\$ 277,341	\$ 167,204	\$ 338,202	\$ 383,558	\$ 317,618
REVENUES OVER (UNDER) EXPENDITURES	\$ 5,134	\$ (51,767)	\$ (52,152)	\$ (123,358)	\$ (24,618)
FUND BALANCE 12/31	\$ 116,503		\$ 64,351		\$ 39,734
DOWNTOWN DEVELOPMENT AUTHORITY					
FUND BALANCE 1/1	\$ 100,588		\$ 95,073		\$ 109,729
TOTAL REVENUES	\$ 153,234	\$ 121,234	\$ 157,595	\$ 137,700	\$ 135,200
DDA EXPENDITURES	\$ 151,866	\$ 59,848	\$ 136,545	\$ 133,442	\$ 144,192
MAIN IN MOTION EXPENDITURES	\$ 4,865	\$ -	\$ 4,865	\$ -	\$ -
PUBLIC ART EXPERIENCE (PAX)	\$ 2,017	\$ 1,449	\$ 1,530	\$ -	\$ 1,500
TOTAL EXPENDITURES	\$ 158,748	\$ 61,297	\$ 142,940	\$ 133,442	\$ 145,692
REVENUES OVER (UNDER) EXPENDITURES	\$ (5,514)	\$ 59,937	\$ 14,655	\$ 4,258	\$ (10,492)
FUND BALANCE 12/31	\$ 95,073		\$ 109,729		\$ 99,237
DOWNTOWN OPPORTUNITY FUND					
FUND BALANCE 1/1	\$ 40,012		\$ 46,891		\$ 39,154
TOTAL REVENUES	\$ 59,609	\$ 18,547	\$ 29,563	\$ 44,800	\$ 24,000
DOWNTOWN IMPROVEMENT	\$ 52,730	\$ -	\$ 37,300	\$ 37,300	\$ 30,000
REVENUES OVER (UNDER) EXPENDITURES	\$ 6,879	\$ 18,547	\$ (7,737)	\$ 7,500	\$ (6,000)
FUND BALANCE 12/31	\$ 46,891		\$ 39,154		\$ 33,154
GREATER MONTROSE LOAN FUND					
FUND BALANCE 1/1	\$ 50,000		\$ 130,000		\$ 142,700
REVENUES	\$ 80,000	\$ -	\$ 50,000	\$ 100,000	\$ -
GREATER MONTROSE IMPROVEMENT	\$ -	\$ -	\$ 37,300	\$ 80,000	\$ 50,000
REVENUES OVER (UNDER) EXPENDITURES	\$ 80,000	\$ -	\$ 12,700	\$ 20,000	\$ (50,000)
FUND BALANCE 12/31	\$ 130,000		\$ 142,700		\$ 92,700
PUBLIC/EDUCATION/GOVERNMENT					
FUND BALANCE 1/1	\$ 45,759		\$ 64,137		\$ 31,456
TOTAL REVENUES	\$ 20,910	\$ 5,019	\$ 24,619	\$ 20,000	\$ 20,100
EXPENDITURES	\$ 2,532	\$ 570	\$ 57,300	\$ 20,000	\$ 20,000
REVENUES OVER (UNDER) EXPENDITURES	\$ 18,378	\$ 4,450	\$ (32,681)	\$ -	\$ 100
FUND BALANCE 12/31	\$ 64,137		\$ 31,456		\$ 31,556
SURPLUS & DEFICIENCY					
FUND BALANCE 1/1	\$ 154,321		\$ 154,479		\$ 154,779
REVENUES					
INTEREST INCOME	\$ 157	\$ 116	\$ 300	\$ -	\$ 200
FUND BALANCE 12/31	\$ 154,479		\$ 154,779		\$ 154,979
CONSERVATION TRUST FUND					
FUND BALANCE 1/1	\$ 410,126		\$ 272,088		\$ 322,587
TOTAL REVENUES	\$ 91,962	\$ 47,977	\$ 80,500	\$ 81,000	\$ 80,500
TOTAL EXPENDITURES	\$ 230,000	\$ 22,250	\$ 30,001	\$ 80,000	\$ 45,000
REVENUES OVER (UNDER) EXPENDITURES	\$ (138,038)	\$ 25,727	\$ 50,499	\$ 1,000	\$ 35,500
FUND BALANCE 12/31	\$ 272,088		\$ 322,587		\$ 358,087
PAVILION SENIOR CENTER					
FUND BALANCE 1/1	\$ 14,292		\$ 20,498		\$ 24,413
TOTAL REVENUES	\$ 30,304	\$ 10,702	\$ 29,831	\$ 30,000	\$ 21,000
TOTAL EXPENDITURES	\$ 24,099	\$ 12,176	\$ 25,916	\$ 30,000	\$ 22,000
REVENUES OVER (UNDER) EXPENDITURES	\$ 6,206	\$ (1,474)	\$ 3,915	\$ -	\$ (1,000)
FUND BALANCE 12/31	\$ 20,498		\$ 24,413		\$ 23,413
SPECIAL BENEFIT FUND					
FUND BALANCE 1/1	\$ 357,860		\$ 353,844		\$ 258,412
TOTAL REVENUES	\$ 32,696	\$ 16,029	\$ 28,900	\$ 18,500	\$ 23,500
TOTAL EXPENDITURES	\$ 36,713	\$ 102,860	\$ 124,332	\$ 32,900	\$ 49,275
REVENUES OVER (UNDER) EXPENDITURES	\$ (4,016)	\$ (86,831)	\$ (95,432)	\$ (14,400)	\$ (25,775)
RESTRICT FEE IN LEU OF LAND	\$ 139,703		\$ 158,603		\$ 168,603
FUND BALANCE 12/31	\$ 214,141		\$ 99,809		\$ 64,034

