CITY OF MONTROSE

PROPOSED

2012

BUDGET

September 15, 2011

MONTROSE

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

The administration of the City of Montrose respectfully submits the 2012 municipal budget for all funds of the city in the amount of $41,267,963 for City Council consideration. The 2012 municipal budget is the result of extensive effort by the city staff and elected officials to establish a budget that will meet the needs of the organization and the community that it serves.

The downturn in the national and local economy has resulted in a significant reduction in city sales and use tax revenue. City of Montrose staff has taken significant efficiency measures to continue to provide high quality service to the citizens of Montrose with reduced funding. The budget has been developed with careful attention to each line item in order to maintain the routine operations of the city in addition to meeting our long term infrastructure needs. Staff positions that were vacated in 2011 were evaluated and most have not been filled. Full time employees have decreased from 188 in 2008 to 169 in 2011, a reduction of 11%.

The city is cognizant of and concerned about economic development in the entire Montrose area, and is seeking to provide an opportunity for all Montrose businesses to be profitable and sustainable.

In 2011, the City was able to collaborate with several local entities to continue or expand their operations to serve the Montrose community. The city assisted with Colorado Mesa University expansion project through the reallocation of approximately $350,000 for remodeling and the purchase of laboratory and computer equipment. Black Canyon Golf Course received $50,000 from the city to assist in general operations. The city provided financial support to the Telluride/Montrose Regional Air Organization (TMRAO) $250,000 to subsidize national flights to our community. The City also provides the Montrose Association of Commerce and Tourism with approximately $600,000 collected from the vendor's fee and excise tax for Tourism Promotion .

Financial Condition

Sales tax is a prominent revenue source for the General Fund. Due to the continued economic decline, sales tax revenue is budgeted with a 2% decrease from the 2011 budget. The remaining revenues generated from use taxes and service fees were calculated using various forecasting methods and history data. General Fund revenues for 2012 are projected to be $17,010,390, which is an increase of $214,196, or 1.3% from the 2011 budget of $16,796,194. Budgeted expenditures total $17,010,390, or a 4.2% decrease from the 2011 budget. $816,682 will be transferred to the Capital Improvement Fund in 2012.

The General Fund unreserved fund balance at December 31, 2011 is estimated to be $5.7 million. Per the City's Regulations Manual, the City shall maintain reserves equal to 15-20% of the city's budgeted

General Fund operating expenditures. An adequate minimum reserve would be approximately $2.4 million.

Each year the city transfers funds from the General Fund into the Capital Improvement Fund. The transfer amount is contingent upon revenue projections, but typically includes a transfer of $400,000 as prescribed by People's Ordinance 1986-1 and $40,329 for the energy performance contract. The 2012 budget includes an $816,682 transfer for a variety of projects, including sidewalk construction and property improvements.

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

Fee Changes

The water, sewer, and sanitation funds of the city are enterprise funds that are funded by user charges rather than taxes. A rate increase is not requested in the water or sewer funds for 2012. However, a rate increase in the sanitation fund of $3 per customer for recycling is being proposed. This additional fee will generate approximately $216,000 and will allow the recycling program to continue.

Capital Highlights of 2011 Budget

The status of the current economy leads to a competitive purchasing process. The process provides good pricing on items that are bid and fuels the economy with dollars put back into the community. The city plans to move forward with several large projects.

Capital Improvement Fund - The Capital Improvement Fund has been budgeted at $553,000 for capital projects. The following projects are planned for 2012:

> South Townsend Sidewalk Construction $375,000 – The city has received a transportation enhancement grant from the state for sidewalk construction on South Townsend Avenue from roughly Wal-Mart to Woodgate Road. This project will greatly facilitate pedestrian traffic through this corridor.
>
> Public Open Space Construction $78,000 - The city will demolish the current structure at the corner of South First and Uncompahgre streets. The area will be landscaped for events and utilized as an extension of the Centennial Plaza area.

Methamphetamine Grant – A $100,000 grant through the US Department of Justice will cover equipment purchases for surveillance operations for the Seventh Judicial District Methamphetamine Drug Task Force.

Conservation Trust – A transfer of $50,000 from the General Fund in 2012 will help match a Great Outdoors Colorado grant for a whitewater park on the Uncompahgre River. This project has emerged as a high priority from the recently completed Riverway Master Plan, and is projected for construction in 2013.

Grand/Rio Grande Improvement Fund – Phase I (N. 9th through S. 1st) of the Grand/Rio Grande project commenced in 2011 and is scheduled for completion in 2012. $2.4 million is budgeted to complete this project. The city will be reimbursed approximately 80% of this expense from CDOT through a federal earmark. This north/south improvement will help to alleviate some of the traffic congestion on Townsend Avenue.

Water Fund - A three million gallon water tank will be added to the distribution system south of Montrose. A $500,000 Energy and Mineral Impact Assistance grant was awarded in 2007 to assist in the cost of construction, which is budgeted at $3 million in 2012.

Sewer Fund – To reduce inflow and infiltration, the city has budgeted $20,000 for manhole linings in 2012.

