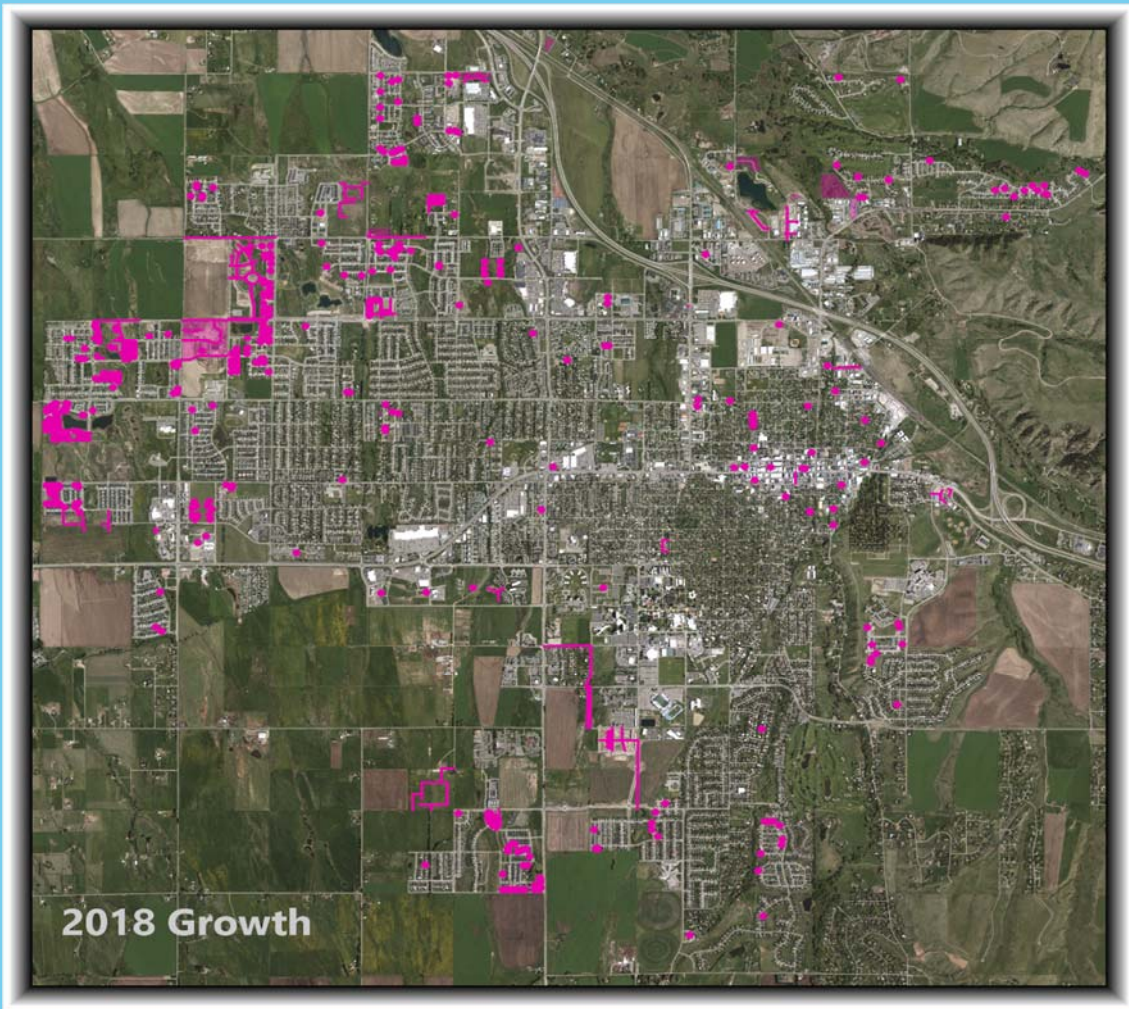


FISCAL
YEAR
2020



Approved Budget

FOR FISCAL YEAR 2020
JULY 1, 2019 TO JUNE 30, 2020
CITY OF BOZEMAN, MONTANA

BOZEMAN MT

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Executive Summary



June 24, 2019

Bozeman City Commission:

We are pleased to present to you the Approved Budget for Fiscal Year 2019-2020 (FY20). This budget represents the thoughtful work of dozens of people in developing the spending plan for our organization for the coming fiscal year. Bozeman is a vital, growing, and changing city. This year we have focused on equipping the organization to cope with our community's continued rapid growth. We have incorporated the City's Strategic Plan into budget priorities: Community Outreach, Affordable Housing, Planning & Land Use Initiatives, Annexation Analysis & Study, and Parks & Trails Maintenance District. The City is going forward with building the Bozeman Public Safety Center after its passage in FY19.

The City's total budget this year is estimated to be \$204.8 million. This will support 448.93 full-time equivalent employees and \$73 million in capital spending. The FY20 budget estimates an annual increase in taxes and assessments for the typical residential property owner of \$121.70, or \$10.14 per month. This includes a partial year payment of Bozeman Public Safety Center bonds and other increases based on recent rate studies, growth, inflation, and Strategic Plan objectives.

Strategic Plan

On April 16, 2018, the City adopted its current Strategic Plan. The FY19 budget began the first steps in accomplishing this plan. The Strategic Plan significantly informs the items approved in the FY20 budget. We have made substantial changes to this budget document and have details regarding strategic plan efforts by division in the Activity Detail section of this document. The full plan can be found at <https://www.bozeman.net/city-projects/bozeman-strategic-plan>.



Community Outreach – Many divisions have plans for community outreach and communication, working towards transparency and access for city residents. We are developing the City's updated communication plan. Throughout the organization, communication has become part of work plans and budgets. For example, the Information Technology department is budgeting for a push notification platform and many Public Works departments are communicating service levels.



Affordable Housing – The Affordable Housing Action Plan is being funded in FY20 and will be used to identify performance metrics for affordable housing and possible funding sources. This budget includes projects that have been brought forward and approved by the Community Affordable Housing Advisory Board, such as the Tschache Lane project and Timber Ridge Senior Living project. An additional 2 mills (\$219,980) were added to further build the fund balance, bringing this year's total property tax mills for affordable housing to 5 (\$542,125).



Planning & Land Use Initiatives- The Downtown Plan, the Neighborhood Conservation Overlay District, and the Community Growth Plan update will promote continued investment in the city’s inventory of historic structures relative to ongoing infill and redevelopment. Engineering will also continue its planning and execution efforts for a well-planned City.



Annexation Analysis & Study – Currently, the staff is working with the Commission to evaluate and update policies. Based on the revised annexation policies, staff will begin planning possible areas of annexation and the extension of service plans for areas that are wholly surrounded. This will have a positive impact on the budget with funding, while adding service area and the number of special improvement districts for funding the infrastructure to bring City services online.



Parks Maintenance District – The FY20 budget includes education efforts and election costs for a vote on a Parks and Trails Maintenance District.

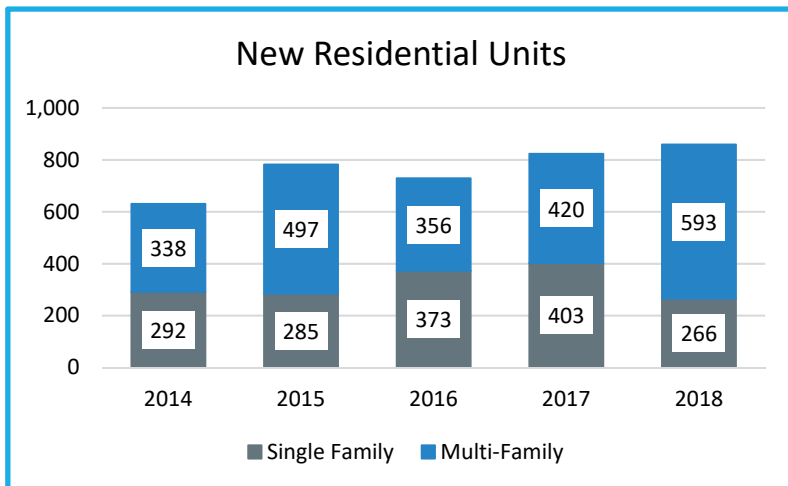


Strategic Vision 7- We will continue work towards a high performing organization and being a “best in class” employer. With this budget proposal, we will continue to work towards market rate pay and invest in training for employees. We are developing and tracking performance measures for each division, as you will see in the Activity Detail section, of this document. Some measures are new and will be tracked going forward while others we have historical data to show our performance.

Continued Growth

Our community continues to see growth in all areas. We see strong building permit activity, and increased traffic counts and congestion on City streets. According to the 2017 Census estimates, the City of Bozeman population has increased by 25% since the 2010 Census, whereas Gallatin County outside of Bozeman has increased by 18.5%. The City of Bozeman has enough water and sewer mains to stretch from Bozeman to Denver and has 110 miles of stormwater mains. The City also has 925 acres of parkland, two swim facilities, and four recreation facilities. Much of our budget decisions have been made in response to the prolonged growth that Bozeman continues to experience.

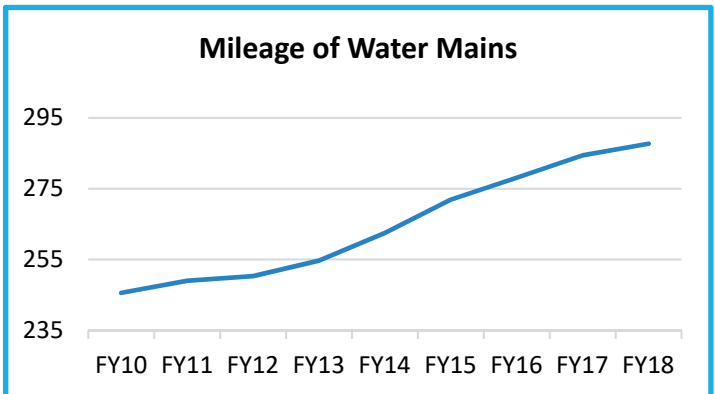
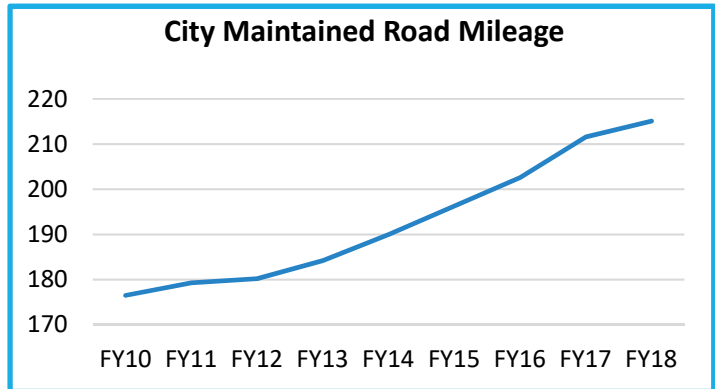
Level of service - There were 266 new single family homes and 593 multi-family residential units built in Bozeman in 2018. In order to maintain service levels and perform the work necessary to accomplish our Strategic Plan action items, we must expand our staff in key areas, such as public safety and public works,



for a total of 15.85 additional full time equivalents (FTE).

Transportation- The City is responsible for maintaining 215.1 miles of streets, and the street mileage the City is responsible for maintaining has increased by 22% since 2010. \$18.5 million is planned for transportation expenditures, with \$9.9 million in capacity expanding projects.

Clean water supply and conservation- The City of Bozeman has 288 miles of water mains under our roadways. The water distribution system (water mains) has increased by 22% since 2010. The average growth of the number of water accounts has been 4.1% a year for the last five years. We expect the trend to continue. With the proposed tiered rates for water use we should encourage water conservation along with our expansion efforts of \$6.9 million in operational, and maintenance efforts of \$10.1 million.



Challenges

This year it was a very difficult task to balance the needs and desires of the community with the resources that we have available. The General Fund continues to see demands for funding that are growing faster than our projected revenues. We simply could not fund all Department and outside requests. We had to make difficult choices about what to include in the budget and what to trim, delay, or forego in the plan.

The General Fund is used to account for all financial resources of the City that are not required to be segregated into a separate fund. The General Fund is the most complex fund, it receives the most numerous sources of revenue and supports the highest number of departments. With the proposed tax increase, overall revenue is estimated to increase by 3.5%. With less expected carry-over funding and no large one-time funding, as we saw in FY19, expenditures had to be held to a total increase of less than 1% in order to balance the budget and maintain reserve levels.

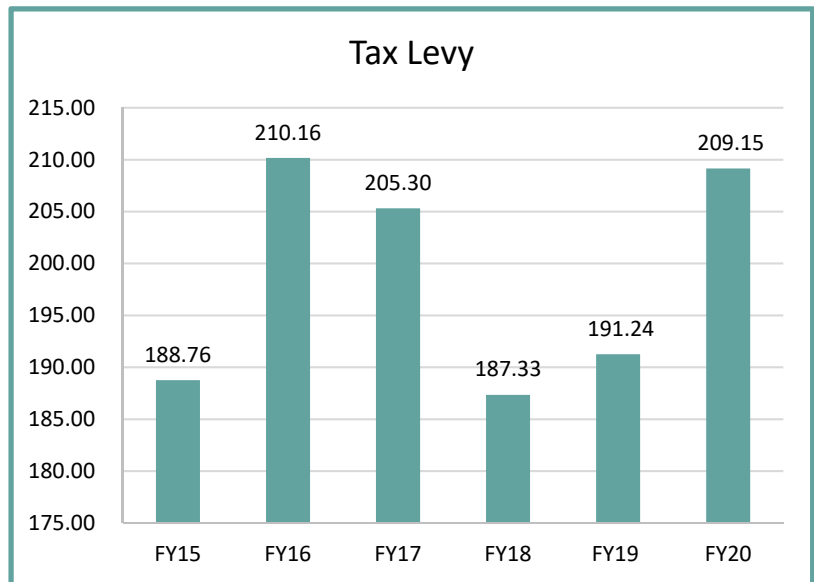
We were hopeful that this year’s Legislative Session would give us additional tools and resources for funding, especially in the General Fund. However, the session ended without the passage of a local option tax and without any increases in the inflation-factor for property taxes (currently set at one-half of the three-year average rate of inflation). During the last days of the session, Senate Bill 160 passed. The bill immediately added \$105,000 in Workers Compensation costs for firefighters in the General Fund, without any funding from the State of Montana or increase in our property tax cap.

FY20 Approved Budget

The City of Bozeman’s Fiscal Year 2020 budget shows large increases in total revenues and expenditures. One main source of this is the bond issuance and the construction of the Bozeman Public Safety Center. The bond issuance and other debt financing for large capacity projects has other financing revenue up \$73 million and capital spending up \$38.6 million from FY19. Major factors affecting the rest of the revenue sources are the increase in charges for services, the estimated 4% growth in taxable value, and the additional levy of property tax mills. The Fiscal Year 2020 budget has over \$80.6 million in personnel and operational expenditures, which is a 9% increase over FY19 (\$6.6 million).

Revenues

Property Taxes- With the growth of the City, expected service levels, and the strategic plan initiatives, it is necessary to increase the property tax mill levy. This is essential to address the needs of the expanding City while funding ongoing operations with sustainable revenues. This year, with the expected first partial bond payment for the Bozeman Public Safety Center, the levy in total is approved at 209.15 mills on all taxable property within city limits. To calculate property tax revenues, a 4% growth rate is assumed from new construction, leaving the estimated value of a mill at \$108,490. This is a re-appraisal year, which makes it difficult to estimate the change in the levy and to estimate the median home. The total annual property tax for the median home is estimated to be \$820.53, an \$95.87 increase from the prior year.



Special Assessments- City property owners pay annual street maintenance, arterial street, and tree maintenance assessments based on the square footage of the lot they own. With the growth of the street

FY18 Approved Changes	FY19 Approved Changes	FY20 Recommended Changes
Streets 17%, Trees 15%	Streets 5%, Trees 5%	Streets 8%, Trees 2%
Arterial Street 63%	Arterial Street (-28%)	Arterial Street 0%

network and other rising costs, the Street Maintenance FY20 budget is larger; therefore, 8% is the increase in the assessment. With the gas tax funding and our capital improvement plans there is no change needed to the Arterial & Collector fund. For Tree Maintenance we needed an inflationary increase of 2%.

Utility Rates- The City completed a water and sewer system rate study, which adjusted both water and sewer rates for all user classes based on costs of services. The study also approved updating water rates for the residential customer by adjusting the tier structure and adding a fourth tier. This structure will aid in conservation efforts and help the City with any future drought. For Stormwater we are recommending a 4% increase in the Stormwater fees to keep up with growth and construction costs. This is the first increase in Stormwater fees since 2015.

**Stormwater
4% rate
increase**

Expenditures

Staffing- Budgets for personnel expenditures include both increases in wages and benefit costs and the addition of some positions to our work teams. With the highly competitive job market in Bozeman, extremely low unemployment and surrounding areas, we will need to make pay adjustments that attempt to keep up with the wage inflation of our competitors. Three firefighter positions are being added under a multi-year contract agreement that provides no wage increase for firefighters this year, but reduces work hours (from 51 hrs./week to 48 hrs./week) for a 3.8% increase in net hourly pay. This was done in response to a market-based compensation analysis. In order to take a strategic approach to staffing, we are developing a three-year plan to address staffing levels across all departments in the organization. This year, we have focused on public safety and maintaining levels of service to our citizens. We are recommending the addition of 15.85 FTE.

	FY19	Proposed Changes FY20	FY20 Proposed
General Government	76.05	2.10	78.15
Public Safety	147.30	4.00	151.30
Public Services	124.75	8.75	133.50
Public Welfare	84.98	1.00	85.98
Total	433.08	15.85	448.93
Net FTE % Increase From Pervious Year			3.66%

Operating- Many factors have caused changes in operational budgets, which vary by fund. Growth, inflation, capital projects, and Strategic Plan priorities have influenced increases in operating costs. For FY20, operational costs total \$42.5 million, which is a 10% increase from FY19. This increase is in many areas and throughout most departments. There are contracted services for studies relating to the strategic plan and increases in contract renewals with vendors.

Capital- FY20 has over \$73 million in capital expenditures, which is a 112% increase over FY19. A large portion of this is the Bozeman Public Safety Center’s \$40 million construction. The outlook for FY20 includes another sewer capacity-expanding project. The Norton East Ranch Outfall Diversion (WWIF38) is \$5,200,000 and will need financing at this point in the plan. There are major roads funded through the Street Impact Fee Fund and Arterial Collector District, and a good portion is for building the roads surrounding the new high school. Road maintenance, vehicle replacements, and building improvements are in the plan as well.

Reserves

The FY20 budget has a reduction in total fund balances mainly due to planned infrastructure spending. The General Fund reserve will maintain its required minimum of 16.67% of annual revenues. We are recommending that the Commission move towards the Government Finance Officer Association’s updated best practice with a risk-based approach to funding beyond the 16.67% of revenues method. We have performed an initial analysis based on the updated best practice (Appendix D) and recommend the City work towards a reserve 17% of expenditures. We suggest that we accomplish this increase in reserves over the next year or two by: (1) not spending down additional cash carry-over in the General Fund, and (2) not allocating property tax dollars that exceed our estimates. In Special Revenue and Enterprise funds, efforts have been made to maintain a reasonable fund balance based on the operating conditions and circumstances of the fund. Recent water and wastewater rate studies have outlined needed reserves, which included establishing a drought reserve for the water fund.

FY20 Citizen Impact

A typical residential property owner will see taxes and assessment increases of \$121.70 for the year, or \$10.14 per month. The estimated cost per mill is \$3.92. The typical resident is calculated using an average sized lot (7,500s qft), median home of \$292,000 (this was the median home taxable value at last appraisal cycle and could change) and water use of 10-HCF (would be charged tier 2 rate per recent rate study):

Average Citizen - 7,500 Sqft lot, TV \$292,000, 10-HCF water use

Levy/Assessment	FY20		Recommended	
	FY19 Approved	Recommended	increase	% Change
Street Assessment	207.92	224.55	16.63	8%
Arterial Street Assessment	51.78	51.78	-	0%
Tree (Forestry) Assessment	23.61	24.05	0.44	2%
Property Taxes	724.66	820.53	95.87	13%
Storm Water Services	70.92	73.76	2.84	4%
Water Service	542.05	555.81	13.76	3%
Sewer Services	630.99	630.99	0.00	0%
Total Annual Estimated Increase			129.54	
Monthly Increase			10.79	

Looking Forward

In developing this year’s spending plan, we realize that there are a number of projects on the near horizon that will impact our budget in the coming years. We have been doing the work to plan for them at the financial and operational level, and they represent exciting opportunities and significant challenges for our community and organization.

Parks and Trails District- The creation of a Parks and Trails Maintenance District allows us to use an assessment for funding of Parks operations and maintenance. This tool would free up the portion of the General Fund currently used for Parks, personnel, operation, and capital. When voters pass the Parks and Trails Maintenance District in 2020, the funding would begin in next year’s budget (FY21). The Commission will need to examine this and its current capital plan when deciding the FY21 budget impacts.

Bozeman Public Safety Center full bond payments levy and operational mills – Fiscal Year 2021 will see a full bond payment on the property tax rolls, which will increase the mill levy for property owners. In addition, in FY22 the City will begin funding operational costs for the building, including added staff. Added costs are expected to be approximately \$523,000. A small portion of this amount that supports records staff could be generated through a reduction of the 9 mills held back for funding 911 and Records Services (Resolution No. 3954.) The rest of the funding would come from a General Fund mill levy increase, bringing us very close to our mill levy cap.

Staffing plan- We have been working on a city-wide multi-year staffing plan that projects staffing levels for all of our departments. Through this process, we have identified many positions needed (especially in the General Fund) if we intend to maintain and improve our services in this growing community. A number of those positions have been included in this proposed budget. However, the majority of requested positions could not be funded with our existing resources (33 requested in FY20, 15.85 included in FY20 budget.) Going forward, we will need to discuss broader strategies to add staffing to the organization.

Conclusion

In closing, we are thankful to the Commission, community members, and staff who participated in the many processes that resulted in this budget. Staff spent many hours discussing the Strategic Plan, which helped guide our priorities for FY20, working together, we have consistently found innovative ways to deliver services and invest in our community in fiscally responsible ways. We believe that the FY20 Approved Budget will allow us to continue to operate and advance the City of Bozeman.

We are a resilient, enterprising, and creative community. The FY20 Approved Budget is an achievable plan to provide efficient and effective services, and to achieve the Commission’s vision and priorities set out in the Strategic Plan for the City of Bozeman.

Respectfully,

Andrea Surratt, City Manager

Anna Rosenberry, Assistant City Manager

Kristin Donald, Finance Director



Budget Summary

Budget Summary

Municipal budgets serve a number of important functions. In addition to laying out a spending plan for the city, and allocating resources to meet the diverse needs of the community, Bozeman’s budget:

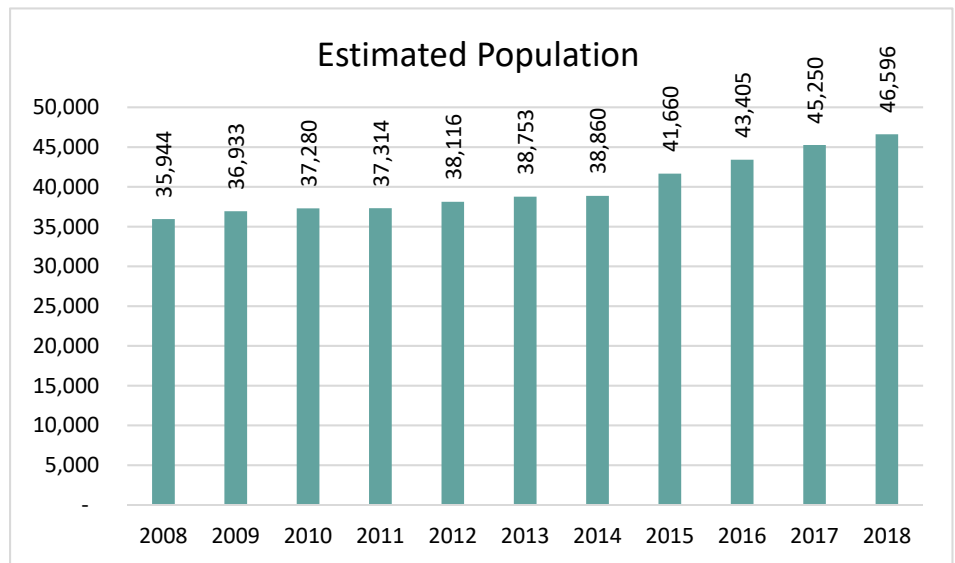
- Is a principal policy and management tool for the city’s administration, reflecting and defining the annual work program;
- Provides a framework for the city to accomplish its vision and strategic plan; and
- Reflects core city values of integrity, leadership, service, and teamwork.

This Budget Summary provides information about the city, along with information about the budget process, revenues, expenditures, and city programs and services. It is intended to provide an accessible, transparent way of learning about the city budget, while accurately showing how the city invests its resources.

Background

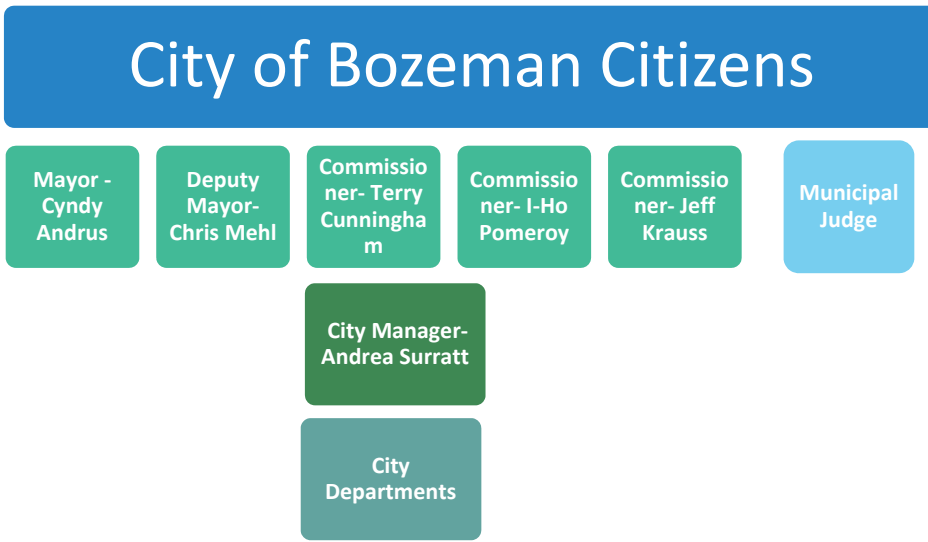
The City of Bozeman is located on the eastern slope of the Rocky Mountains and is the county seat of Gallatin County, Montana. Gallatin County encompasses over 2,500 square miles, bordering Yellowstone National Park to its south. The City encompasses an area over 18 square miles with its next-closest municipality being the City of Belgrade, approximately 7 miles from our outermost boundary. Bozeman is located 143 miles west of Billings and 200 miles east of Missoula. Named after one of its early settlers, John Bozeman, the town was incorporated in 1874 and declared a city in 1883 before Montana was admitted into the United State in 1889. Bozeman is home to Montana State University – Bozeman and the Fighting Bobcats. The local newspaper is the Bozeman Daily Chronicle, and the City is served by Bozeman Yellowstone International Airport at Gallatin Field.

Today, Bozeman is the fourth largest city in the state and is the principal city of the Bozeman micropolitan area, which consists of all of Gallatin County. The City is named after John M. Bozeman, founder of the Bozeman Trail. Located in the fastest-growing county in the state, Bozeman was elected an All-American City in 2001 by the National Civic League. Bozeman residents are known as Bozeman-ites.



The City has seen large amounts of growth in the last five years going from a population of under 40,000 to over 46,000. The population is expected to reach 50,000 in 2019. The average age is 27.9 and 55.6% of the population has Bachelor’s Degree or higher.

City Structure



The Bozeman City Commission is composed of four members and a Mayor that are elected by the voters of the city at large in accordance with the City Charter. At every regular city election, the voters of the City shall elect a mayor at large for a term of four years. The person so elected shall serve as Deputy Mayor and a Commissioner for the first two years of their term, and mayor for the balance of their term of office. The City

Manager is selected by, and reports to the City Commission. The City Manager's office is responsible for over-seeing City staff and completing tasks as directed by the City Commission.

Core Values

City Commission Resolution No. 3832 adopted the City's core values in 2005. They were developed through extensive discussions the City Manager had with staff groups from all departments including department directors. These core values are what create the culture of our organization.

Integrity

- Be honest, hardworking, reliable and accountable to the public.

Leadership

- Take initiative, lead by example, and be open to innovative ideas.

Service

- Work unselfishly for our community and its citizens.

Teamwork

- Respect others, welcome citizen involvement, and work together to achieve the best result.

City Vision and Strategic Goals

The plan was adopted in spring 2018. Below are the vision and vision statements adopted by the Commission as part of the Strategic Plan:

Vision

Bozeman remains a safe, inclusive community, fostering civic engagement and creativity, with a thriving diversified economy, a strong environmental ethic, and a high quality of life as our community grows and changes.

Strategic Vision Statements:

- 1) An Engaged Community.** We foster a culture of engagement and civic leadership based on innovation and best practices involving community members of all backgrounds and perspectives.
- 2) An Innovative Economy.** We grow a diversified and innovative economy leveraging our natural amenities, skilled and creative people, and educational resources to generate economic opportunities.
- 3) A Safe, Welcoming Community.** We embrace a safe, healthy, welcoming and inclusive community.

4) A Well-Planned City. We maintain our community's quality of life as it grows and changes, honoring our sense of place and the 'Bozeman feel' as we plan for a livable, affordable, more connected city.

5) A Creative, Learning Culture. We expand learning, education, arts, expression and creativity for all ages.

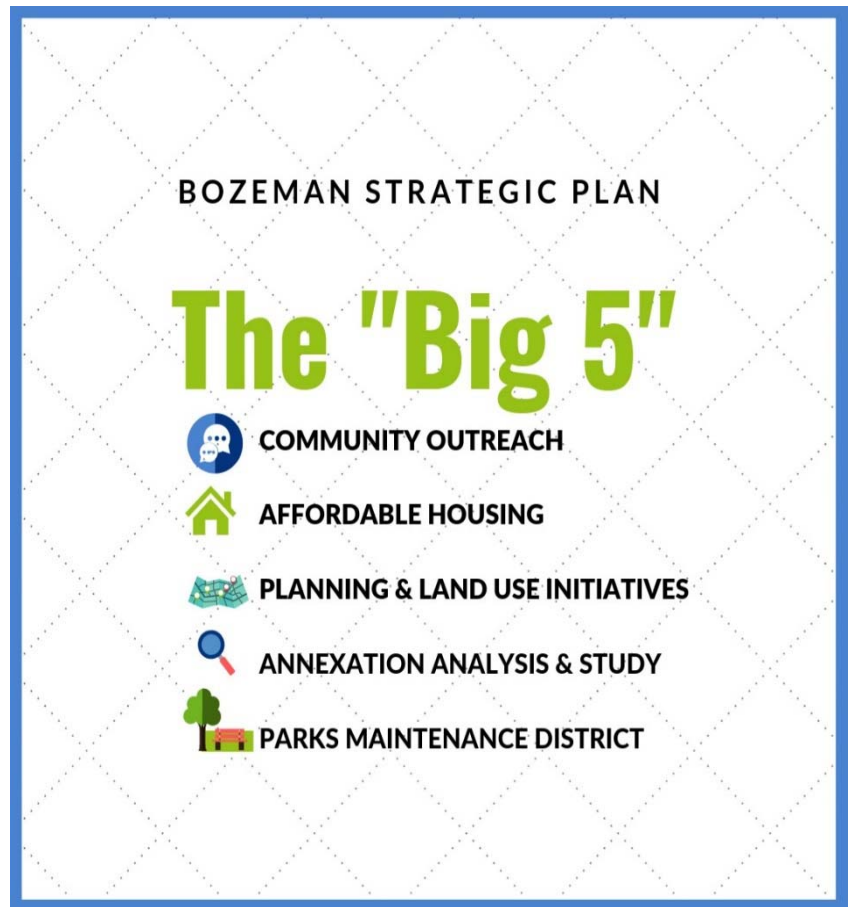
6) A Sustainable Environment. We cultivate a strong environmental ethic, protecting our clean air, water, open spaces and climate, and promote environmentally sustainable businesses and lifestyles.

7) A High Performance Organization. We operate as an ethical, high performance organization anticipating future needs, utilizing best practices, and striving for continuous improvement.

FY2020 Goals

The Commission reviewed the seven priorities from FY19 and removed the Bozeman Public Safety Center, which was supported by City voters. The debt issuance and construction costs for the center are included in FY20 budget. They also removed Partnerships for Education and Learning because in FY19 great strides were made with Montana State University and the Bozeman School District that are continuing in FY20. The remaining five, became the priorities for FY20 and the budget. In addition to these top five priorities, five new projects are included in FY20 efforts:

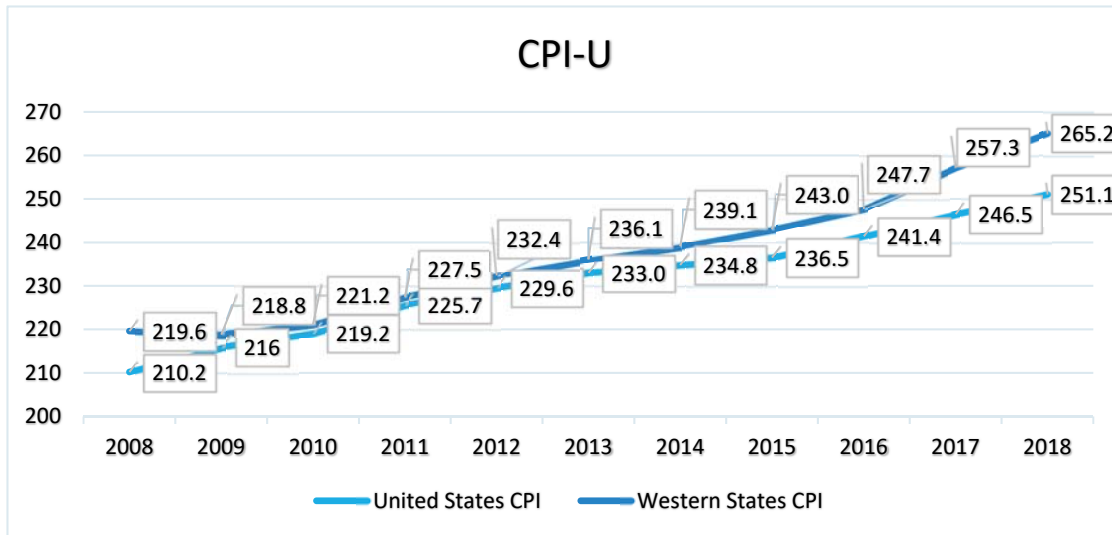
- 1% for Art Program Establishment
- Intersection Level of Service Communication
- Sewer Capacity Communication
- Street Light Study
- Vendor Gender Pay project



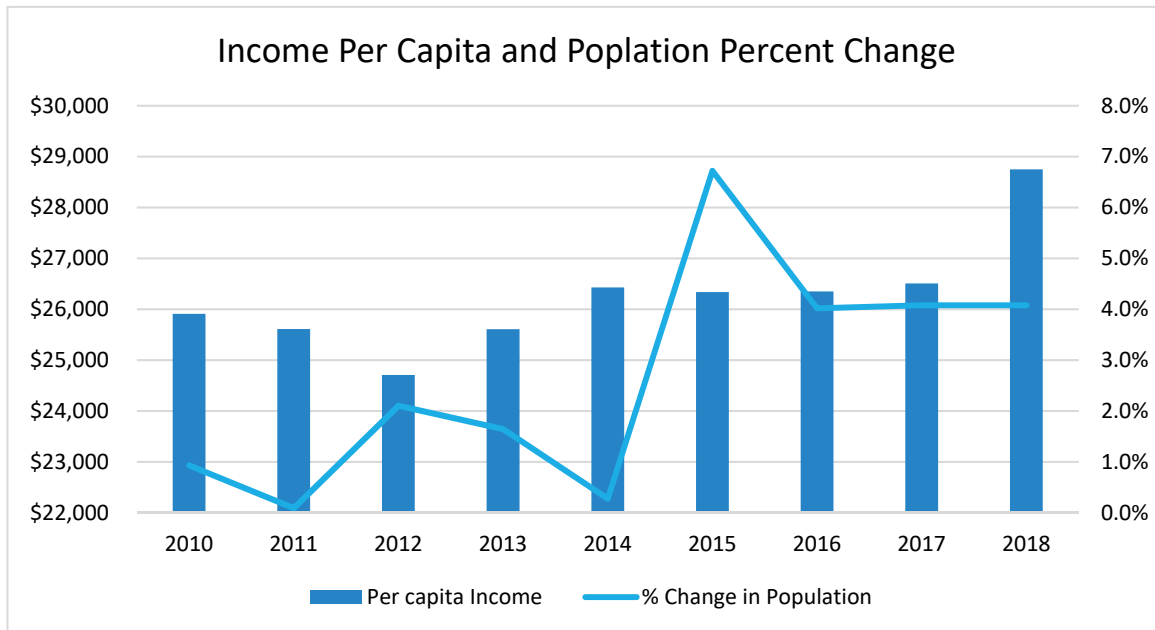
FY2020 Economic Outlook

The population of the City has been growing over the last ten years. There were 1,282 residential building permits in 2018 and 52 new commercial building permits. This growth has increased the need for City services and infrastructure. Montana State University has seen a steady growth of enrollment over the last three years as well. Tourism is growing with the Bozeman Yellowstone Airport seeing an increase in passengers of 11.8% in 2018 and expecting the same growth for 2019.