	2014 Actuals	2015 Actual through June	Actual Projected through 12/31/15	2015 Original Budget	2016 Budget
TOURISM PROMOTIONAL FUND					
FUND BALANCE 1/1	\$ 91,801		\$ 148,855		\$ 136,430
REVENUES - EXCISE TAX	\$ 411,928	\$ 325,280	\$ 468,875	\$ 447,625	\$ 469,250
TOURISM EXPENDITURES	\$ 286,930	\$ 184,722	\$ 343,693	\$ 435,173	\$ 370,418
VISITOR CENTER OPERATION EXPENDITURES	\$ 67,945	\$ 40,274	\$ 86,651	\$ 68,750	\$ 7,500
PROGRAMMING OPERATIONS	\$ -	\$ 8,630	\$ 50,956	\$ 87,750	\$ 50,000
TOTAL EXPENDITURES	\$ 354,875	\$ 233,627	\$ 481,300	\$ 591,673	\$ 427,918
REVENUES OVER (UNDER) EXPENDITURES	\$ 57,054	\$ 91,653	\$ (12,425)	\$ (144,048)	\$ 41,332
FUND BALANCE 12/31	\$ 148,855		\$ 136,430		\$ 177,762
2010 EXCISE TAX REVENUE BONDS					
FUND BALANCE 1/1	\$ 185,268		\$ 59,443		\$ 64,443
TOTAL REVENUES	\$ 248,700	\$ 185,700	\$ 371,400	\$ 371,400	\$ 368,200
EXPENDITURES	\$ 374,525	\$ 20,600	\$ 366,400	\$ 371,400	\$ 368,200
FUND BALANCE 12/31	\$ 59,443		\$ 64,443		\$ 64,443
EIA FIREFLOW LOAN					
FUND BALANCE 1/1	\$ -		\$ -		\$ -
FIRE FLOW CONNECTION FEES	\$ 12,189	\$ -	\$ 12,189	\$ 12,190	\$ 12,190
EXPENDITURES	\$ 12,189	\$ -	\$ 12,189	\$ 12,190	\$ 12,190
FUND BALANCE 12/31	\$ -		\$ -		\$ -
DEMORET TRUST FUND					
FUND BALANCE 1/1	\$ 18,598		\$ 21,957		\$ 24,957
REVENUES	\$ 3,360	\$ -	\$ 3,000	\$ -	\$ 3,000
EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE 12/31	\$ 21,957		\$ 24,957		\$ 27,957
CEMETERY PERPETUAL CARE					
FUND BALANCE 1/1	\$ 111,371		\$ 112,491		\$ 115,691
TOTAL REVENUES	\$ 1,240	\$ 1,989	\$ 3,350	\$ 1,350	\$ 2,650
TRANSFER TO OTHERS	\$ 120	\$ -	\$ 150	\$ 500	\$ 500
FUND BALANCE 12/31	\$ 112,491		\$ 115,691		\$ 117,841
SPECIAL IMPROVEMENTS REVOLVING					
FUND BALANCE 1/1	\$ 472,335		\$ 573,630		\$ 691,522
TOTAL REVENUES	\$ 101,951	\$ 4,356	\$ 118,591	\$ 116,000	\$ 6,500
EXPENDITURES	\$ 655	\$ 468	\$ 700	\$ 1,000	\$ 1,000
FUND BALANCE 12/31	\$ 573,630		\$ 691,522		\$ 697,022
GRAND/RIO GRANDE					
FUND BALANCE 1/1	\$ 1,672,903		\$ 1,681,681		\$ 1,687,681
TOTAL REVENUES	\$ 8,777	\$ 5,328	\$ 6,000	\$ -	\$ 6,000
EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ 160,000
REVENUES OVER (UNDER) EXPENDITURES	\$ 8,777	\$ 5,328	\$ 6,000	\$ -	\$ (154,000)
FUND BALANCE 12/31	\$ 1,681,681		\$ 1,687,681		\$ 1,533,681
CAPITAL IMPROVEMENT FUND					
FUND BALANCE 1/1	\$ 1,800,616		\$ 1,690,900		\$ 1,815,266
TOTAL REVENUES	\$ 2,430,839	\$ 1,186,687	\$ 2,315,536	\$ 2,883,280	\$ 1,677,439
EXPENDITURES	\$ 2,540,555	\$ 1,320,890	\$ 2,191,170	\$ 4,655,800	\$ 2,664,000
REVENUES OVER (UNDER) EXPENDITURES	\$ (109,716)	\$ (134,203)	\$ 124,366	\$ (1,772,520)	\$ (986,561)
FUND BALANCE 12/31	\$ 1,690,900		\$ 1,815,266		\$ 828,705
CIVIC CAMPUS UPGRADES					
FUND BALANCE 1/1	\$ 406,750		\$ 399,683		\$ 374,780
TOTAL REVENUES	\$ 80,264	\$ 40,209	\$ 259,097	\$ 80,000	\$ 80,500
CAPITAL IMPROVEMENTS	\$ 87,331	\$ 80,297	\$ 284,000	\$ 284,000	\$ 301,000
REVENUES OVER (UNDER) EXPENDITURES	\$ (7,067)	\$ (40,088)	\$ (24,903)	\$ (204,000)	\$ (220,500)
FUND BALANCE 12/31	\$ 399,683		\$ 374,780		\$ 154,280