Fleet Fund - The city's capital budget for the Fleet Fund is $561,000 for the purchase of four mowers, one crack sealer, one multi-function mower, one sanitation truck, one pickup truck for the wastewater treatment plant, and an SUV for the Community Development Department. The city's fleet management goal is to maintain no more than 20% of the fleet beyond its life cycle.

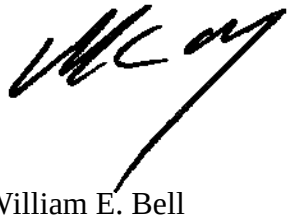
IT Service Fund - An internal service fund for Information Technology was established in 2007 to provide a dedicated level of service for the technology needs of every city department. In 2012, capital purchases include a Storage Area Network replacement, a Symmetra replacement, a server for the Police Department, fiber optic cables for the city shop, and seven 800 MHz radios (5 handheld and 2 mobiles) for a total of $114,000.

Conclusion

While the City of Montrose has weathered the losses of revenue effectively, the loss of revenues is still a budgetary challenge. Management feels that the push to continue with capital improvement funding at this time is necessary for the community's future. After a thorough analysis of the city's needs and a critical look at each line item budget, I am confident that this budget reflects our commitment to responsible financial management and to maintaining an excellent quality of life for Montrose residents.

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

Sincerely,



William E. Bell
City Manager

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF MONTROSE, PROVIDING AND APPROPRIATING FUNDS FOR DEFRAYING THE EXPENSES AND LIABILITIES OF THE CITY OF MONTROSE, COLORADO DURING THE FISCAL YEAR BEGINNING JANUARY 1, 2012

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

That for the purpose of paying the expenses and liabilities of the City of Montrose for the fiscal year beginning January 1, 2012, there is hereby appropriated the following amounts from the various funds:

FUND		AMOUNT
100	General Fund	$17,010,390
200	Retail Sales Enhancement	224,000
206	Methamphetamine Grant	100,000
207	7th Judicial Drug Taskforce	99,120
218	HUD/SBA Grants	470,000
220	Downtown Development Authority	128,000
225	Public/Education/Government	21,000
235	Capital Improvements Fund	553,000
255	Pavilion Senior Center	4,175
270	Special Benefit Fund	12,160
290	Tourism Promotional	344,300
370	1998 General Obligation Bonds	375,225
375	Energy Impact Assistance Fireflow Loan	12,189
400	Demoret Trust	50,500
420	Cemetery Perpetual Care	150
460	Grand / Rio Grande Fund	2,400,000
500	Water Fund	7,065,805
510	Sewer Fund	4,673,587
550	Sanitation Fund	1,769,622
600	Fleet Management Fund	2,086,713
605	IT Fund	997,027
610	Insurance Fund	2,871,000
Total Appropriation		$41,267,963

DRAFT

INTRODUCED, READ and PASSED on first reading this_____day of _____, 2011.

_____
Kathy L. Ellis, Mayor

ATTEST:

_____
Lisa DelPiccolo, City Clerk

You will please take notice that the Montrose City Council will hold a hearing upon the above Ordinance and on the question of its adoption on second reading on Tuesday, the _____ day of _____, 2011, at the hour of 7:00 p.m. at the City Council Chambers in the Elks' Civic Building, in Montrose, Colorado.

INTRODUCED, READ AND ADOPTED on second reading this ____ day of _____, 2011.

_____
Kathy L. Ellis, Mayor

ATTEST:

_____
Lisa DelPiccolo, City Clerk

DRAFT

RESOLUTION 2011- _____

WHEREAS, the City Council of the City of Montrose, Colorado, has held a public hearing and examined the 2012 budget for the City of Montrose, Colorado, and

WHEREAS, said Budget is to be adopted by the Resolution of the Council not less than sixty (60) days prior to the first day of the next fiscal year, which day is January 1, 2012.

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

1. The Budget for the year 2012 for the City of Montrose, Colorado, attached hereto, is hereby adopted.

ADOPTED this _____ day of _____, 2011, by the City Council of the City of Montrose, Colorado.

_____
Kathy L. Ellis, Mayor

ATTEST:

_____
Lisa DelPiccolo, City Clerk

DRAFT

2012 Projected Revenues, Expenditures and Fund Balance

	2010 Actuals	2011 Original Budget	2011 Actual through 7/31/11	2011 Projected 12/31/2011
GENERAL FUND				
Unreserved FUND BALANCE 1/1	$4,316,975			$6,070,048
REVENUES				
SALES TAX	$13,938,981	$13,577,661	$6,563,846	$13,294,000
LICENSES & PERMITS	$226,774	$248,107	$113,905	$199,600
INTERGOVERNMENTAL REV	$1,114,859	$933,751	$462,585	$1,070,400
CHARGES FOR SERVICES	$190,908	$342,894	$150,912	$311,400
FINES & FORFEITURES	$163,896	$183,400	$112,907	$194,500
MISCELLANEOUS REVENUES	$237,242	$330,250	$191,597	$295,350
TRANSFERS FROM OTHERS	$1,029,463	$1,174,731	$587,361	$1,174,700
INCOME FROM INVESTMENTS	$2,871	$5,000	$2,812	$4,800
OTHER FINANCING SOURCES	$363,697	$400	$198	$400
TOTAL REVENUES	$17,268,690	$16,796,194	$8,186,122	$16,545,150
EXPENDITURES				
CITY COUNCIL	$67,856	$84,943	$49,485	$70,000
WASHINGTON DC CONSULT	45,000	54,000	26,000	36,000
COMMUNITY PROGRAM SUPPORT	40,688	55,000	12,800	30,000
ECONOMIC DEVELOPMENT	325,000	292,500	245,500	290,000
MONTROSE MUSEUM	1,055	3,060	2,936	3,500
PUBLIC RELATIONS/MARKETING	144,622	150,218	74,670	138,000
UNCOMPAHGRE VALLEY LDR	224	0	0	0
CITY ATTORNEY	399,410	375,545	225,101	375,500
CITY MANAGER	342,412	337,054	226,227	352,000
HUMAN RESOURCES	295,509	245,875	164,367	253,000
PAVILION	4,195	573,753	329,479	571,000
GIS	224,233	236,389	146,377	236,000
FINANCE	648,657	642,316	361,582	581,000
MUNICIPAL COURT	190,118	183,178	106,144	183,000
TEEN COURT	4,626	7,285	6,000	8,000
COMMUNITY DEVELOPMENT	509,564	547,316	306,332	486,000
ADMINISTRATIVE SERVICES	227,809	702,354	243,451	417,000
CITY CLERK	216,397	203,967	79,122	174,000
MUNICIPAL COMPLEX	254,162	388,878	139,702	338,000
POLICE PATROL	3,007,673	3,524,927	2,007,209	3,250,000
POLICE ADMINISTRATION	1,841,874	1,621,124	978,547	1,610,000
ANIMAL CONTROL	558,245	592,992	337,083	577,000
CODE COMPLIANCE	325,878	273,508	165,109	277,000
ENGINEER	355,793	343,739	173,120	318,000
PUBLIC WORKS ADMIN	515,547	506,300	282,461	491,000
STREET MAINTENANCE	2,399,071	2,620,803	1,450,236	2,605,800
STREET CLEANING	312,283	313,483	210,580	313,000
GREEN WASTE DISPOSAL	8,492	10,375	4,783	9,500
PARKS	1,116,773	1,050,264	668,464	1,050,000
TREE PROGRAM	7,209	10,500	9,504	12,000
CEMETERY	92,044	92,932	56,032	92,000
MONTROSE LIONS BLDG	5,364	5,712	2,431	5,500
TRANSFERS TO OTHERS	852,910	1,516,200	831,719	1,516,200
PROPERTY CASUALTY INSURANCE	174,924	200,000	123,475	164,000
TOTAL EXPENDITURES	$15,515,617	$17,766,490	$10,046,026	$16,833,000
Unreserved FUND BALANCE 12/31	$6,070,048			$5,782,198
RETAIL SALES ENHANCEMENT				
FUND BALANCE 1/1	$49,140.18			$42,179.48
REVENUES				
TAXES	$240,554.76	$232,000.00	$91,860.44	$239,000.00
EXPENDITURES				
RETAIL SALES ENHANCE	$247,515.46	$232,000.00	$91,860.44	$239,000.00
FUND BALANCE 12/31	$42,179.48			$42,179.48

	2010 Actuals	2011 Original Budget	2011 Actual through 7/31/11	2011 Projected 12/31/2011
METH INITIATIVE				
FUND BALANCE 1/1	$0.00			$0.00
REVENUES				
INTERGOVERNMENTAL REV	$58,623.46	$0.00	$5,465.00	$30,752.76
TRANSFERS FROM OTHERS	$23,541.59	$0.00	$0.00	
EXPENDITURES				
METH INITIATIVE	$82,165.05	$0.00	$24,378.07	$30,752.76
FUND BALANCE 12/31	$0.00			$0.00
PD TECHNOLOGY GRANTS				
FUND BALANCE 1/1	$0.00			$0.00
REVENUES				
INTERGOVERNMENTAL REV	$18,459.29	$0.00	$0.00	$0.00
EXPENDITURES				
PD TECHNOLOGY GRANTS	$18,459.29	$0.00	$0.00	$0.00
FUND BALANCE 12/31	$0.00			$0.00
TEA 21 DOWNTOWN STREETSCAPE				
FUND BALANCE 1/1	$27,224.40			$3,745.66
REVENUES				
INTERGOVERNMENTAL REV	$0.00	$0.00	$0.00	
INCOME FROM INVESTMENTS	0.00	0.00	0.00	
OTHER FINANCING SOURCES	0.00	0.00	0.00	
EXPENDITURES	$23,478.74	$0.00	$0.00	$3,745.66
FUND BALANCE 12/31	$3,745.66			$0.00
METHAMPHETAMINE GRANT				
FUND BALANCE 1/1	$0.00			$0.00
REVENUES				
INTERGOVERNMENTAL REV	$5,737.06	$280,000.00	$2,803.20	$166,100.00
EXPENDITURES	$5,737.06	$280,000.00	$14,560.74	$166,100.00
FUND BALANCE 12/31	$0.00			$0.00
7TH JUDICIAL DRUG TASKFORCE				
FUND BALANCE 1/1	$17,425.52			$54,550.55
REVENUES				
INTERGOVERNMENTAL REV	$843.08	$0.00	$0.00	
MISCELLANEOUS REVENUE	$96,026.50	$60,000.00	$6,030.70	$60,000.00
OTHER FINANCING SOURCES	35,095.36	45,896.00	17,478.00	45,896.00
TOTAL REVENUES	$131,964.94	$105,896.00	$23,508.70	$105,896.00
EXPENDITURES	$94,839.91	$105,896.00	$59,152.54	$102,400.00
FUND BALANCE 12/31	$54,550.55			$58,046.55
HAZARDOUS ELIMINATION GRANT				
FUND BALANCE 1/1	$304,637.67			$835.00
REVENUES				
INTERGOVERNMENTAL REV	$119,076.66	$0.00	$0.00	
OTHER FINANCING SOURCES	0.00	0.00	0.00	
TOTAL REVENUES	$119,076.66			$0.00
EXPENDITURES	$422,879.33	$0.00	$0.00	$835.00
FUND BALANCE 12/31	$835.00			$0.00