The Consumer Price Index has grown over the last 10 years for the United States and particularly for the Western States. For FY18 the three year average change was 2.03% while the Western State CPI-U is showing 2.95% three year average change.



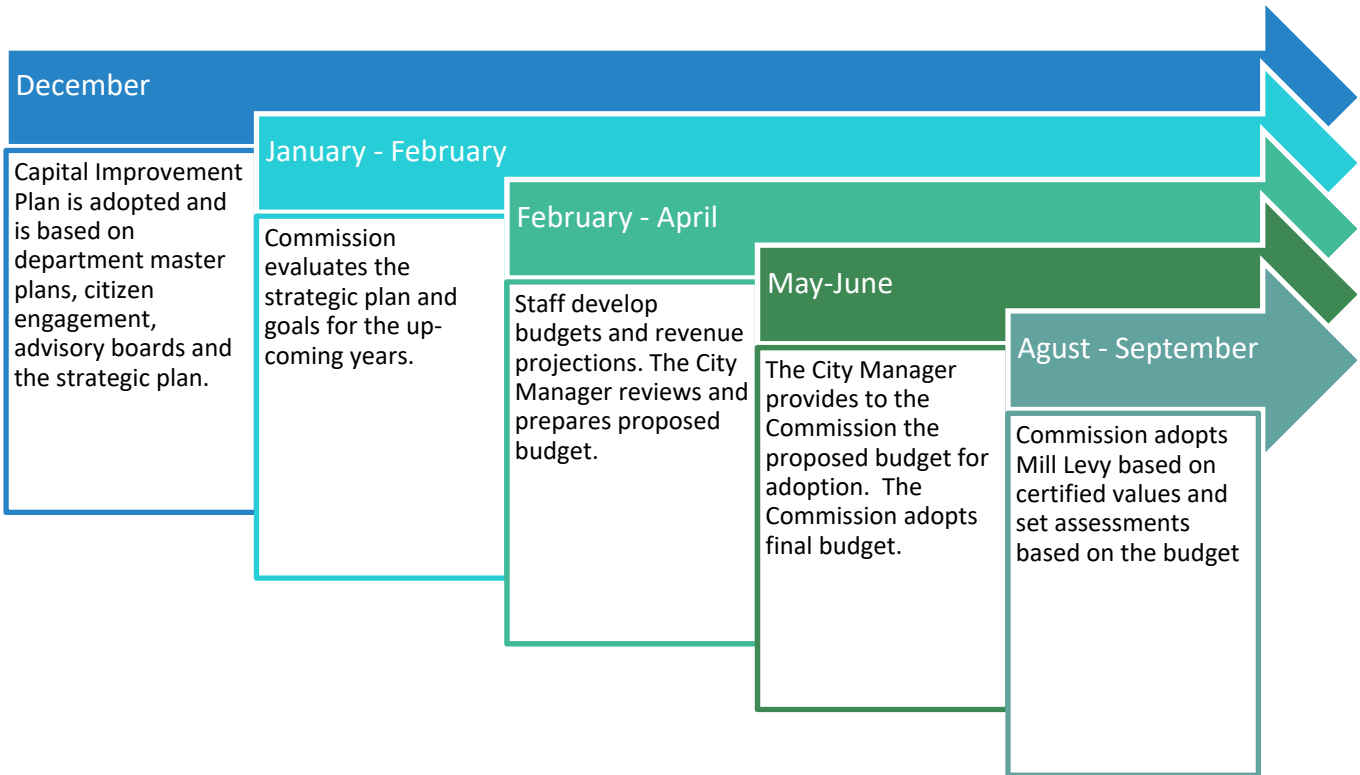
Currently, the unemployment rate is 2.6% and per capita income is \$28,784. The median home price for 2018 was \$374,750. The top three major employers are Bozeman Deaconess Hospital, Oracle America and Bozeman School District #7. Recent job growth is at 4.6% and the Bozeman area has the strongest economy for a city with fewer than 50,000 people in the U.S., according to POLICOM’s recent report.



See Appendix A for more statistical details about the City’s demographics and tax base.

Budget Process

The City plans for the long-term needs of our community through a number of efforts and studies. Consultants and staff, with numerous public hearings and advisory board meetings prior to their formal adoption by the Commission, usually develop these documents. Once adopted, we work diligently to implement the



recommendations and changes outlined in the plans. The starting point is the Strategic Plan and then the other master plans that have been developed for each area of concern or study. Along with these documents, the capital improvement plan is used to budget for capital projects. The following chart outlines our process and timing for the budget:

Funding Structure

To better understand this budget document a basic understanding of the structure, often-used terms, and fund types is helpful. The City's operating expenditures are organized into the following hierarchical categories: Activities, Departments, Divisions, and Budget Units.

Activity: Activity represents the highest level of summarization used in the City's financial structure. This level is primarily used for entity-wide financial reporting and for summarization in this budget document.

Department: Department is the second level of summarization used in the City's financial structure. This function classification represents a grouping of related operations and programs aimed at accomplishing a broad goal or providing a major service.

Division: Department can be further split into divisions, which are usually associated with functioning work groups that have more limited sets of work responsibilities. Their primary purpose is organizational

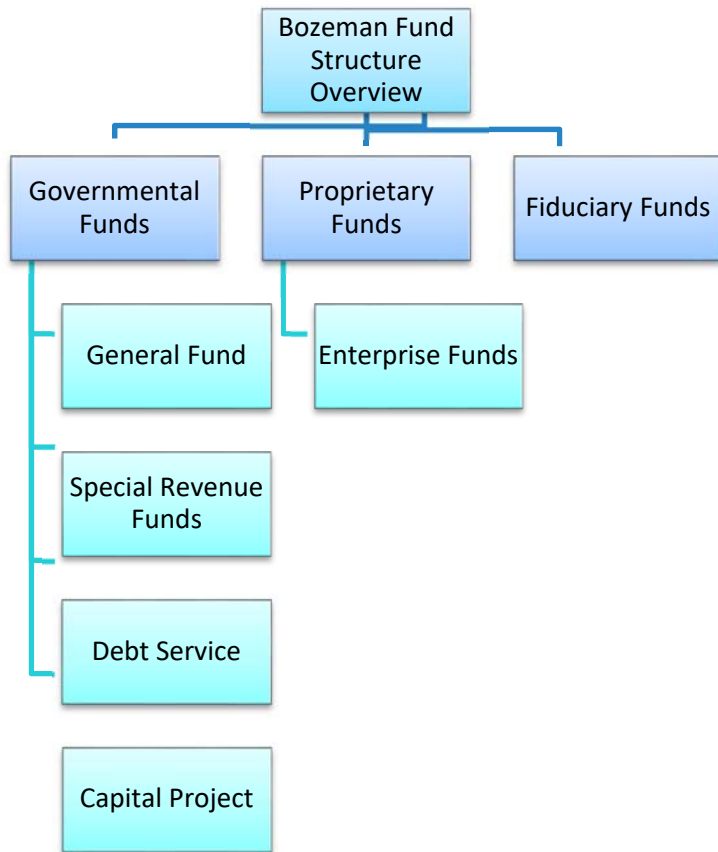
and budgetary accountability.

Budget Unit: Divisions may be further subdivided into budget units. A budget unit is used to account for a specific service performed within a division in the pursuit of individual goals and objectives. A budget unit is aimed at accomplishing a specific service or regulatory program for which a government is responsible.

Funds:

The activities are funded through various means that are accounted for within specific funds. The City has a comprehensive fund plan for financial accounting in accordance with the provisions of the recommendations of the National Council on Governmental Accounting as outlined in their publication Governmental Accounting, Auditing, and Financial Reporting (GAAFR), which is the standard accounting guide for local governments.

Governmental funds are a group of funds that account for activities associated with the City's basic operations. This group of funds uses a modified accrual basis of accounting and focuses on operating revenues and expenditures.



General Fund: The General Fund is used to account for all financial resources of the City, except for those required to be accounted for in another fund. The General Fund supports such basic services as the Legislative Branch, Judicial Branch, General Administration, Police, Fire, Finance, Engineering, Recreation, and Library services. The City's General Fund is financed heavily by property taxes, which provide nearly half of the General Fund revenue.

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditure for specific purposes.

Debt Service 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.

Capital Project Funds: Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Fund Types

Proprietary funds are a group of funds that account for activities that are often seen in the private sector and are operated in a similar manner as in the private sector. This group of funds uses a full accrual basis of accounting and focuses on net income and capital maintenance.

Internal Service Funds: Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis.

Enterprise Funds: Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Fund Types

Fiduciary funds are trust and agency funds that account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds. These include expendable trust funds, non- expendable trust funds, pension trust funds, and agency funds.

Trust Funds: Trust Funds are used to account for assets held by a governmental unit in a trustee capacity. These include (a) expendable trust funds, (b) permanent trust funds, and (c) pension trust funds. Trust Funds are supported by donations and interest income.

Budget Policies

State statute provides the “Local Government Budget Act” in MCA 7-6-4001. This section of the law was adopted by the 2001 Legislature to replace the “Municipal Budget Law” and other various sections of code that related to city finances. See detailed Budget and Fiscal Policies in Appendix B. The law limits the amount of expenditures to approved appropriations, requires reporting to the State after final budgets and tax levies are adopted, and provides for a detailed preliminary and final budget adoption within the confines of the State determined property tax assessment time-table. The Budget must be “balanced,” and the City can use fund balance as a resource to balance the budget. Fund balance should not be used as a long-term approach to balancing the budget. Planned uses of fund balances should be limited.

It is also appropriate to use fund balance when fund balances have increased beyond the reserve requirements due to higher than anticipated revenues. In this circumstance, the use of fund balances will be used for one-time expenditures, not ongoing operating costs. In all circumstances, it is important to retain sufficient undesignated fund balance for unforeseen circumstances. The City's budget encompasses both the operating budget and the capital improvement budget. Each budget unit includes amounts appropriated for both operating expenses and capital items

Basis of Budgeting

The basis of budgeting and accounting refers to when a transaction or related event is recognized in an agency's budget, or in the operating statement, both of which follow GAAP principles. All governmental funds (including the general, special revenue, debt service and capital projects funds) use modified accrual as both the basis of

budgeting and for accounting/financial reporting. Under the modified accrual system, revenues are recognized in the accounting period in which they become “measurable and available.” “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property tax is reported as a receivable and deferred revenue when the levy is certified and as a revenue when due for collection in the subsequent year. An allowance for estimated uncollectible taxes is included in the estimated tax needed to balance the budget.

The basis of accounting for proprietary funds is full accrual, where revenues are recognized when earned and expenditures when they are incurred. The basis of budgeting for proprietary funds is full accrual with the exceptions of depreciation and amortization. For capital assets and capital purchases, funds are budgeted from a perspective of the actual cash outlay required (cash basis).

Financial and Reserve Policies

The following financial policies are established to provide direction in the fulfilling of duties and responsibilities for the City of Bozeman. The following is a summary of the policies that have a direct impact on the budget process; a complete listing of Fiscal Policies to be adopted with the budget are in Appendix B.

Long-range Planning

The City needs to have the ability to anticipate future challenges in revenue and expense imbalances so that corrective action can be taken before a crisis develops. To provide city officials with pertinent data to make decisions for multi-year policy direction, the Finance Director prepares revenue and expenditure forecasts. These forecasts will identify changes in revenue and expenditures due to projected new development in the City, program changes, collective bargaining agreements, asset replacement schedules and capital projects coming online.

Capital Planning, and Asset Inventory and Condition Assessment

The City annually prepares its Capital Improvement Program to plan capital projects and equipment needs for a five-year period. The plan is created on the fund basis and reviews all capital needs greater than \$10,000. The plan can be found on the city website.

Revenue Policies

The City values a diversified mix of revenue sources to mitigate the risk of volatility. The major source of revenue for the General Fund is property tax, which comprises 56% percent of total General Fund revenue in 2019. Since property values are impacted by the economy and housing market, it is important to make every effort to improve the diversity of the City’s revenue sources. Tax dollars should support essential city services that benefit and are available to everyone in the community (such as parks, police and fire protection). For services that largely or solely benefit individuals, the City should recover full or partial costs of service delivery through user fees.

Use of One-time and Unpredictable Revenues - One-time revenues should be used only for one-time expenditures and not for ongoing expenditures. By definition, one-time revenues cannot be relied on in future budget years. Appropriate uses of one-time revenues include early debt retirement, capital expenditures that will reduce operating costs or address deferred capital needs, and special projects that will not incur ongoing operating costs.

Expenditure Policies

Expenses should always be for City operations and strategic goals. Department heads and the Finance Department monitor expenditures. All expenditures must comply with City laws, rules and regulations and have proper support and authorization.

Debt Capacity, Issuance and Management

The City shall evaluate and consider the following factors in analyzing, reviewing and recommending the issuance of obligations before presenting a proposal to the Commission and voters as needed:

1. Purpose, feasibility and public benefit of the project
2. Impact on debt ratios generally applied by rating agencies
3. Availability of appropriate revenue stream(s)
4. Aggregate debt burden upon the City's tax base, including other entities' tax supported debt
5. Analysis of financing and funding alternatives, including available reserves from other City funds

Awards and Accomplishments

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the City of Bozeman for its annual budget for the fiscal year beginning July 1, 2018. The City has received this award for each budget it has prepared in the past 27 years.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

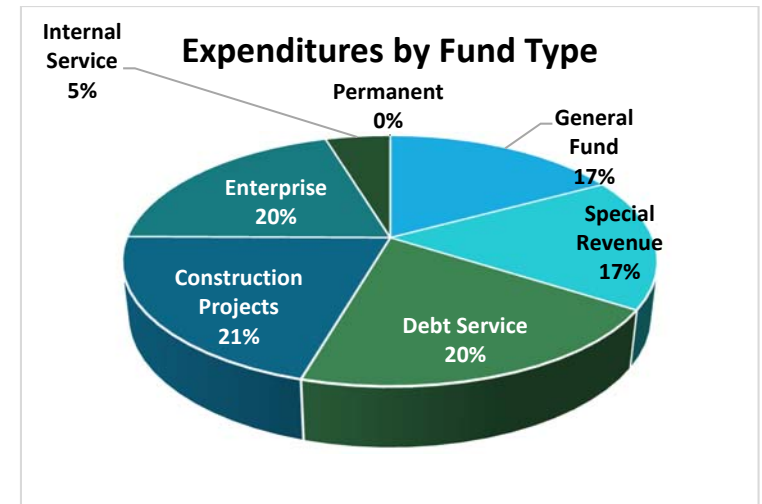
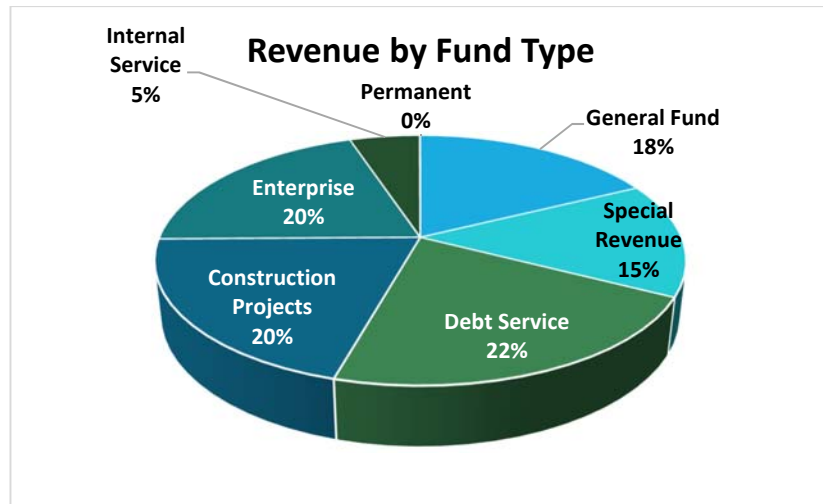


FY 2020 Budget Summary

The City of Bozeman's Fiscal year 2020 budget shows a large increase in revenues and expenditures and one main source of this is the bond issuance and the construction of the Bozeman Public Safety Center. The bond issuance and other debt financing for large capacity projects has other financing revenue up \$81 million and capital spending up \$38.6 million from FY19. The major factors affecting the rest of the revenue sources are the increase in charges for services, the estimated 4% growth in taxable value, and the additional levy of property tax mills. Fiscal Year 20 budget has over \$80.6 million in personnel and operation expenditures, which is a 9% increase over FY19 (\$6.6 million).

FY2020 Financial Summary

Financial Summary- Approved Budget Fiscal Year 2019-2020								
	General Fund	Special Revenue	Debt Service	Construction Projects	Enterprise	Internal Service	Permanent	All Funds
Projected Beginning Fund Balance/Working Capital	\$ 7,076,606	\$ 20,358,180	\$ 4,923,477	\$ 5,128,109	\$ 28,643,630	\$ 411,454	\$ 1,399,941	\$ 67,941,397
Estimated Revenues	32,687,698	26,033,422	40,751,603	-	36,488,903	9,380,066	90,000	145,431,692
Transfers In	369,483	4,265,877	-	38,044,733	955,000	105,458	-	43,740,551
Total Estimated Revenues	33,057,181	30,299,299	40,751,603	38,044,733	37,443,903	9,485,524	90,000	189,172,243
Budgeted Expenditures	34,211,877	31,510,635	3,443,702	41,467,362	41,081,471	9,377,654	-	161,092,701
Transfers out	355,000	5,076,753	37,602,070	-	706,728	-	-	43,740,551
Total Appropriations	34,566,877	36,587,388	41,045,772	41,467,362	41,788,199	9,377,654	-	204,833,252
Increase/(Decrease) in Fund Balance/Working Capital	(1,509,696)	(6,288,089)	(294,169)	(3,422,629)	(4,344,296)	107,870	90,000	(15,661,009)
Projected Ending Fund Balance/Working Capital	\$ 5,566,910	\$ 14,070,091	\$ 4,629,308	\$ 1,705,480	\$ 24,299,334	\$ 519,324	\$ 1,489,941	\$ 52,280,388



FY2020 Estimated Mill Levies and Values

MILL LEVIES & MILL VALUES

FISCAL YEAR	FY15	FY16	FY17	FY18	FY19	FY20
MILL VALUE (net of TIFD's)	\$ 87,894	\$ 86,564	\$ 89,325	\$ 101,195	\$ 104,321	\$ 108,490
PERCENTAGE CHANGE	2.6%	-1.5%	3.2%	13.3%	3.1%	4.0%

GENERAL FUND:

All-Purpose	144.77	155.78	148.21	134.39	139.69	142.19
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SPECIAL REVENUE:

City Planning	2.00	2.00	2.00	2.00	2.00	2.00
Health/Med Insurance	23.18	27.11	26.40	24.48	25.44	25.95
Fire Capital & Equipment	4.00	4.00	4.00	4.00	4.00	4.00
Transfer to Stormwater - Landfill Project	1.57	1.62	1.56	1.38	0.71	0.69
Transfer to Landfill Closure - Monitring	-	-	4.00	3.67	2.38	2.58
Senior Transportation	1.00	1.00	1.00	1.00	1.00	1.00
Workforce Housing	1.00	3.00	3.00	3.00	3.00	5.00
TOTAL SPECIAL REVENUE	32.75	38.72	41.96	39.53	38.53	41.22

DEBT SERVICE:

BPSC GO Bonds	-	-	-	-	-	13.29
Park & Trail G.O.Bonds	8.13	12.49	12.06	10.68	10.38	9.93
Library G.O. Bonds	3.11	3.16	3.07	2.73	2.64	2.52
TOTAL DEBT SERVICE	11.24	15.65	15.13	13.41	13.02	25.73

Total Levied	188.76	210.16	205.30	187.33	191.24	209.15
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Percentage Change in Mills	9.4%	12.4%	-2.6%	-8.6%	1.9%	9.6%
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Property Taxes Levied	\$ 16,590,871	\$ 18,191,892	\$ 18,338,501	\$ 18,956,859	\$ 19,950,675	\$ 22,690,261
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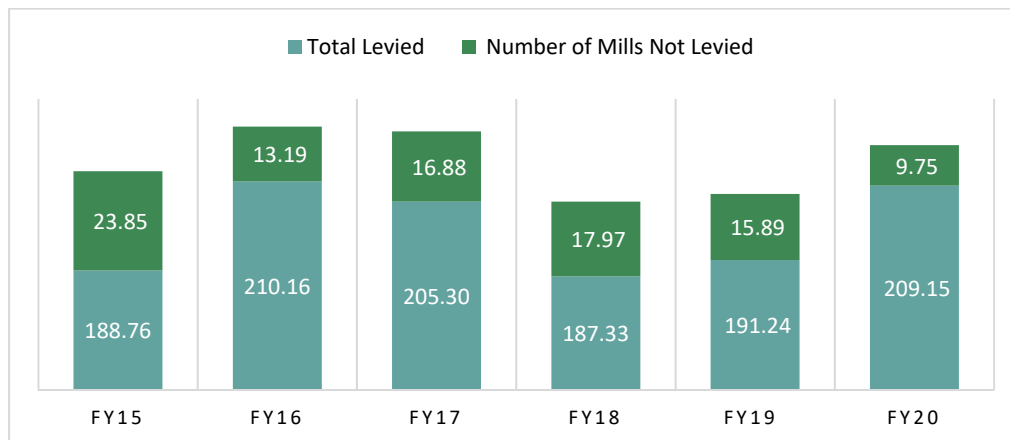
Percentage Change in Dollars	11.9%	9.7%	0.8%	3.4%	5.2%	13.7%
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* These funds are being combined into the All Purpose Levy. They are all subject to MCA 15-10-420.

Tax Authority Authorized but Not Levied

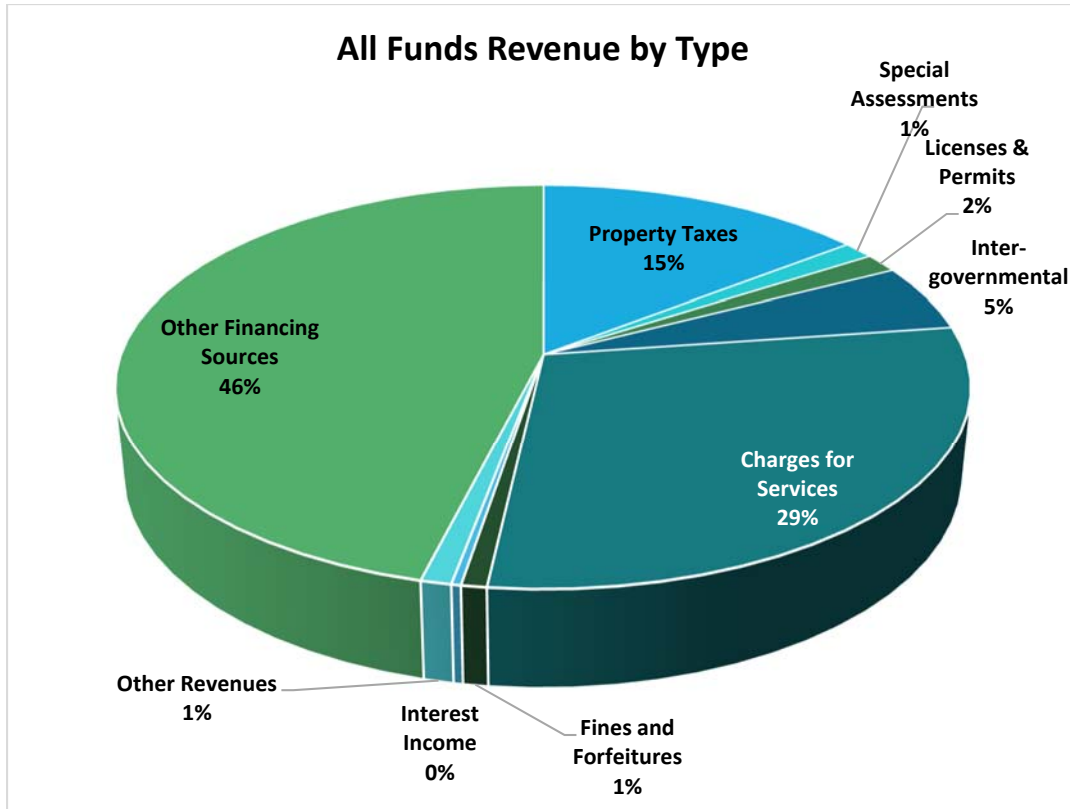
General Fund Reduction	\$ 1,271,667	\$ 363,096	\$ 703,800	\$ 907,719	\$ 718,772	\$ 81,130
911 Mills (Resolution No. 3954)	\$ 770,733	\$ 779,076	\$ 803,925	\$ 910,755	\$ 938,889	\$ 976,410
Total Authorized But Not Levied	\$ 2,042,400	\$ 1,142,172	\$ 1,507,725	\$ 1,818,474	\$ 1,657,661	\$ 1,057,540
Number of Mills Not Levied	23.85	13.19	16.88	17.97	15.89	9.75

Maximum Levy Allowed	212.61	223.35	222.18	205.30	207.13	218.90
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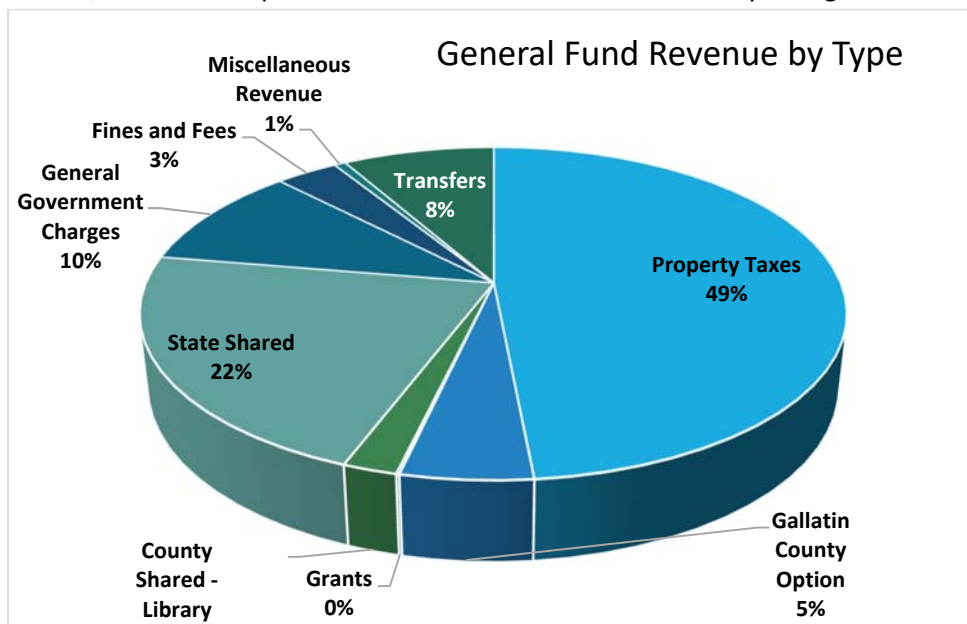


FY2020 Revenues

Overall, revenues are estimated at \$186 million, a \$78 million increase in revenue or 73%, over the prior year. The large difference is mainly due to the bond issuance for the Bozeman Public Safety Center, along with water and sewer capacity projects being funded through financing as well; therefore, 46% of revenues is other financing sources. Charges for services make up 29% of revenues, followed by taxes at 15%.

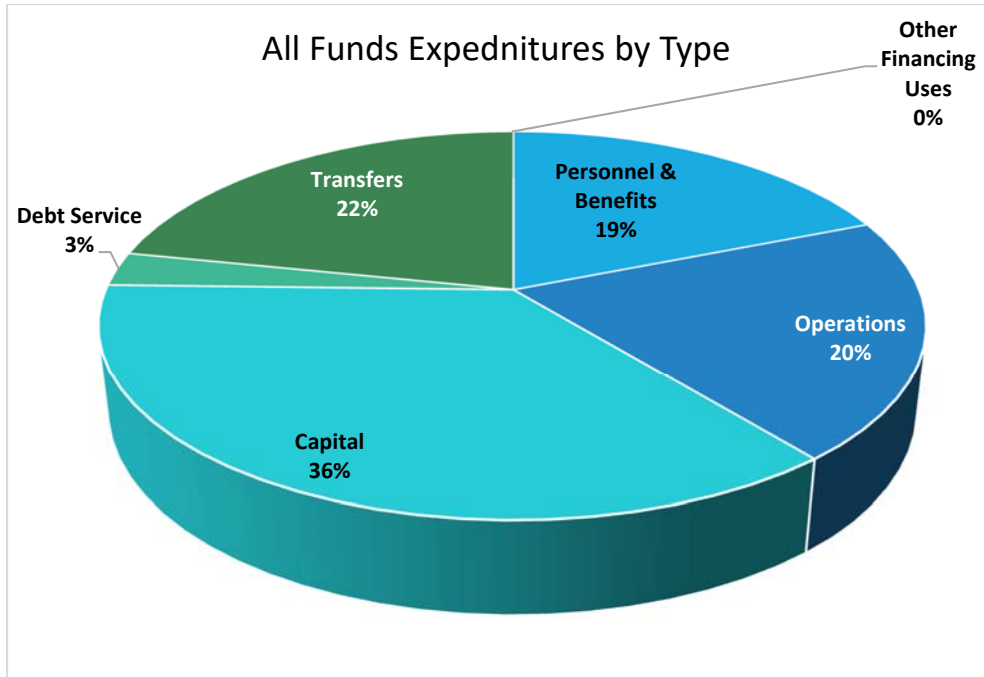


For the *General Fund*, taxes make up 49% of the revenue sources followed by intergovernmental revenue.

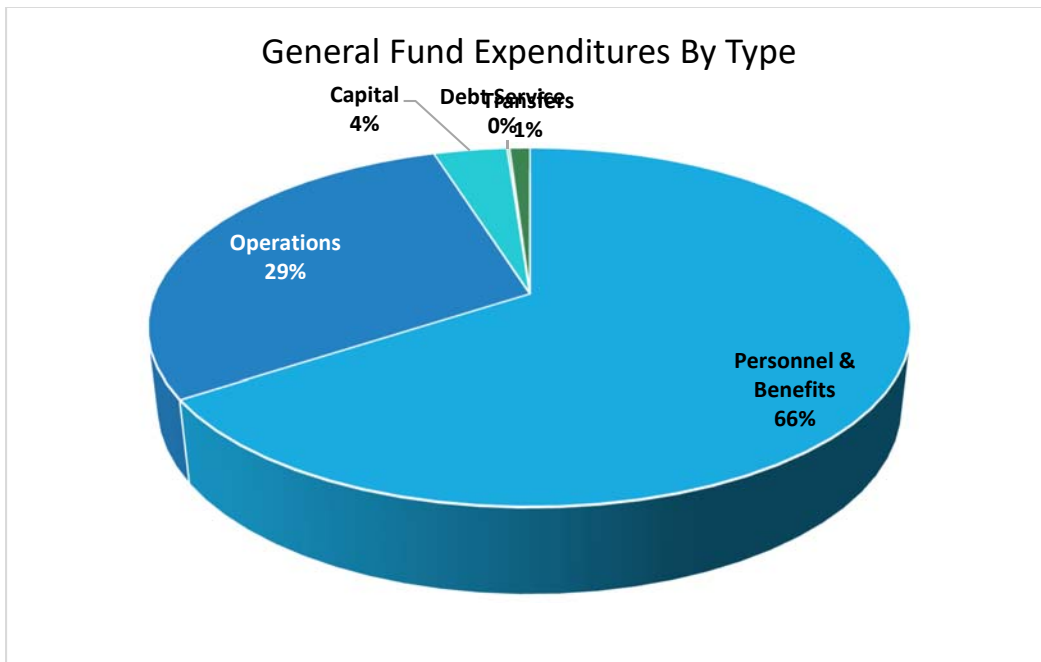


FY2020 Appropriations

Expenditures, often called “Appropriations,” are classified under one of six major categories: Personnel & Benefits, Operating Expense, Capital, Debt Service, Transfers, and Other Financing Uses. The graph below shows the relative percentage of the FY20 budget expenditures for all funds. Again, with the Bozeman Public Safety Center and other capital projects, Capital makes 36% followed by Operations at 20% and Personnel at 19%.



In general, governmental agencies see their largest percentage of expenditures as personnel. With our growing City, there is a need for more infrastructure spending. The *General Fund* personnel expenses are a much higher percentage, at 66%. There are fewer capital items in the General Fund than all the funds as a whole.