	2014 Actuals	2015 Actual through June	Actual Projected through 12/31/15	2015 Original Budget	2016 Budget
WATER FUND					
CASH & CASH EQUIVALENTS 1/1	\$ 8,744,231		\$ 9,160,062		\$ 9,601,606
TOTAL REVENUES	\$ 5,174,654	\$ 2,277,901	\$ 5,079,351	\$ 5,107,550	\$ 4,921,375
BILLING & COLLECTION	\$ 179,019	\$ 73,108	\$ 163,498	\$ 165,992	\$ 175,847
WATER DIST & ADMIN	\$ 4,340,769	\$ 2,031,121	\$ 4,231,142	\$ 4,475,840	\$ 4,552,602
WATER DEBT SERVICE	\$ 239,035	\$ 41,779	\$ 243,168	\$ 243,168	\$ 241,093
TOTAL EXPENDITURES	\$ 4,758,823	\$ 2,146,009	\$ 4,637,808	\$ 4,885,000	\$ 4,969,542
REVENUES OVER (UNDER) EXPENDITURES	\$ 415,831	\$ 131,892	\$ 441,543	\$ 222,550	\$ (48,167)
CASH & CASH EQUIVALENTS 12/31	\$ 9,160,062		\$ 9,601,606		\$ 9,553,439
SEWER FUND					
CASH & CASH EQUIVALENTS 1/1	\$ 3,166,457		\$ 2,563,773		\$ 2,237,807
TOTAL REVENUES	\$ 3,468,824	\$ 1,733,930	\$ 3,272,652	\$ 2,968,600	\$ 3,211,285
BILLING & COLLECTIONS	\$ 27,183	\$ 12,777	\$ 27,001	\$ 26,487	\$ 28,561
SEWER LINE MAINT & ADMIN	\$ 2,581,386	\$ 418,444	\$ 1,659,660	\$ 2,080,573	\$ 1,834,548
SEWER TREATMENT	\$ 1,197,994	\$ 520,608	\$ 1,647,182	\$ 1,692,486	\$ 1,222,127
INDUSTRIAL PRETREATMENT	\$ 69,523	\$ 32,535	\$ 65,809	\$ 70,488	\$ 64,276
SEWER DEBT SERVICE	\$ 195,422	\$ 34,183	\$ 198,966	\$ 198,966	\$ 197,268
TOTAL EXPENDITURES	\$ 4,071,508	\$ 1,018,547	\$ 3,598,618	\$ 4,069,000	\$ 3,346,780
REVENUES OVER (UNDER) EXPENDITURES	\$ (602,684)	\$ 715,383	\$ (325,966)	\$ (1,100,400)	\$ (135,495)
CASH & CASH EQUIVALENTS 12/31	\$ 2,563,773		\$ 2,237,807		\$ 2,102,312
TRASH/RECYCLING FUND					
CASH & CASH EQUIVALENTS 1/1	\$ (6,878)		\$ (8,861)		\$ 139,666
TOTAL REVENUES	\$ 1,511,291	\$ 769,096	\$ 1,543,203	\$ 1,487,300	\$ 1,527,128
BILLING & COLLECTIONS	\$ 34,128	\$ 17,035	\$ 35,708	\$ 35,286	\$ 36,681
TRASH & RECYCLING	\$ 1,479,146	\$ 686,218	\$ 1,358,968	\$ 1,360,714	\$ 1,210,179
TOTAL EXPENDITURES	\$ 1,513,274	\$ 703,253	\$ 1,394,676	\$ 1,396,000	\$ 1,246,860
REVENUES OVER (UNDER) EXPENDITURES	\$ (1,983)	\$ 65,843	\$ 148,527	\$ 91,300	\$ 280,268
CASH & CASH EQUIVALENTS 12/31	\$ (8,861)		\$ 139,666		\$ 419,934
BLACK CANYON GOLF COURSE					
CASH & CASH EQUIVALENTS 1/1			\$ 19,329		\$ 1,108
TOTAL REVENUES	\$ 721,344	\$ 369,267	\$ 605,026	\$ 614,658	\$ 799,216
TOTAL BCGC - TURF MAINTENANCE OPER.	\$ 378,554	\$ 220,961	\$ 394,597	\$ 408,381	\$ 515,829
TOTAL BCGC - BUSINESS OPER (CLUBHOUSE)	\$ 323,461	\$ 110,383	\$ 228,651	\$ 197,619	\$ 283,387
TOTAL EXPENDITURES	\$ 702,015	\$ 331,344	\$ 623,248	\$ 606,000	\$ 799,216
REVENUES OVER (UNDER) EXPENDITURES	\$ 19,329	\$ 37,923	\$ (18,222)	\$ 8,658	\$ -
CASH & CASH EQUIVALENTS 12/31	\$ 19,329		\$ 1,108		\$ 1,108
FLEET MANAGEMENT					
CASH & CASH EQUIVALENTS 1/1	\$ 1,950,306		\$ 2,344,260		\$ 2,398,739
TOTAL REVENUES	\$ 1,699,435	\$ 806,048	\$ 1,689,955	\$ 1,651,800	\$ 1,576,500
TOTAL EXPENDITURES	\$ 1,305,480	\$ 579,565	\$ 1,635,476	\$ 1,803,400	\$ 2,213,673
REVENUES OVER (UNDER) EXPENDITURES	\$ 393,954	\$ 226,483	\$ 54,479	\$ (151,600)	\$ (637,173)
CASH & CASH EQUIVALENTS 12/31	\$ 2,344,260		\$ 2,398,739		\$ 1,761,566
INFORMATION TECHNOLOGIES					
CASH & CASH EQUIVALENTS	\$ 940,772		\$ 903,108		\$ 814,277
TOTAL REVENUES	\$ 749,055	\$ 446,411	\$ 885,599	\$ 852,257	\$ 769,550
TOTAL EXPENDITURES	\$ 786,719	\$ 517,404	\$ 974,430	\$ 1,066,416	\$ 1,130,750
REVENUES OVER (UNDER) EXPENDITURES	\$ (37,664)	\$ (70,993)	\$ (88,831)	\$ (214,159)	\$ (361,200)
CASH & CASH EQUIVALENTS 12/31	\$ 903,108		\$ 814,277		\$ 453,077
EMPLOYEE INSURANCE FUND					
CASH & CASH EQUIVALENTS	\$ 797,214		\$ 654,112		\$ 1,293,667
TOTAL REVENUES	\$ 2,225,966	\$ 1,155,048	\$ 2,206,907	\$ 2,517,300	\$ 2,500,500
TOTAL EXPENDITURES	\$ 2,369,068	\$ 761,471	\$ 1,567,352	\$ 2,540,000	\$ 2,360,000
REVENUES OVER (UNDER) EXPENDITURES	\$ (143,102)	\$ 393,577	\$ 639,555	\$ (22,700)	\$ 140,500
CASH & CASH EQUIVALENTS	\$ 654,112		\$ 1,293,667		\$ 1,189,267
TOTAL REVENUES	\$38,328,188	\$19,368,015	\$39,861,812	\$37,492,851	\$38,285,742
TOTAL EXPENSES	\$38,336,522	\$17,093,722	\$38,249,261	\$40,768,920	\$40,580,448

PHYSICAL AND DEMOGRAPHIC

LOCATION

Southwest Colorado

Longitude: 38°30'01"N
Latitude: 107°53'40"W
City area: 17.7 square miles
County area: 2,246 square miles

Public lands: 68% of county area
City elevation: 5,794 ft.
County elevation:
Low - 4,700 ft. High - 11,453 ft.

U.S. Highway Distances (miles)

Colorado cities:

Colorado Springs 234
Denver..... 269
Durango 107

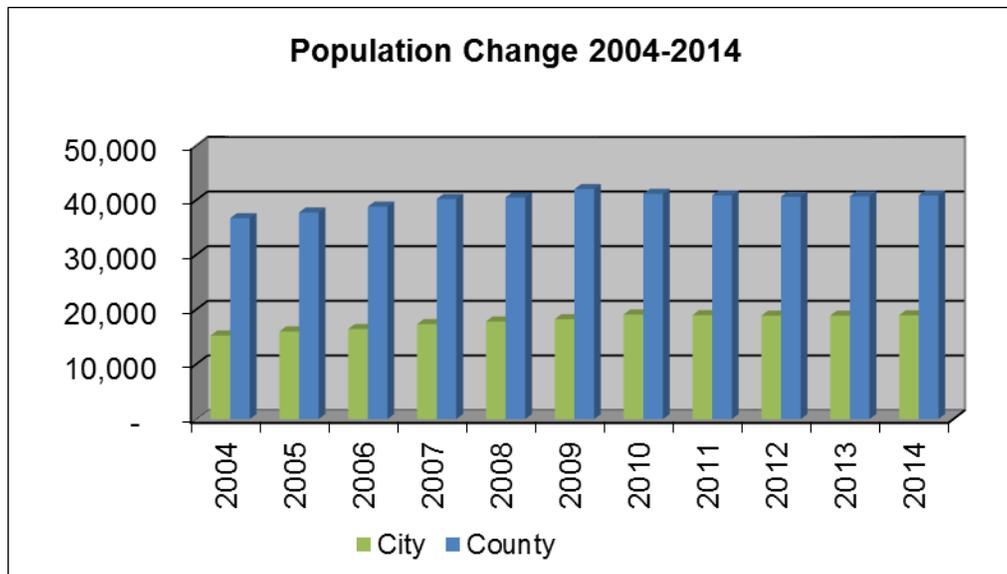
Grand Junction..... 67
Pueblo 226
Telluride..... 68