	2010 Actuals	2011 Original Budget	2011 Actual through 7/31/11	2011 Projected 12/31/2011
HUD/SBA GRANTS				
FUND BALANCE 1/1	$13,889.75			-$742.70
REVENUES				
INTERGOVERNMENTAL REV	$0.00	$0.00	$0.00	
OTHER FINANCING SOURCES	0.00	0.00	0.00	742.70
TOTAL REVENUES	$0.00	$0.00	$0.00	$742.70
EXPENDITURES	$14,632.45	$0.00	$0.00	
FUND BALANCE 12/31	-$742.70			$0.00
DOWNTOWN DEVELOPMENT AUTHORITY				
FUND BALANCE 1/1	$0.00			$17,218.14
REVENUES				
INTERGOVERNMENTAL REV	$30,100.21	$30,000.00	$30,000.00	$30,000.00
PROPERTY TAX	$0.00	$141,000.00	$111,698.47	$140,000.00
INCOME FROM INVESTMENTS	$0.60	$0.00	$0.20	
OTHER FINANCING SOURCES	$0.00	$0.00	$7,998.00	$16,000.00
TOTAL REVENUES	$30,100.81	$171,000.00	$149,696.67	$186,000.00
EXPENDITURES	$12,882.67	$183,720.00	$36,444.18	$89,790.00
FUND BALANCE 12/31	$17,218.14			$113,428.14
PUBLIC/EDUCATION/GOVERNMENT				
FUND BALANCE 1/1	$0.00			$0.00
REVENUES				
PEG FEE	$0.00	$0.00	$0.00	$0.00
EXPENDITURES				$0.00
FUND BALANCE 12/31	$0.00			$0.00
SURPLUS & DEFICIENCY				
FUND BALANCE 1/1	$153,648.42			$153,875.40
REVENUES				
INCOME FROM INVESTMENTS	$226.98	$500.00	$66.60	$200.00
EXPENDITURES				
FUND BALANCE 12/31	$153,875.40			$154,075.40
CAPITAL IMPROVEMENT FUND				
FUND BALANCE 1/1	$2,501,221.42			$1,505,004.33
REVENUES				
INTERGOVERNMENTAL REV	$397,768.44	$1,400,000.00	$36,251.80	$1,382,000.00
MISCELLANEOUS REVENUES	$204,500.00	$0.00	$0.00	
INCOME FROM INVESTMENTS	5,684.62	2,000.00	463.32	800.00
OTHER FINANCING SOURCES	0.00	1,820,329.00	507,666.00	1,015,329.00
TOTAL REVENUES	607,953.06	3,222,329.00	544,381.12	2,398,129.00
EXPENDITURES	$1,604,170.15	$3,668,000.00	$2,108,296.56	$3,372,000.00
FUND BALANCE 12/31	$1,505,004.33			$531,133.33