FY2020 Changes in Fund Balance/Working Capital

CHANGES IN FUND BALANCE/WORKING CAPITAL				
	Fiscal Year			Budgeted Ending
	Projected Fund	Estimated	Appropriations	Fund
	Balance/Working	Revenues		Balance/Working
	Capital			Capital
General Fund				
10 General Fund	7,076,606	33,057,181	34,566,877	5,566,910
Special Revenue Funds				
100 Planning Fund	1,148,732	1,450,574	1,873,348	725,958
103 Health-Medical Insurance	411,839	2,815,374	2,815,384	411,829
108 Community Transportation	59,625	900	-	60,525
109 Highway Safety Improvement Projects	23,462	200	-	23,662
110 Gas Tax Apportionment	1,578,972	1,421,750	2,120,350	880,372
111 Street Maintenance District	334,133	6,203,836	6,462,343	75,626
112 Tree Maintenance	271,260	782,945	787,767	266,438
113 Fire Impact Fee	2,497,496	416,134	20,451	2,893,179
114 Street Impact Fee	3,124,141	4,490,095	7,565,195	49,041
115 Building Inspection Special Revenue	922,552	1,975,200	2,657,236	240,516
116 Downtown Improvement District	1,885,421	1,729,400	2,816,000	798,821
119 Economic Development Loan Fund	829,753	50,000	31,000	848,753
120 Community Housing	1,002,092	556,950	934,458	624,584
121 Housing Revolving Loan Fund	2,485	1,195	-	3,680
123 Big Sky Ec Dev Grant	-	50,000	50,000	-
125 Drug Forfeiture	42,589	199,474	242,052	11
128 Fish Wildlife And Park Management Areas	12,766	200	8,000	4,966
130 Americans With Disability Act	36,307	400	-	36,707
131 Beautification of Bozeman	1,018	10	-	1,028
132 Bogert Park Special Revenue	17,967	6,275	5,000	19,242
133 Recreation Department Special Revenue	16,252	2,075	-	18,327
135 Cemetery Department Special Revenue	2,444	30	-	2,474
136 Park Department Special Revenue	13,217	2,600	-	15,817
137 Library Department Special Revenue	44,253	20,000	-	64,253
138 Law & Justice Center	274,125	-	19,125	255,000
139 Police Department Special Revenue	280,534	15,000	40,000	255,534
140 Police Domestic Violence	-	187,040	187,040	-
141 Street Arterial Construction	627,223	2,627,747	2,396,000	858,970
143 TIF Midtown (formerly N7th)	1,600,000	2,467,949	3,001,852	1,066,097
144 TIF NE Urban Renewal	320,000	142,500	339,500	123,000
145 TIF Mandeville Industrial	75,744	25,000	-	100,744
Various Lighting Dist.'s (146-170, 181, 182, 200-243)	491,152	457,286	477,499	470,939
174 Victim Witness Advocate	299,646	68,500	90,000	278,146
175 Senior Transportation	2,707	108,740	108,490	2,957
176 Business Improvement District	8,297	168,350	167,160	9,487
177 Neighborhood Associations	994	10	-	1,004
178 Veteran's Treatment Court	37,844	115,500	152,346	998
179 Diaster Relief Fund	140,777	11,000	-	151,777

CHANGES IN FUND BALANCE/WORKING CAPITAL				
	Fiscal Year Projected Fund Balance/Working Capital	Estimated Revnues	Appropriations	Budgeted Ending Fund Balance/Working Capital
183 Fire Department Special Revenue	79,046	4,000	50,000	33,046
184 Parks Master Plan Develop	23,708	-	-	23,708
186 Development Impacts	154,169	1,500	5,000	150,669
187 Fire Department Equipment	656,899	436,460	1,068,000	25,359
188 City/County Drug Forfeiture	132,985	1,300	-	134,285
189 Story Mansion Special Revenue	5,797	35,000	40,792	5
191 Tourism BID	1,200	1,101,200	-	1,102,400
193 Street Maintenance - Babcock SID	8,383	2,650	-	11,033
194 Street Maintenance - Durston SID	136,688	41,450	-	178,138
199 Sports Park	-	51,000	51,000	-
850 Park Land - Cash in Lieu	721,486	54,500	5,000	770,986
Total Special Revenue Funds	20,358,180	30,299,299	36,587,388	14,070,091
Debt Service Funds				
300 Special Improvement District Revolv. Fund	3,229,669	18,700	867,070	2,381,299
303 G.O. Refunding Series 2012	86,848	273,300	273,300	86,848
304 Park & Trails Bond	-	1,076,788	1,076,788	-
305 TIF 2007 Downtown Bonds	-	418,898	418,898	-
307 Bozeman Public Safety Center - GO Bonds	-	38,406,716	38,376,716	30,000
310-448 SID Funds	1,606,960	525,201	1,000	2,131,161
450 Sports Park Loan	-	32,000	32,000	-
Total Debt Service Funds	4,923,477	40,751,603	41,045,772	4,629,308
Construction Funds				
500's Capital Projects	5,128,109	38,044,733	41,467,362	1,705,480
Enterprise Funds				
600 Water	9,323,836	11,946,576	10,171,734	11,098,678
610 Water Impact Fee - Net Assets	6,157,774	1,930,831	6,963,052	1,125,553
620 Waste Water	3,216,959	10,036,394	9,124,612	4,128,741
630 Waste Water Impact Fee - Net Assets	6,233,498	6,540,674	7,343,417	5,430,755
640 Solid Waste	1,755,498	4,165,681	5,154,777	766,402
641 Landfill Post-Closure & Monitoring	6,209	282,000	287,417	792
650 Parking Enterprise	1,289,609	1,063,340	1,082,669	1,270,280
670 Storm Water	660,247	1,478,407	1,660,521	478,133
Total Enterprise Funds	28,643,630	37,443,903	41,788,199	24,299,334
Internal Service Funds				
710 Vehicle Maintenance Shop	6,164	1,390,212	1,387,800	8,576
720 Health-Medical Self-Insurance Fund	405,290	5,044,794	5,044,794	405,290
750 Public Works Administration	-	3,050,518	2,945,060	105,458
Total Internal Service Funds	411,454	9,485,524	9,377,654	519,324
Permanent Funds				
800 Cemetery Perpetual Care	1,399,941	90,000	-	1,489,941
Total All Funds	67,941,397	189,172,243	204,833,252	52,280,388

FY2020 Staffing Changes

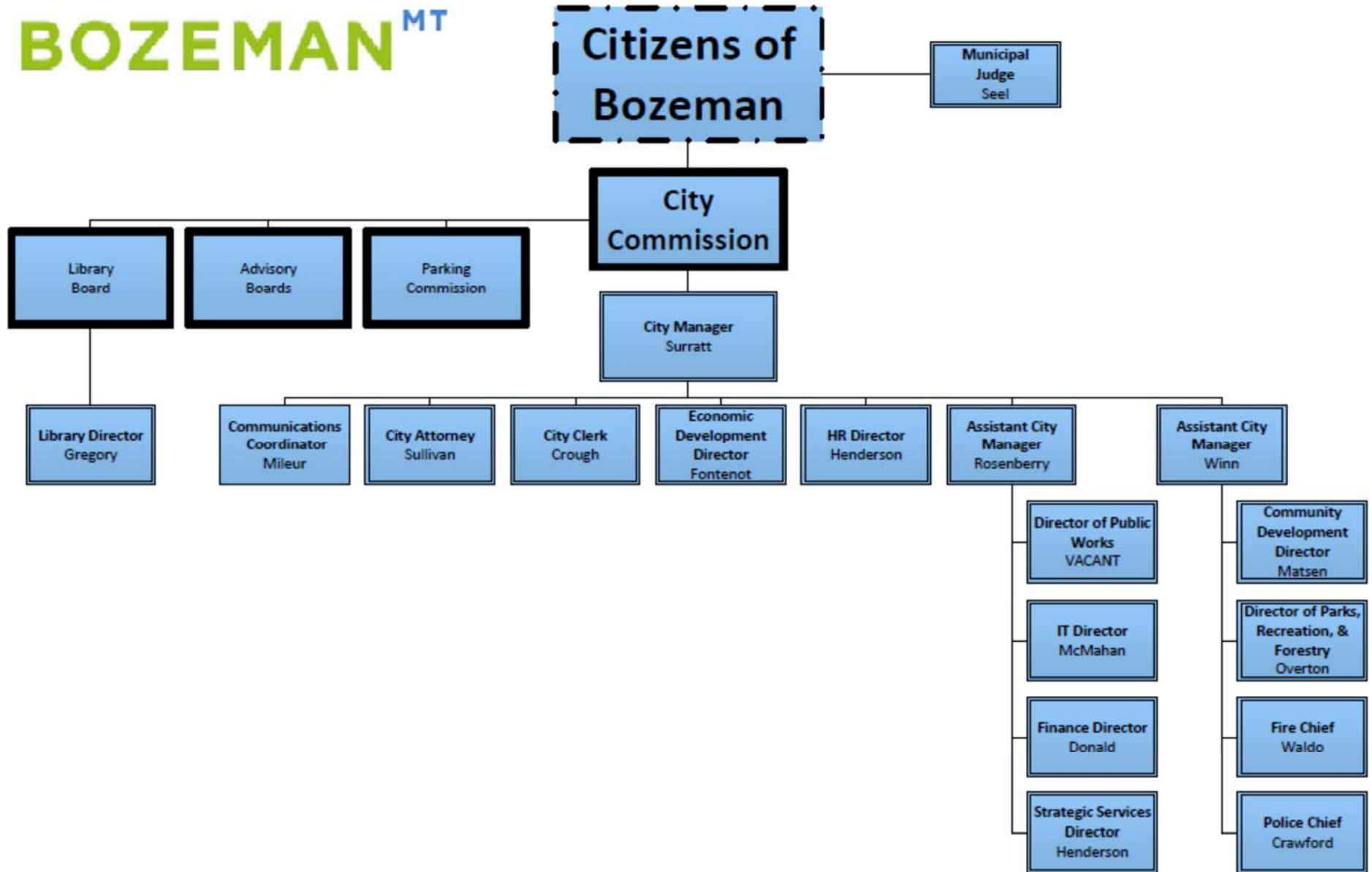
We strive to maintain service levels with our growing community. We have a strategic approach to staffing this year and have developed a three-year staffing plan to address our staffing needs on a citywide level. Going forward, we hope this staffing plan process will become more refined and predictable for the organization and community.

FTE Summary By Department

			Proposed Changes	
	FY18	FY19	FY20	FY20 Total
General Government				
City Commission	2.10	2.10	-	2.10
City Manager	9.00	9.00	-	9.00
Municipal Court	9.50	9.50	0.10	9.60
City Attorney	10.70	10.70	1.00	11.70
Finance	12.50	13.50	-	13.50
Community Development	13.00	14.25	1.00	15.25
Facilities Management	4.50	5.00	-	5.00
Information Technology	6.00	7.00	-	7.00
Human Resources	4.00	5.00	-	5.00
	71.30	76.05	2.10	78.15
Public Safety				
Police	72.70	74.55	1.00	75.55
Fire	46.00	47.00	3.00	50.00
Building Inspection	19.50	19.75	-	19.75
Parking	6.00	6.00	-	6.00
	144.20	147.30	4.00	151.30
Public Services				
Public Works Administration	11.50	16.25	2.00	18.25
Streets	21.85	21.35	0.95	22.30
Stormwater	7.50	7.50	1.00	8.50
Water	25.95	26.45	1.20	27.65
Wastewater	28.80	28.55	1.00	29.55
Solid Waste Collection/Recycling	17.15	17.15	1.60	18.75
Vehicle Maintenance	7.50	7.50	1.00	8.50
	120.25	124.75	8.75	133.50
Public Welfare				
Parks and Recreation	51.46	53.46	-	53.46
Library	28.02	28.02	-	28.02
Economic Development	2.00	2.00	1.00	3.00
Sustainability	1.50	1.50	-	1.50
	82.98	84.98	1.00	85.98
Total Employees	418.73	433.08	15.85	448.93
Net FTE % Increase From Previous Year		3.43%		3.66%

Organizational Chart

BOZEMAN^{MT}



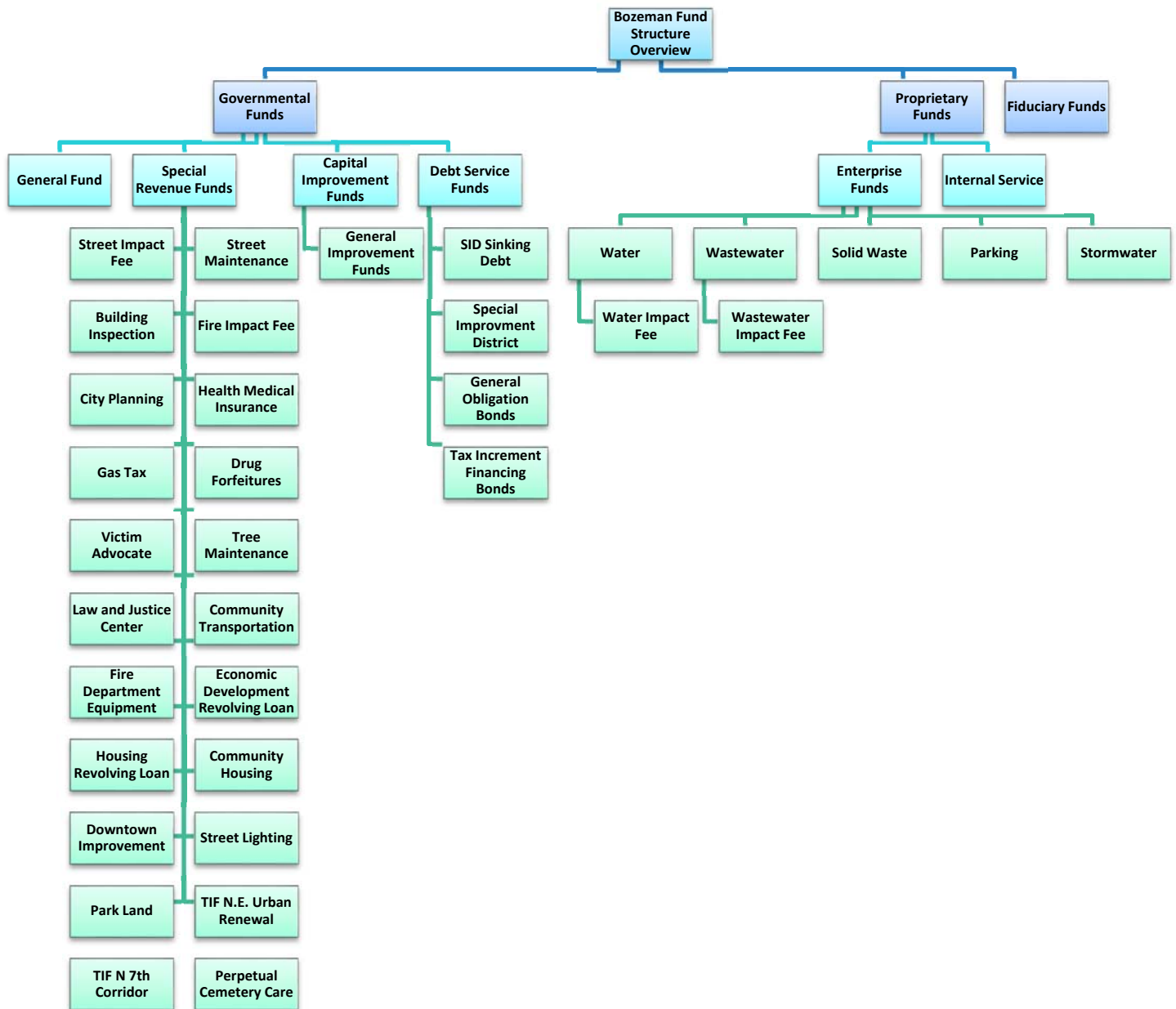


Fund Summaries

Fund Summaries

The purpose of fund summaries is to capture and detail the financial condition of each City fund. A fund summary provides information on revenues, expenditures and ending funds available. In addition, it functions as a planning mechanism, as it allows expenditures to be matched to available revenues and/or fund balance. Fund summaries also identify components of funds available and anticipated uses. It is important to note that sources and uses are always balanced because a fund's sources either are expended, become restricted, committed or assigned, or become unrestricted (unreserved or undesignated) funds available.

City funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. By maintaining separate funds, the City is able to comply with laws that require certain money to be spent for specific purposes.



Summary of all Fund Revenues by Type

City of Bozeman Revenues: All Funds	Property Taxes	Special Assessments	Licenses & Permits	Inter-governmental	Charges for Services	Fines and Forfeitures	Interest Income	Other Revenues	Other Financing Sources	TOTAL
010 - General Fund	\$ 17,703,193		\$ 414,975	\$ 7,965,993	\$ 2,916,037	\$ 1,122,000	\$ 75,000	\$ 110,500	\$ 2,749,483	\$ 33,057,181
100 - Community Development/Planning	216,980			111,851	788,800		6,500	53,400	273,043	1,450,574
103 - Health-Medical Insurance	2,815,374									2,815,374
108 - Community Transportation							900			900
109 - Highway Safety Improvement Projects							200			200
110 - Gas Tax				1,416,750			5,000			1,421,750
111 - Street Maintenance			18,000		6,139,336		10,000	36,500		6,203,836
112 - Tree Maintenance					774,945		3,000	5,000		782,945
113 - Fire Impact Fee					404,134		12,000			416,134
114 - Street Impact Fee					4,429,095		60,000	1,000		4,490,095
115 - Building Inspection Fund			1,958,700		1,500		15,000			1,975,200
116 - TIFD Downtown Improvement	1,674,400			45,000			10,000			1,729,400
119 - Economic Development Loan									50,000	50,000
120 - Community Housing Fund	542,450						5,000	9,500		556,950
121 - Housing Revolving Loan							20	1,175		1,195
123 - Big Sky Econ. Development Grant								50,000		50,000
125 - Drug Forfeiture Fund				115,000		60,000	700		23,774	199,474
128 - Fish Wildlife & Park Mgmt							200			200
130 - Americans with Disability							400			400
131 - Beautification of Bozeman							10			10
132 - Bogert Park Special Revenue							175	6,100		6,275
133 - Recreation Special Revenue							75	2,000		2,075
135 - Cemetery Special Revenue							30			30
136 - Park Special Revenue							100	2,500		2,600
137 - Library Special Revenue							-	20,000		20,000
139 - Police Special Revenue							2,500	12,500		15,000
140 -Police Domestic Violence				187,040				-		187,040
141 - Street Arterial Construction		1,372,840					7,000	525,057	722,850	2,627,747
143 - TIF N 7th Corridor	651,949						9,500		1,806,500	2,467,949
144 - TIF NE Urban Renewal District	139,500						3,000			142,500
145 - TIF Mandeville Farm Industrial	25,000									25,000
146 - 170;181;182; 200 -241 - Lighting Districts		450,254					5,890	1,142		457,286
174 - Victim/Witness Advocate						65,000	3,500			68,500
175 - Senior Transportation	108,490						250			108,740

City of Bozeman Revenues: All Funds	Property Taxes	Special Assessments	Licenses & Permits	Inter-governmental	Charges for Services	Fines and Forfeitures	Interest Income	Other Revenues	Other Financing Sources	TOTAL
176 - BID Downtown Improv Dist							100	25,250	143,000	168,350
177 - Neighborhood Association							10			10
178 - Veteran's Treatment Court				113,000				2,500		115,500
179 - Disaster Relief							11,000			11,000
183 - Fire Department Special Revenue							1,000	3,000		4,000
186 - Development Impacts							1,500			1,500
187 - Fire Dept Equipment	433,960						2,500			436,460
188 - City/County Joint Forfeiture						-	1,300			1,300
189 - Story Mansion Special Revenue					35,000					35,000
191 - Bozeman Tourism BID		1,100,000						1,200		1,101,200
193 - Street Maintenance - Babcock SID							650	2,000		2,650
194 - Street Maintenance - Durston SID							500	40,950		41,450
199- Sports Park								51,000		51,000
850 - Cash in Lieu of Parkland							4,500	50,000		54,500
300 - SID Revolving Fund							15,000	3,700		18,700
303 - G.O. Refunding Series 2012	273,300									273,300
304 - Parks & Open Space Bond	1,076,788									1,076,788
305 - 2007 Downtown TIF Bonds									418,898	418,898
307 - BPSC GO Bonds	1,441,716								36,965,000	38,406,716
310-447- SID Funds		417,627					13,045	94,529		525,201
450 - Sports Park Loan		32,000								32,000
500-566 - Construction Funds									38,044,733	38,044,733
600 - Water Fund				1,500	10,455,076		160,000	130,000	1,200,000	11,946,576
610 - Water Impact Fee					1,925,831		5,000			1,930,831
620 - Waste Water Fund				35,000	9,921,394		80,000	-		10,036,394
630 - Waste Water Impact Fee					1,320,674		20,000		5,200,000	6,540,674
640 - Solid Waste Fund					4,132,473		7,275	25,933		4,165,681
641 - Landfill Closure Costs							2,000	280,000		282,000
650 - Parking Fund			456,000		50,000	300,000	5,000	252,340		1,063,340
670 - Storm Water Fund					1,397,907		5,500	75,000		1,478,407
710 - Vehicle Maintenance					1,389,462		250		500	1,390,212
720 - Health-Medical Insurance					5,044,794					5,044,794
750 - Public Works Administration					2,945,060				105,458	3,050,518
800 - Cemetery Perpetual Care					80,000		10,000			90,000
	\$ 27,103,100	\$ 3,372,721	\$ 2,847,675	\$ 9,991,134	\$ 54,151,518	\$ 1,547,000	\$ 582,080	\$ 1,873,776	\$ 87,703,239	\$ 189,172,243
% of Total	14%	2%	2%	5%	29%	1%	0%	1%	46%	100%

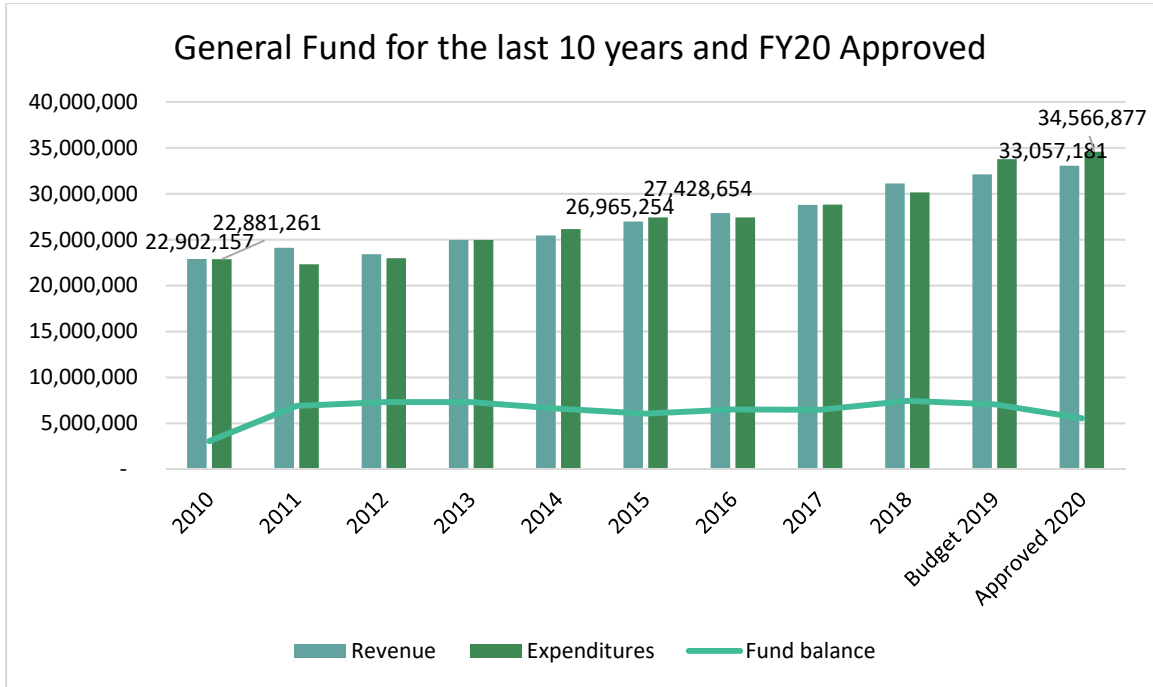
Summary of all Fund Expenditures by Type

City of Bozeman Expenditures: All Funds	Personnel & Benefits	Operations	Capital	Debt Service	Transfers	Other Financing Uses	TOTAL
010 - General Fund	\$ 22,734,715	\$ 10,149,112	\$ 1,283,580	\$ 44,470	\$ 355,000		\$ 34,566,877
100 - Community Development/Planning	1,416,573	421,775	35,000				1,873,348
103 - Health-Medical Insurance					2,815,384		2,815,384
110 - Gas Tax		1,157,500	240,000		722,850		2,120,350
111 - Street Maintenance	1,756,594	2,175,136	1,510,080	310,800	709,733		6,462,343
112 - Tree Maintenance	455,103	242,664	90,000				787,767
113 -Fire Impact Fee					20,451		20,451
114 - Street Impact Fee		-	7,376,000		189,195		7,565,195
115 - Building Inspection Fund	1,869,291	787,945	-				2,657,236
116 - TIFD Downtown Improvement	17,929	2,379,173			418,898		2,816,000
119 - Economic Development Loan		31,000					31,000
120 - Community Housing Fund	81,708	852,750					934,458
123 - Big Sky Ec Dev Fund		50,000					50,000
125 - Drug Forfeiture Fund	233,152	8,900					242,052
128 - Fish Wildlife & Park Mgmt		8,000					8,000
132 - Bogert Park Special Revenue		5,000					5,000
138 - Law & Justice Center		19,125					19,125
139 - Police Special Revenue Fund		40,000					40,000
140 -Police Domestic Violence		187,040					187,040
141 - Street Arterial Construction		15,000	2,381,000				2,396,000
143 - TIF N 7th Corridor	26,379	2,975,473			-		3,001,852
144 - TIF NE Urban Renewal District	26,379	220,121		93,000	-		339,500
145 - TIF Mandeville Farm Industrial					-		-
146 - 170;181;182; 200 -241 - Lighting Districts		458,359			19,140		477,499
174 - Victim/Witness Advocate		90,000					90,000
175 - Senior Transportation		108,490					108,490
176 - BID Downtown Improv Dist		167,160					167,160
178 - Veteran's Treatment Court	34,386	117,960					152,346

City of Bozeman Expenditures: All Funds	Personnel & Benefits	Operations	Capital	Debt Service	Transfers	Other Financing Uses	TOTAL
183 - Fire Dept Special Revenue		50,000					50,000
186 - Development Impacts		5,000					5,000
187 - Fire Dept Equipment			468,000		600,000		1,068,000
189 - Story Mansion Special Revenue		40,792					40,792
191 - Bozeman Tourism BID		-					-
199 - Sports Park		51,000					51,000
850- Cash In Lieu of Parkland		5,000					5,000
300 - SID Revolving Fund					867,070		867,070
303 - G.O. Refunding Series 2012				273,300			273,300
304 - Bond S & I Parks & Open Space Bond				1,076,788			1,076,788
305 - 2007 Downtown TIF Bonds				418,898			418,898
307- BPSC GO Bonds				1,641,716	36,735,000		38,376,716
310-447- SID Funds				1,000			1,000
450 - Sports Park Loan				32,000			32,000
500-566 - Construction Funds		280,000	41,187,362				41,467,362
600 - Water Fund	2,173,734	4,603,370	2,226,500	1,168,130			10,171,734
610 - Water Impact Fee			6,295,729		667,323		6,963,052
620 - Waste Water Fund	2,128,979	4,129,133	1,627,500	1,239,000			9,124,612
630 - Waste Water Impact Fee		350,000	6,424,000	530,012	39,405		7,343,417
640 - Solid Waste Fund	1,465,420	2,799,357	890,000				5,154,777
641 - Landfill Closure Costs		226,000	61,417				287,417
650 - Parking Fund	426,764	425,905	230,000				1,082,669
670- Storm Water Fund	580,938	268,372	650,000	161,211			1,660,521
710 - Vehicle Maintenance	541,468	846,332					1,387,800
720 - Health-Medical Insurance		5,044,794					5,044,794
750 - Public Works Administration	2,089,248	780,812	75,000				2,945,060
	\$ 38,058,760	\$ 42,573,550	\$ 73,051,168	\$ 6,990,325	\$ 44,159,449	\$ -	\$ 204,833,252
% of Total	19%	21%	36%	3%	22%	0%	100%

General Fund

The General Fund is used to account for all financial resources of the City, except for those required to be accounted for in another fund. The General Fund supports such basic services as the General Administration, Police, Fire, Finance, Recreation, and Library services. Over the past ten years, the average percent increase in revenue is 4% while expenditure change is 5%.

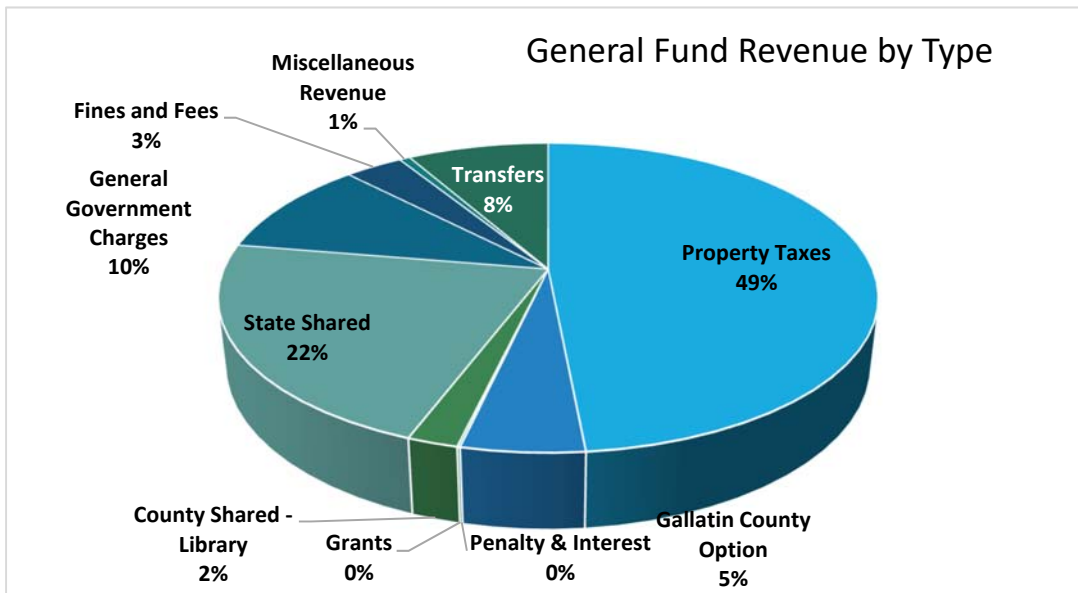


Revenues

The City's General Fund is financed heavily by property taxes, which provide nearly half of the General Fund revenue. Other revenue sources include: licenses and permits, intergovernmental revenue, charges for services, fines and forfeitures, interest on investments, operating transfers, and miscellaneous revenues. For the budget, we have estimated 4% growth and have proposed levying three additional mills to bring annual revenues in line with annual operations. Below are the property tax trends:

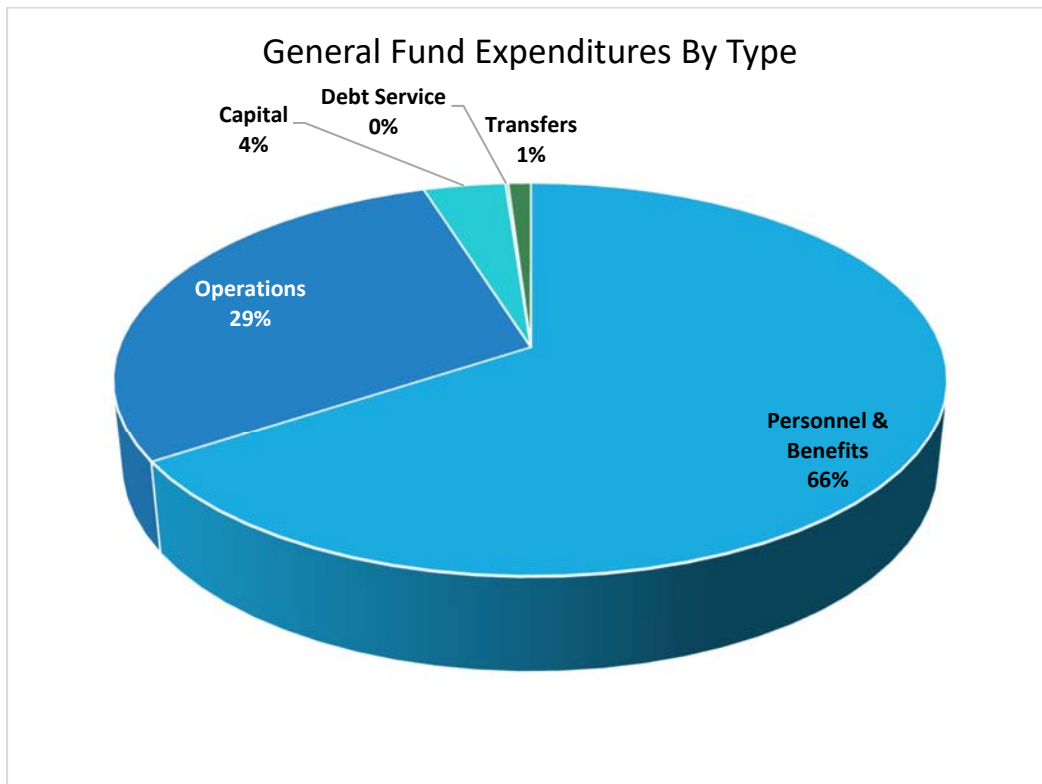
Fiscal Year	City Taxable Value	Change in TV	City Tax Levy	Property Tax Dollars	General Fund Portion
2015	87,894	2.64%	188.76	16,590,871	12,724,414
2016	86,564	-1.51%	210.16	18,191,892	13,484,940
2017	89,325	3.19%	209.91	18,338,501	13,238,858
2018	101,195	13.29%	187.33	18,956,859	13,599,596
2019	104,321	3.09%	191.24	19,950,675	14,563,212
** 2020	108,490	4.00%	207.15	22,473,281	15,426,193

We are estimating the General Fund to generate \$33 million in total revenue, with 49% is from property taxes, 22% from the State Entitlement share and 10% for charges for services. The following chart shows the breakdown of esimated revenues.

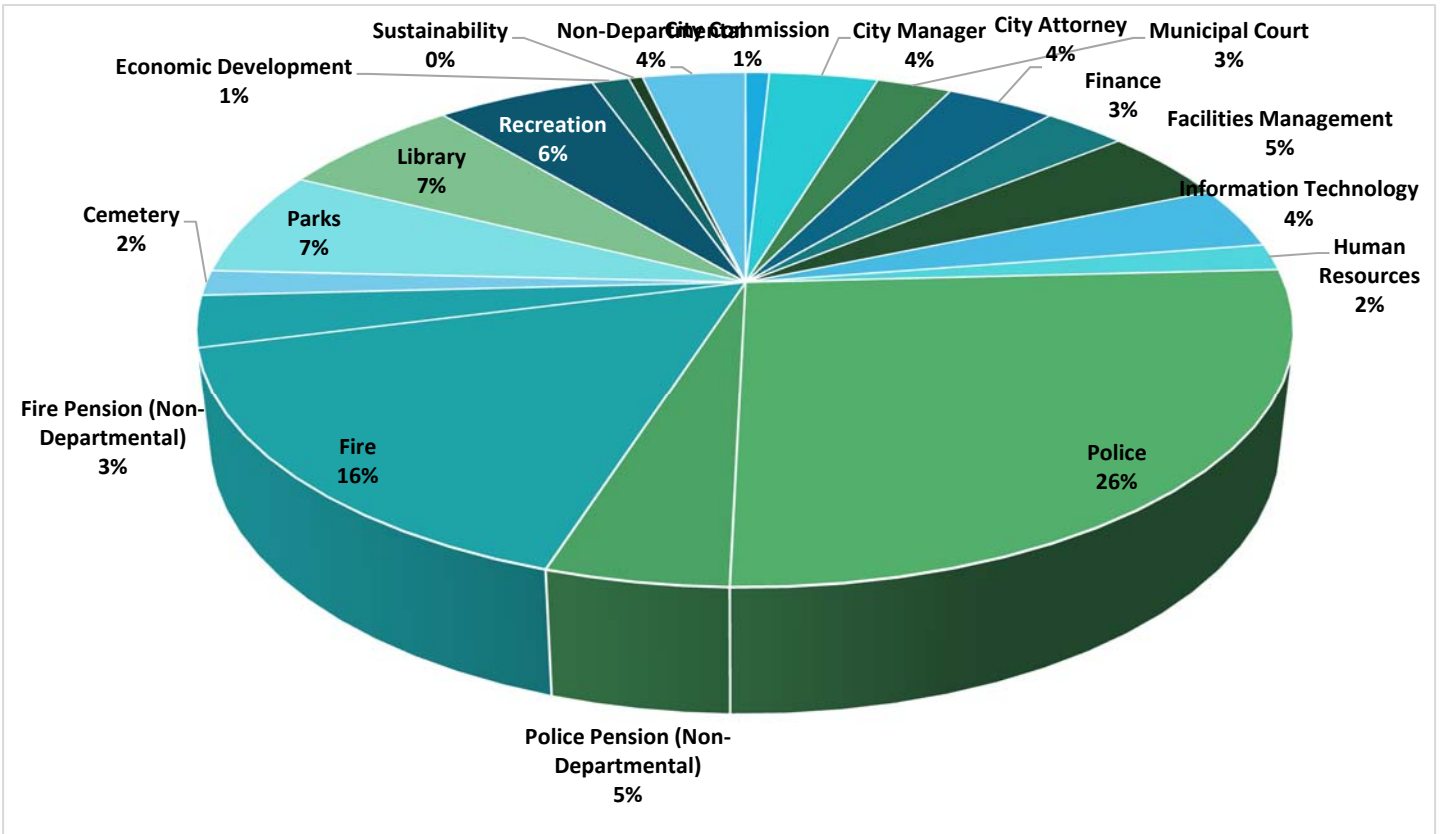


Expenditures

This year’s General Fund budget has \$34.3 Million in expenditures. Personnel expenses are the highest portion at \$22.7 million, followed by operations of \$10.1 million. The capital expenditures are \$1.2 million, which includes vehicle replacements, portion of the road by Rose Park and Police portable radio lease. The break down by percentage is below:

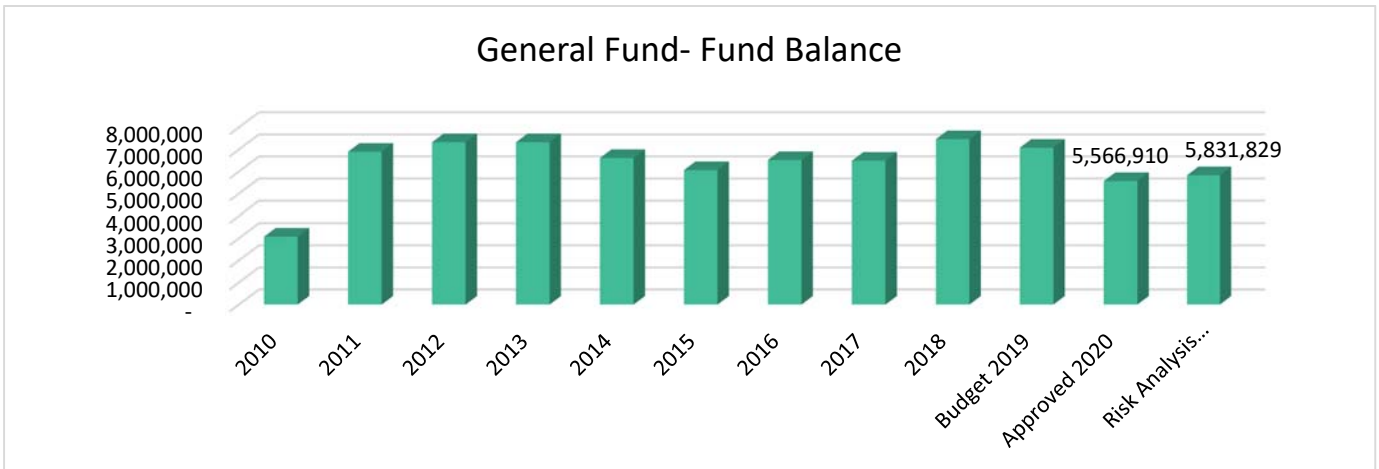


The expenditures by division show Police with 26% followed by Fire with 16%, both have an increase in staff for FY20 with one Police officer added and three Fire Fighters. Non-Departmental is the next largest portion, which accounts for the general liability and property insurance and the non-cash transfer for State share of Police and Fire retirement. See budget details in the Activity/Division Detail section.