Source: Rand McNally Atlas

POPULATION

Year	City of Montrose	% Change	Montrose County	% Change
2001	13,498	9.0%	34,614	3.0%
2002	14,075	5.0%	35,239	1.8%
2003	14,740	4.7%	36,101	2.4%
2004	15,272	3.6%	36,744	1.8%
2005	16,025	4.9%	37,774	2.8%
2006	16,470	2.8%	38,865	2.9%
2007	17,369	5.4%	40,263	3.6%
2008	17,834	2.7%	40,539	.6%
2009	18,281	2.5%	42,065	3.8%
2010	19,132	4.6%	41,188	-2.1%
2011	19,002	-.6%	40,916	-.6%
2012	18,909	-.5%	40,688	-.6%
2013	18,929	.1%	40,754	.2%
2014	18,994	.35%	40,904	.36%

Source: Division of Local Affairs, State Demography Office (www.colorado.gov/demography)



POPULATION

Gender Distribution Montrose County

Male	20,262	49%
Female	20,905	51%
	41,167	100%

Age Distribution Montrose County

	Total #	% of Total
Under 15	8,957	22%
Age 16-24	3,898	9%
Age 25-44	9,232	22%
Age 45-64	11,749	29%
Age 65+	7,331	18%
	41,167	100%

Source: www.dola.Colorado.gov

Ethnicity in Montrose County

American Indian non Hispanic	303	1%
Asian non Hispanic	348	1%
Black non Hispanic	185	0%
Hispanic - all races	8,113	20%
White non Hispanic	32,218	78%

Educational Attainment

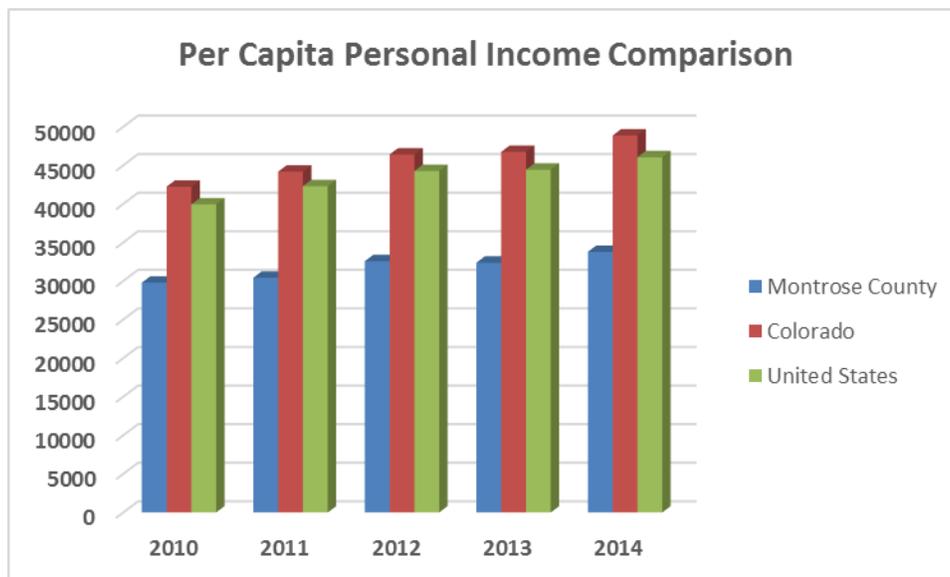
	<u>High School Graduate</u>	<u>Some College – no degree</u>	<u>Associate’s Degree</u>	<u>Bachelor Degree</u>	<u>Graduate or Prof Degree</u>
City	82.7%	23.7%	6.4	13.3%	7.2%
County	84.6%	22.3%	7.3%	13.8%	6.5%
Colorado*	89.7%	22.1%	7.6%	22.9%	12.6%
U.S.*	29.3%	20.3%	7.4%	17.4%	10.1%

*Percent of Population over 25

Source: US Census Bureau

Per Capita Personal Income Comparison					
	2010	2011	2012	2013	2014
Montrose County	29,794	30,436	32,577	32,383	33,784
Colorado	42,226	44,179	46,402	46,746	48,869
United States	39,945	42,298	44,266	44,438	46,049

Source: Bureau of Economic Analysis, <http://www.bea.gov/regional>



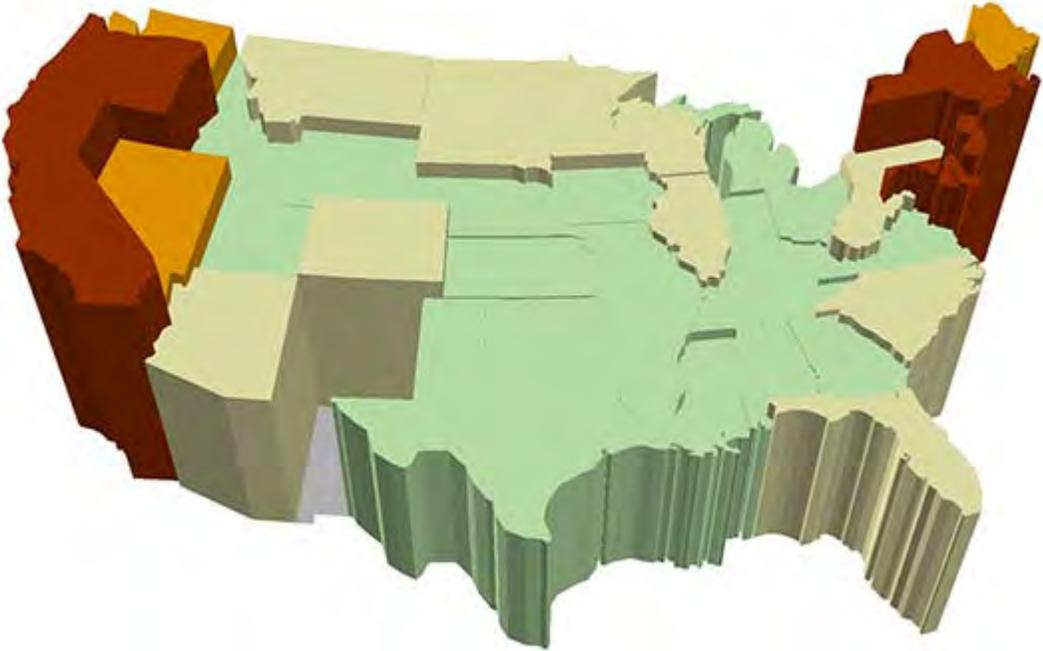
Cost of Living Third Quarter 2014

State	Index	Rank	State	Index	Rank
Colorado	101.90	30	Arizona	98.80	27
Kansas	90.9	13	Nebraska	92.30	10
New Mexico	92.6	12	Oklahoma	89.70	7
Utah	92.4	9	Wyoming	92.80	50