	2010 Actuals	2011 Original Budget	2011 Actual through 7/31/11	2011 Projected 12/31/2011
CONSERVATION TRUST FUND				
FUND BALANCE 1/1	$362,594.02			$150,380.75
REVENUES				
INTERGOVERNMENTAL REV	$78,027.77	$83,000.00	$43,725.63	$85,000.00
MISCELLANEOUS REVENUES	8,500.00	0.00	-1,500.00	0.00
TRANSFERS FROM OTHERS				
INCOME FROM INVESTMENTS	1,840.09	2,000.00	267.88	500.00
TOTAL REVENUES	$88,367.86	$85,000.00	$42,493.51	$85,500.00
EXPENDITURES	$300,581.13	$190,000.00	$51,408.86	$70,000.00
FUND BALANCE 12/31	$150,380.75			$165,880.75
PAVILION SENIOR CENTER				
FUND BALANCE 1/1	$10,596.29			$12,579.80
REVENUES				
MISCELLANEOUS REVENUE	$4,483.32	$4,000.00	$2,036.53	$4,000.00
EXPENDITURES	$2,499.81	$4,100.00	$1,150.71	$2,400.00
FUND BALANCE 12/31	$12,579.80			$14,179.80
SPECIAL BENEFIT FUND				
FUND BALANCE 1/1	$36,290.47			$43,709.54
REVENUES				
INTERGOVERNMENTAL REV	$5,000.00	$0.00	$0.00	$0.00
CHARGES FOR SERVICES	11,638.97	3,675.00	7,875.00	10,000.00
MISCELLANEOUS REVENUES	12,549.89	5,000.00	3,974.46	9,000.00
INCOME FROM INVESTMENTS	14.94	100.00	0.62	2.00
TOTAL REVENUES	29,203.80	8,775.00	11,850.08	19,002.00
EXPENDITURES	$10,145.76	$22,125.00	$2,662.43	$16,500.00
RESTRICT FEE IN LEU OF LAND	11,638.97			
FUND BALANCE 12/31	$43,709.54			$46,211.54
TOURISM PROMOTIONAL FUND				
FUND BALANCE 1/1	$0.00			$0.00
REVENUES				
EXCISE TAX	$360,840.06	$359,600.00	$166,056.61	$353,800.00
EXPENDITURES	$360,840.06	$359,600.00	$131,442.61	$353,800.00
FUND BALANCE 12/31	$0.00			$0.00
2010 EXCISE TAX REVENUE BONDS				
FUND BALANCE 1/1	$60,444.10			$60,443.23
REVENUES				
INCOME FROM INVESTMENTS	$0.00	$100.00	$0.00	$0.00
	$2,570,000.00	$0.00	$0.00	$0.00
	$111,594.30	$0.00	$0.00	$0.00
OTHER FINANCING SOURCES	376,525.00	374,075.00	179,760.00	374,075.00
TOTAL REVENUES	3,058,119.30	374,175.00	179,760.00	374,075.00
EXPENDITURES	$3,058,120.17	$374,225.00	$37,787.50	$374,825.00
FUND BALANCE 12/31	$60,443.23			$59,693.23
EIA FIRELFOW LOAN				
FUND BALANCE 1/1	$14,444.32			$14,448.24
FIRE FLOW CONNECTION FEE	$12,188.85	$12,189.00	$0.00	$12,188.85
INCOME FROM INVESTMENTS	3.92	20.00	0.00	0.00
TOTAL REVENUES	$12,192.77	$12,209.00	$0.00	$12,188.85
EXPENDITURES	$12,188.85	$12,190.00	$12,188.85	$12,188.85
FUND BALANCE 12/31	$14,448.24			$14,448.24

	2010 Actuals	2011 Original Budget	2011 Actual through 7/31/11	2011 Projected 12/31/2011
DEMORET TRUST FUND				
FUND BALANCE 1/1	$71,380.01			$71,322.50
INCOME FROM INVESTMENTS	$442.49	$400.00	$156.69	$300.00
EXPENDITURES	$500.00	$50,500.00	$250.00	$500.00
FUND BALANCE 12/31	$71,322.50			$71,122.50
CEMETERY PERPETUAL CARE				
FUND BALANCE 1/1	$103,471.45			$105,391.45
REVENUES				
CHARGES FOR SERVICES	$1,920.00	$1,200.00	$800.00	
INCOME FROM INVESTMENTS	220.88	400.00	70.38	200.00
TOTAL REVENUES	$2,140.88	$1,600.00	$870.38	$200.00
EXPENDITURES	$220.88	$400.00	$198.00	$198.00
FUND BALANCE 12/31	$105,391.45			$105,393.45
SPECIAL IMPROVEMENTS REVOLVING				
FUND BALANCE 1/1	$0.00			$144,568.90
REVENUES				
MISCELLANEOUS REVENUES	$145,297.12	$112,800.00	$4,601.33	$119,800.00
INCOME FROM INVESTMENTS	13.36	0.00	1.59	3.00
TRANSFERS FROM OTHERS				
TOTAL REVENUES	$145,310.48	$112,800.00	$4,602.92	$119,803.00
EXPENDITURES	$741.58	$0.00	$9,859.54	$10,000.00
FUND BALANCE 12/31	$144,568.90			$254,371.90
GRAND/RIO GRANDE				
FUND BALANCE 1/1	$2,392,354.15			$2,066,223.97
REVENUES				
INTERGOVERNMENTAL REV	$17,573.60	$3,800,000.00	$361,330.39	$1,700,000.00
INCOME FROM INVESTMENTS	15,980.44	0.00	2,657.10	1,000.00
TOTAL REVENUES	$33,554.04	$3,800,000.00	$363,987.49	$1,701,000.00
EXPENDITURES	$359,684.22	$3,800,000.00	$138,510.50	$1,700,500.00
FUND BALANCE 12/31	$2,066,223.97			$2,066,723.97
CIVIC CAMPUS UPGRADES				
FUND BALANCE 1/1	$67,392.53			$137,884.69
REVENUES				
INTERGOVERNMENTAL REV	$76,162.28	$0.00	$0.00	
INCOME FROM INVESTMENTS	29.58	0.00	0.00	
OTHER FINANCING SOURCES				
TOTAL REVENUES	$76,191.86	$0.00	$0.00	$0.00
EXPENDITURES	$5,699.70	$0.00	$0.00	
FUND BALANCE 12/31	$137,884.69			$137,884.69