Fund Balance

The City policy for General Fund Reserve is to maintain at least 16.67% of the year’s revenue in ending fund balance. For the FY20 approved budget, we estimate to have 16.67% at the end of the fiscal year. We are recommending the fund balance policy work towards a risk based assessment model where the reserve is set at budget time. We performed a preliminary analysis and want to work towards 17% of expenditures, if there is cash carryover or mill values are higher than expected, the additional amount should go towards this effort. See Appendix D for risk based analysis.



FUND	FY18 Actual	FY19 Budget	FY20 Approved
010 - General Fund			
Revenues			
Property Taxes	14,067,669	15,076,534	16,023,193
Gallatin County Option	1,621,597	1,545,000	1,680,000
Penalty & Interest	92	-	-
Business/Animal Licenses and Permits	395,109	409,475	414,975
Grants	47,933	40,000	40,000
County Shared - Library	666,757	696,280	706,762
State Shared	6,971,332	6,906,231	7,219,231
General Government Charges	2,760,257	2,940,941	2,916,037
Library Fines	47,559	50,000	50,000
Police Court Fines	1,007,617	1,023,000	1,025,000
Parking Fines	12,550	38,000	25,000
Snow Removal Fines	26,016	20,000	22,000
Interest Income	-	75,000	75,000
Admin Reimbursement	1,500	-	-
Miscellaneous Revenue	74,550	12,000	36,000
Refunds & Reimbursements	1,025,290	25,000	25,000
Rents and Royalties (Leases)	40,296	40,950	44,000
Sales/Unclaimed Property	-	5,500	5,500
Transfers	2,323,901	2,560,119	2,729,483
Loan Proceeds	8,006	431,500	-
Proceeds-Asset Disposition	12,208	20,000	20,000
Total Revenues	31,110,239	31,915,530	33,057,181
Expenditures			
Personnel & Benefits	22,531,001	21,960,888	22,734,715
Operations	6,237,763	9,788,744	10,149,112
Capital	704,076	1,523,717	1,283,580
Debt Service	4,702	3,650	44,470
Transfers	632,084	491,188	355,000
Total Expenditures	30,109,626	33,768,187	34,566,877

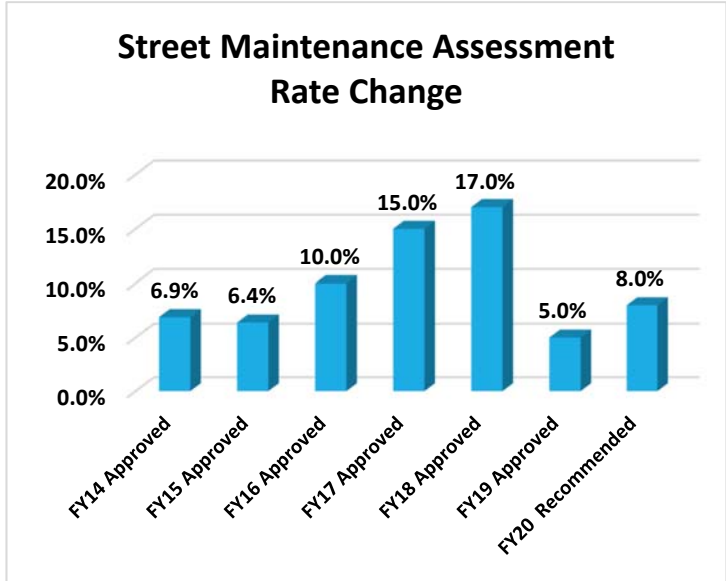
Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes. The revenue is generated in different ways; some have assessments on properties, property taxes, charges for services, and some are funded through grants or donations. The City currently has 119 special revenue funds with a total of \$36.5 million expenditures planned in FY20. Information on the programs funded or partially funded by these Special Revenue Funds can be found in the description by division in the Activity/Division Detail section. Highlighted in the following discussion are our Transportation special revenue funds and some of our major program special revenue funds, followed by the financial information for all special revenue funds.

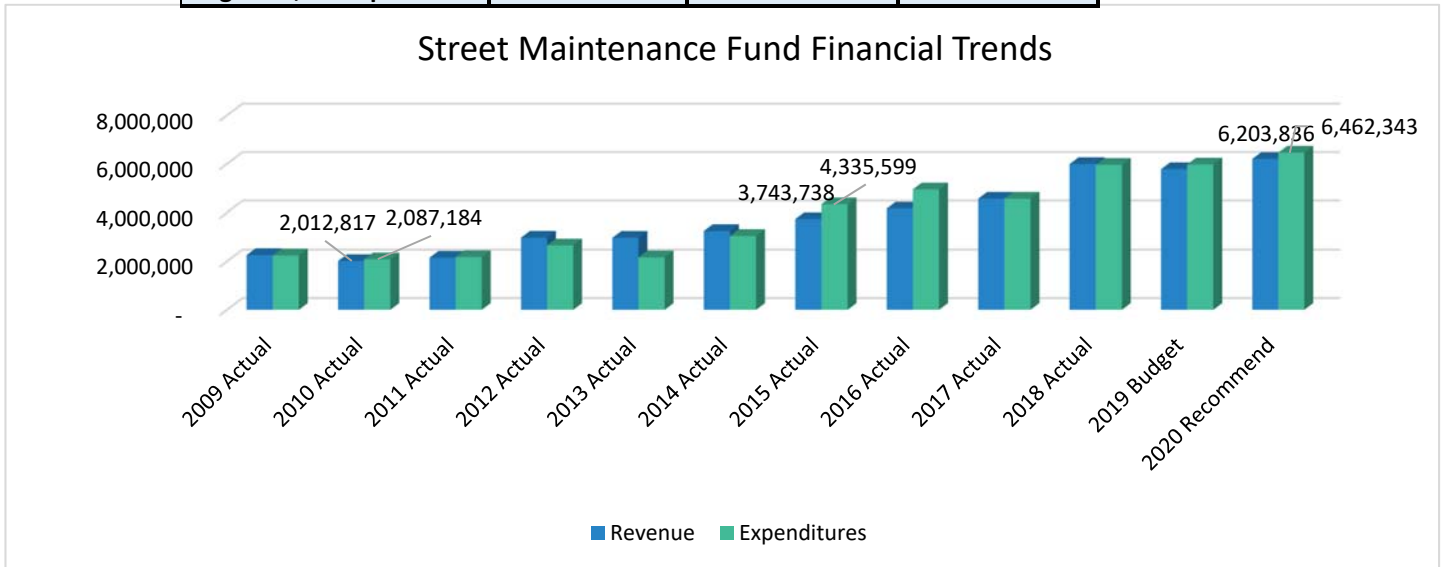
Transportation Special Revenue funds

Street Maintenance Fund relies on assessments for revenue generation for street maintenance and reconstruction. The City expanded, the Streets program starting in FY16 to include increased maintenance. The City has seen an increase in the quantity of streets to maintain as well. This year we are increasing the assessment by 8% to be able to adjust to growth.

The Street Maintenance fund budget includes increased amounts of pavement maintenance, capital projects, and the addition of Streets workers. This trend will continue with the Capital Improvement Plan and the three-year staffing plan showing increases for further growth.



Street maintenance Assessments Lot Size	FY18 Approved Increase Streets 17%	FY19 Approved Increase Streets 5%	FY20 Approved Changes Streets 8%
Small - 5,000 sqft	131.99	138.59	149.67
Average= 7,500 sqft	198.02	207.92	224.55
Large= 10,000 sqft	264.02	272.22	229.40



Arterial & Collector Street District Fund is a relatively new fund and has seen a phase-in approach with funding. Many of the projects funded help in the Street Impact Fee program’s efforts. Due to the role Street Impact Fees play in the expansion of our Arterial & Collector streets, the A&CD capital plan is tied to projects on the Street Impact Fee CIP. Most projects receive funding from both sources. The District will be providing the “local share” of some projects in advance of development. The city intends to create a payback district to recover the “local share” once an adjacent project is developed. This payback will be deposited to the Arterial & Collector Fund. The passing of the new gas tax reduced rates in FY19. We will not have a rate change for FY20. The appropriations are mainly planned from the Capital Improvement Plan and the project listing can be found in the Capital Expenditures Summary Section.

Arterial & Collector Assessments Lot Size	FY18 Approved Increase Arterial & Collector 63%	FY19 Approved Decrease Arterial & Collector (28%)	FY20 Approved No Change Arterial & Collector
Small - 5,000 sqft	46.64	34.52	34.52
Average= 7,500 sqft	69.97	51.78	51.78
Large= 10,000 sqft	93.29	69.03	69.03

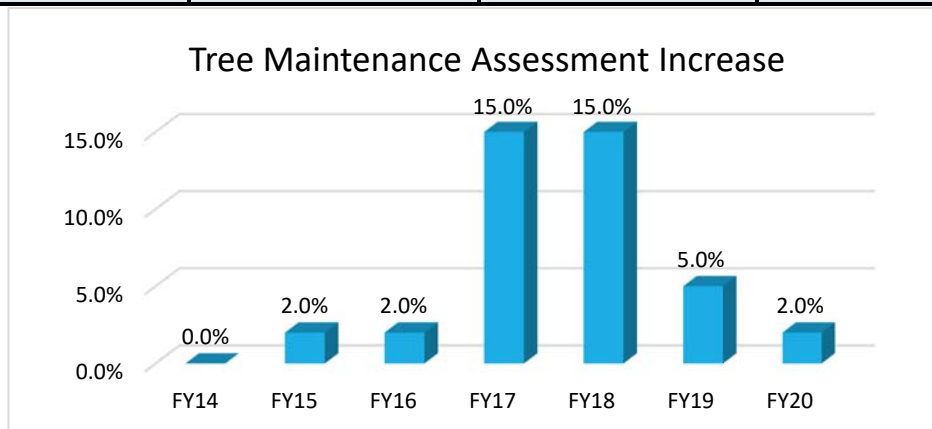
Gas Tax Fund accounts for revenues from State gasoline taxes apportioned from the State of Montana Department of Transportation. These go towards street maintenance projects and projects associated with the above arterial and collector fund. The total appropriation for FY20 is \$2.1 million.

Street Impact Fee Fund- Street Impact Fees go towards capacity expanding road improvements. The appropriations are based on the Capital Improvement Plan and total \$7.5 million. Both the Capital Improvement Plan and the project listing can be found in the Capital Expenditures Summary Section.

Program Special Revenue Funds

Tree Maintenance Fund accounts for special assessment revenues levied, received, and expended for tree maintenance provided in the public right of way. In previous years, we raised the assessment by 15% to aid working towards the Urban Forestry Management Plan, and in FY19 approved a 5% increase. The desired reserve levels are being achieved and with basic inflation of costs and staffing, we are recommending an inflationary increase of 2%.

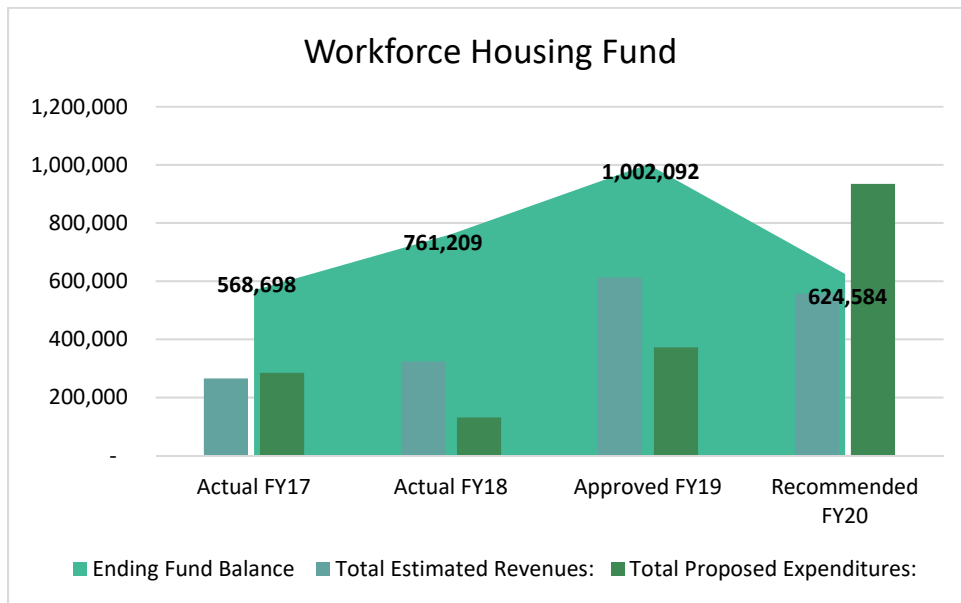
Tree Assessments Lot Size	FY18 Approved Increase Tree 15%	FY19 Approved Increase Tree 5%	FY20 Approved Increase Tree 2%
Small - 5,000 sqft	14.98	15.73	16.05
Average= 7,500 sqft	22.48	23.61	24.08
Large= 10,000 sqft	28.34	31.49	32.11



Community Development Planning Fund is a special revenue fund that accounts for revenues and expenditures related to community planning and zoning operations. There are two major revenue sources for the fund, mills from the general mill levy along with planning fees. The Community Development Fund now has four fees that are restricted for use on long-range and other planning document updates, and technology (Long-Range, Conservation Overlay, Entryway Corridor, and Technology.) The total planned expenditures are \$1.87 million.

Building Inspection Fund is supported entirely by the revenue from building fees and permits. Revenues and expenditures are statutorily restricted to amounts that support the building safety program. This fund is dependent on construction in the City and therefore is monitored based on economic conditions. In addition, it is reported in the quarterly report to the Commission. Total planned expenditures are \$2.65 million.

The Workforce Housing Fund is where our affordable housing program is accounted for. Affordable Housing is part of our Strategic Plan and a priority for FY20. With the hiring of the Program Manager, the City is forming an updated plan to be approved by the Commission. The fund receives three mills of the general mill levy as well as cash-in-lieu of affordable housing for projects. The Commission approved an additional 2 mills for FY20 to continue to build the reserve.



All Special Revenue Funds:

FUND	FY18 Actual	FY19 Budget	FY20 Approved
Special Revenue Funds			
100 - Community Development/Planning			
Revenues			
Property Taxes	199,071	210,488	216,980
State Shared	114,495	110,733	111,851
Charges for Services	909,607	785,500	788,800
Interest Income	-	6,500	6,500
Refunds & Miscellaneous Revenue	49,330	53,400	53,400
Transfers	106,750	127,575	273,043
Total Revenues	1,379,253	1,294,196	1,450,574
Expenditures			
Personnel & Benefits	881,772	990,695	1,416,573
Operations	337,908	369,281	421,775
Capital	-	301,218	35,000
Total Expenditures	1,219,680	1,661,194	1,873,348
103 - Health-Medical Insurance			
Revenues			
Property Taxes	2,435,316	2,654,566	2,815,374
Total Revenues	2,435,316	2,654,566	2,815,374
Expenditures			
Transfers	2,407,104	2,654,566	2,815,384
Total Expenditures	2,407,104	2,654,566	2,815,384
108 - Community Transportation			
Revenues			
Interest Income	993	1,200	900
Total Revenues	993	1,200	900
Expenditures			
Capital	-	-	-
Total Expenditures	-	-	-
109 - Highway Safety Improvement Projects			
Revenues			
Interest Income	244	200	200
Total Revenues	244	200	200

FUND	FY18 Actual	FY19 Budget	FY20 Approved
Special Revenue Funds			
110 - Gas Tax			
Revenues			
State Shared	971,627	1,402,031	1,416,750
Interest Income	-	9,000	5,000
Total Revenues	971,627	1,411,031	1,421,750
Expenditures			
Operations	502,278	244,500	1,157,500
Capital	653,164	927,000	240,000
Transfers	-	-	722,850
Total Expenditures	1,155,442	1,171,500	2,120,350

111 - Street Maintenance			
Revenues			
Penalty & Interest	16,152	11,500	11,500
Permits	17,407	18,000	18,000
Public Service	5,460,337	5,730,198	6,139,336
Interest Income	(974)	10,000	10,000
Other Financing Sources	35,509	-	-
Refunds & Reimbursements	173,172	10,000	25,000
Proceeds-Asset Disposition	12,827	-	-
Loan Proceeds	244,531	-	-
Transfers	31,900	-	-
Total Revenues	5,990,861	5,779,698	6,203,836
Expenditures			
Personnel & Benefits	1,676,893	1,629,339	1,756,594
Operations	1,937,735	2,019,801	2,175,136
Capital	805,722	1,314,500	1,510,080
Debt Service	223,985	315,207	310,800
Transfers	1,313,800	695,478	709,733
Total Expenditures	5,958,135	5,974,325	6,462,343

112 - Tree Maintenance			
Revenues			
Penalty & Interest	2,094	1,200	2,000
Grants	750	-	-
State Revenue	7,825	-	-
Public Service	689,113	730,821	774,945
Interest Income	3,578	2,200	3,000
Sale of Raw Materials	15,050	3,000	3,000
Total Revenues	718,410	737,221	782,945
Expenditures			
Personnel & Benefits	432,444	435,400	455,103
Operations	143,947	244,177	242,664
Capital	124,773	146,000	90,000
Total Expenditures	701,164	825,577	787,767

FUND	FY18 Actual	FY19 Budget	FY20 Approved
Special Revenue Funds			
113 - Fire Impact Fee			
Revenues			
Public Safety	599,364	380,363	404,134
Interest Income	-	12,000	12,000
Total Revenues	599,364	392,363	416,134
Expenditures			
Operations	44,984	-	-
Transfers	-	-	20,451
Total Expenditures	44,984	-	20,451

114 - Street Impact Fee			
Revenues			
Public Service	5,523,020	4,226,250	4,429,095
Interest Income	-	115,000	60,000
Admin Reimbursement	-	1,000	1,000
Grants	-	-	-
Total Revenues	5,523,020	4,342,250	4,490,095
Expenditures			
Operations	161,261	45,000	-
Capital	7,663,383	6,373,000	7,376,000
Transfers	-	-	189,195
Total Expenditures	7,824,644	6,418,000	7,565,195

115 - Building Inspection Fund			
Revenues			
Permits	2,199,692	1,783,700	1,958,700
General Government	67	1,500	1,500
Interest Income	-	15,000	15,000
Miscellaneous Revenue	2	-	-
Total Revenues	2,199,761	1,800,200	1,975,200
Expenditures			
Personnel & Benefits	1,341,328	1,702,127	1,869,291
Operations	777,494	706,608	787,945
Capital	-	251,681	-
Total Expenditures	2,118,822	2,660,416	2,657,236

FUND	FY18 Actual	FY19 Budget	FY20 Approved
Special Revenue Funds			
116 - TIFD Downtown Improvement			
Revenues			
Property Taxes	1,232,868	1,820,000	1,674,400
State Shared	56,050	45,000	45,000
Interest Income	-	10,000	10,000
Other Revenues	-	-	-
Total Revenues	1,288,918	1,875,000	1,729,400
Expenditures			
Personel	-	-	17,929
Operations	459,248	1,618,500	2,379,173
Transfers	721,473	434,000	418,898
Total Expenditures	1,180,721	2,052,500	2,816,000

119 - Economic Development Loan			
Revenues			
Interest Income	1,549	-	-
Loan Principal	-	25,000	25,000
Loan Interest	21,737	25,000	25,000
Total Revenues	23,286	50,000	50,000
Expenditures			
Operations	37,782	31,000	31,000
Total Expenditures	37,782	31,000	31,000

120 - Community Housing Fund			
Revenues			
Property Tax Revenue	302,781	315,732	542,450
Interest Income	398	4,000	5,000
Loan Principal & Interest	-	9,500	9,500
Transfers	20,500	166,188	-
Total Revenues	323,679	495,420	556,950
Expenditures			
Personnel	27,052	78,708	81,708
Operations	100,010	293,150	852,750
Total Expenditures	127,062	371,858	934,458

121 - Housing Revolving Loan			
Revenues			
Interest Income	22	10	20
Loan Principal	-	1,000	1,000
Loan Interest	7	275	175
Total Revenues	29	1,285	1,195
Expenditures			
Operations	-	-	-
Total Expenditures	-	-	-

FUND	FY18 Actual	FY19 Budget	FY20 Approved
Special Revenue Funds			
123 - Big Sky Econ. Development Grant			
Revenues			
Grants	70,000	50,000	50,000
Total Revenues	70,000	50,000	50,000
Expenditures			
Operations	70,000	50,000	50,000
Total Expenditures	70,000	50,000	50,000

125 - Drug Forfeiture Fund			
Revenues			
Grants	65,295	75,000	70,000
State Shared	46,136	-	45,000
Police Court Fines	72,985	54,000	60,000
Interest Income	784	70	700
Other Financing Sources	122,069	28,872	23,774
Total Revenues	307,269	157,942	199,474
Expenditures			
Personnel & Benefits	260,567	222,710	233,152
Operations	10,119	8,500	8,900
Total Expenditures	270,686	231,210	242,052

128 - Fish Wildlife & Park Mgmt			
Revenues			
Interest Income	216	150	200
Total Revenues	216	150	200
Expenditures			
Operations	-	8,000	8,000
Total Expenditures	-	8,000	8,000

130 - Americans with Disability			
Revenues			
Interest Income	377	300	400
Total Revenues	377	300	400

131 - Beautification of Bozeman			
Revenues			
Interest Income	10	9	10
Total Revenues	10	9	10

FUND	FY18 Actual	FY19 Budget	FY20 Approved
Special Revenue Funds			
132 - Bogert Park Special Revenue			
Revenues			
Interest Income	194	100	175
Donations	11,750	5,000	5,000
Refunds & Reimbursements	1,086	1,200	1,100
Total Revenues	13,030	6,300	6,275
Expenditures			
Operations	10,175	5,000	5,000
Total Expenditures	10,175	5,000	5,000

133 - Recreation Special Revenue			
Revenues			
Interest Income	72	100	75
Donations	4,634	2,000	2,000
Total Revenues	4,706	2,100	2,075
Expenditures			
Operations	9,500	-	-
Total Expenditures	9,500	-	-

135 - Cemetery Special Revenue			
Revenues			
Interest Income	25	20	30
Total Revenues	25	20	30

136 - Park Special Revenue			
Revenues			
Interest Income	173	100	100
Donations	31,144	-	-
Miscellaneous Revenue	2,320	2,500	2,500
Total Revenues	33,637	2,600	2,600
Expenditures			
Operations	515	-	-
Capital	8,980	-	-
Total Expenditures	9,495	-	-

137 - Library Special Revenue			
Revenues			
Grants	-	-	-
Interest Income	(342)	100	-
Donations	16,030	75,000	20,000
Other Financing Sources	35,000	-	-
Total Revenues	50,688	75,100	20,000
Expenditures			
Operations	45,784	-	-
Total Expenditures	45,784	-	-

FUND	FY18 Actual	FY19 Budget	FY20 Approved
Special Revenue Funds			
138 - Law & Justice Center			
Expenditures			
Operations	19,125	19,125	19,125
Total Expenditures	19,125	19,125	19,125

139 - Police Special Revenue			
Revenues			
Grants	6,200	-	-
Interest Income	2,567	2,000	2,500
Donations	2,933	2,000	3,000
Miscellaneous Revenue	7,808	10,000	9,000
Refunds & Reimbursements	-	500	500
Total Revenues	19,508	14,500	15,000
Expenditures			
Operating	35,406	-	40,000
Capital	-	-	-
Total Expenditures	35,406	-	40,000

140 - Police Domestic Violence			
Revenues			
Grants	44,936	-	187,040
State Shared	-	-	-
Transfers	53	-	-
Total Revenues	44,989	-	187,040
Expenditures			
Personnel & Benefits	2,666	-	-
Operating	42,323	-	187,040
Total Expenditures	44,989	-	187,040

141 - Street Arterial Construction			
Revenues			
Penalty & Interest	4,894	2,334	2,500
Street Maintenance Assessments	1,821,677	1,333,854	1,372,840
Other Revenues/Refunds	221,891	378,688	522,557
Interest Income	-	20,031	7,000
Transfers	-	-	722,850
Total Revenues	2,048,462	1,734,907	2,627,747
Expenditures			
Operating	34,180	115,000	15,000
Capital	1,707,236	3,453,000	2,381,000
Total Expenditures	1,741,416	3,568,000	2,396,000

FUND	FY18 Actual	FY19 Budget	FY20 Approved
Special Revenue Funds			
143 - TIF Midtown (N 7th Corridor)			
Revenues			
Property Taxes	638,613	651,949	651,949
Interest Income	-	9,500	9,500
Proceeds Sales of TIF Bonds	-	-	1,806,500
Transfers	48,835	-	-
Total Revenues	687,448	661,449	2,467,949
Expenditures			
Personnel	-	-	26,379
Operating	184,331	1,491,900	2,975,473
Capital	397,951	-	-
Transfers	36,000	40,000	-
Total Expenditures	618,282	1,531,900	3,001,852

144 - TIF NE Urban Renewal District			
Revenues			
Property Taxes	144,461	139,500	139,500
Grants	1,356	-	-
Interest Income	3,765	1,500	3,000
Proceeds of Bond Sale	-	-	-
Total Revenues	149,582	141,000	142,500
Expenditures			
Personnel	-	-	26,379
Operating	19,987	420,100	220,121
Debt Service	92,000	-	93,000
Transfers	10,000	14,000	-
Total Expenditures	121,987	434,100	339,500

145 - TIF Mandeville Farm Industrial			
Revenues			
Property Taxes	56,063	25,000	25,000
Interest Income	198	-	-
Total Revenues	56,063	25,000	25,000
Expenditures			
Operating	4,721	4,000	-
Total Expenditures	4,721	4,000	-

146 - 170;181;182; 200 -243 - Lighting Districts			
Revenues			
Penalty & Interest	-	113	1,142
Special Assessments	425,319	426,562	450,254
Interest Income	5,929	4,925	5,890
Total Revenues	431,248	431,487	457,286
Expenditures			
Operating	442,189	440,617	458,359
Transfers	31,900	31,900	19,140
Total Expenditures	474,089	472,517	477,499

FUND	FY18 Actual	FY19 Budget	FY20 Approved
Special Revenue Funds			
174 - Victim/Witness Advocate			
Revenues			
Police Court Fines	72,052	63,000	65,000
Interest Income	4,084	3,100	3,500
Total Revenues	76,136	66,100	68,500
Expenditures			
Operating	81,500	150,000	90,000
Total Expenditures	81,500	150,000	90,000
175 - Senior Transportation			
Revenues			
Property Taxes	99,539	105,244	108,490
Interest Income	470	200	250
Total Revenues	100,009	105,444	108,740
Expenditures			
Operating	100,678	105,244	108,490
Total Expenditures	100,678	105,244	108,490
176 - BID Downtown Improv Dist			
Revenues			
Principal	128,136	143,000	143,000
Penalty & Interest	-	200	100
Donations/other	-	19,500	25,250
Total Revenues	128,136	162,700	168,350
Expenditures			
Operating	132,939	162,175	167,160
Total Expenditures	132,939	162,175	167,160
177 - Neighborhood Association			
Revenues			
Interest Income	10	8	10
Total Revenues	10	8	10
178 - Veteran's Treatment Court			
Revenues			
Grants	39,838	113,000	113,000
State Shared	-	-	-
Refunds & Reimbursements	2,464	7,000	2,500
Transfers	-	-	-
Total Revenues	42,302	120,000	115,500
Expenditures			
Personnel & Benefits	10,346	-	34,386
Operating	29,681	87,156	117,960
Total Expenditures	40,027	87,156	152,346

FUND	FY18 Actual	FY19 Budget	FY20 Approved
Special Revenue Funds			
179 - Disaster Relief (Hail Damage Events)			
Revenues			
Interest Income	(6,656)	11,000	11,000
Total Revenues	(6,656)	11,000	11,000

183 - Fire Department Special Revenue			
Revenues			
Interest Income	1,022	650	1,000
Donations	6,205	3,000	3,000
Grants	53,346	-	-
Total Revenues	60,573	3,650	4,000
Expenditures			
Operating	89,252	40,000	50,000
Total Expenditures	89,252	40,000	50,000

184 - Parks Master Plan/Improvement Grants			
Revenues			
Transfers	-	-	-
Total Revenues	-	-	-
Expenditures			
Operating	1,999	-	-
Total Expenditures	1,999	-	-

186 - Development Impacts			
Revenues			
Interest Income	1,815	1,500	1,500
Other Revenue	100	-	-
Total Revenues	1,915	1,500	1,500
Expenditures			
Operating	7,903	-	5,000
Total Expenditures	7,903	-	5,000

187 - Fire Dept Equipment			
Revenues			
Property Taxes	398,156	420,976	433,960
Other	5,569	-	-
Interest Income	-	2,500	2,500
Total Revenues	403,725	423,476	436,460
Expenditures			
Operating	17,904	-	-
Capital	583,137	606,000	468,000
Transfers	-	-	600,000
Total Expenditures	601,041	606,000	1,068,000

FUND	FY18 Actual	FY19 Budget	FY20 Approved
Special Revenue Funds			
188 - City/County Joint Drug Forfeiture			
Revenues			
Fines	-	500	-
Interest Income	1,361	1,100	1,300
Total Revenues	1,361	1,600	1,300

189 - Story Mansion Special Revenue			
Revenues			
Charges for Sevices	25,610	22,000	35,000
Total Revenues	25,610	22,000	35,000
Expenditures			
Operating	31,946	57,302	40,792
Capital	-	-	-
Total Expenditures	31,946	57,302	40,792

191 - Bozeman Tourism BID			
Revenues			
Special Assessments	1,028,397	1,200,000	1,100,000
Penalty & Interest	-	1,200	1,200
Total Revenues	1,028,397	1,201,200	1,101,200
Expenditures			
Operations	1,028,397	1,200,000	-
Total Expenditures	1,028,397	1,200,000	-

193 - Street Maint - Babcock SID			
Revenues			
Principal	1,928	2,000	2,000
Interest	595	1,200	600
Interest Income	40	-	50
Total Revenues	2,563	3,200	2,650

194 - Street Maint - Durston SID			
Revenues			
Principal	52,299	40,000	40,000
Interest	521	500	500
Interest Income	935	400	950
Total Revenues	53,755	40,900	41,450

FUND	FY18 Actual	FY19 Budget	FY20 Approved
Special Revenue Funds			
199- Sports Park			
Revenues			
Other	-	-	51,000
Total Revenues	-	-	51,000
Expenditures			
Operating	-	-	51,000
Total Expenditures	-	-	51,000
850 - Cash in Lieu of Parkland			
Revenues			
Cash in Lieu of Parkland	187,144	-	50,000
Interest Income	-	4,500	4,500
Total Revenues	187,144	4,500	54,500
Expenditures			
Operations	4,320	-	5,000
Total Expenditures	4,320	-	5,000

Debt Service 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. General Obligation Bonds are backed by the full faith and credit of the City and are payable from ad valorem property taxes. Except for refunding bonds issued to achieve savings, Bozeman voters must approve general obligation debt prior to issuance. A large change for FY20 is expected with the issuance of General Obligation bonds for the Bozeman Public Safety Center in late summer, first part of FY20. There is also a loan initiated during 2019 to fund two additional turf fields and the Sports Park that will be repaid through user group fees managed by the Sports Park Foundation. Debt schedules are located at the end of the Activity/Division Section under the Non-Departmental.

FUND	FY18 Actual	FY19 Budget	FY20 Approved
Debt Service Funds			
300 - SID Revolving Fund			
Revenues			
Interest Income	-	26,000	15,000
Loan Interest	3,685	3,500	3,700
Other	-	224,011	-
Total Revenues	3,685	253,511	18,700
Expenditures			
Transfers	-	224,011	867,070
Total Expenditures	-	224,011	867,070

303 - G.O. Refunding Series 2012			
Revenues			
Property Taxes	274,863	275,900	273,300
Total Revenues	274,863	275,900	273,300
Expenditures			
Debt Service	276,500	276,900	273,300
Total Expenditures	276,500	276,900	273,300

304 - Bond S & I Parks & Open Space Bond			
Revenues			
Property Taxes	1,078,563	1,083,136	1,076,788
Total Revenues	1,078,563	1,083,136	1,076,788
Expenditures			
Debt Service	1,081,238	1,088,138	1,076,788
Total Expenditures	1,081,238	1,088,138	1,076,788

305 - 2007 Downtown TIF Bonds			
Revenues			
Transfers In	422,637	423,673	418,898
Total Revenues	422,637	423,673	418,898
Expenditures			
Debt Service	422,288	423,673	418,898
Total Expenditures	422,288	423,673	418,898

FUND	FY18 Actual	FY19 Budget	FY20 Approved
Debt Service Funds			
307 - Bozeman Public Safety Center- GO Bonds			
Revenues			
Property Taxes	-	-	1,441,716
Proceeds Sales of GO Bonds	-	-	36,965,000
Transfers	-	-	-
Total Revenues	-	-	38,406,716
Expenditures			
Debt Service	-	-	1,641,716
Transfers	-	-	36,735,000
Total Expenditures	-	-	38,376,716

310-448- SID Funds			
Revenues			
Special Assessments	415,290	439,129	417,627
Penalty & Interest	91,390	152,985	94,529
Interest Income	10,589	1,200	13,045
Total Revenues	517,269	593,314	525,201
Expenditures			
Debt Service	972	385,800	1,000
Transfers	-	-	-
Total Expenditures	972	385,800	1,000

450- Ssports Park Foundation Turf Field Loan			
Revenues			
Special Assessments	-	-	32,000
Total Revenues	-	-	32,000
Expenditures			
Debt Service	-	-	32,000
Total Expenditures	-	-	32,000

Construction Funds

Capital Projects Funds account for the construction of general improvement projects financed by special assessments other than those financed by proprietary funds. Citizens and public officials in Bozeman have supported significant public investments that make Bozeman the city it is today. The City's Capital Improvement Program (CIP) develops the Five-Year CIP, manages the City's annual budget process for funding citywide capital maintenance and expansion projects, supports strategic capital planning and programming efforts with City departments, and provides analysis for judicious financial decision making. A Capital Improvement is a project or effort that maintains, improves, or constructs a City asset, such as buildings, transportation networks, or parks and recreation facilities. The large change in these funds for FY20 is the construction of the Bozeman Public Safety Center approved by the voters in November 2018.

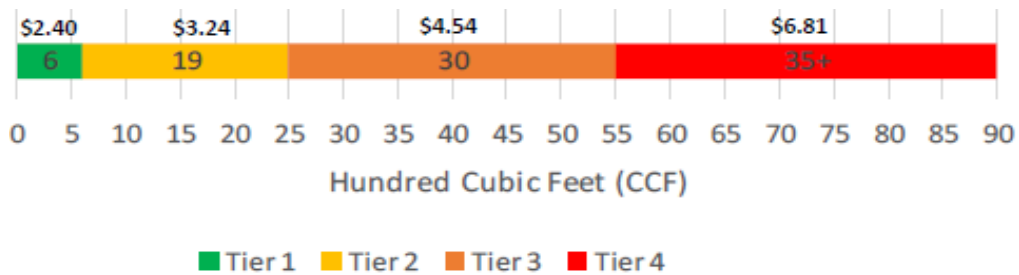


FUND	FY18 Actual	FY19 Budget	FY20 Approved
Construction Funds			
500-566 - Construction Funds			
Revenues			
Interest Income	-	-	-
Transfers	1,313,800	284,011	38,044,733
Other Funding	1,363,457	-	-
Total Revenues	2,677,257	284,011	38,044,733
Expenditures			
Operating	105,274	735,000	280,000
Capital	5,777,080	284,011	41,187,362
Transfers	-	-	-
Total Expenditures	5,882,354	1,019,011	41,467,362

Enterprise Funds

Enterprise Funds are used to account for efforts that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The following is a discussion of some of the major enterprise funds and ones with larger changes for FY20, followed by all Enterprise Fund financials.