Source: http://www.missourieconomy.org/indicators/cost_of_living/index.stm



Composite Cost of Living 2015 Annual



Source: http://www.missourieconomy.org/indicators/cost_of_living/index.stm

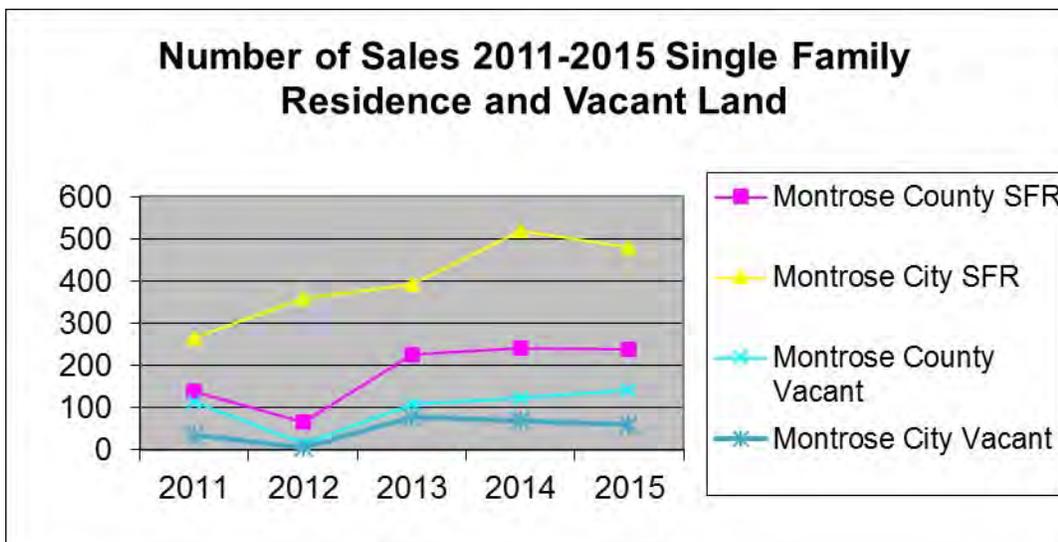
HOUSING

Real Property Sales – City of Montrose
4th Quarter 2012

Number of Single Family Residential Sales and Vacant Land Sales 2011-2015

Area	2011	2012	2013	2014	2015
Montrose County SFR	140	65	227	240	238
Montrose City SFR	265	358	392	520	481
Montrose County Vacant	113	16	108	122	141
Montrose City Vacant	35	5	78	70	60

Source: Lynn Vogel, Comparable Sales Research (970)596-8716, copyright 2011 all rights reserved.



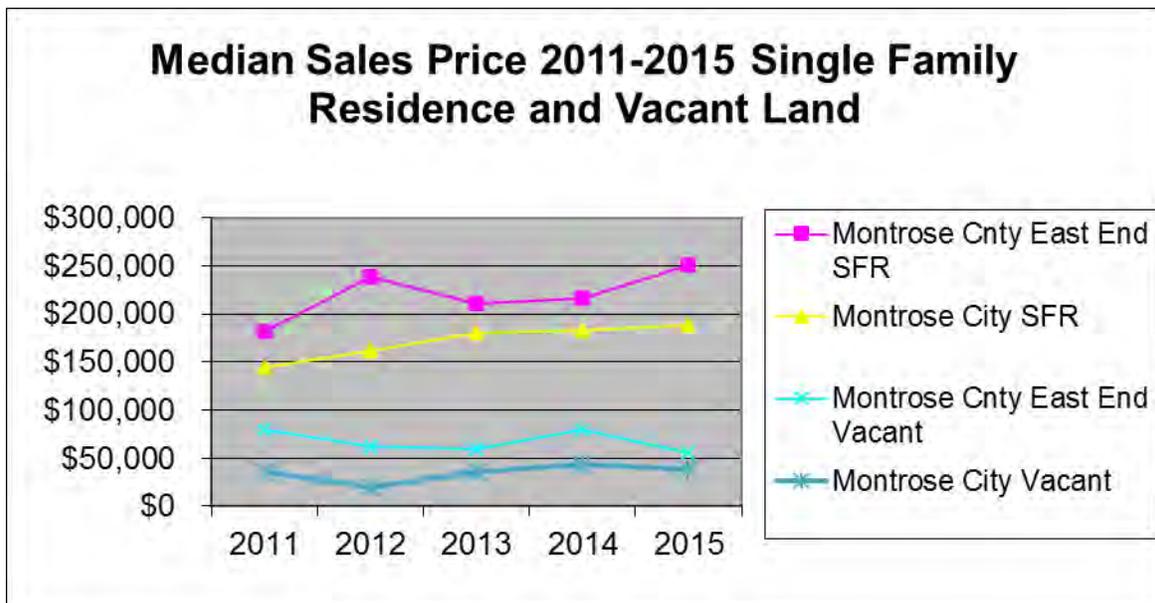
HOUSING

Real Property Sales – City of Montrose
2nd Quarter 2011

Single Family Residential and Vacant Land Median Sales Price 2008-2012

Area	2011	2012	2013	2014	2015
Montrose Cnty East End SFR	\$182,000	\$239,000	\$210,750	\$215,500	\$250,000
Montrose City SFR	\$144,000	\$161,250	\$180,250	\$183,250	\$188,000
Montrose Cnty East End Vacant	\$80,000	\$62,500	\$60,250	\$80,000	\$55,000
Montrose City Vacant	\$36,000	\$19,900	\$35,750	\$44,000	\$38,000

Source: Lynn Vogel, Comparable Sales Research (970)596-8716, copyright 2011 all rights reserved.