	2010 Actuals	2011 Original Budget	2011 Actual through 7/31/11	2011 Projected 12/31/2011
WATER FUND				
CASH & CASH EQUIVALENTS 1/1	$6,400,617.41			$8,141,225.95
REVENUES				
INTERGOVERNMENTAL REV	$90,360.65	$505,000.00	$480.13	$100,000.00
WATER REVENUES	5,233,548.28	5,134,500.00	2,202,902.25	5,097,500.00
MISCELLANEOUS REVENUES	61,257.25	90,500.00	22,603.77	42,000.00
TRANSFERS FROM OTHERS	145,035.00	167,616.00	83,808.00	167,616.00
TRANSFER EQUITY				
INCOME FROM INVESTMENTS	29,094.72	46,000.00	7,237.97	15,000.00
TOTAL REVENUES	$5,559,295.90	$5,943,616.00	$2,317,032.12	$5,422,116.00
RECORDS & COLLECTIONS	326,938.22	335,232.00	196,593.17	335,000.00
WATER DIST & ADMIN	3,181,593.25	6,927,175.00	2,326,689.57	3,934,847.00
WATER DEBT SERVICE	310,155.89	307,836.00	333,908.27	524,424.00
TOTAL EXPENDITURES	$3,818,687.36	$7,570,243.00	$2,857,191.01	$4,794,271.00
CASH & CASH EQUIVALENTS	$8,141,225.95			$8,769,070.95
SEWER FUND				
CASH & CASH EQUIVALENTS 1/1	$8,442,133.20			$7,932,122.50
REVENUES				
INTERGOVERNMENTAL REV	$0.00	$0.00	$8,539.68	$8,540.00
SEWER REVENUES	2,809,695.57	2,924,400.00	1,324,874.92	2,756,500.00
MISCELLANEOUS REVENUES	160,179.60	198,200.00	99,039.83	124,700.00
INCOME FROM INVESTMENTS	43,732.82	1,000.00	5,816.23	7,000.00
TRANSFERS FROM OTHERS				
TRANSFER EQUITY				
TOTAL REVENUES	$3,013,607.99	$3,123,600.00	$1,438,270.66	$2,896,740.00
SEWER LINE MAINT & ADMIN	1,120,263.34	6,277,285.00	2,971,935.15	4,660,177.00
96 BOND DEBT	182,932.00	183,254.00	799,695.80	799,696.00
SEWER TREATMENT	1,960,588.17	1,400,872.00	702,292.24	1,476,372.00
INDUSTRIAL PRETREATMENT	57,887.57	73,119.00	35,839.82	73,115.00
SEWER DEBT SERVICE	201,947.61	199,186.00	43,309.68	199,186.00
TOTAL EXPENDITURES	$3,523,618.69	$8,133,716.00	$4,553,072.69	$7,208,546.00
CASH & CASH EQUIVALENTS	$7,932,122.50			$3,620,316.50
SANITATION FUND				
CASH & CASH EQUIVALENTS 1/1	$667,421.70			$490,307.41
CHARGES FOR SERVICES	$1,442,384.35	$1,502,000.00	$762,522.21	$1,528,151.00
MISCELLANEOUS REVENUE	830.47	500.00	77.00	200.00
INCOME FROM INVESTMENTS	301.70	200.00	56.72	120.00
TRANSFERS FROM OTHERS				
TOTAL REVENUES	$1,443,516.52	$1,502,700.00	$762,655.93	$1,528,471.00
SANITATION OPER & ADMIN	$1,463,915.45	$1,498,427.00	$877,680.94	$1,497,133.00
RECYCLE OPERATIONS	156,715.36	191,946.00	112,084.38	192,150.00
TOTAL EXPENDITURES	$1,620,630.81	$1,690,373.00	$989,765.32	$1,689,283.00
CASH & CASH EQUIVALENTS	$490,307.41			$329,495.41
PAVILION FUND				
CASH & CASH EQUIVALENTS 1/1	$99,049.71			
TOTAL REVENUES	$625,886.39			
TOTAL EXPENDITURES	$542,652.91			
CASH & CASH EQUIVALENTS	$182,283.19			