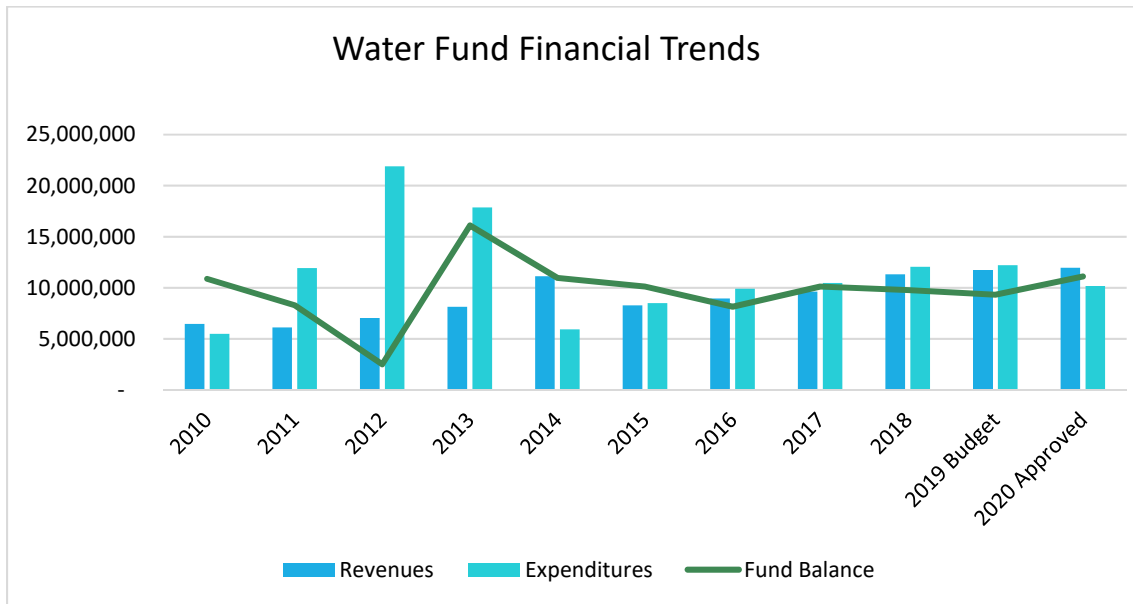
Water Fund- City property owners are, by and large, required to use the City’s Water treatment systems. The City recently underwent a rate study that included water conservation rate examination, and drought rate and reserve design. The rate study was presented and accepted by the Commission on April 15, 2019. The plan outlines targets for reserves that includes a drought reserve to cover times of extreme drought. The drought reserve rate will be \$0.08 per CCF. The rates for the residential class will be based on their usage on the tier system pictured below to encourage water conservation and discourage over watering.



Then rates will change based on user class:

Flow Charge - % Increase						
	2019	2020	2021	2022	2023	2024
Single Family/Low Income Residential						
Total	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Multi Family Residential						
Total	5.0%	2.0%	2.0%	2.0%	2.0%	1.0%
Commercial						
Total	5.0%	8.0%	8.0%	8.0%	8.0%	6.0%
Government						
Total	5.0%	20.0%	20.0%	20.0%	20.0%	20.0%
MSU						
Total	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Industrial						
Total	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%

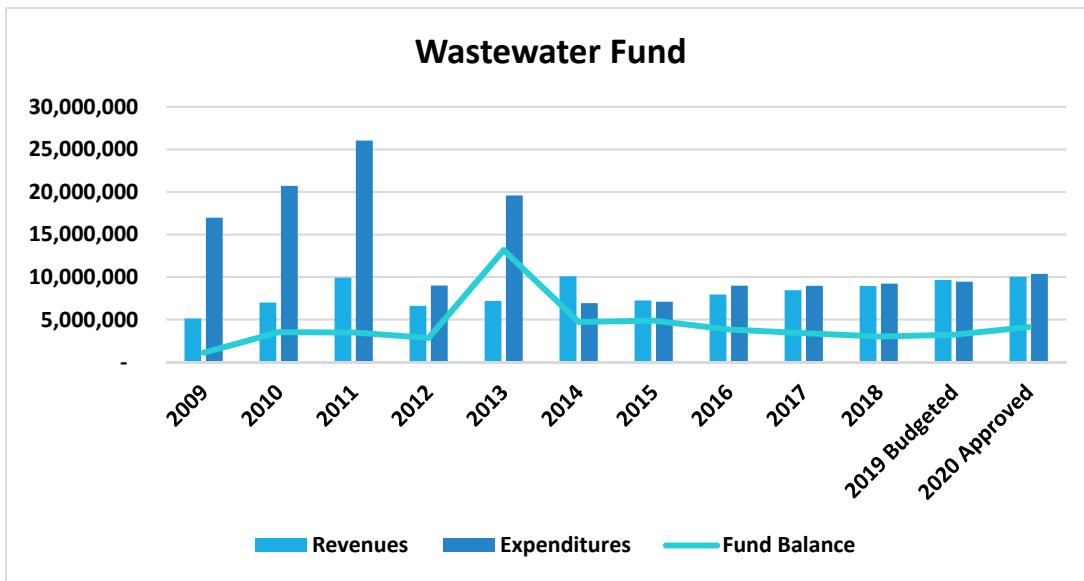
With these changes, appropriate users classes will be charged based on their cost of service and the City will be able to achieve and maintain appropriate revenue levels and reserves. Overall, the fund has maintained a healthy reserve and improved, as well as maintained, the City’s water system.



Wastewater Fund- City Property owners are, by and large, required to use the City’s Sewer treatment systems. The City recently underwent a rate study presented and accepted by the Commission on April 15, 2019. Rates vary by user class:

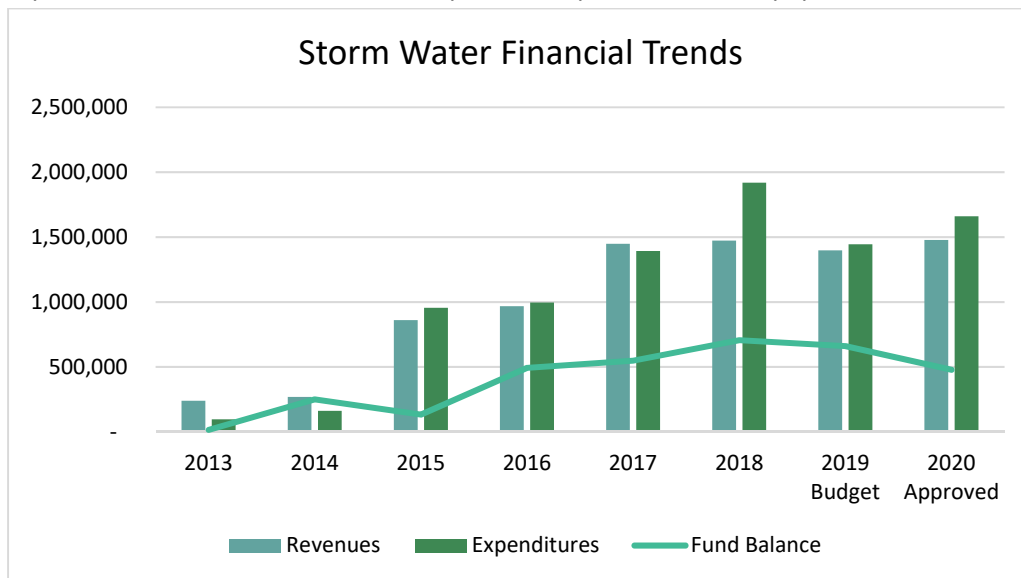
Flow Charge - % Increase						
	2019	2020	2021	2022	2023	2024
Single Family						
Total	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Multi Family						
Total	4.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Commercial						
Total	4.0%	6.0%	6.0%	4.0%	4.0%	4.0%
Government						
Total	4.0%	6.0%	6.0%	6.0%	6.0%	6.0%
MSU						
Total	4.0%	8.0%	8.0%	8.0%	8.0%	6.0%
Industrial						
Total		3.0%	3.0%	3.0%	3.0%	3.0%

With these changes, appropriate users classes will be charged based on their cost of service and the City will be able to achieve and maintain appropriate revenue levels and reserves. Overall, the fund has maintained a healthy reserve and improved as well as maintained the City’s sewer system. The fund balance needs growth as the infrastructure is starting to age.



Stormwater Fund- The City’s Stormwater fund started in 2013 and had its current rate structure set in April 2015, rates are based on impervious area, and existing infrastructure. The rate has not changed since the 2015 restructure. With inflation costs and growth, we are recommending a 4% rate increase. With increasing the rate and with projected growth, the fund will be able to maintain a 45-day operating reserve and a depreciation reserves to be able to replace unexpected loss of equipment.

4% rate increase



Solid Waste Fund -The City’s Solid Waste Fund accounts for the garbage and recycling service provided to citizens. Revenues are comprised of solid waste and recycling fees. Expenses are for personnel, operations and capital items. Fund balance is sufficient for depreciation coverage and for an event, if we lose the use of a truck unexpectedly. We are currently performing a rate study that will determine if a rate increase is needed by early August 2019. For this budget, revenue has been estimated based on past growth with no rate change.

All Enterprise Funds:

FUND	FY18 Actual	FY19 Budget	FY20 Approved
Enterprise Funds			
600 - Water Fund			
Revenues			
Penalty & Interest	66	-	-
State Shared	59,029	1,500	1,500
Utility Charges	8,544,654	8,985,959	10,455,076
Interest Income	(1,639)	168,495	160,000
Donations - Contributed Capital	4,874,798	-	-
Cash in Lieu-Water Rights	1,180,122	-	-
Miscellaneous Revenue	-	50,000	50,000
Refunds & Reimbursements		500	
Rents & Royalties	38,567	80,000	80,000
Administrative Reimbursement	1,486,808	-	-
Other Financing Sources	-	1,750,000	1,200,000
Total Revenues	16,182,405	11,036,454	11,946,576
Expenditures			
Personnel & Benefits	3,203,117	2,085,584	2,173,734
Operating	5,573,070	4,634,920	4,603,370
Capital	971,834	4,316,009	2,226,500
Debt Service	-	1,165,630	1,168,130
Total Expenditures	9,748,021	12,202,143	10,171,734
610 - Water Impact Fee			
Revenues			
Utilities & Enterprise	2,757,565	1,883,070	1,925,831
Interest Income	(344)	5,000	5,000
Total Revenues	2,757,221	1,888,070	1,930,831
Expenditures			
Operating	152,736	-	-
Capital	279,399	1,586,020	6,295,729
Transfers	-	600,000	667,323
Total Expenditures	432,135	2,186,020	6,963,052

FUND	FY18 Actual	FY19 Budget	FY20 Approved
Enterprise Funds			
620 - Waste Water Fund			
Revenues			
Penalties & Interest	23	-	-
State Shared	36,704	1,500	35,000
Utility & Enterprise	8,876,015	9,559,623	9,921,394
Interest Income	-	91,238	80,000
Refunds & Reimbursements	29,035	-	-
Contributed Capital	4,102,663	-	-
Other Financing	1,007	-	-
Total Revenues	13,045,447	9,652,361	10,036,394
Expenditures			
Personnel & Benefits	1,987,336	2,017,844	2,128,979
Operating	3,267,033	4,069,269	4,129,133
Capital	1,502,439	3,352,500	1,627,500
Debt Service	-	1,476,059	1,239,000
Transfers	-	-	-
Total Expenditures	6,756,808	10,915,672	9,124,612

630 - Waste Water Impact Fee			
Revenues			
Utility & Enterprise	1,810,489	1,282,208	1,320,674
Loan Proceeds	-	7,985,000	5,200,000
Interest Income	-	20,000	20,000
Total Revenues	1,810,489	9,287,208	6,540,674
Expenditures			
Operating	83,977	-	350,000
Capital	127,634	8,625,000	6,424,000
Debt Service	-	-	530,012
Transfers	-	-	39,405
Total Expenditures	211,611	8,625,000	7,343,417

FUND	FY18 Actual	FY19 Budget	FY20 Approved
Enterprise Funds			
640 - Solid Waste Fund			
Revenues			
Penalty & Interest	234	-	-
State Shared	24,471	-	-
Recycling Revenue	446,931	408,035	483,771
Utilities & Enterprise	3,479,192	3,508,627	3,648,702
Interest Income	151	6,995	7,275
Miscellaneous Revenue	-	-	-
Refunds & Reimbursements	3,078	-	-
Rents and Royalties	-	8,240	8,570
Roll-Off Container Rental	14,778	16,695	17,363
Total Revenues	3,968,835	3,948,592	4,165,681
Expenditures			
Personnel & Benefits	1,463,392	1,351,142	1,465,420
Operating	2,769,103	2,312,942	2,799,357
Capital	736,637	100,000	890,000
Transfers	-	-	-
Total Expenditures	4,969,132	3,764,084	5,154,777
641 - Landfill Post Closure and Monitoring Costs			
Revenues			
Interest	2,914	-	2,000
Transfers	368,084	250,000	280,000
Total Revenues	370,998	250,000	282,000
Expenditures			
Operations	303,372	250,000	226,000
Capital	61,417	61,417	61,417
Total Expenditures	364,789	311,417	287,417
650 - Parking Fund			
Revenues			
Licenses and Permits	612,118	414,000	456,000
Charges for Services	64,308	50,000	50,000
Fines and Forfeitures	281,954	300,000	300,000
Interest Income	-	5,000	5,000
Loan Interest	762	840	840
Miscellaneous Revenue	18,401	-	-
Rents & Receivables	1,837	1,500	1,500
Transfers from other Funds	250,000	250,000	250,000
Total Revenues	1,229,380	1,021,340	1,063,340
Expenditures			
Personnel & Benefits	389,115	353,362	426,764
Operating	744,665	393,978	425,905
Capital	159,336	112,031	230,000
Total Expenditures	1,293,116	859,371	1,082,669

FUND	FY18 Actual	FY19 Budget	FY20 Approved
Enterprise Funds			
670 - Storm Water Fund			
Revenues			
State Shared	8,299	-	-
Utilities & Enterprise	1,325,150	1,317,688	1,397,907
Interest Income	-	5,500	5,500
Contributed Capital	685,144	-	-
Transfers from other Funds	140,000	75,000	75,000
Total Revenues	2,158,593	1,398,188	1,478,407
Expenditures			
Personnel & Benefits	548,094	408,583	580,938
Operations	286,662	240,373	268,372
Capital	889,821	635,000	650,000
Debt Service	194,068	160,346	161,211
Transfers	-	-	-
Total Expenditures	1,918,645	1,444,302	1,660,521

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis. The City has three Internal Services, and fund 750- Public Works Administration was new in FY19 to allocate the Public Works Administration, GIS, and Engineering to the enterprise funds. Fund 710- Vehicle Maintenance accounts for the maintenance and repair of vehicles used in operation of City services. Medical Health Insurance Fund 720 Accounts for insurance premiums received from the various City employees and retirees, and the related costs of health and dental premiums paid to the City's insurance provider.

FUND	FY18 Actual	FY19 Budget	FY20 Approved
Internal Service Funds			
710 - Vehicle Maintenance			
Revenues			
General Government	1,270,857	1,264,876	1,389,462
Interest Income	-	250	250
Refunds & Reimbursements	9,030	500	500
Total Revenues	1,279,887	1,265,626	1,390,212
Expenditures			
Personnel & Benefits	492,099	481,127	541,468
Operating	890,303	778,335	846,332
Capital	-	-	-
Total Expenditures	1,382,402	1,259,462	1,387,800

720 - Health-Medical Insurance			
Revenues			
Public Welfare	4,803,540	4,820,912	5,044,794
Refunds & Reimbursements	6,702	-	-
Transfers In	-	-	-
Total Revenues	4,810,242	4,820,912	5,044,794
Expenditures			
Operating	4,814,456	4,820,912	5,044,794
Total Expenditures	4,814,456	4,820,912	5,044,794

750 - Public Works Administration			
Revenues			
General Government	-	2,381,457	2,945,060
Transfers	-	-	105,458
Total Revenues	-	2,381,457	3,050,518
Expenditures			
Personnel & Benefits	-	1,693,903	2,089,248
Operating	-	588,006	780,812
Capital	-	106,548	75,000
Total Expenditures	-	2,388,457	2,945,060

Permanent Funds

Perpetual Cemetery Care Fund 800 accounts for the maintenance fee received from the sale of City cemetery lots, which is to be used for perpetual care. Beginning in FY19, 35% of all revenue is recorded in to the fund. The fund balance has seen healthy growth over the last five years and is estimated to be just under \$1.5 million by the end of FY20.

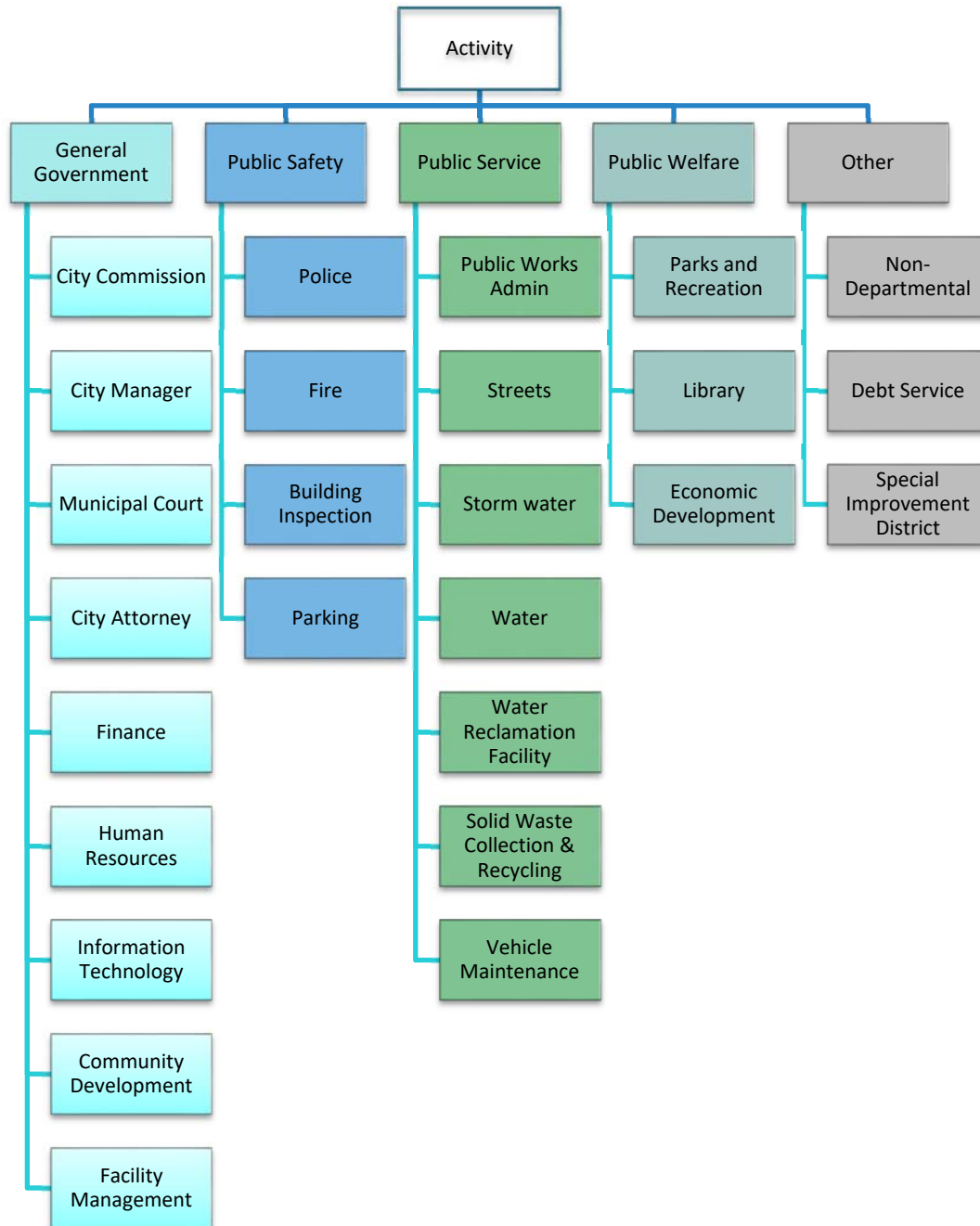
FUND	FY18 Actual	FY19 Budget	FY20 Approved
Permanent Funds			
800 - Cemetery Perpetual Care			
Revenues			
Public Welfare	118,028	75,000	80,000
Interest Income	-	13,500	10,000
Total Revenues	118,028	88,500	90,000



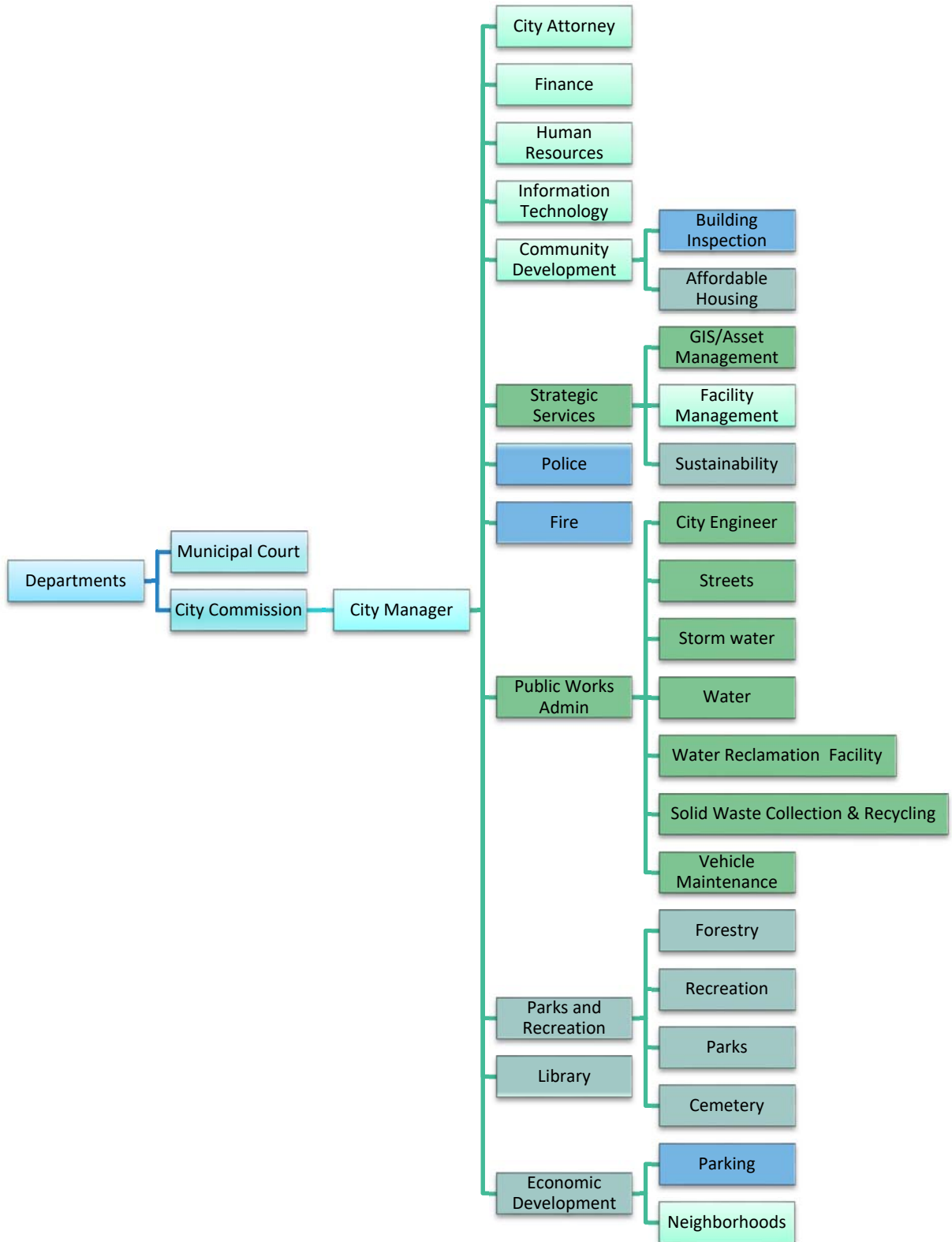
Activity/Department Details

Activity/Division Detail

As stated in the Budget Summary, the budget is separated by activity. Within those activities are the divisions. See below the Activities and the corresponding divisions.



The divisions are part of larger Departments. The following table lists the Department and corresponding divisions with their activity shown with the corresponding color to the chart on the previous page.





General Government



General Government

City Commission- The City Commission is the legislative body of city government comprised of a mayor and four commissioners. Responsibilities of the Commission include: establishment of policies governing the operation of the City and appointment of members to citizen advisory boards and commissions.

City Manager – The role of the City Manager is to operate at the will of the City Commission with a focus on policy, long range planning, and strategy. The purpose of the City Manager’s office is the administration of the City operations and is to provide overall leadership, direction, coordination, and support for the City’s activities.

City Clerk (City Manager)- The City Clerk’s Office is dedicated to preparing the proceedings of the City Commission and preserving the City records, along with enhancing the ability of the citizenry to participate in local government.

Neighborhoods (Economic Development) - The

Neighborhoods Program creates systems for communication and engagement with Bozeman neighbors.

City Attorney - The City Attorney is the legal advisor and primary attorney for the city and as such is responsible for protecting the legal interests of the city and directing the legal operations of the city. The City Attorney and legal department staff: represent the city before all courts, administrative agencies, and all city legal proceedings.

Finance - The Finance Department is charged with the overall Finance, Accounting and Treasury administration of the City. The Department is comprised of three divisions: Administration, Accounting, and Treasury. The Finance Department provides support to other departments for all financial matters.

Facilities Management (Strategic Services)- Facilities Management is responsible for coordinating remodeling, renovations, and new construction projects. Contracted services include activities such as: janitorial services; snow removal; lawn care; and building systems ventilation, mechanical controls, and building generators.

Information Technology - The Information Technology Department purpose is to manage and operate the City’s enterprise applications, hardware, and networking services. The division provides technology services, support to all departments across the city, and maintains daily operations of the data centers.

Human Resources - The Human Resources Department’s purpose is to support City functions by ensuring the capability and stability of the workforce. The department supports management and employees with current lawful information, sound recruitment practices, and benefits, protecting the employment rights of the City and its employees.

Planning (Community Development) - Plans for the growth and development of the City of Bozeman. Responsible for Long Range Planning, Development Review, Historic Preservation, Impact Fees, Affordable Housing and serving related Advisory Boards and Commissions.

Municipal Court- Municipal Court accounts for costs associated with the judicial branch of City government. The Municipal Court hears cases involving city ordinances, misdemeanor cases defined by state criminal codes, may conduct (preliminary hearings) in felony cases, and Orders of Protection.



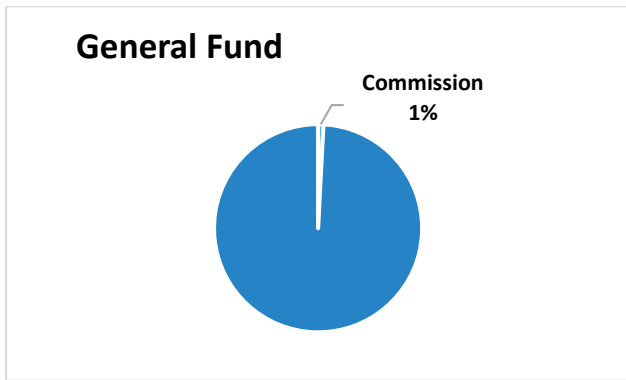
City Commission

Major Objectives:

- Work closely with the administration and other government officials to lobby for state legislation beneficial to cities.
- Improve public facilities and the quality of services delivered to the public in order to meet the needs of the citizenry.
- Ensure that all decisions are protective of the health, safety and general welfare of the citizens of this community.

Budget Allocation

Funded by the General Fund, making 1% of the funds expenses



FY19 Strategic Plan

- Set FY19 Strategic Priorities

FY20 Strategic Plan

- Set FY20 Strategic Priorities

BOZEMAN STRATEGIC PLAN

The "Big 5"

- COMMUNITY OUTREACH
- AFFORDABLE HOUSING
- PLANNING & LAND USE INITIATIVES
- ANNEXATION ANALYSIS & STUDY
- PARKS MAINTENANCE DISTRICT

FY19 Accomplishments

- Passed the Bozeman Public Safety Center Bond initiative.



FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
CITY COMMISSION	010- General	215,704	295,016	295,877	0.3%

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
CITY COMMISSION	Salaries & Benefits	130,176	131,266	158,873	21.0%
CITY COMMISSION	Operating	84,274	82,200	135,950	65.4%
CITY COMMISSION	Capital	-	80,000	-	-100.0%
CITY COMMISSION	Debt Service	1,254	1,550	1,054	0.0%
CITY COMMISSION	Transfers	-	-	-	0.0%
TOTALS		215,704	295,016	295,877	0.3%

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
CITY COMMISSION	1110- City Commission	215,704	295,016	295,877	0.3%

Personnel

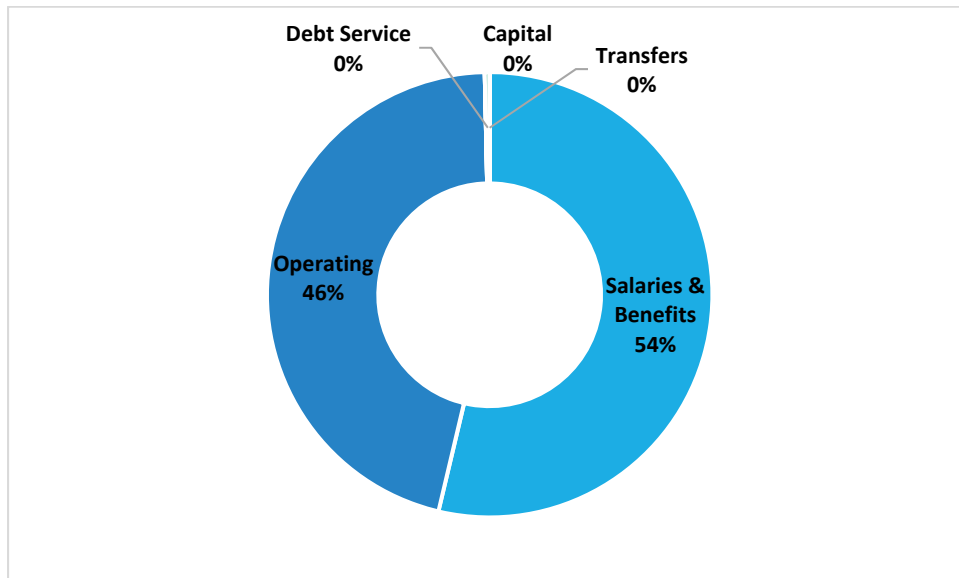
No FTE changes

Operating

Operating budget includes technology for the Commission room

Capital

None



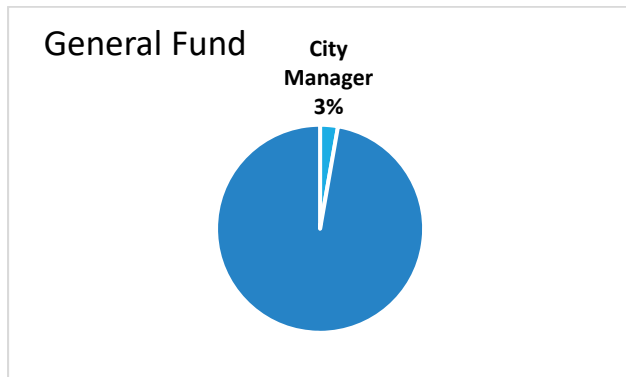
City Manager

Major Objectives:

The City Manager's office is support of the Mission, Values, and Goals of the City and to implement the City's Strategic Plan.

Budget Allocation

Funded by the General Fund, making up 3% of the fund's expenditures.



FY19 Accomplishments

- Made advancements with the Strategic Plan implementation and reporting.
- Hired the Communication Coordinator position.
- Education efforts for the Bozeman Public Safety Center and its passing.



FY19 Strategic Plan

There were many accomplishments across the organization. The City Manager's Office specifically:

- Aided in the Bozeman Public Safety Center education efforts and working towards communication action items.
- Collaborated with MSU with the EPIC- N program
- Worked toward enhancing communication

FY20 Strategic Plan

The City Manager is charged with implementing the plan.

There is a focus on the five priorities and the other projects selected by the Commission. Within the City Manager's Office there is a focus on:

- A community that supports creativity, education, and an innovative economy
- A high performing organization that utilizes best practices to anticipate future needs, and engages the community for continuous improvement

FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
CITY MANAGER	010- General	891,042	944,508	951,156	0.7%

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
CITY MANAGER	Salaries & Benefits	711,009	788,719	814,010	3.2%
CITY MANAGER	Operating	178,779	155,239	137,146	-11.7%
CITY MANAGER	Capital	-	-	-	0.0%
CITY MANAGER	Debt Service	1,254	550	-	-100.0%
CITY MANAGER	Transfers	-	-	-	0.0%
TOTALS		891,042	944,508	951,156	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
CITY MANAGER	1210- City Administration	891,042	944,508	951,156	0.7%
TOTALS		891,042	944,508	951,156	

Personnel

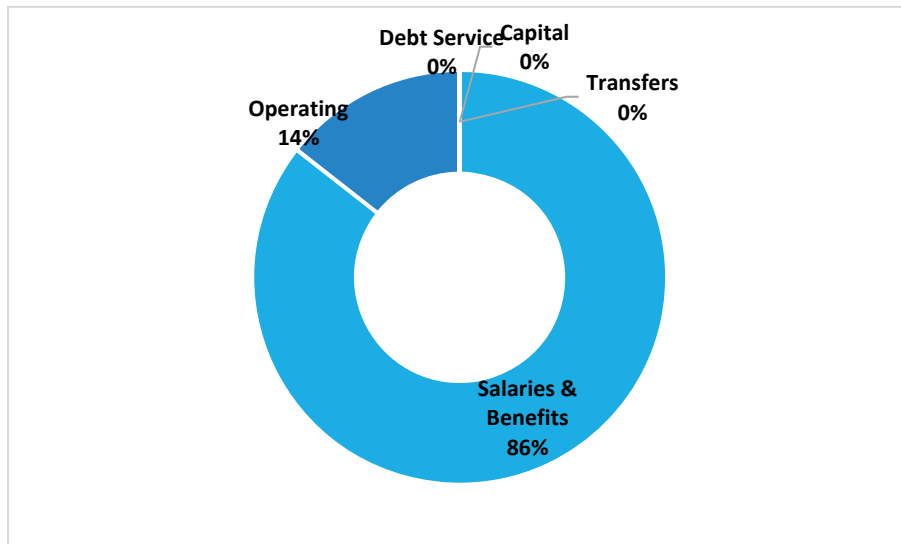
No FTE Changes

Operating

Reduction with non-legislative year and no new staff

Capital

None



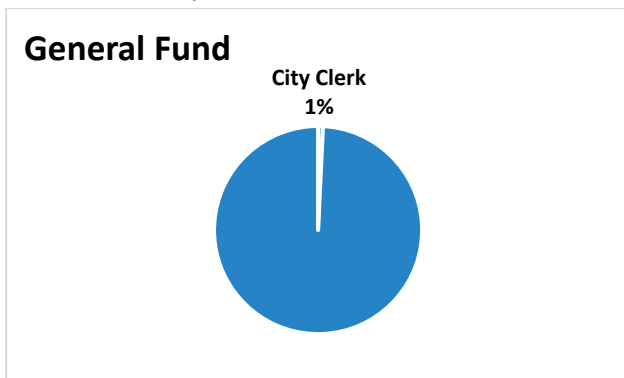
City Clerk (City Manager's Office)

Major Objectives:

- Support the City Commission by preparing the proceedings and managing the public meeting process.
- Preserve the City's records and manage organization, accuracy, accessibility, and completeness.
- Coordinate the City's many citizen advisory boards, commissions, and committees.
- Perform centralized administrative tasks including bid/RFP/RFP management, records requests, public noticing, public comment, codification, election coordination, ethics and financial disclosure tracking, grant approvals, etc.

Budget Allocation

Funded by the General Fund, making up less than 1% of the fund's expenditures.



FY19 Accomplishments

Procedural improvements:

- Online public notices
- Alcohol licensing cheat-sheet
- Resolution/Ordinance title consistency
- Board/commission/committee accuracy and consistency

FY19 Strategic Plan

Strategic Plan - 1.1 Outreach

b.) Dramatically increase transparency and create access to all city documents

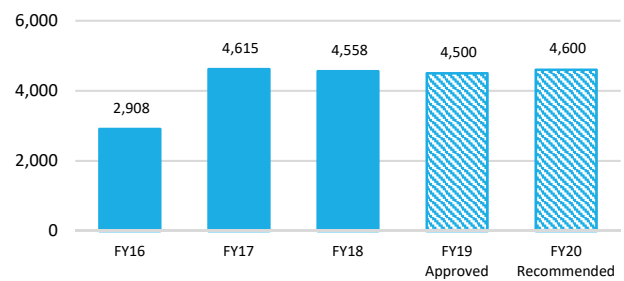
Performance Measures

Performance Measures

- Maintain and track a high standard of citizen engagement and trust by creating processes to distribute all received public comment, targeted to specialized recipients, within 1 business day to enable timely information distribution among the commission, boards, and staff.

- Track disposition across city departments, with a long term goal of significantly increased disposal, document and disposition transparency through a formalized process, and increased facility space.