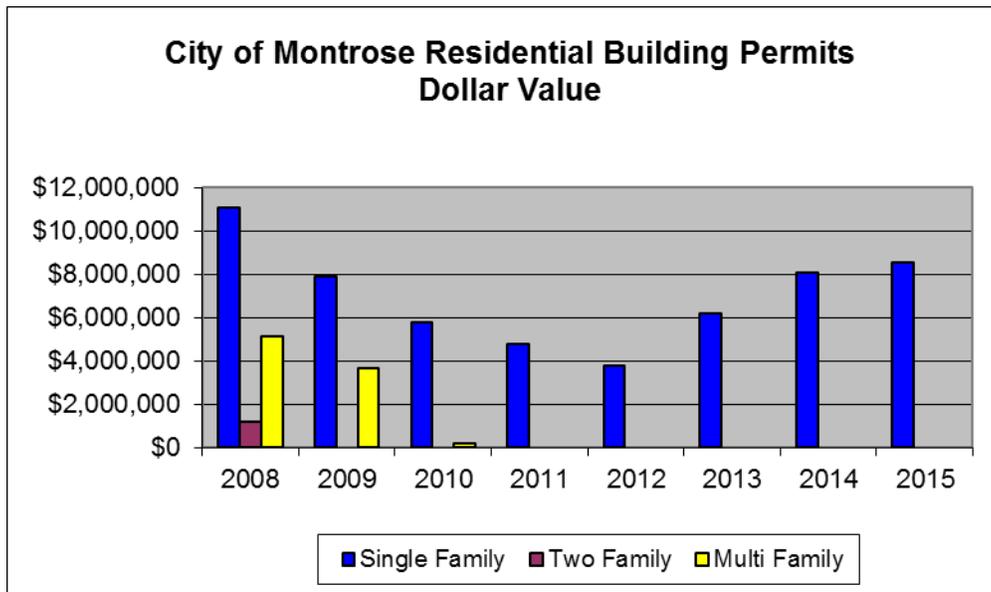
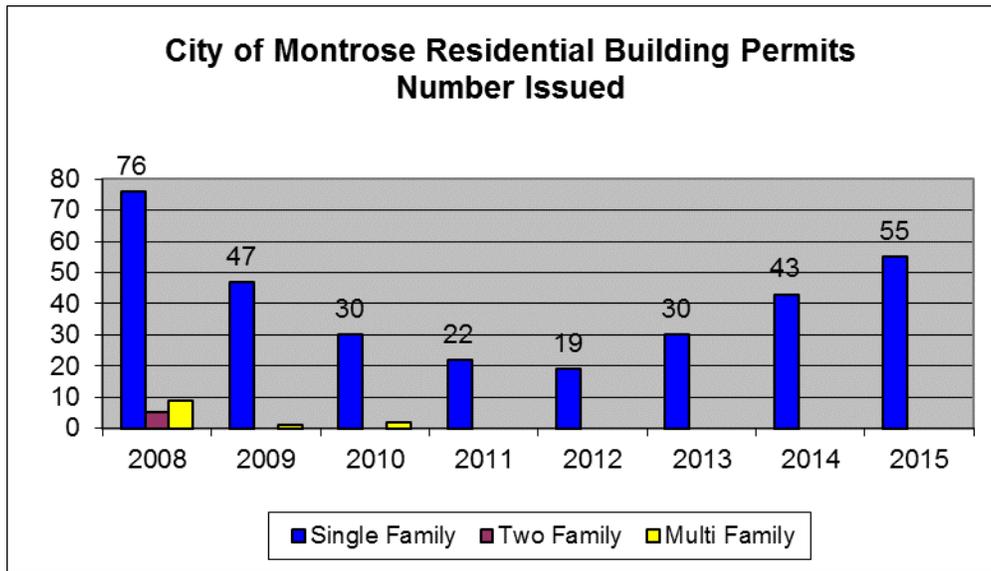


HOUSING (cont.)

City of Montrose Residential Building Permits

	Single Family	Two Family	Multi Family
2008	\$11,061,661	\$1,190,840	\$5,152,810
2009	\$7,896,343	\$0	\$3,668,375
2010	\$5,789,938	\$0	\$174,920
2011	\$4,777,564	\$0	\$0
2012	\$3,790,774	\$0	\$0
2013	\$6,181,097	\$0	\$0
2014	\$8,071,370	\$0	\$0
2015	\$8,577,875	\$0	\$0

Source: City of Montrose Planning Services Department



MONTROSE COUNTY EMPLOYMENT

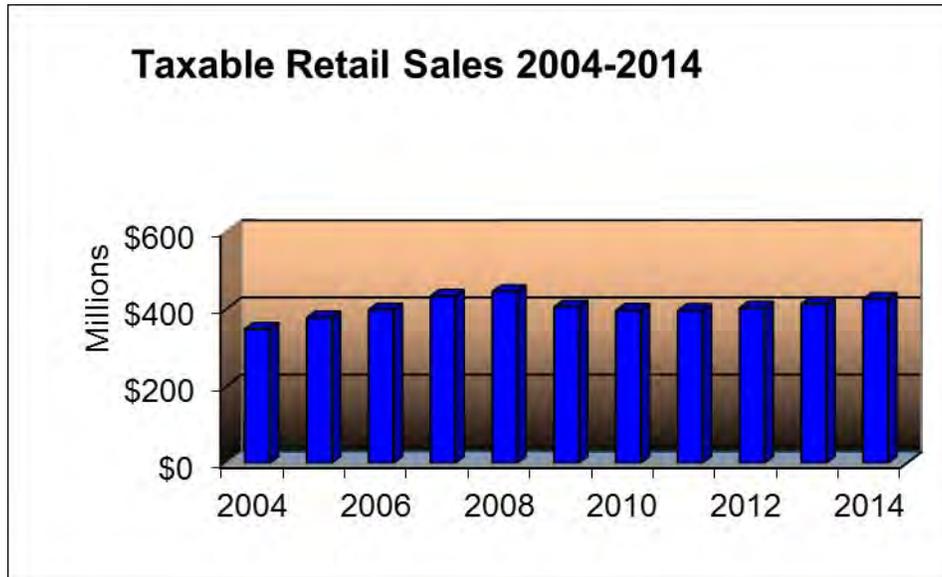
2010 Jobs by Sector (NAICS based)

Agriculture	1134	6.01%
Mining	87	0.46%
Utilities	211	1.12%
Construction	1652	8.76%
Manufacturing	1341	7.11%
Wholesale trade	453	2.40%
Retail Trade	2315	12.28%
Transportation and warehousing	619	3.28%
Information	196	1.04%
Finance activities	427	2.26%
Real estate	744	3.95%
Professional and business services	796	4.22%
Management of companies and enterpris	49	0.26%
Admin and waste	731	3.88%
Education	104	0.55%
Health Services	2039	10.81%
Arts	279	1.48%
Accommodation and food	1233	6.54%
Other services, except public administrat	1363	7.23%
Government	3081	16.34%
Total	18854	100.00%