	2010 Actuals	2011 Original Budget	2011 Actual through 7/31/11	2011 Projected 12/31/2011
FLEET MANAGEMENT				
CASH & CASH EQUIVALENTS 1/1	$1,495,553.57			$2,163,469.69
MISCELLANEOUS REVENUES	$1,811,751.80	$1,591,900.00	$861,106.20	$1,646,140.00
INCOME FROM INVESTMENTS	1,609.44	1,800.00	1,105.21	1,800.00
TRANSFER EQUITY				
TOTAL REVENUES	$1,813,361.24	$1,593,700.00	$862,211.41	$1,647,940.00
TOTAL EXPENDITURES	$1,145,445.12	$1,501,477.00	$787,174.69	$1,380,000.00
CASH & CASH EQUIVALENTS	$2,163,469.69			$2,431,409.69
INFORMATION TECHNOLOGIES				
CASH & CASH EQUIVALENTS	$877,991.65			$939,559.06
FRANCHISE FEES	$0.00	$0.00	$7,309.70	$24,000.00
INTERGOVERNMENTAL REVENUES	$38,365.00	$0.00	$0.00	
CHARGES FOR SERVICES	$0.00	$0.00	$4,296.50	$8,500.00
MISCELLANEOUS REVENUES	892,502.45	699,993.00	346,818.01	692,050.00
INCOME FROM INVESTMENTS	475.04	840.00	275.57	500.00
TRANSFER EQUITY				
TOTAL REVENUES	$931,342.49	$700,833.00	$358,699.78	$725,050.00
TOTAL EXPENDITURES	$825,669.08	$935,142.00	$499,641.48	$900,000.00
Restricted for 800 Mhz	44,106.00			
CASH & CASH EQUIVALENTS	$939,559.06			$764,609.06
EMPLOYEE INSURANCE FUND				
CASH & CASH EQUIVALENTS	$153,570.03			$110,514.18
MISCELLANEOUS REVENUES	$578,632.86	$401,100.00	$384,270.05	$1,198,000.00
INCOME FROM INVESTMENTS	207.22	600.00	3.95	10.00
OTHER FINANCING SOURCES	2,114,407.41	2,211,700.00	1,038,968.02	2,212,600.00
TOTAL REVENUES	$2,693,247.49	$2,613,400.00	$1,423,242.02	$3,410,610.00
TOTAL EXPENDITURES	$2,736,303.34	$2,575,500.00	$2,221,691.50	$3,429,425.00
CASH & CASH EQUIVALENTS	$110,514.18			$91,699.18
TOTAL REVENUES	$38,396,033	$41,044,327	$16,937,830	$37,972,766
TOTAL EXPENSES	$36,366,606.36	$49,455,697.00	$24,674,714.56	$42,780,060.27

2012 Proposed Budget
$5,782,198
$13,301,000
$210,100
$1,119,400
$331,000
$163,500
$149,450
$1,275,282
$2,000
$458,658
$17,010,390
$76,042
6,000
0
170,000
0
0
0
374,828
362,957
323,380
586,202
234,795
607,972
193,232
6,285
469,922
270,688
143,999
392,640
3,425,573
1,720,600
627,289
268,590
368,902
522,087
2,786,676
330,405
9,915
1,080,777
15,000
90,428
0
1,345,206
200,000
$17,010,390
$5,782,198
$42,179.48
$224,000.00
$224,000.00
$42,179.48

2012 Proposed Budget
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$0.00
$0.00
$0.00
$0.00
$0.00
$0.00
$0.00
$0.00
$0.00
$0.00
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$100,000.00
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$0.00
$36,000.00
63,120.00
$99,120.00
$99,120.00
$58,046.55
$0.00
$0.00
0.00
$0.00
$0.00
$0.00

2012 Proposed Budget
$0.00
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$470,000.00
$470,000.00
$0.00
$113,428.14
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$128,000.00
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$128,000.00
$128,000.00
$113,428.14
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$21,000.00
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$300.00
$154,375.40
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$300,000.00
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500.00
857,011.00
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$553,000.00
$1,135,644.33

2012 Proposed Budget
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$80,000.00
0.00
50,000.00
800.00
$130,800.00
$0.00
$296,680.75
$14,179.80
$4,200.00
$4,175.00
$14,204.80
$46,211.54
$0.00
3,675.00
8,000.00
50.00
11,725.00
$12,160.00
$45,776.54
$0.00
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$344,300.00
$0.00
$59,693.23
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$0.00
$0.00
375,075.00
375,075.00
$375,225.00
$59,543.23
$14,448.24
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10.00
$12,199.00
$12,189.00
$14,458.24

2012 Proposed Budget
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150.00
$1,350.00
$150.00
$106,593.45
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1,000.00
$2,001,000.00
$2,400,000.00
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$0.00
$0.00
$137,884.69

2012 Proposed Budget
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$402,000.00
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47,500.00
241,499.00
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5,000.00
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6,476,402.00
242,075.00
$7,065,805.00
$8,769,070.95
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1,000.00
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67,285.00
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200.00
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$1,855,953.00
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$415,826.41