Documents Processed for Public Access



FY20 Strategic Plan

Strategic Plan - 1.1 Outreach

b.) Dramatically increase transparency and create access to all city documents

Software that contributes:

- Laserfiche – digitized and accessible documents, very few cities do what we do!
- Municode – code stays up to date and centralized instead of remaining in ordinance text
- Granicus – accessible video, minutes, and packet materials with search capability
- Vendor TBA – closed captioned videos critical per Web Content Accessibility Guidelines

FY20 Budget

Department Budget by Fund

Division	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
CITY CLERK	010- General	185,320	297,839	259,175	-13.0%

Department Budget by Category

Division	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
CITY CLERK	Salaries & Benefits	148,371	211,314	159,355	-24.6%
CITY CLERK	Operating	28,290	84,975	98,775	16.2%
CITY CLERK	Capital	7,405	-	-	0.0%
CITY CLERK	Debt Service	1,254	1,550	1,045	-32.6%
CITY CLERK	Transfers	-	-	-	0.0%
TOTALS		185,320	297,839	259,175	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
CITY MANAGER	1220-City Clerk	185,320	297,839	259,175	-13.0%
TOTALS		185,320	297,839	259,175	

Personnel

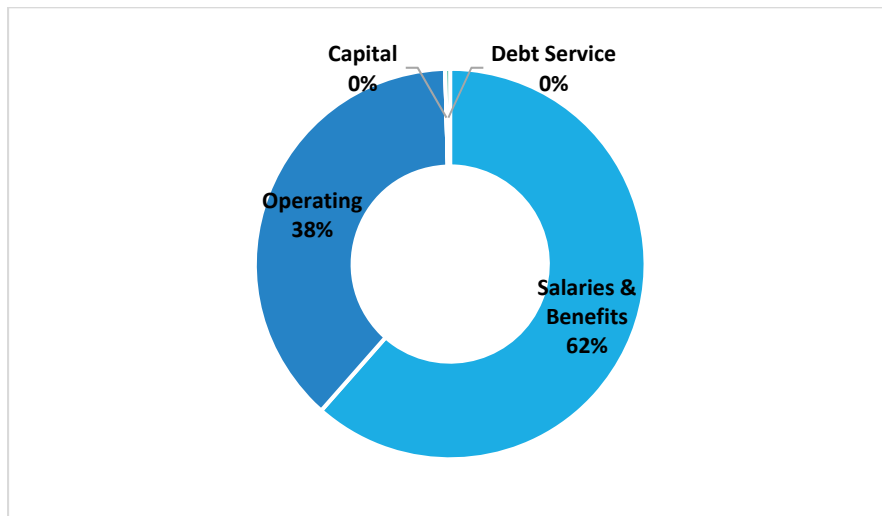
No FTE changes

Operating

Increase in software licensing agreements

Capital

None



Neighborhoods

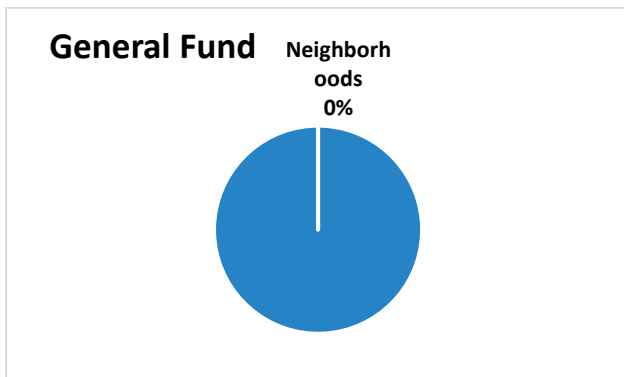
(Economic Development)

Major Objectives:

- Advance engagement opportunities and communication with Bozeman neighbors.
- Increase the geographic representation of neighbors by developing outreach systems. Strengthen collaborations and partnerships with other public agencies like MSU and stakeholders like the business community and nonprofit sector.

Budget Allocation

Funded by the General Fund, making up less than 1% of the fund's expenditures.



FY19 Accomplishments

- Advanced engagement opportunities for problem solving and policy discussion and input with Bozeman Neighbors. Some selected examples:
- Worked closely with new Communications Coordinator to advance Citywide information sharing.
- Partnership with MSU to create an Off Campus Living program to support MSU students living in Bozeman: staff, programming, budget, etc.

FY19 Strategic Plans

- 1.2 Community Engagement – Broaden and deepen engagement of the community in city

government, innovating methods for inviting input from the community and stakeholders.

- 1.3 Public Agencies Collaboration – Foster successful collaboration with other public agencies and build on these successes. (1.3c Enhance our relationship with MSU)

Performance Measures

- Monitor program activity both inside and outside of formal neighborhood boundaries to demonstrate the reach of community engagement.

- Track partnerships with community stakeholders to better understand the impact we can have when working together.

- Measure and communicate projects completed by City departments to show the value of the services we provide.

FY20 Strategic Plan

- 1.2b Community Engagement Plan – Develop a plan to increase community engagement in city decision-making processes
- 1.3c Enhance our relationship with MSU

FY20 Budget

Department Budget by Fund

Division	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
NEIGHBORHOODS	010- General	65,961	96,791	102,462	5.9%

Department Budget by Category

Division	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
NEIGHBORHOODS	Salaries & Benefits	53,337	68,816	72,422	5.2%
NEIGHBORHOODS	Operating	12,624	27,975	30,020	7.3%
NEIGHBORHOODS	Capital	-	-	-	0.0%
NEIGHBORHOODS	Debt Service	-	-	-	0.0%
NEIGHBORHOODS	Transfers	-	-	-	0.0%
TOTALS		65,961	96,791	102,442	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
Economic Development	1260- Neighborhood	65,961	96,791	102,462	5.9%
TOTALS		65,961	96,791	102,462	

Personnel

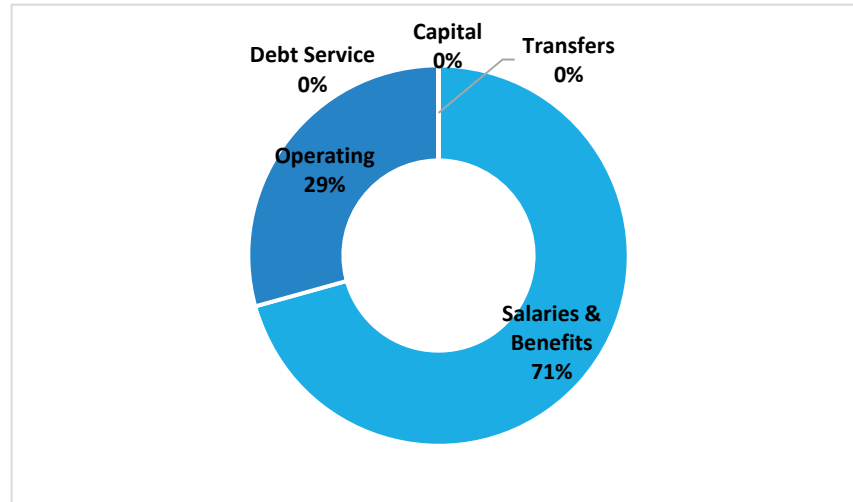
No FTE changes

Operating

Slight increase for postage and outreach

Capital

None



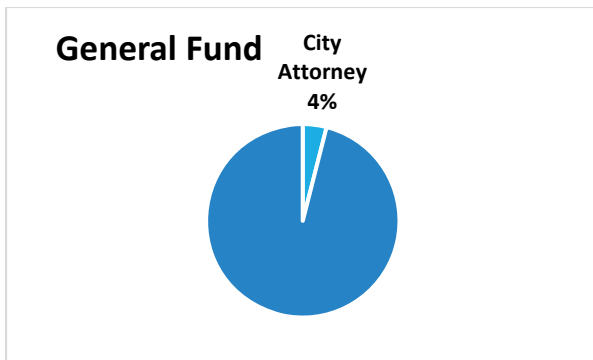
City Attorney

Major Objectives:

- To be a critical part of the City’s leadership through integration with department directors, HPO members, the City Commission, and other city agencies.
- To enforce state laws and city ordinances pertaining to misdemeanor offenses within the city and to prosecute criminal cases in a timely and efficient manner.
- To direct the legal operations of the city and serve as the city's legal counsel.

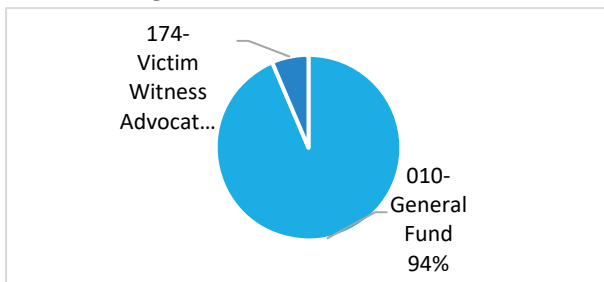
Budget Allocation

Funded mainly from the General Fund, making up 4% of the fund’s expenditures



The Department oversees the programming for the special revenue fund 174Victim/Witness advocate.

Total funding breakdown:



FY19 Accomplishments

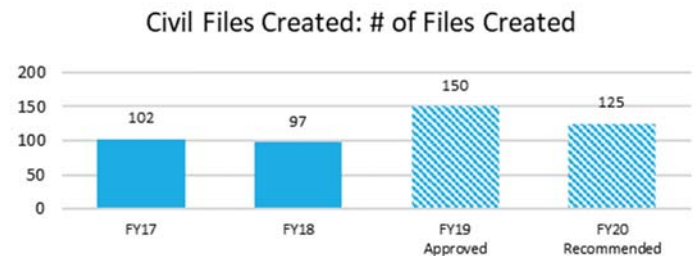
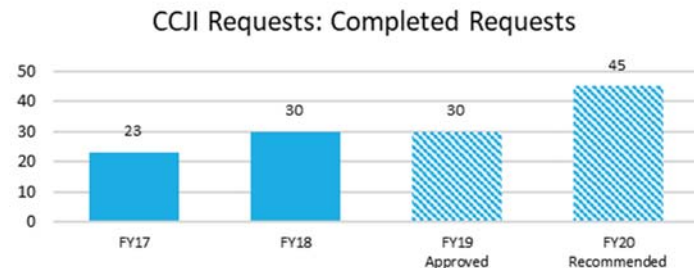
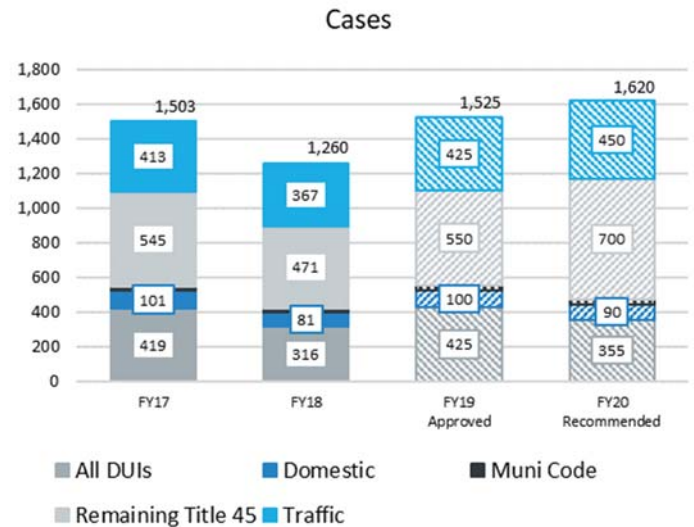
- Continuing to build our team through professional development, training, and coordination.
- Continued effective integration into all City departments as demonstrated by a significant list of accomplishments

- Increase in efficiency and effectiveness of the prosecution team

FY19 Strategic Plans

City Attorney’s Office plays a role in the majority of strategic plan items

Performance Measures



FY20 Strategic Plan

Resources are needed to participate in all aspects of strategic plan implementation.

FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
CITY ATTORNEY	010- General Fund	1,188,539	1,258,873	1,315,436	4.5%
CITY ATTORNEY	174- Victim Witness Advocate	185,000	150,000	90,000	-40.0%
TOTALS		1,373,539	1,408,873	1,405,436	

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
CITY ATTORNEY	Salaries & Benefits	1,076,328	1,119,223	1,168,766	4.4%
CITY ATTORNEY	Operating	297,211	289,650	236,650	-18.3%
CITY ATTORNEY	Capital	-	-	-	0.0%
CITY ATTORNEY	Debt Service	-	-	-	0.0%
CITY ATTORNEY	Transfers	-	-	-	0.0%
TOTALS		1,373,539	1,408,873	1,405,416	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
CITY ATTORNEY	1410- City Attorney	1,161,351	1,232,873	1,309,436	6.2%
CITY ATTORNEY	1430-1446- Civil Litigation	26,747	25,000	5,000	-80.0%
CITY ATTORNEY	1460- Criminal Prosecution - General	441	1,000	1,000	0.0%
CITY ATTORNEY	1462- Criminal Prosecution - Victim/Witness	185,000	150,000	90,000	-40.0%
TOTALS		1,373,539	1,408,873	1,405,436	

Personnel

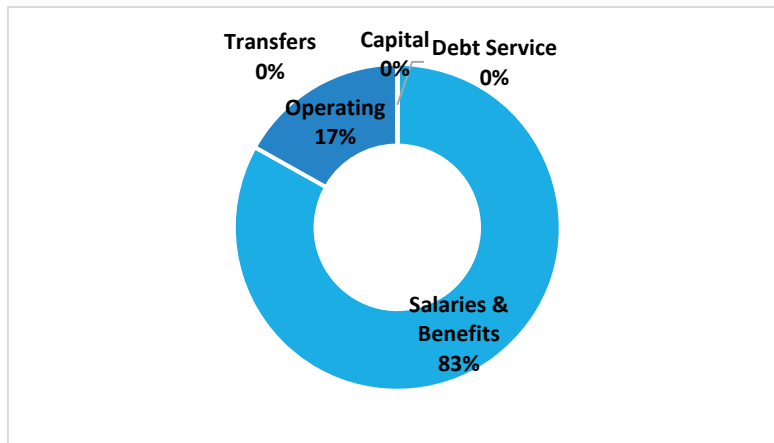
One FTE added to the Department but funding is from the 100-Planning Fund and the 750 – PW Admin Fund for work needed specifically for those areas

Operating

Reduction in the Special revenue fund and slight increase in the General Fund

Capital

None



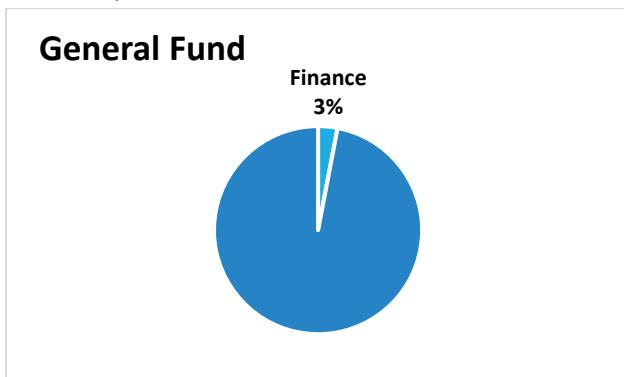
Finance

Major Objectives:

- To assure efficient and effective management of the public's resources by providing quality financial services and safeguarding the City's Assets
- To manage and account for the City's finances in accordance with Generally Accepted Accounting Principles, as set forth by the Governmental Accounting Standards Board and prepare a Comprehensive Annual Financial Report.
- To prepare a comprehensive budget on an annual basis that encompasses all funds of the City.

Budget Allocation

Funded by the General Fund, making up 3% of the fund's expenditures.



FY19 Accomplishments

- Government Finance Officers Association Awards for the Comprehensive Annual Financial Report and Budget Book
- Rate and fee studies in many areas and funds (Water, Wastewater, Cemetery, Parks & Recreation and upcoming Solidwaste)
- New Parking software implementation

FY19 Strategic Plans

- We worked towards item 7.1 b -Create a Culture of Innovation by:

- Changing our CIP database system for project tracking and plan development and now the CIP merges into the annual budget for time savings on many levels
- Trained on Lean Principals in an office setting, making goals that are already in the testing phase that will make us more efficient and giving us several hours of time savings.
- 7.3 C Improve Departmental Collaboration- we worked with many departments and efforts with the CIP, and Parks & Trails District.

Performance Measures

- Receive Awards for financial reporting; FY17 Comprehensive Annual Financial Report received Government Finance Officer Association's certificate in Achieving Excellence in Financial reporting and the FY19 Budget received their Distinguished Budget Award.
- Through lean process eliminate waste, and strive for efficiency while remaining effective. FY19 progress \$1,069 hard cost savings per year and 768 hours of staff time per year (one efficiency reporting change saved 600 hours of staff time).
- Review workload indicators to determine performance measurements.

FY20 Strategic Plan

The Finance Department supports the strategic plan efforts across the organization and will focus internally on:

- We worked towards item 7.1 b -Create a Culture of Innovation
- 7.3 C Improve Departmental Collaboration

FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
FINANCE	010- General Fund	1,132,468	957,847	1,001,680	4.6%

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
FINANCE DEPARTMENT	Salaries & Benefits	917,538	756,309	805,392	6.5%
FINANCE DEPARTMENT	Operating	214,930	199,538	196,288	-1.6%
FINANCE DEPARTMENT	Capital	-	2,000	-	0.0%
FINANCE DEPARTMENT	Debt Service	-	-	-	0.0%
FINANCE DEPARTMENT	Transfers	-	-	-	0.0%
TOTALS		1,132,468	957,847	1,001,680	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
FINANCE DEPARTMENT	1510- Finance Administration	261,736	269,421	281,303	4.4%
FINANCE DEPARTMENT	1520- Accounting	426,852	434,114	457,303	5.3%
FINANCE DEPARTMENT	1530- Treasury	443,880	254,312	263,074	3.4%
TOTALS		1,132,468	957,847	1,001,680	

Personnel

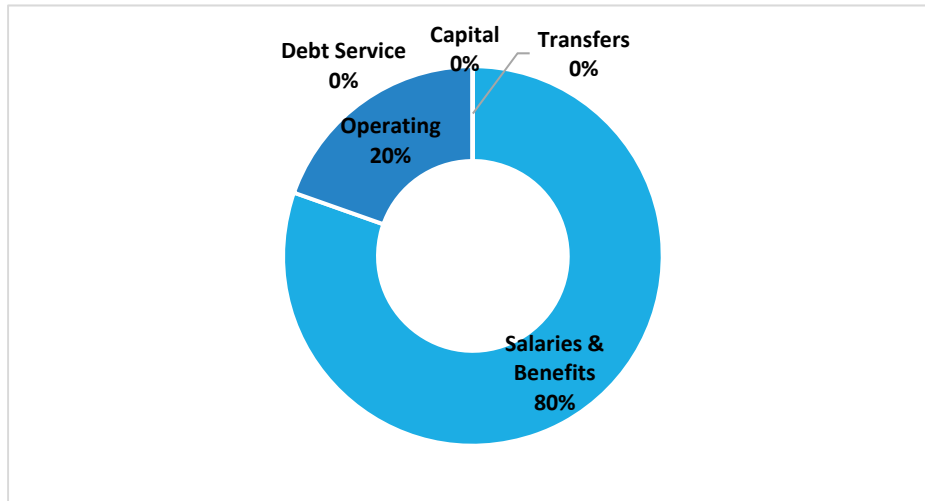
No FTE changes. Note: Utility billing staff is budgeted under fund 750- PW Admin fund

Operating

Minor reductions made

Capital

None



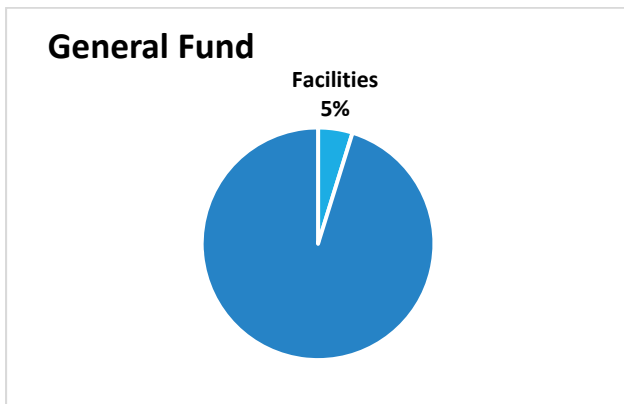
Facilities (Strategic Services)

Major Objectives:

- Provide a safe, comfortable, and professional working environment in all city facilities.
- Maintain all buildings and related equipment in good working condition in a proactive manner that will help extend useful life.
- Maintain a proactive approach for long-term facility planning and project scheduling in order to avoid costly problems of deferred maintenance.
- Implement building design, maintenance, and operational practices resulting in energy saving measures.

Budget Allocation

Funded by the General Fund, making up 5% of the fund's expenditures.



FY19 Accomplishments

- Completed Phase I of City Works Retooling, Implementation of Site Wide Electronic Service Requests
- Completed the Professional Building Electrical Upgrade (Safety, Increased Asset Lifecycle)
- Completion of Story Mill Community Center Upgrade & Recreation Staff Relocation

FY19 Strategic Plans

3.1.a Public Safety

- Preliminary Design Support

- Department will be participating with TEEX & MSU on Business Continuity

6.3.d Vulnerability Assessment & Resiliency Framework

- FD Structures Inventory & Adaptive Capacity Interviews

Performance Measures

- Monitor the ratio of preventative vs. corrective vs. general maintenance for all City facilities.
-
- Track the initiation to completion time for internal service requests.
-
- Establish a Facility Condition Index (FCI) for all City owned buildings to help prioritize current and future needs.

FY20 Strategic Plan

6.3.d Vulnerability Assessment & Resiliency Framework

- FD Structures Inventory & Adaptive Capacity Interviews

FY20 Budget

Department Budget by Fund

Division	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
FACILITIES MANAGEMENT	010- General Fund	181,295	1,776,131	1,572,966	-11.4%

Department Budget by Category

Division	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
FACILITIES MANAGEMENT	Salaries & Benefits	287,122	378,572	356,169	-5.9%
FACILITIES MANAGEMENT	Operating	884,773	1,110,528	1,183,297	6.6%
FACILITIES MANAGEMENT	Capital	9,400	287,031	33,500	-88.3%
FACILITIES MANAGEMENT	Debt Service		-	-	0.0%
FACILITIES MANAGEMENT	Transfers		-	-	0.0%
TOTALS		1,181,295	1,776,131	1,572,966	

Department Budget by Division

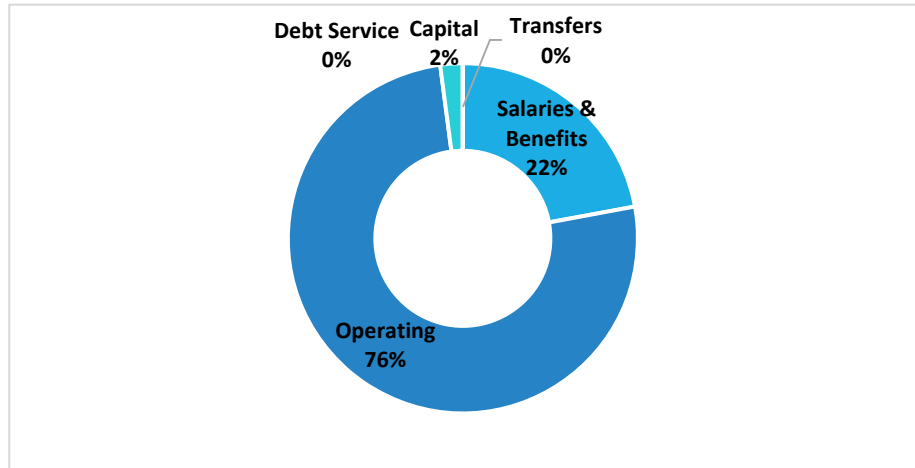
Division	Sub-Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
FACILITIES MANAGEMENT	1810- City Hall	482,402	761,900	558,589	-26.7%
FACILITIES MANAGEMENT	1820- Fire Station #1	35,606	51,659	53,189	3.0%
FACILITIES MANAGEMENT	1830- Shop Complex	75,074	109,159	109,190	0.0%
FACILITIES MANAGEMENT	1840- Professional Building	164,537	320,504	292,825	-8.6%
FACILITIES MANAGEMENT	1850- Senior Center	85,663	83,465	83,465	0.0%
FACILITIES MANAGEMENT	1860- Library	281,705	368,670	383,489	4.0%
FACILITIES MANAGEMENT	1870- Fire Station #2	16,458	21,535	22,945	6.5%
FACILITIES MANAGEMENT	1880- Fire Station #3	39,850	59,239	69,274	16.9%
TOTALS		1,181,295	1,776,131	1,572,966	

Personnel

No FTE Changes

Operating

Increase in service costs for overall 6% increase



Capital

Fund - Division	Project #	Project Name	Amount
General Fund- Facilities	GF274	CITY HALL BOZ CREEK IMPROVEMENT	33,500

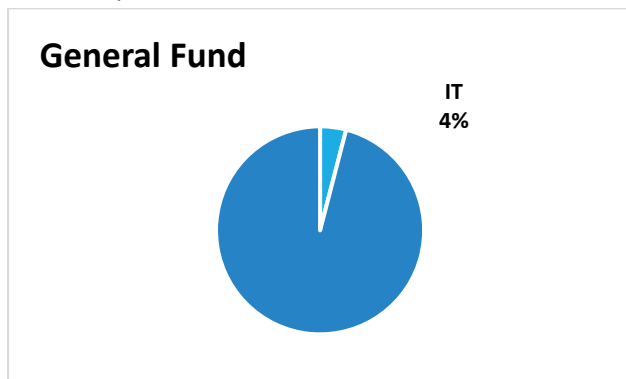
Information Technology

Major Objectives:

- Support all technology related hardware/software for the city.
- Maintain antivirus and other security related components to keep City data safe.
- Design and support systems that provide continuity of operations in the event of a system failure.
- Support Strategic plan objectives as they pertain to City Technology and communications.

Budget Allocation

Funded by the General Fund, making up 4% of the fund’s expenditures.



FY19 Accomplishments

- New SAN deployed and configured for replication
- Redundant Internet Connectivity setup
- Zuercher implemented on PD/Fire equipment

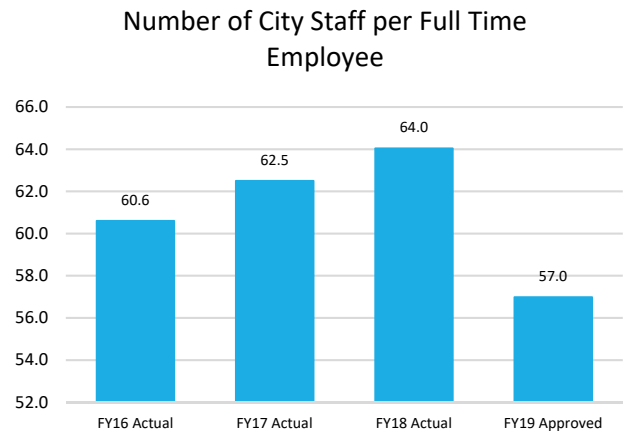
FY19 Strategic Plans

Department involved in 22 items

- Communications Plan-Push Notifications-1.1a
- Transparency and document access-1.1b
- PD and FD Technology-3.1d
- Public Safety Center-3.1a

Performance Measures

- Monitor response time related to help desk calls to ensure adequate level of service.
- Monitor the percentage of total devices deployed compared to the total devices scheduled for deployment to gauge efficiency in deployments.



FY20 Strategic Plan

City Communication plan and protocol 1.1a

- \$10,000 Granicus Gov Delivery Communications Platform-Push Notifications.

FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
INFORMATION TECHNOLOGY	010- General Fund	986,250	1,331,185	1,336,193	0.4%

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
INFORMATION TECHNOLOGY	Salaries & Benefits	606,199	712,461	740,212	3.9%
INFORMATION TECHNOLOGY	Operating	264,529	392,538	418,981	6.7%
INFORMATION TECHNOLOGY	Capital	115,522	226,186	177,000	-21.7%
INFORMATION TECHNOLOGY	Debt Service	-	-	-	0.0%
INFORMATION TECHNOLOGY	Transfers	-	-	-	0.0%
TOTALS		986,250	1,331,185	1,336,193	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
INFORMATION TECHNOLOGY	1910- Information Technology	986,250	1,331,185	1,336,193	0.4%

Personnel

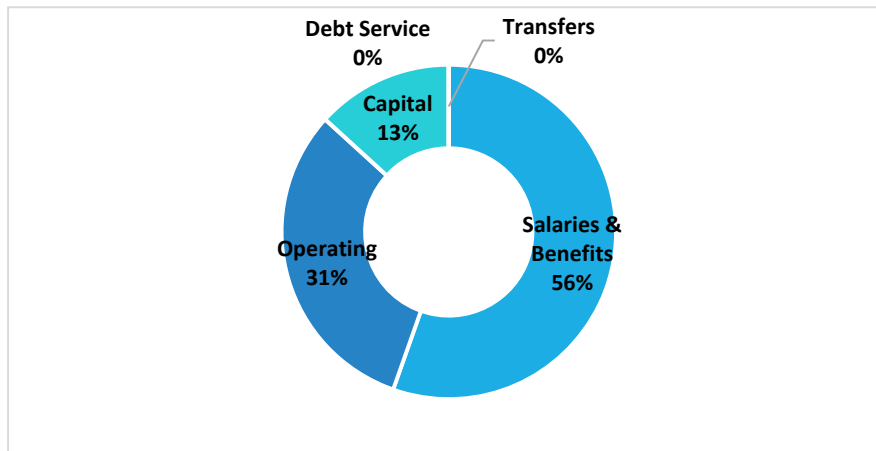
No FTE change

Operating

Increase due to software maintenance contracts

Capital

Fund - Division	Project #	Project Name	Amount
General Fund- Cemetery	GF268	SW MT VETERAN'S CEMETERY	45,000
General Fund-IT	GF062	PERSONAL COMPUTER (PC) RE	50,000
General Fund-IT	GF080	CITY-WIDE SWITCHES&ROUTRS	50,000
General Fund-IT	GF265	SERVER REPLACEMENT GF	20,000
General Fund-IT	GF289	SERVER FARM SOFTWARE UPGRADES	35,000
General Fund-IT	GF310	APC REPLACE FOR DATA CEN	12,000
General Fund-IT	GF312	ISCI FLASH UPGRADE CHALL	10,000
			<u>177,000</u>



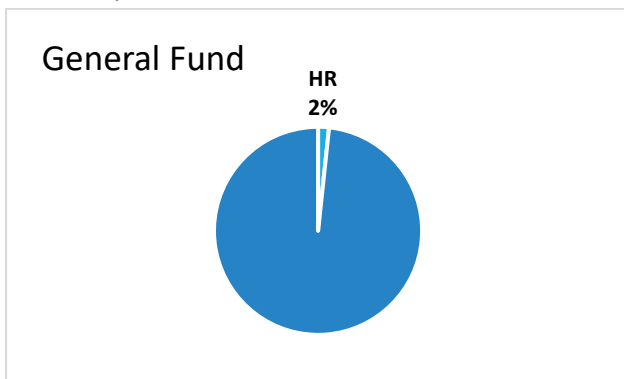
Human Resources

Major Objectives:

- Process the City’s payroll and process all related payment and tax filings
- Manage the City’s employee benefits
- Monitor compliance with labor contracts, employee handbook, laws, rules, and regulations
- Support Strategic Plan objectives as they pertain to the City’s workforce

Budget Allocation

Funded by the General Fund, making up 2% of the fund’s expenditures.



FY19 Accomplishments

- Recruitment- filled 136 positions
- Payroll- 550 W-2s issued, 480 1095s issued
- Implemented Advanced Scheduling with the Police Department

FY19 Strategic Plans

- 7.2a Be a “Best in Class” Employer We are engaging in pay studies for non-rep and open contracts to determine market pay for our positions. We received a Wellness Program study of our comparators and found to offer equivalent or better Wellness Program.
- 7.2b Develop and Implement an Innovative Onboarding Program for New Employees - With our new benefits portal.
- 7.3a Implement Department Staffing Plans - This has been our second year utilizing Staffing Plans.

- 7.3d Set Diversity Goals In the past year we focused recruitment efforts on diversity by advertising specifically with veteran, women, and minority groups in addition to regular advertising

Performance Measures

- Calculate the turnover rate to better understand the costs related to staff retention.
- Use selection ratios to understand the success of the recruitment program.
- Use the recruitment cycle time (job posting to final offer) to measure the timeliness of the recruitment program

FY20 Strategic Plan

- Increase training budget to assist with achieving “Best in Class” Employer status with professional development offered to department employees. (7.2a)
- Increase training budget to provide leadership development and other trainings for employees to be considered “well-trained” and enhance the attractiveness of the City as a place to work. (7.2a)
- Continue to work to hire an HR Generalist in order to help us achieve Strategic Plan goals such as onboarding, employee recognition, and training to strive for employee excellence. This position requires additional office space to be configured as well as training. (7.2b,c)
- Maintain diversity advertisement budget for focused effort on achieving diversity goals. (7.2d)

FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
HUMAN RESOURCES	010- General Fund	395,523	540,718	568,710	5.2%

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
HUMAN RESOURCES	Salaries & Benefits	333,344	413,518	467,510	13.1%
HUMAN RESOURCES	Operating	57,929	97,200	101,200	4.1%
HUMAN RESOURCES	Capital	4,250	30,000		0.0%
HUMAN RESOURCES	Debt Service		-	-	0.0%
HUMAN RESOURCES	Transfers		-	-	0.0%
TOTALS		395,523	540,718	568,710	5.2%

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
HUMAN RESOURCES	2010- Human Resources	395,523	540,718	568,710	5.2%

Personnel

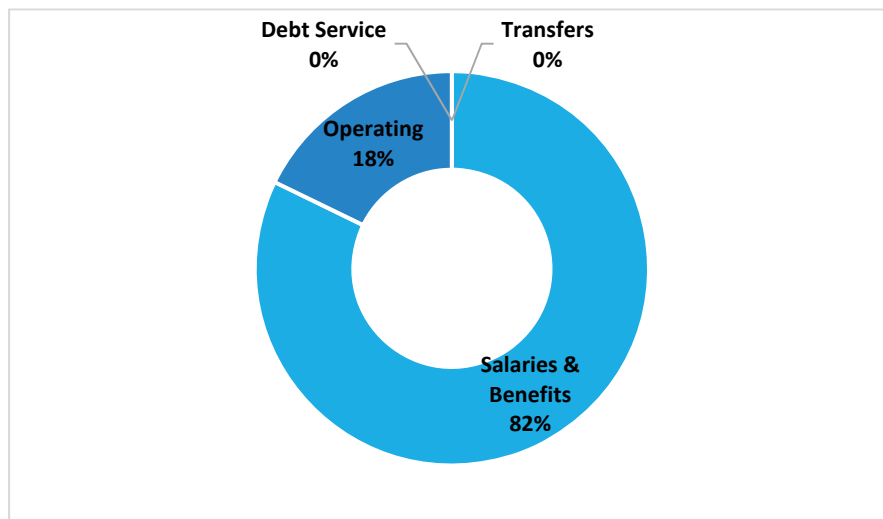
No FTE change

Operating

Increase in training to aid in efforts for Strategic Vision 7- High performing organization

Capital

None



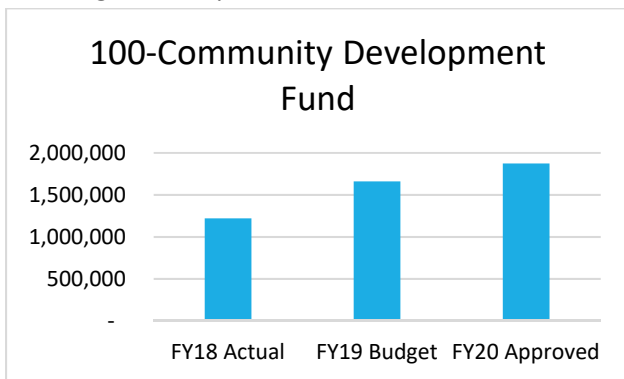
Planning (Community Development)

Major Objectives:

- Continually working toward making the planning process accessible, understandable and efficient for citizens
- Evaluate and make recommendations to the Planning Board, City Commission and the Director of Public Works on all annexations and subdivisions of land
- Review business licenses for compliance with the city's zoning ordinance

Budget Allocation

Planning Fund – Special Revenue Fund



FY19 Accomplishments

City Projects lead by Planning Division

- Community Plan Updates
- NCOD Review
- Downtown Bozeman Improvement Plan

FY19 Strategic Plans

- Increasing Outreach & Community Engagement by working with Neighborhoods to coordinate public events to provide general public access (Engaged Community | Objective Items 1.1 & 1.2)
- Promote informed conversation on growth through the Community Plan (Growth Policy) Update process by offering numerous community involvement opportunities

throughout the process. (Well Planned City | Objective Item 4.1a)

- Continuously adding data and information available to the public through GIS tracking tools (Well Planned City | Objective Item 4.1c)
- Update the Downtown Plan (Well Planned City | Objective 4.4a)

Performance Measures

- Track the median compliance time from complaint to closure for zoning code compliance complaints to show the effectiveness of the code compliance program and gauge our public education communication efforts.
- Measure the median review time for projects and plans by type to both identify where additional efficiencies can be made internally as well as infer public and design professionals understanding of the planning process.
- Calculate the median number of work days to review a building permit for zoning compliance to identify planning's influence on the total building permit review time.