Source: Colorado Department of Local Affairs, <http://www.dola.state.co.us>



TAXABLE RETAIL SALES

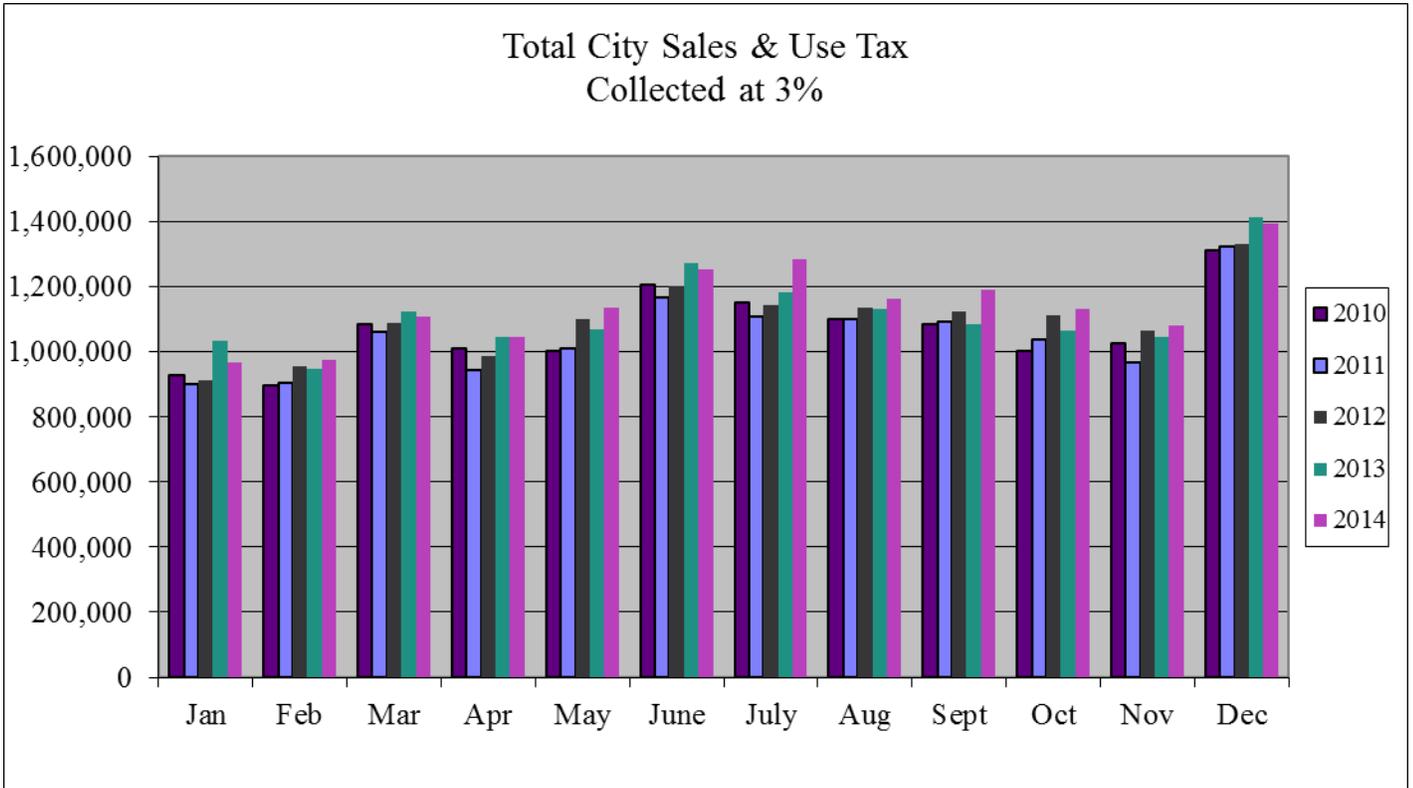


This chart represents taxable retail sales for the City of Montrose.

City Taxable Retail Sales, 2001-2013

2004	\$346,739,366
2005	\$375,954,364
2006	\$396,615,900
2007	\$431,898,700
2008	\$443,873,833
2009	\$403,911,467
2010	\$395,452,900
2011	\$395,100,233
2012	\$401,309,067
2013	\$411,891,200
2014	\$424,279,267

LOCAL TAXES



Top 10 Tax Filers in 2011 (Listed by business type)

- Discount Store
- Grocery
- Lumber/Home Improvements
- Grocery
- Utility
- Discount Store
- Department Store
- Farm Goods
- Grocery
- Utility

Sales and Use Taxes

The City of Montrose levies a 3% sales and use tax. April 1, 2014 the voter’s approved a .3% increase to the City’s tax for construction of a recreation center. Montrose County levies a 1.75% sales and use tax. Local sales taxes added to the state sales tax of 2.9% bring the sales tax in the City of Montrose to 7.95%.

Motel and Restaurant Excise Tax

The City of Montrose levies an additional 0.9% hotel room tax and a 0.8% restaurant tax to fund tourism promotion, meeting/convention support and special event funding and promotion in the Montrose area.

GLOSSARY

Accounting Policies: Guidelines followed in budget accounting in accordance with governmental accounting standards, City Charter and Colorado State law.

Accrual Basis of Accounting: The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at the time) and expenditures are recorded when goods and service are received at the time liabilities are incurred.

Appropriation: Legal authorization granted by the City Council that allows the City to expend funds and incur obligations.

Assessed Valuation: A value placed upon real estate or other property as a basis for levying a tax. The Montrose County Assessor's office determines this value for Montrose County.

Audit: A comprehensive investigation of the manner in which the government's resources were actually utilized. A financial audit is a review of the accounting system and financial information to determine how government funds were spent and whether expenditures are in compliance with the legislative body's appropriations. A performance audit consists of a review of how well the government met its stated goals.

Balanced Budget: A budget is balanced when budgeted expenditures are equal to or less than the amount of budgeted revenues plus other available sources.

Benefits: Employee health insurance, dental insurance, basic life insurance, Social Security and Medicare coverage, long-term disability, worker's compensation, unemployment insurance, wellness monies, and the ICMA retirement plan.

Biennial: Something that happens every two years.

Bond: A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payment and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets and bridges.

Budget: Plan of financial operations, embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Upon approval by the City Council, the budget appropriation ordinance is the legal basis for expenditures in the budget year.

Budget Document: The instrument used by the budget-making authority to present a comprehensive financial plan to the appropriate governing body.

Budget Process: The City organization's process of budget preparation from requesting information from Department Heads through Council and public work sessions until Council adopts the budget document.

Budget Year: A consecutive 12-month period for recording financial transactions. The City of Montrose budget and fiscal year is January 1 through December 31.

GLOSSARY

Capital Improvements Plan (CIP): The CIP is a tool to plan, compile, prioritize, and finance capital improvements that are responsive to the needs and demands of the public and city government, and supportive of the long and short range goals of the City of Montrose.

Capital Projects Fund: Funds used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Cash Accounting: A basis of accounting in which transactions are recorded when cash is either received or expended for goods and services.

Cash Management: The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflow and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest interest and return available for temporary cash balances.

CFAWA: Colorado Federation of Animal Welfare Agencies. The agency focuses on State legislation that affects all Colorado animal agencies.

Clearing Account: An account used to accumulate total charges or credits so that they can be distributed later among the accounts to which they are allocable or so that the net differences can be transferred to the proper account.

Contingency: An appropriation of funds to cover unforeseen events that occur during the budget year.

Contracted Services: Contracted Services is compiled from the following items: Professional Contracts, Rental Contracts, Processing, Construction Contracts, Contract Maintenance Service, and Other Contracted Services.

DDA: Downtown Development Authority. A legal authority defined by Colorado Statute Title 31, Article 25, Part 8, designed to halt or prevent deterioration of property values or structures within the central business district. The authority also has the power to develop or redevelop such areas, and may use municipal bonds to finance capital projects.

Debt Service Fund: Funds used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Service: Payment of principal and interest related to long-term debt.

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

Deficit: The excess of expenditures and encumbrances over revenues during an accounting period; or in the case of Enterprise and Internal Service Funds, the excess of expense over revenue during an accounting period.

GLOSSARY

Defeased Debt: Debt is considered defeased in substance for accounting and financial reporting purposes if the debtor irrevocably places cash or other assets with an escrow agent in a trust to be used solely for satisfying scheduled payments of both interest and principal of the defeased debt, and the possibility that the debtor will be required to make future payments on that debt is remote.

Department: A major administrative division of the city that has overall management responsibility for an operation or a group of related operations within a functional area.

Depreciation: The process of estimating and recording the lost usefulness expired useful life or diminution of service from a fixed asset that cannot or will not be restored by repair and will be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the costs to reserve in order to replace the item at the end of its useful life.