2012 Proposed Budget
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2,000.00
502,813.00
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$2,086,713.00
$2,431,409.69
$764,609.06
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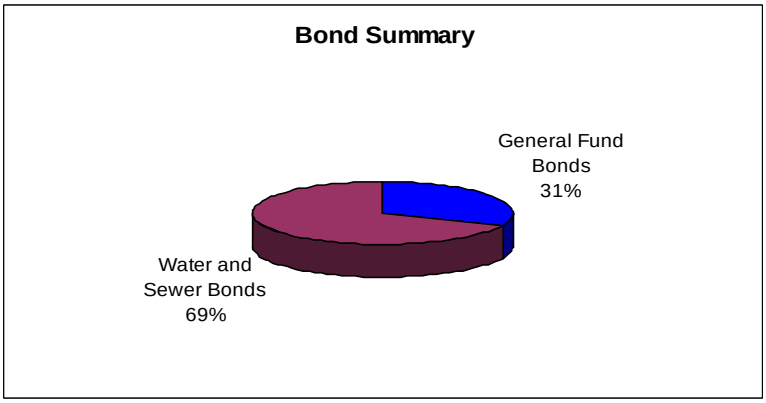
$997,027.00
$764,609.06
$91,699.18
$445,000.00
300.00
2,464,500.00
$2,909,800.00
$2,871,000.00
$130,499.18
$41,791,355
$41,267,963.00

Combined Debt Summary

The City of Montrose Charter establishes a legal debt limitation of 5% of the assessed valuation of taxable property in the City, as shown by the last preceding assessment. The assessed valuation of taxable property in the City as of August 23, 2011, was $302,416,970. Based on this valuation, the legal debt limit is $15,120,848. Certain debt is excluded from the calculation for water, storm sewer, sanitary sewer, sewage disposal, short-term notes (< 3 years), and local improvement securities. This limitation does not apply to revenue bonds as addressed in Article VI, Section 5 of the City of Montrose Charter.

Assessed taxable property valuation	$302,416,970
5% Debt Limitation	$15,120,848

Energy Impact Loan	$78,781
Total subject to debt limitation	$78,781
2010 General Fund Revenue Bonds	$1,985,000
2004 Water and Sewer Refunding	4,320,000
Total not subject to limitation	$6,305,000
TOTAL DEBT	$6,383,781



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
9/1/12	8,250	3,939	12,189
9/1/13	8,663	3,527	12,190
9/1/14	9,096	3,094	12,190
9/1/15	9,551	2,639	12,190
9/1/16	10,028	2,162	12,190
9/1/17	10,530	1,660	12,190
9/1/18	11,055	1,134	12,189
9/1/19	11,608	581	12,189
Total	**$78,781**	**$18,736**	**$97,517**

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.

Date	Principal	Interest	Yearly Payment
04/01/12		32,537.50	
10/01/12	310,000	32,537.50	375,075
04/01/13		28,662.50	
10/01/13	320,000	28,662.50	377,325
04/01/14		24,662.50	
10/01/14	325,000	24,662.50	374,325
04/01/15		20,600.00	
10/01/15	330,000	20,600.00	371,200
04/01/16		14,000.00	
10/01/16	340,000	14,000.00	368,000
04/01/17		7,200.00	
10/01/17	360,000	7,200.00	374,400
Total	$1,985,000	$255,325.00	$2,240,325

Water and Sewer Revenue Bonds Series 1996

Revenue Bonds in the amount of $3,060,000 were issued on January 12, 1996. Proceeds to be used for acquisition, construction, reconstruction, improvement, betterment, or extension of the City's water and sewer facilities. The debt is paid from the net revenue derived from the City of Montrose Water and Sewer Enterprise. Interest rate on the bonds is 3.85-5.4% payable semiannually. The paying agent is UMB Bank. The 1996 Series Revenue Bonds were paid in full in 2011.

Water and Sewer Revenue Refunding and Improvement Bonds Series 2004

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

Date	Principal	Interest	Yearly Payment
04/01/12		92,493	
10/01/12	255,000	92,493	439,986
04/01/13		88,668	
10/01/13	260,000	88,668	437,336
04/01/14		82,493	
10/01/14	275,000	82,493	439,986
04/01/15		75,962	
10/01/15	290,000	75,962	441,924
04/01/16		69,075	
10/01/16	300,000	69,075	438,150
04/01/17		61,950	
10/01/17	315,000	61,950	438,900

Water and Sewer Revenue Refunding
and Improvement Bonds Series 2004 (con't)

Date	Principal	Interest	Yearly Payment
04/01/18		55,335	
10/01/18	330,000	55,335	440,670
04/01/19		48,405	
10/01/19	345,000	48,405	441,810
04/01/20		41,160	
10/01/20	360,000	41,160	442,320
04/01/21		33,600	
10/01/21	375,000	33,600	442,200
04/01/22		25,725	
10/01/22	390,000	25,725	441,450
04/01/23		17,535	
10/01/23	405,000	17,535	440,070
04/01/24		9,030	
10/01/24	420,000	9,030	438,060
Total	$4,320,000	$1,402,862	$5,722,862