FY20 Strategic Plan

- Community Engagement Plan – Increase community engagement in City decision making process (Objective 1.2)
- Public Agencies Collaboration – Foster successful collaboration with other public agencies and build on these successes (Objective 1.3e)
- Update Historic Preservation Guidelines – Update the NCOD Guidelines and promote continued investment in the city's inventory of historic structures relative to ongoing infill and redevelopment (Objective 4.2d)

FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
COMMUNITY DEVELOPMENT	100-Community Development Fund	1,219,680	1,661,194	1,873,348	12.8%

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
COMMUNITY DEVELOPMENT	Salaries & Benefits	881,772	990,695	1,416,573	43.0%
COMMUNITY DEVELOPMENT	Operating	337,908	369,281	421,775	14.2%
COMMUNITY DEVELOPMENT	Capital	-	301,218	35,000	-88.4%
COMMUNITY DEVELOPMENT	Debt Service	-	-	-	0.0%
COMMUNITY DEVELOPMENT	Transfers	-	-	-	0.0%
TOTALS		1,219,680	1,661,194	1,873,348	53.6%

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
COMMUNITY DEVELOPMENT	1610- Planning Operations	452,402	798,553	793,670	-0.6%
COMMUNITY DEVELOPMENT	1620- Development Review	441,268	513,353	633,524	23.4%
COMMUNITY DEVELOPMENT	1630- Long-Range Planning	320,555	349,288	446,154	27.7%
TOTALS		1,214,225	1,661,194	1,873,348	

Personnel

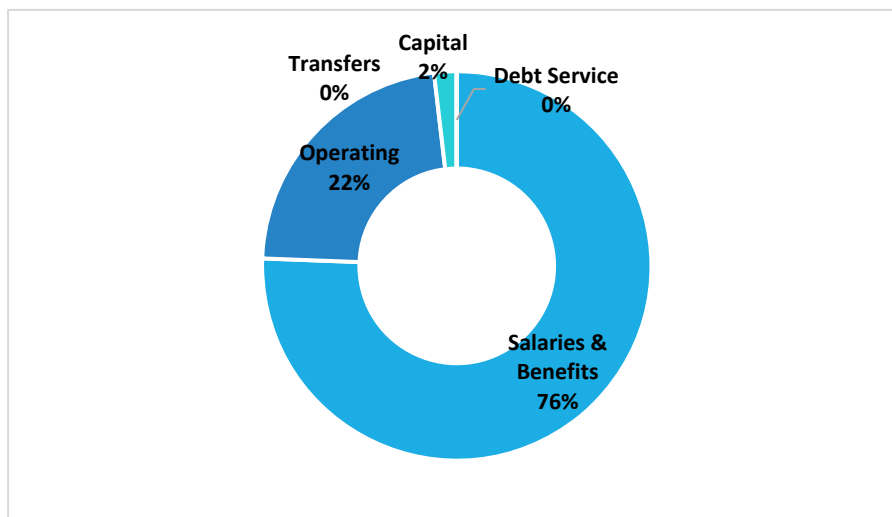
Addition, of a Planner II and funding half of a City Attorney position

Operating

Consulting services increase with the next round NCOD and public outreach funding

Capital

Fund	Fund - Division	Project #	Project Name	Amount
100	Planning	CD06	PLANNING VEHICLE REPLACEMENT REQUEST	35,000



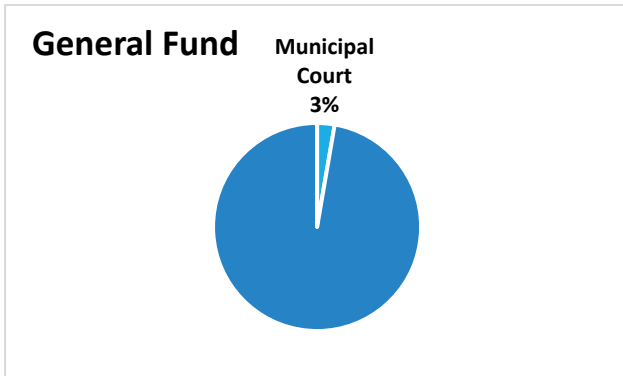
Municipal Court

Major Objectives:

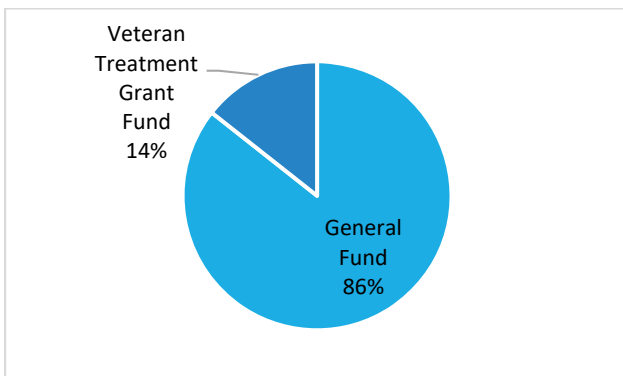
- Continue providing an up-to-date court docket.
- Plan an efficient operating space for the new BPSC.
- Begin planning for a smooth transition to the New Bozeman Public Safety Center.
- Maintain an efficient collection system concentrating on CitepayUSA.com, Municipal Services Bureau, and collection of fines and restitution.

Budget Allocation

Funded mainly by General Fund

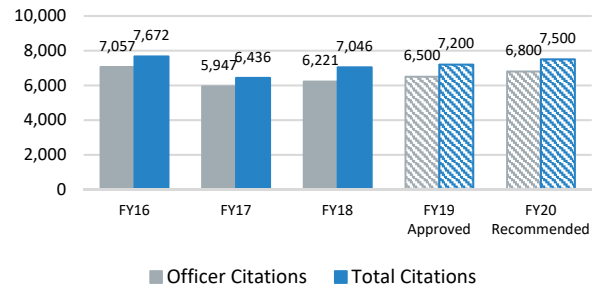


The Veteran Court is provided for by a grant and accounted for in the Special revenue fund 178-Veteran Treatment Grant.

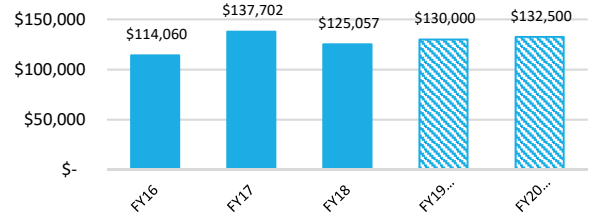


Performance Measures

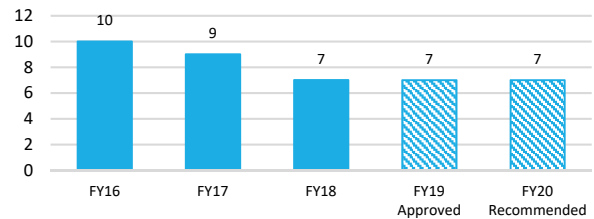
Citations



Restitution Collected



Number of Appeals



FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
MUNICIPAL COURT	010- General Fund	829,465	867,868	908,059	4.6%
MUNICIPAL COURT	178- Veteran Court	40,028	87,156	152,346	74.8%
TOTALS		869,493	955,024	1,060,405	

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
MUNICIPAL COURT	Salaries & Benefits	689,743	697,956	776,463	11.2%
MUNICIPAL COURT	Operating	170,573	257,068	281,682	9.6%
MUNICIPAL COURT	Capital	8,235	-	-	
MUNICIPAL COURT	Debt Service	942	-	1,900	0.0%
MUNICIPAL COURT	Transfers	-	-	-	0.0%
TOTALS		869,493	955,024	1,060,045	11.0%

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
MUNICIPAL COURT	1310-Municipal Court	869,493	955,024	1,060,045	11.0%

Personnel

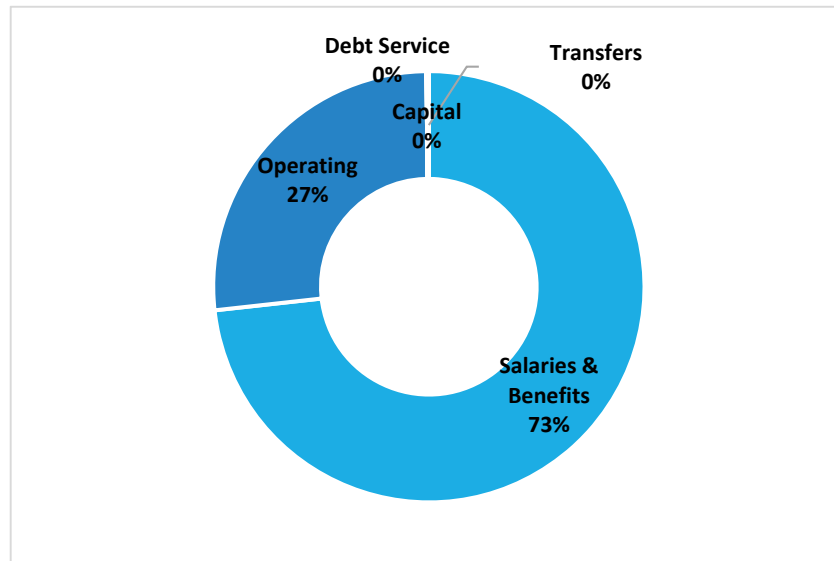
FTE increase of .10 for part time judge

Operating

Increase in grant funding operations

Capital

None





Public Safety



Public Safety



Police- The Police Department budget accounts for costs associated with providing all law enforcement services within the City of Bozeman. The general fund budget primarily supports the operation of the patrol, investigative and support services divisions. Officers from these divisions are responsible for detecting, preventing, and investigating all crimes occurring within the City as well as providing a broad range of public safety services.

Fire Department - The Fire Department provides fire, rescue, hazardous materials, and emergency medical services throughout Bozeman, while ensuring that firefighters are equipped and trained to nationally recognized consensus standards. Additionally the department maintains a fire prevention program that is comprised of fire and life safety inspections, community outreach, school programs, emergency preparedness, and public education.

Building Inspection (Community Development) - The Building Division unit accounts for expenditures utilized to monitor construction projects within the City of Bozeman jurisdictional area as allowed by state law. The intent of this budget unit is to provide guidance and to enforce the minimum building code standards in order to safeguard life, health, property and public welfare by regulating and controlling the use, design, quality of materials and construction of buildings and structures within the Bozeman city limits.

Parking (Economic Development)- The Parking Services Division (PSD), recently joined to the Economic Development Department, has responsibility for managing and enforcing public parking within the City of Bozeman, to include the Downtown (B-3), MSU & Bozeman High Residential Parking Permit Districts, Bridger Park Downtown Garage, the Black/Rouse/N Willson/S. Willson surface lots, and on all on-street parking.



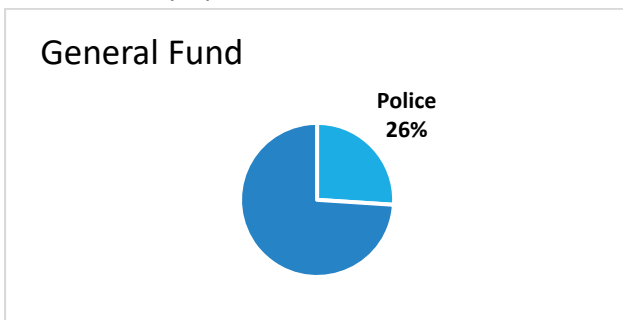
Police

Major Objectives:

- Detect, investigate, and proactively deter criminal activity and apprehend and hold criminal offenders accountable.
- Provide assistance to those who cannot care for themselves or those in danger of physical harm.
- Develop positive programs, in partnership with the members of our community, to address public safety issues through community engagement and outreach.

Budget Allocation

Funded mainly by the General Fund



Additional programs are funded by special revenue funds.

FY19 Accomplishments

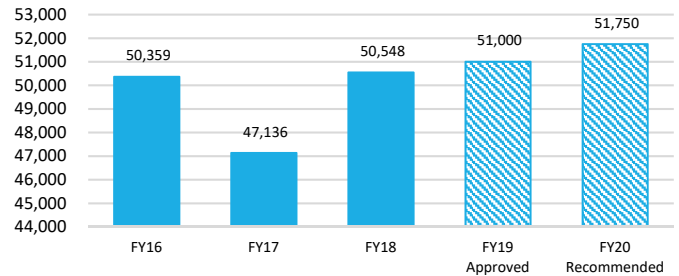
- Continued to maximize efficiencies with non-sworn positions to leverage existing sworn officer staffing for patrolling and emergency response.
- Commenced implementation of new Records Management System replacing 20-year-old legacy system.

FY19 Strategic Plans

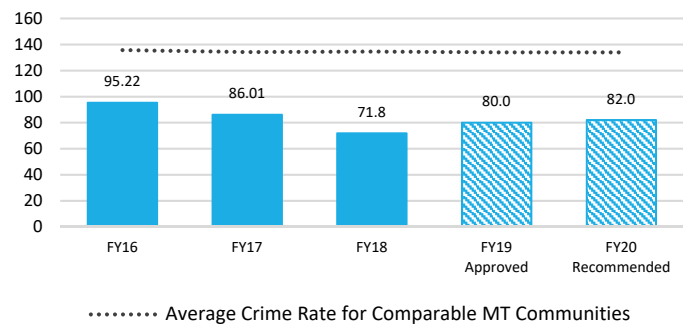
- 3.1a, Develop a Criminal Justice Facility Plan: With partners, developed a plan with Fire, Courts and Prosecution for the Bozeman Public Safety Center
- 3.1d Update Public Safety Technology Systems- in partnership with Gallatin County updated RMS and CAD for public safety services

Performance Measures

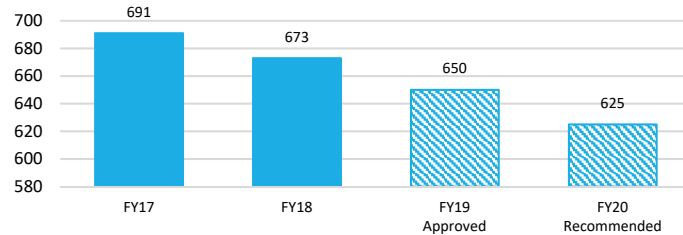
Total Calls for Service



Crime Rate per 1,000 Citizens



Mental Health-Related Calls for Service (officer hours)



FY20 Strategic Plan

- 3.1.d Update Public Safety Technology Systems- Continued implementation of records management system.
- 3.2.c Develop a City/County Social Service Network. Work with Gallatin County and other community partners on a comprehensive strategy for addressing mental health, substance abuse and addiction and housing challenges.

FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
POLICE	010- General Fund	8,624,258	8,541,786	8,994,621	5.3%
POLICE	125- Drug Forfeiture	270,686	231,210	242,052	4.7%
POLICE	138- Law & Justice Ctr. Prepaid Rent	19,125	19,125	19,125	0.0%
POLICE	139- Police Special Revenue	35,406	-	40,000	100.0%
POLICE	140- Police Domestic Violence	44,989	-	187,040	100.0%
TOTALS		8,994,464	8,792,121	9,482,838	

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
POLICE	Salaries & Benefits	7,926,143	7,534,344	7,866,925	4.4%
POLICE	Operating	921,845	870,777	1,157,913	33.0%
POLICE	Capital	114,636	387,000	458,000	18.3%
POLICE	Debt Service	-	-	-	0.0%
POLICE	Transfers	-	-	-	0.0%
TOTALS		8,962,624	8,792,121	9,482,838	7.9%

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
POLICE	3010- Police Operations	6,779,742	6,250,961	7,237,004	15.8%
POLICE	3020- Crime Control & Investigations	1,726,254	2,069,015	1,743,165	-15.7%
POLICE	3040- Drug Forfeiture	270,686	231,210	242,052	4.7%
POLICE	3070- Animal Control	182,436	240,935	260,617	8.2%
TOTALS		8,959,118	8,792,121	9,482,838	

Personnel

One FTE added - Police Officer

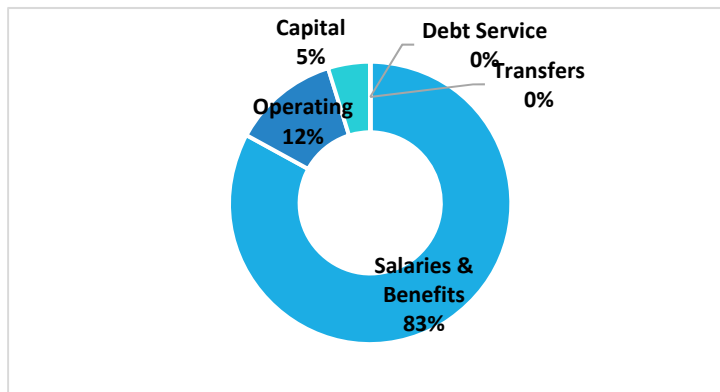
Operating

Additional \$44,000 for Community Therapist Program and the return of OVW grant funding

Capital

The capital items are as approved capital plan:

Fund - Division	Project #	Project Name	Amount
General Fund- Police	GF053	PATROL CAR & EQUIP RPLCMT	118,000
General Fund- Police	GF166	COUNTY RADIO LEASE	295,000
General Fund- Police	GF292	MOBILE DATA EQUIP	30,000
General Fund- Police	GF293	NON-PATROL CAR NEW VEHICLES	15,000
			<u>458,000</u>



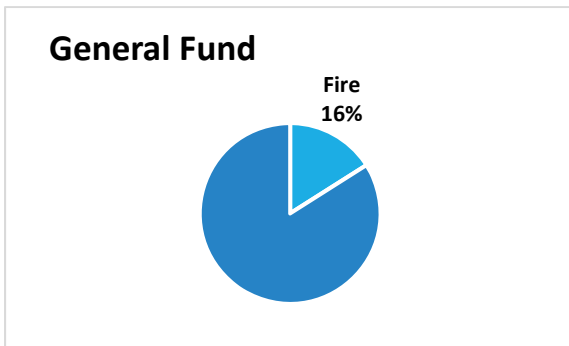
Fire

Major Objectives:

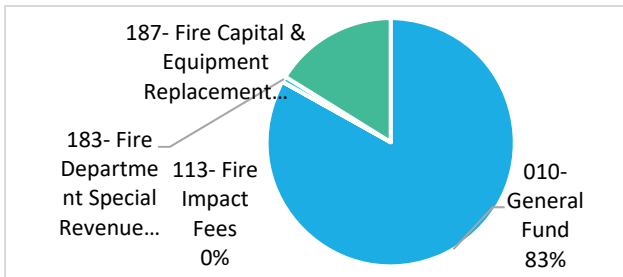
- Continued Implementation of Fire Master Plan
- Continued pursuit of Fire Department Accreditation
- Bozeman Public Safety Center

Budget Allocation

Fire is supported operationally through the General Fund.



The Fire Department is supported also by special revenue funds with one being for its capital replacements;



FY19 Accomplishments

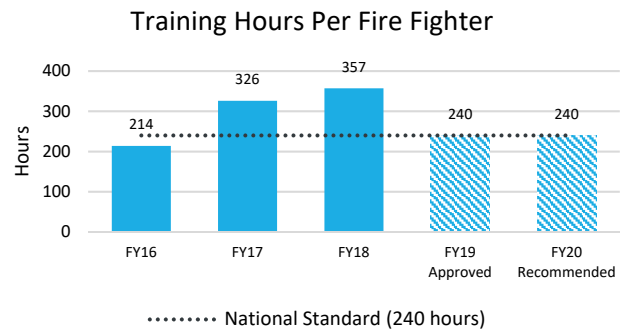
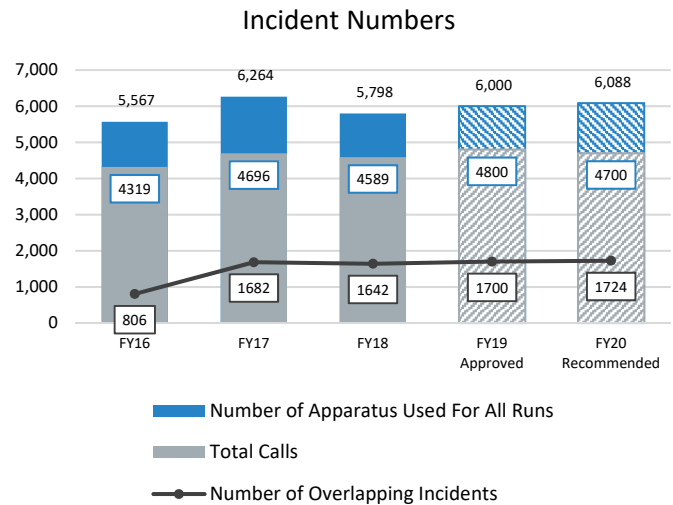
- Bozeman Public Safety Center and Fire Department Strategic Plan
- Training Program – Blue Card IMS, Fire Instructor I and Fire Officer I, 14 Safety Officers

FY19 Strategic Plans

- 1.3.c Enhance our relationship with Montana State University
- 3.1.b Improve emergency preparedness plans
- 3.1.c Implement fire station location plan
- 3.1.d Update public safety technology systems
- 3.2.b Perform a community risk assessment

Performance Measures

- Calculate the emergency call response times (call processing, turnout, and response).



FY20 Strategic Plan

- 1.3.c Enhance our relationship with Montana State University - COOP / Fire Station 2
- 3.1.b Improve Emergency Preparedness Plans - COOP / Community Program
- 3.1.c Implement Fire Station Location Plan - BPS / Fire Station 2
- 3.1.d Update Public Safety Technology Systems - Fire Station Alerting, FY-19 carry over project and continue work with CAD system and 911
- 3.2.b Perform a Community Risk Assessment - Finish work started in FY-19

FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
FIRE	010- General Fund	6,449,144	5,327,652	5,500,325	0.0%
FIRE	113- Fire Impact Fees	44,984	-	-	0.0%
FIRE	183- Fire Department Special Revenue	89,252	40,000	50,000	0.0%
FIRE	187- Fire Capital & Equipment Replacement	601,041	606,000	1,068,000	100.0%
TOTALS		7,184,421	5,973,652	6,618,325	

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
FIRE	Salaries & Benefits	5,849,654	4,924,814	5,064,356	2.8%
FIRE	Operating	751,630	442,838	485,969	9.7%
FIRE	Capital	583,137	606,000	468,000	-22.8%
FIRE	Debt Service	-	-	-	0.0%
FIRE	Transfers	-	-	600,000	0.0%
TOTALS		7,184,421	5,973,652	6,618,325	10.8%

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
FIRE	3110- Fire Administration	535,770	517,893	411,028	-20.6%
FIRE	3120- Fire Operations	6,586,364	5,369,959	6,119,897	14.0%
FIRE	3130- Operational Readiness	43,761	47,000	48,000	2.1%
FIRE	3140- Fire Prevention	14,850	25,400	26,000	2.4%
FIRE	3160- Hazardous Materials	3,676	13,400	13,400	0.0%
TOTALS		7,184,421	5,973,652	6,618,325	

Personnel

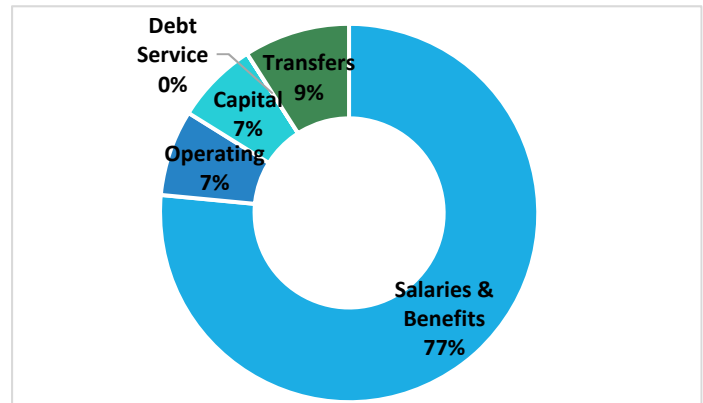
Addition of three Fire Fighters, per contract to make a shift change

Operating

Operational increases due inflation and increases in vehicle maintenance charges

Capital

Funded by special revenue fund.



Fund	Fund - Division	Project #	Project Name	Amount
187	Fire Capital	FE06	Radio Replacement Program	250,000
187	Fire Capital	FE12	Personal Protective Equip	38,000
187	Fire Capital	FE17	Wildlands Apparatus	55,000
187	Fire Capital	FE18	Light Duty Vehicles	80,000
187	Fire Capital	FE19	Utility Vehicle	45,000
187 Fire Capital & Equipment Replacement Total				468,000

Building Inspection

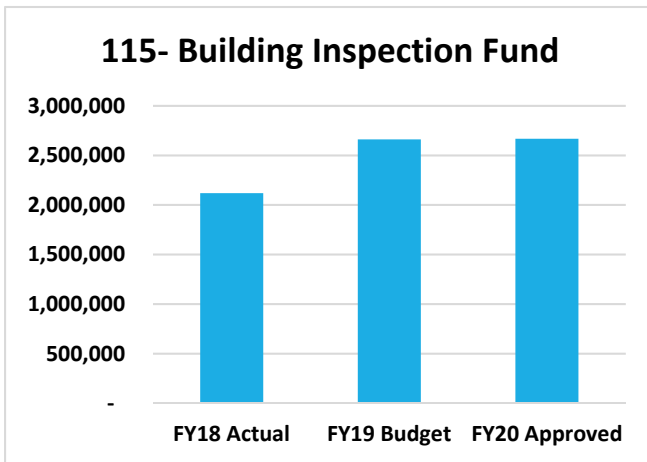
(Community Development)

Major Objectives:

- Recruit staff to provide an adequate level of qualified staff to handle our current and projected workload.
- Build a diverse workforce in both experience and education without sacrificing our work quality, service and minimum performance standards.
- Reevaluate and adjust the Division operational budget to eliminate any unnecessary spending but ensure funding for all of the necessary/required Division expenditures.

Budget Allocation

Department is funded in a single fund, Building Inspection Fund – Special Revenue Fund.



FY19 Accomplishments

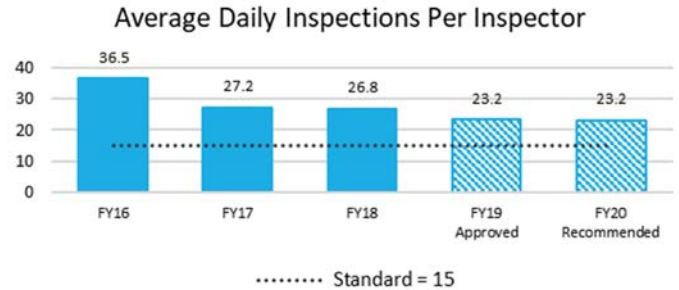
- Continued working to improve coordination and communications between the Building Division, other city departments and our customers.
- Provided expert technical advice and consultation for our customers.
- Continued working with other city departments to simplify the overall permitting process.

FY19 Strategic Plans

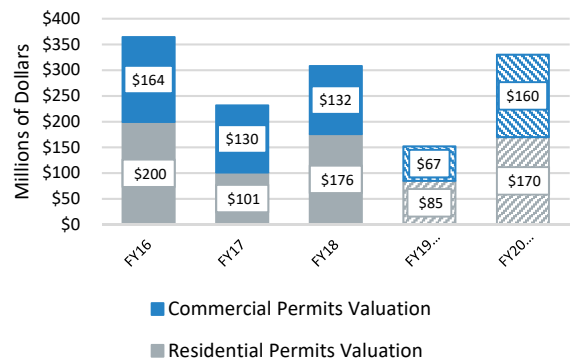
- Continue to provide educational opportunities for our customers and our staff.

- Maintain the Building Division web page to keep it functioning as a valuable tool and information source for our customers.

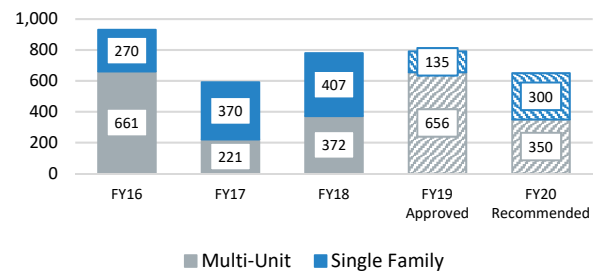
Performance Measures



Building Permit Valuation



Residential Permits



FY20 Strategic Plan

- Continue to make staff time available allowing customers to make appointments with Plans Examiners and the Building Official to review plans and code requirements.
- Continue with our Winter Training Program to provide building code based classes for our staff and our customers.

FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
BUILDING INSPECTION	115- Building Inspection Fund	2,118,822	2,660,416	2,668,026	0.3%

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
BUILDING INSPECTION	Salaries & Benefits	1,341,328	1,702,127	1,880,081	10.5%
BUILDING INSPECTION	Operating	777,494	706,608	787,945	11.5%
BUILDING INSPECTION	Capital	-	251,681	-	-100.0%
TOTALS		2,118,822	2,660,416	2,668,026	0.3%

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
BUILDING INSPECTION	Buidling Inspection	2,118,822	2,660,416	2,668,026	0.3%

Personnel

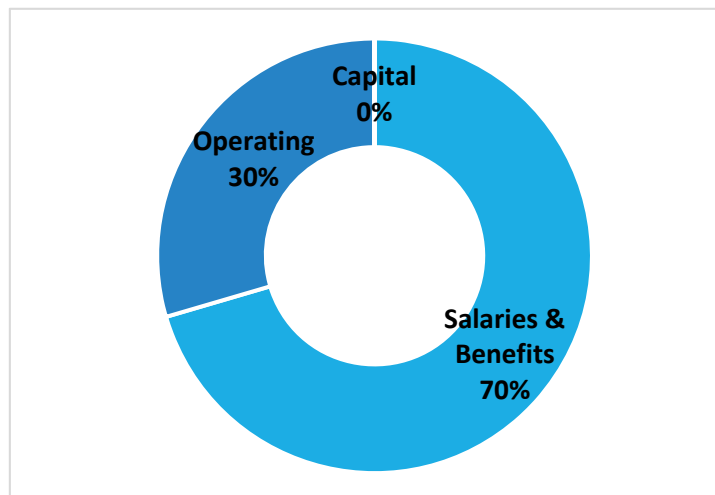
No changes in FTE

Operating

Increase due to overhead charges from administrative functions

Capital

No capital items for Fy20 and none currently in schedule in the CIP FY20-FY24



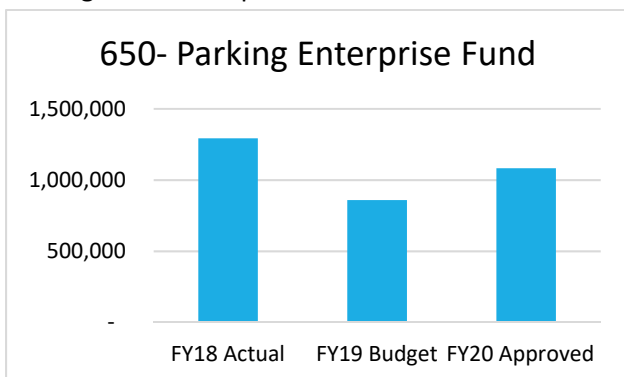
Parking (Economic Development)

Major Objectives:

- Regulate the use of on-street and off-street public parking to the best use of our citizens through equitable enforcement and management practices.
- Operate the Parking Services Division in an effective and fiscally sustainable manner.
- Facilitate a prosperous local economic environment through the provision of safe, convenient, available, and cost-appropriate public parking resources.

Budget Allocation

Parking Fund- Enterprise fund



FY19 Accomplishments

- Implementation of industry-best parking technology, including fixed and mobile license-plate-recognition technology, digital customer parking portal, and new parking data platform.
- Legislative adoption of Ordinance # 2013 (12/2018) updating and improving parking regulations within the Bozeman Municipal Code,
- Significant progress toward satisfaction of the 2016 Strategic Parking Management Plan, to include creation of digital parking inventory (by 'blockface') of the Downtown, new brand-specific parking signage, renaming all public parking lots, implementation of best practices for management and enforcement.

FY19 Strategic Plans

4.2 (c) Parking Management by District

- The Parking Services Division, in collaboration with Economic Development Department, Neighborhoods, and Bozeman Parking Commission continues to pursue satisfaction of the 2016 Strategic Parking Management

Performance Measures

- Calculate the percent of downtown land area devoted to off-street parking, to demonstrate a flat or declining trend over time (i.e. more land available for other uses).
- Measure the effectiveness of on-street parking management by demonstrating that, over time, an increasing percentage of downtown block faces have occupancy rates within, but not exceeding, the target range of 75-85%.
- Measure fiscal health of the public parking management system by tracking, over time, a ratio of total revenue per paid public parking space to total cost per paid public parking space.

FY20 Strategic Plan

- 1.4 Business and Institutional Partnerships - Explore opportunities for partnerships with key business groups and non-profit organizations.
- 4.2 High Quality Urban Approach - Parking Management by District - Develop a comprehensive, integrated approach to parking management for the downtown, midtown, university, and other districts. Consider a range of solutions including both on-street parking and parking garages.
- 4.3 Strategic Infrastructure Choices - Prioritize long-term investment and maintenance for existing and new infrastructure.
- 4.4 Vibrant Downtown, Districts & Centers - Promote a healthy, vibrant Downtown, Midtown, and other commercial districts and neighborhood centers – including higher densities and intensification of use in these key areas.

FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
PARKING	650- Parking Enterprise Fund	1,293,116	859,371	1,082,669	26.0%

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
PARKING	Salaries & Benefits	389,115	353,632	426,764	20.7%
PARKING	Operating	744,665	393,708	425,905	8.2%
PARKING	Capital	159,336	112,031	230,000	105.3%
PARKING	Debt Service	-	-	-	0.0%
PARKING	Transfers	-	-	-	0.0%
TOTALS		1,293,116	859,371	1,082,669	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
PARKING	3310- Parking Administration	455,340	356,839	326,950	-8.4%
PARKING	3320- Parking Operations/Enforcement	310,341	284,727	380,283	33.6%
PARKING	3330- Parking Garage Operations	527,435	217,805	375,436	72.4%
TOTALS		1,293,116	859,371	1,082,669	

Personnel

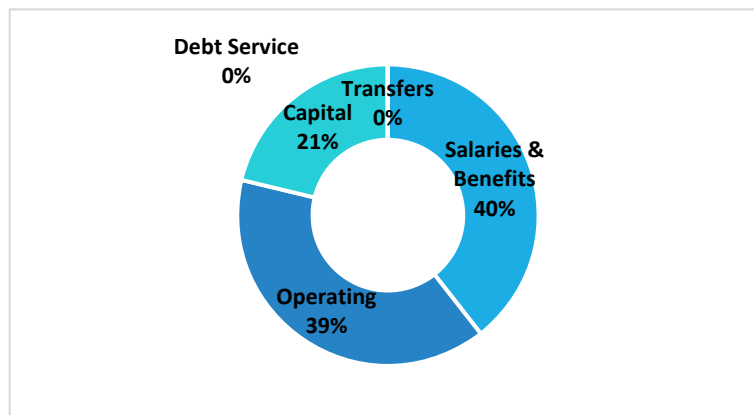
No FTE added

Operating

Increase in costs, such as DMV fees, postage and roof snow removal

Capital

Fund	Fund - Division	Project #	Project Name	Amount
650	Parking	P004	SURFACE PARKING LOT HARDWARE & SOFTWARE SYSTEMS	15,000
650	Parking	P020	PARKING VEHICLE LEASES	45,000
650	Parking	P023	PARKING TECHNOLOGY PHASE II	150,000
650	Parking	NEW	IVR - Voice message system	20,000
650 Parking Total				230,000





Public Works

Public Works

Public Works Administration- Public Works administration oversees and supports the Public Works' divisions.

Engineering - Provide professional level technical support to the other Public Works divisions and other City Departments.

GIS & Asset Management (Strategic Services)- Geographic Information System provides the foundation for data collection, analysis and visualization for many aspects of city government. Asset Management leverages this data to minimize risk and life-cycle costs to effectively deliver best-in-class service throughout the community.

Solidwaste - The Solid Waste Division (SWD) proudly serves the City of Bozeman Solid Waste customers by providing them with a myriad of programs and services that effectively and efficiently manage municipal solid waste generated within the Bozeman City limits.

Stormwater- Manage stormwater infrastructure through maintenance, improvement, and repair activities to ensure the adequate control and conveyance of urban stormwater runoff, reducing the City's liability associated with flooding. Protect and improve waterway health and treatment infrastructure projects to safeguard the public, environment, and local waterways from pollution.

Streets Maintenance - The goal of the Street Maintenance division is to help provide for a network of safe roadways for the traveling public and access to desired destinations in a quick, convenient, safe and comfortable manner while minimizing harmful effects on the environment.



Vehicle Maintenance - The Vehicle Maintenance budget unit accounts for the costs of repairing and maintaining vehicles of the City. The budget unit operates under an internal service fund. Charges are assessed against departments, which have vehicles repaired.