Designated: Equity that is unreserved but set aside by the governing board is *designated*, as opposed to equity that is committed or otherwise tied up beyond the control of the governing board, which is *reserved*.

Disbursement: Payment for goods or services in cash or by check.

Encumbrance: The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Enterprise Fund: Funds used to account for functions presented as business-type activities, where the intent is that the cost of providing goods or services to the general public on a continuing basis be financed or received primarily through user charges or determination of net income is appropriate for accountability purposes.

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

Expenditures: Decreases in net financial resources. Included (a) current operating expenses which require the current or future use of net current assets, (b) debt service, and (c) capital outlays.

Expenses: Charges incurred (whether paid immediately or unpaid) for operation, maintenance, interest and other charges.

Financial Audit: Provides an auditor's opinion that financial statements present fairly an entity's financial position and results of operations in conformity with generally accepted accounting principles.

Fiscal Year: The time period designated by the City signifying the beginning and ending period for recording financial transactions. The City of Montrose fiscal year is January 1 to December 31.

Fringe Benefits: Employee compensation that is in addition to wages or salaries. Examples: retirement, health insurance, and life insurance.

GLOSSARY

Fund Balance: Excess of assets over liabilities. A negative fund balance is sometimes called a deficit.

Fund: A grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Montrose uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Generally Accepted Accounting Principles (GAAP): Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

GAAP Basis of Accounting: General Accepted Accounting Principles (GAAP) basis as primarily defined by the Governmental Accounting Standards Board (GASB)

Government Accounting Standards Board (GASB): The ultimate authoritative accounting and financial reporting standard-setting body for state and local government.

GASB Statement 34: Is a new financial reporting model, as required by the provisions of GASB Statement 34, *Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments*, as of January 1, 2002. The new reporting model significantly changed the presentation of the Financial Statements, focused on long-term governmental activities, infrastructure, reporting and narrative analysis by management.

General Obligation Bonds: Bonds that finance a variety of public projects such as streets, buildings, and improvements; the repayment of these bonds is usually made from the General Fund, and these bonds are backed by the full faith and credit of the issuing government.

General Fund: The general fund is the chief operating fund of a government. The fund is used to account for all financial resources except those required to be accounted for in another fund. All of a government's activities are reported in the general fund unless there is a compelling reason to report an activity in some other fund type.

General Ledger: A file that contains a listing of the various accounts necessary to reflect the financial position of the government.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year

Grant: A contribution by a government or other organization to be expended for a specified purpose, activity, or facility.

Improvement Districts Bonds and Notes Payable: Funds that are used to account for the financing of public improvements deemed to benefit the properties against which special assessments are levied.

Interfund Transfers: Amounts transferred from one fund to another.

Intergovernmental Revenue: Revenue received from another government for a specified purpose.

GLOSSARY

Internal Service Fund: Funds used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, on a cost-reimbursement basis.

Lease - Purchase Agreement: Contractual agreements which are termed “leases”, which are used to purchase equipment and machinery on a short -term basis.

Legal Debt Limitation: Amount set by the City of Montrose Charter establishing a legal debt limitation of 5% of the assessed valuation of taxable property in the City of Montrose.

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

Long Term Debt: Debt with a maturity of more than one year after the date of issuance.

MACT: Montrose Association of Commerce and Tourism (Montrose ACT). Montrose ACT serves as the voice for businesses in Montrose, CO. The purpose of Montrose ACT is to promote the Montrose area as a tourism - retail shopping destination.

Major Funds: A fund whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10 percent of the revenues or expenditures of the appropriated budget.

Mill Levy: Rate applied to Assessed Valuation to determine property taxes. A mill is 1/10th of a penny, or \$1.00 of tax for each \$1,000 of assessed valuation.

Non-major Funds: A fund whose revenues or expenditures, excluding other financing sources and uses, constitute less than 10 percent of the revenues or expenditures of the appropriated budget.

Non - Personnel Services: Operating expenditures for supplies, utilities, training, interfund lease, other professional services and miscellaneous expenses.

Objective: Desired accomplishments that can be measured and achieved within a given time frame. Achievement of the objective advances the activity and organization toward a corresponding goal.

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

Operating Expenditure: Costs required for the daily process of providing services, including the administrative and overhead costs to support these services.

Overtime: Hours worked in excess of 40 hours per workweek as defined by Fair Labor Standards.

Performance Measures: Specific quantitative and qualitative measures of work performed as an objective of the department.

Permanent Funds: Funds used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for the benefit of the city or its citizenry.

GLOSSARY

Personnel Services: Salaries and related costs of employees.

Property Tax: An “ad valorem” tax on real property, based upon the value of the property.

Property Tax Assessment: The process of setting the official valuation of property for taxation; the valuation placed upon property as a result of this process.

Projected: Estimation of revenues and expenditures based on past trends, current economic conditions and future financial forecast.

Proprietary Funds: Funds which account for the operation and maintenance of government facilities and services that are entirely self-supported by user charges.

Purchased Water: Water purchased from other agencies.

Requisition: A written request for approval to purchase specific goods or services.

Reserve: An account used to indicate that a portion of a fund’s balance is legally restricted for a specific purpose and is not available for general appropriation.

Resolution: A special or temporary order of a legislative body requiring less legal formality than an ordinance or statute.

Resources: Total amounts available for appropriation.

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

Retained Earnings: The accumulated earnings of an enterprise or internal service fund that have been retained in the fund and are not reserved for any specific purpose.

Revenue Bonds: Bonds usually sold for constructing a project that will produce revenue for the government. Bonds related to the City of Montrose are: Water and Sewer Revenue Bonds Series 1996, General Fund Excise Tax Revenue Bonds, Series 1998, Water and Sewer Revenue Refunding and Improvement Bonds Series 2004.

Revenue Estimate: A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically a future fiscal year.

Salaries: The amount of money paid to City of Montrose employees for the performance of services.

SCADA: Supervisory control and data acquisition.

Source of Revenue: Revenues are classified according to the source or point of origin.

Special Revenue Fund: Funds used to account for the proceeds of specific revenue sources, other than major capital projects, that are legally restricted to expenditure for specified purposes.

Special Assessment: A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Surplus: The excess of assets over liabilities.

GLOSSARY

TABOR: Taxpayer's Bill of Rights. An amendment to the Colorado State Constitution passed on November 3, 1992, limiting state and local government fiscal year spending.

Transfers From: Budget line item used to reflect transfers of financial resources into one fund from another fund.

Transfers To: Budget line item used to reflect transfers of financial resources out of one fund to another fund.

Unappropriated Fund Balance: The excess of a fund's assets and estimated revenue for a period over its liabilities, reserves, and available appropriations for the period.

Unrestricted Net Assets: That portion of net assets that is neither restricted nor invested in capital assets.

User Fees: The payment of a fee for direct receipt of a public service by the party benefiting from the service.

WeCARE: Western Colorado Animal Resource Coalition. A 13 county Western Slope coalition of Animal Welfare agencies organized to provide a network for sharing information and resources with one another.