Wastewater – Operations - Providing and maintaining a wastewater collection system for the City. The Division maintains a program of inspecting, cleaning, root cutting, repairing sanitary sewer mains and manholes, and tapping for new wastewater stubs. Wastewater operations is also responsible for maintaining the City's eight sanitary sewer lift stations.

Wastewater- Water Reclamation Facility (WRF) - The WRF is an award-winning plant with the main objective being to protect and enhance the water quality of the East Gallatin River where it discharges. Through its beneficial reuse program, the WRF maintains compliance with the Montana Pollutant Discharge Elimination System (MPDES) discharge permit administered by the DEQ.

Water – Operations - Operating and maintaining the City's water transmission and distribution system. We are responsible for: locating, maintaining, and repairing existing water lines and appurtenances; overseeing installation of new water lines; installing and rotating water meters and reading all meters monthly.

Water- Water Treatment Plant (WTP) - Water Treatment Plants maintain a quality drinking water supply. The City has 2 WTPs: 22 MGD Sourdough Plant and 3.7 MGD Lyman Creek Plant. All plants are operated 24 hours per day, 365 days per year.

Water- Water Conservation - Protect and enhance water resources through conservation in order to meet the IWRP's 50-year demand reduction target.

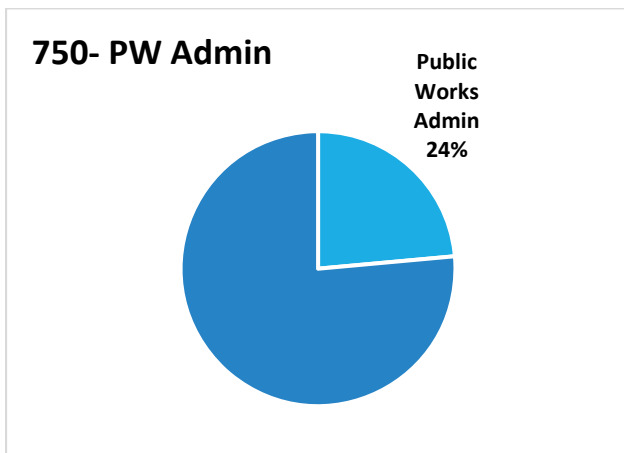
Public Works Admin

Major Objectives:

- Coordinate the activities of the Public Works Dept. Divisions.
- Establish and maintain policies, procedures, and protocol for the department's functions.
- Provide general oversight of activities affected by new federal and state mandates.
- Assure master plan implementation is cost-effective and that infrastructure improvements are constructed in a quality manner to provide reliable service for immediate and long-term needs.

Budget Allocation

Public Works Admin Internal Service Fund



Performance Measures

This function oversees the performance of all of public works.

FY20 Strategic Plan

Oversee all of Public Works Strategic Plan efforts in FY20



FY19 Accomplishments

The Administrative Division has functioned well with anticipation of a new Public Works Director.

FY19 Strategic Plans

7.3 C Improve Departmental Collaboration-Worked with Finance and all Public Works divisions on the CIP in a new system.

FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
PUBLIC WORKS ADMIN	750- Public Services Admin.	-	577,353	693,816	20.2%
PUBLIC WORKS ADMIN	600- Water Fund	261,220	-	-	0.0%
TOTALS		261,220	577,353	693,816	

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
PUBLIC WORKS ADMIN	Salaries & Benefits	215,755	456,850	562,011	23.0%
PUBLIC WORKS ADMIN	Operating	45,465	64,455	131,805	104.5%
PUBLIC WORKS ADMIN	Capital	-	56,048	-	-100.0%
PUBLIC WORKS ADMIN	Debt Service	-	-	-	0.0%
PUBLIC WORKS ADMIN	Transfers	-	-	-	0.0%
TOTALS		261,220	577,353	693,816	20.2%

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
PUBLIC WORKS ADMIN	4010- Public Services Administration	261,220	577,353	693,816	20.2%
TOTALS		261,220	577,353	693,816	

Personnel

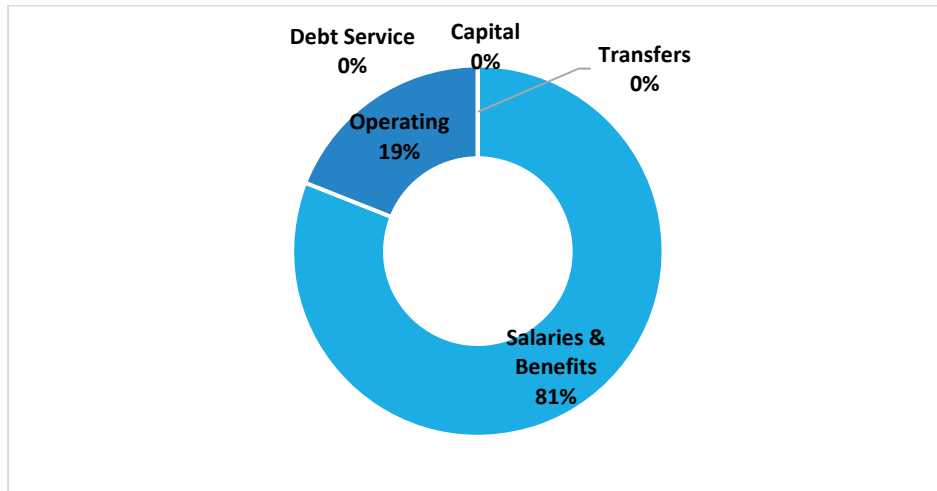
No FTE changes

Operating

Increase for utility billing machines for envelope stuffing and opening

Capital

None



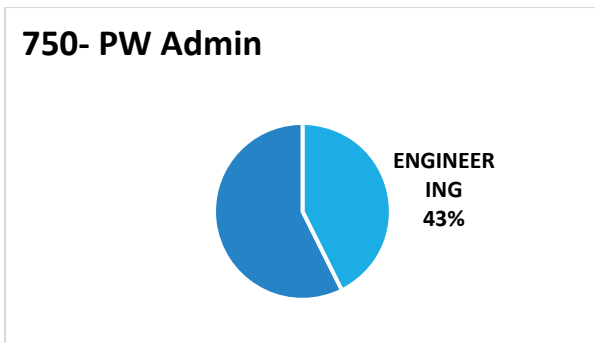
Engineering

Major Objectives:

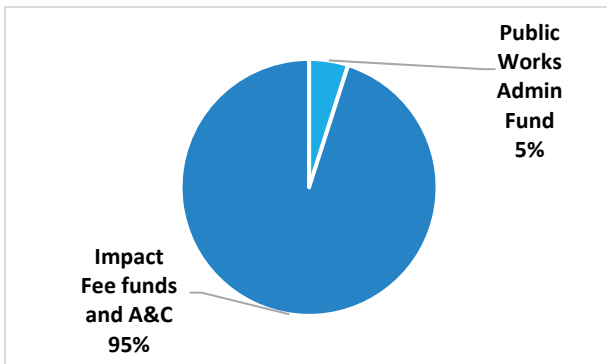
- Design and oversee construction of the annual street, water, and wastewater replacement projects
- Review and ensure that public infrastructure installed by private sector conforms to the City's standards
- Develop and implement the City's water, wastewater, stormwater, water resources, and transportation master plans and associated capital budgets

Budget Allocation

Engineering personnel and basic operating costs are funded Public Works Admin Internal Service Fund:



The Division also oversees the Impact Fee fund and Arterial & Collector funds, which fund large capital expansion projects.



FY19 Accomplishments

- 5.30 million gallon water storage tank
- Baxter Lane corridor upgrades

- Completed 220 substantial development application reviews (compared to 162 the prior year)

FY19 Strategic Plans

Strategic vision 4 many accomplishments were made to achieve this vision statement along with communication to citizens.

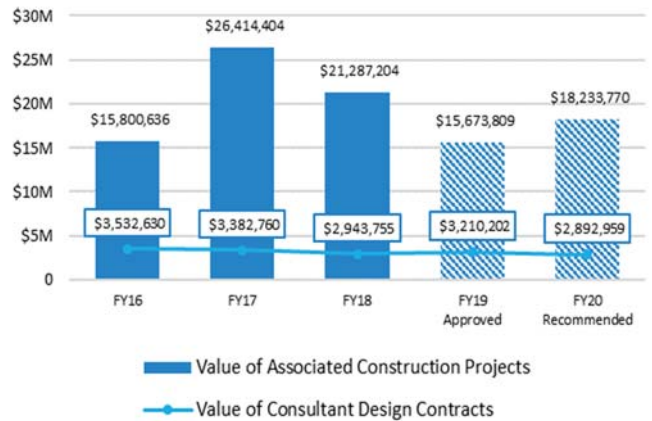
Performance Measures

Value of Internal Design Work

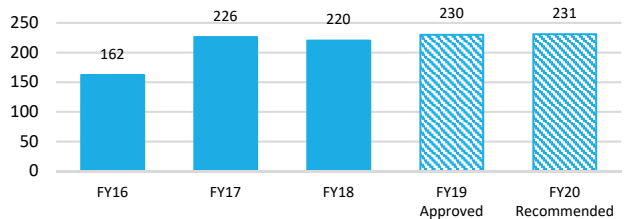


Value of Consultant Work

*Actual FY19 & FY20 numbers will vary due to the start/completion date of the approved projects.



Development Application Reviews



FY20 Strategic Plan

Continue work with Strategic vision 4 action items along with communication to citizens. Also, focus on the vision statement 7 and working towards best practices and service delivery.

FY20 Budget

Department Budget by Fund

Division	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
ENGINEERING	750- Public Services Admin.	-	1,016,765	1,255,758	23.5%
ENGINEERING	600- Water Fund	498,128	-	-	0.0%
ENGINEERING	114- Street Impact Fee	7,824,644	6,418,000	7,565,195	17.9%
ENGINEERING	141- Street Arterial Construction	1,741,416	3,568,000	2,396,000	-32.8%
ENGINEERING	610- Water Impact Fee	432,135	2,186,020	6,963,052	218.5%
ENGINEERING	630- Wastewater Impact Fee	211,611	8,625,000	7,343,417	-14.9%
TOTALS		10,707,934	21,813,785	25,523,422	

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
ENGINEERING	Salaries & Benefits	401,387	812,815	973,288	19.7%
ENGINEERING	Operating	528,895	363,950	683,470	87.8%
ENGINEERING	Capital	9,777,652	20,037,020	22,440,729	12.0%
ENGINEERING	Debt Service	-	-	530,012	0.0%
ENGINEERING	Transfers	-	600,000	895,923	0.0%
TOTALS		10,707,934	21,813,785	25,523,422	17.0%

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
PUBLIC WORKS ADMIN	4020- Engineering	498,128	1,016,765	1,255,758	23.5%
PUBLIC WORKS ADMIN	Impact Fee funds and A&C	10,209,806	20,797,020	24,267,664	16.7%
TOTALS		10,707,934	21,813,785	25,523,422	

Personnel

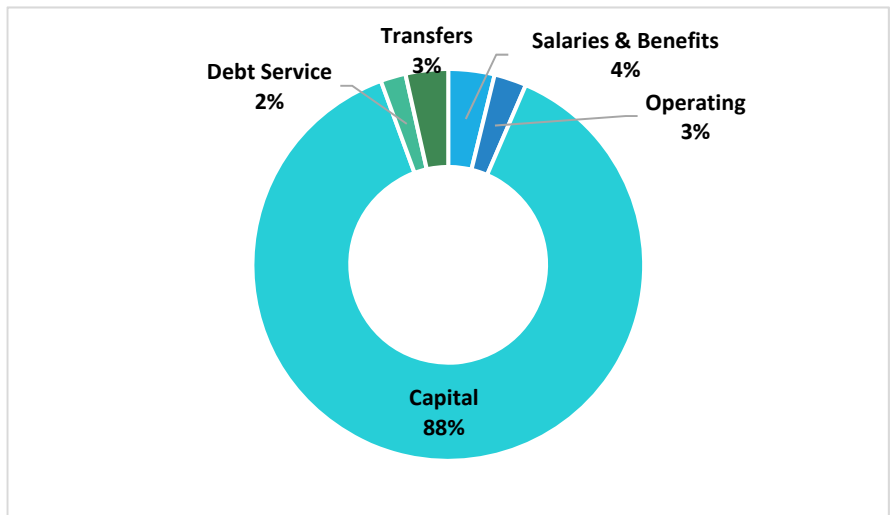
1 FTE add- Engineering Inspector

Operating

Increases in outside consulting work for the division

Capital

Oversees capital in the impact fee funds and the Arterial & Collector fund, see listing in the Capital section of the budget book



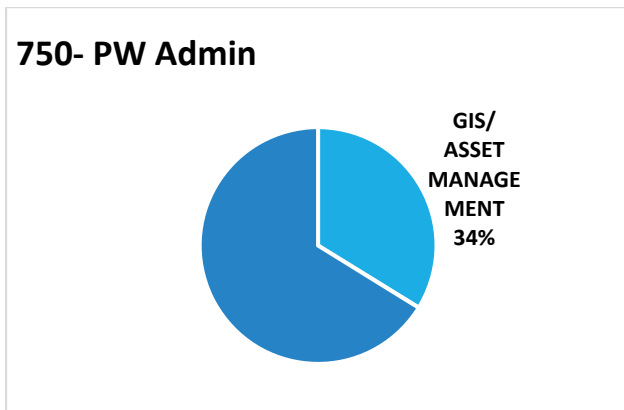
GIS/Asset Management (Strategic Services)

Major Objectives:

- Reduce operations & maintenance costs by leveraging data to be more efficient
- Plan for future growth while mitigating issues related to aging infrastructure
- Measure, monitor and communicate performance for city services
- Engage citizens and provide transparency to effectively communicate value

Budget Allocation

Funded by the Public Works Admin Internal Service Fund



FY19 Accomplishments

- AVL Replacements (x23 +9)
- Service Requests for VM & Facilities
- Forestry
 - Mobile Data Collection Tool
 - Work Order Management (“light”)
 - Automated Dashboards
 - Public Web Apps

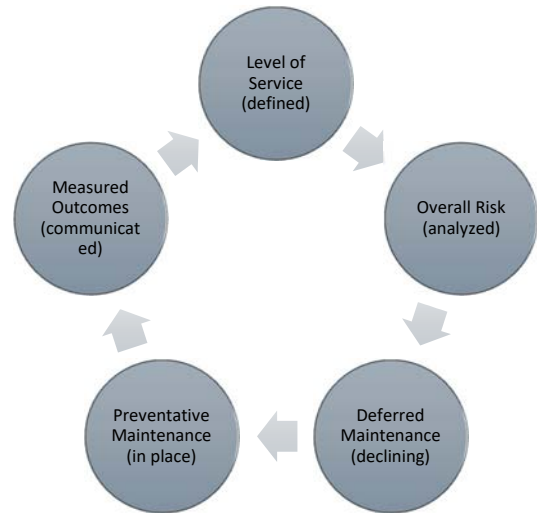
FY19 Strategic Plans

- Community Risk Assessment (3.2.b)
- Land Use & Infrastructure Tracking (4.1.c)
- Parks & Trails Maintenance District (4.3.a)
- Art Trail Map (5.2.a)

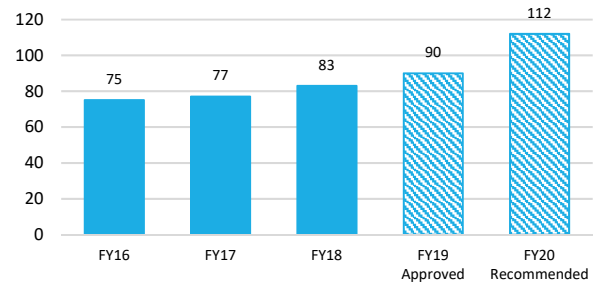
Performance Measures

- Track the web mapping applications: “Hours of Use”

Asset Management Report Card Grade



Cityworks Users



FY20 Strategic Plan

- System Integrations (7.3.b)
- Data Analysis Tools (7.4.a)
- Performance Measures (7.4.b & 7.4.c)
- Service Delivery Expectations (7.4.d)

FY20 Budget

Department Budget by Fund

Division	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
GIS/ASSET MANGT	750- Public Services Admin.	-	794,339	995,486	25.3%
GIS/ASSET MANGT	600- Water Fund	690,673	-	-	0.0%
TOTALS		690,673	794,339	995,486	

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
GIS/ASSET MANGT	Salaries & Benefits	348,498	424,238	553,949	30.6%
GIS/ASSET MANGT	Operating	236,075	286,601	366,537	27.9%
GIS/ASSET MANGT	Capital	106,100	83,500	75,000	-10.2%
GIS/ASSET MANGT	Debt Service	-	-	-	0.0%
GIS/ASSET MANGT	Transfers	-	-	-	0.0%
TOTALS		690,673	794,339	995,486	25.3%

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
PUBLIC WORKS ADMIN	4025- GIS	690,673	794,339	995,486	25.3%
TOTALS		690,673	794,339	995,486	

Personnel

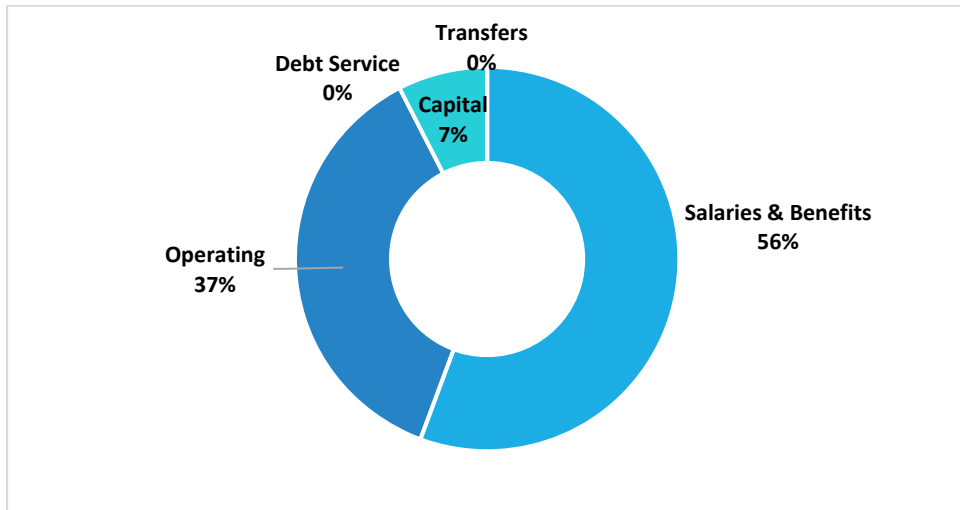
One FTE added a GIS Analyst

Operating

Increases due to software maintenance contracts and computer replacements

Capital

Fund	Fund - Division	Project #	Project Name	Amount
750	Public Works Admin	GIS03	ASSET MANAGEMENT SOFTWARE	75,000
750 Public Works Admin Total				75,000



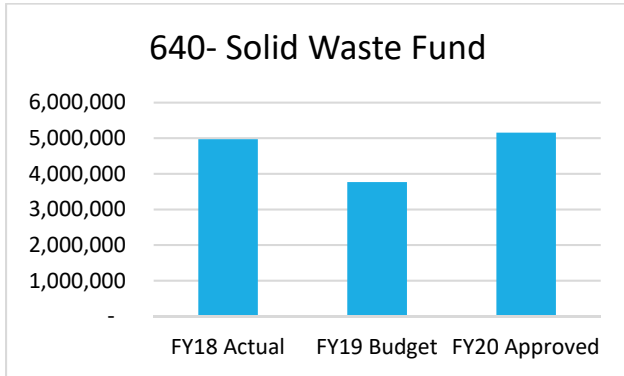
Solid Waste

Major Objectives:

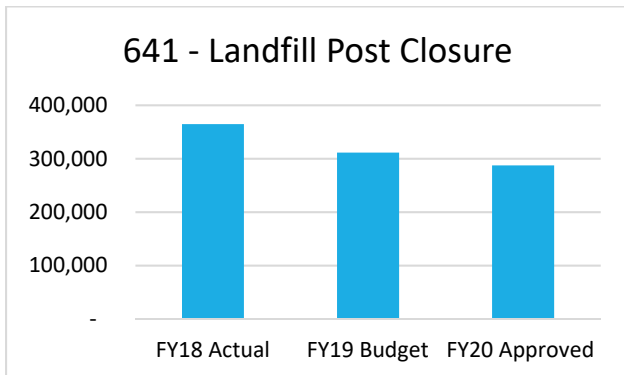
- Offer quality service to the residents of Bozeman
- Promote waste reduction thru recycling efforts
- Optimize operational efficiencies

Budget Allocation

Solid Waste Fund – Enterprise Fund



The Division also oversees the Landfill Post Closure fund:



FY19 Accomplishments

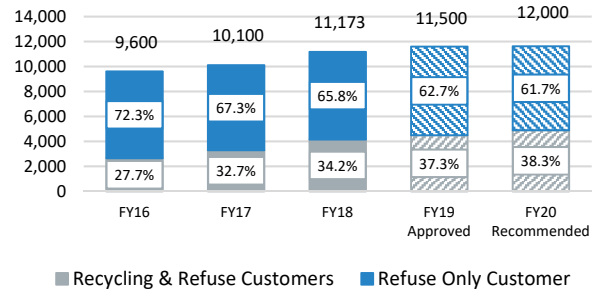
- Streamline reports for finance to bill for services
- Route Optimization currently in progress

FY19 Strategic Plans

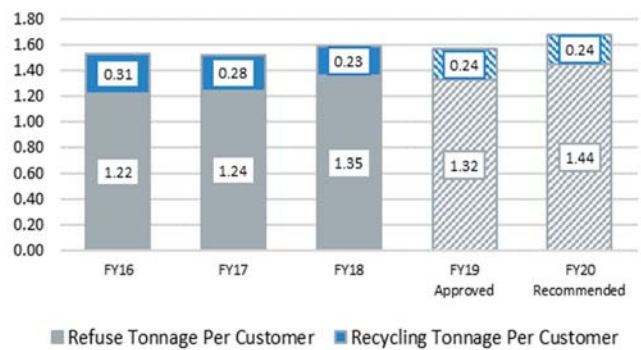
- Increasing Solid Waste Recycling Services throughout the community was identified in 6.3b Climate Action section of the Strategic Plan. Recycling service accounts have increase by 15% this past year.
- Currently working on an automated yard waste/food scrap collection program. Feedstock to include food scraps & soiled paper items (pizza boxes, napkins).

Performance Measures

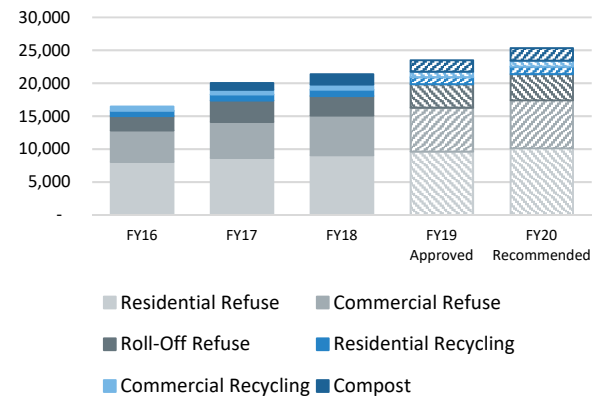
Residential Customers



Tonnage Per Residential Customer



Tonnage Diverted From The Landfill



FY20 Strategic Plan

Increasing Solid Waste Recycling Services throughout the community was identified in 6.3b Climate Action section of the Strategic Plan.

FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
SOLIDWASTE	640- Solid Waste Fund	4,969,132	3,764,084	5,154,777	36.9%
SOLIDWASTE	641 - Landfill Post Closure	364,789	311,417	287,417	0.0%
TOTALS		5,333,921	4,075,501	5,442,194	

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
SOLIDWASTE	Salaries & Benefits	1,463,392	1,351,142	1,465,420	8.5%
SOLIDWASTE	Operating	3,072,475	2,562,942	3,025,357	18.0%
SOLIDWASTE	Capital	798,054	161,417	951,417	489.4%
SOLIDWASTE	Debt Service	-	-	-	0.0%
SOLIDWASTE	Transfers	-	-	-	0.0%
TOTALS		5,333,921	4,075,501	5,442,194	33.5%

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
SOLIDWASTE	5810-Collection Operation	4,689,402	3,466,438	4,691,539	35.3%
SOLIDWASTE	5820- Recycling	279,730	297,646	463,238	55.6%
SOLIDWASTE	Landfill Post Closure	364,789	311,417	287,417	-7.7%
TOTALS		5,333,921	4,075,501	5,442,194	

Personnel

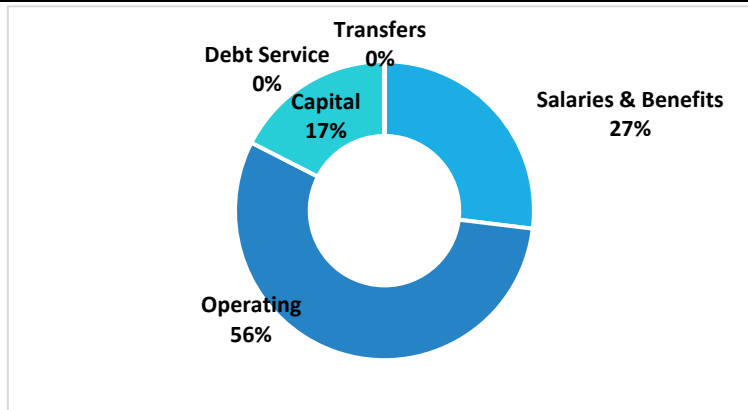
Removing two short-term workers, .40 FTE, and adding two Solid Waste Operators for a total of 1.6 FTE increase

Operating

Increases in costs of operations for gas and recycling charges

Capital

Fund	Fund - Division	Project #	Project Name	Amount
640	Solidwaste	SW32	Front Load Truck Replacement	270,000
640	Solidwaste	SW36	Side Load Truck - New	290,000
640	Solidwaste	SW53	Pickup Truck	30,000
640	Solidwaste	SW55	Side Load Truck	300,000
640 Solidwaste Total				890,000
641	Landfill Closure		Closure Costs	61,417
641 Landfill Closure Total				61,417



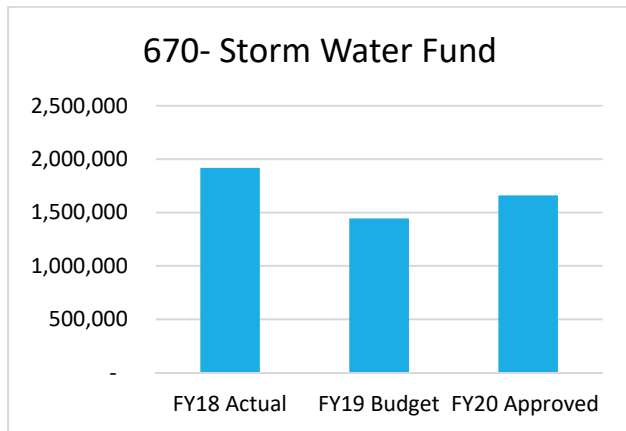
Stormwater

Major Objectives:

- Protect the public from flooding and pipe failures
- Improve stream health
- Comply with environmental regulations

Budget Allocation

Stormwater Fund – Enterprise Fund



FY19 Accomplishments

- Inspected and maintained 22% of the public storm sewer
- Emergency ordinance update, providing broader authority
- Completed 5 capital projects, initiated 15

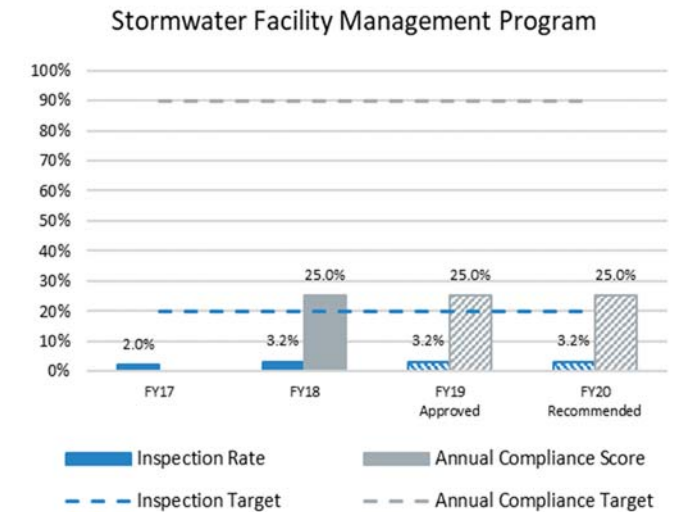
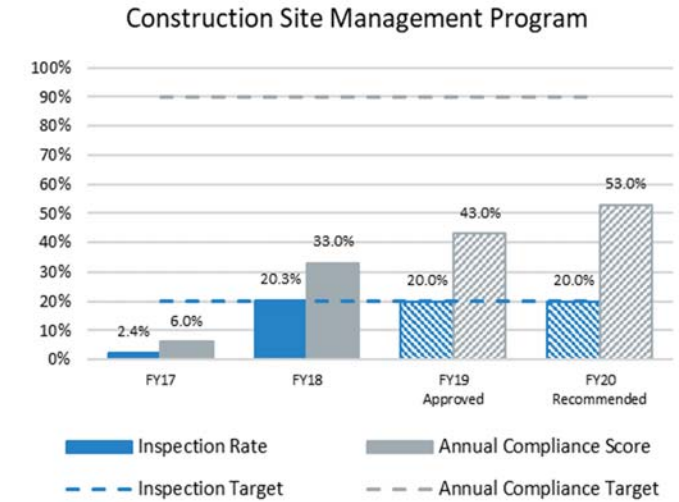
FY19 Strategic Plans

- Worked towards strategic vision 4 for a well-planned City

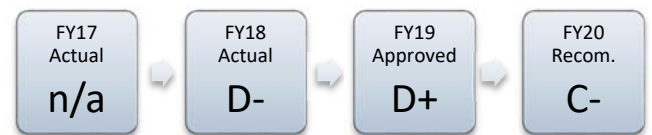
FY20 Strategic Plan

- Continue working towards strategic vision 4 for a well-planned City
- Work towards vision statement 7 High Performing Organization

Performance Measures



Stream Health Report Card Grade



** See the City of Bozeman and Montana State University Stormwater Management Plan for more information at <https://www.bozeman.net/government/stormwater/learn-about-stormwater>.

FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
STORM WATER	670- Storm Water Fund	1,918,645	1,444,302	1,660,521	15.0%

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
STORM WATER	Salaries & Benefits	548,094	408,583	580,938	42.2%
STORM WATER	Operating	286,662	240,373	268,372	11.6%
STORM WATER	Capital	889,821	635,000	650,000	2.4%
STORM WATER	Debt Service	194,068	160,346	161,211	0.5%
STORM WATER	Transfers	-	-	-	0.0%
TOTALS		1,918,645	1,444,302	1,660,521	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
STORM WATER	4510- Admin., Enforc. & Mapping	845,025	646,678	720,299	11.4%
STORM WATER	4520- Operations & Mtc.	215,929	197,624	290,222	46.9%
STORM WATER	4530- Construction	857,691	600,000	650,000	8.3%
TOTALS		1,918,645	1,444,302	1,660,521	

Personnel

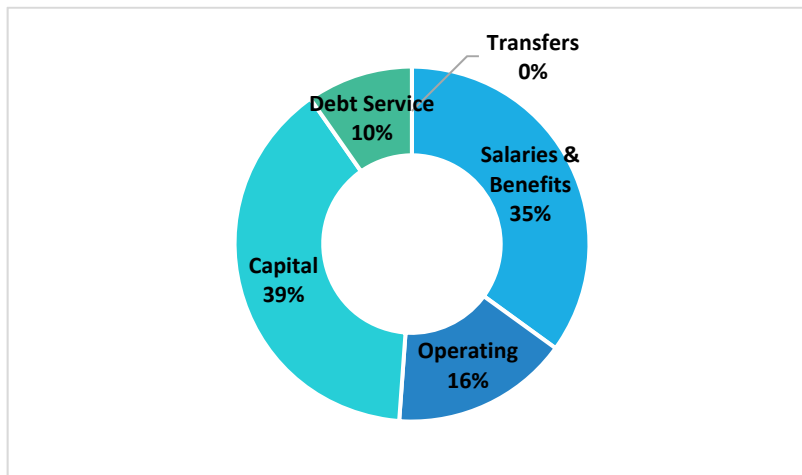
Adding one FTE Stormwater Technician

Operating

Increases in costs of operations and initial costs for new employee.

Capital

Fund	Fund - Division	Project #	Project Name	Amount
670	Stormwater	STDM01	DOWNTOWN TRUNK LINE REHAB	400,000
670	Stormwater	STDM02	MANLEY DITCH REHAB	100,000
670	Stormwater	STUO01	STORMWATER FACILITY PLAN	150,000
670 Stormwater Total				650,000



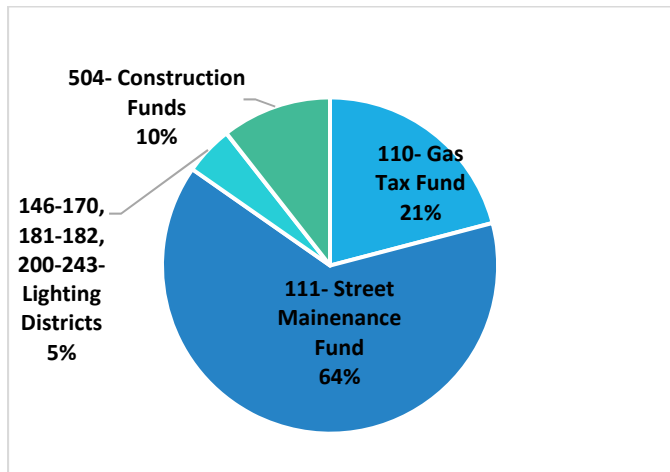
Street Maintenance

Major Objectives:

- Implement an efficient pavement management plan, in turn creating yearly maintenance programs for failing street infrastructure.
- Utilize pavement condition assessment for planning and scheduling our repairs from potholes to complete reconstruction
- Maintain streets and alley right-of-ways to allow traffic to move in a safe and prudent manner.
- Improve the quality of summer and winter street maintenance work and communicate to the citizens so that they may be better informed and plan for it.

Budget Allocation

The main source of funding is the Street Maintenance Fund- Special Revenue Fund, there are other special revenue funds and a construction fund that make up the total funding:



FY19 Accomplishments

- Milled and Overlay In House- Lindley Place, Ice Pond Road, 3 blocks of S. 4th and Interior Landfill Road.
- Working with MRL, replaced crossing at Broadway and Mendenhall.
- Maintained and cleared City streets during record snowfall year with no school or road closures

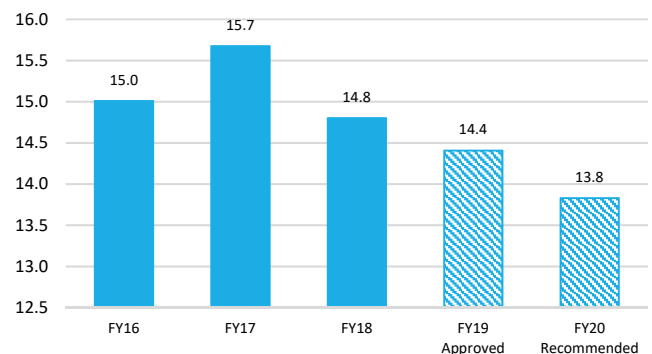
FY19 Strategic Plans

- 1.1 Outreach- Use of Next Door, Facebook and Twitter to keep our citizens informed where we are working.
- 3.3e Friendly Community- Be aware of pedestrian facilities in our snow operations such as clearing ADA ramps and HC parking spaces.
- 4.5c,d Housing and Transportation Choices- Enhancing the Pedestrian and Cycling System. Sweeping and cleaning bike lanes year round. Infrastructure for Non-motorized Transportation.

Performance Measures

- Calculate the materials swept per mile traveled.
- Monitor the citywide Pavement Condition Index (PCI).

Street Mileage per Full Time Employee



Strategic Plan

- 2.1 Business Growth- Support access to businesses by customers and employees by having a 3AM Commercial Snow Route getting routes plowed and snow removed before 8AM.
- 4.4 Vibrant Downtown, Districts & Centers- Sweep Downtown and Midtown weekly. Prioritize Downtown snow removal to facilitate ease of parking during winter months.
- 4.5c,d Housing and Transportation Choices- Enhancing the Pedestrian and Cycling System. Sweeping and cleaning bike lanes year round.

FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
STREETS	010- General Fund	186,331	-	-	0.0%
STREETS	108- Community Transportaion Fund	-	-	-	0.0%
STREETS	110- Gas Tax Fund	1,155,422	1,171,500	2,120,350	81.0%
STREETS	111- Street Mainenance Fund	5,958,135	5,974,325	6,462,343	8.2%
STREETS	146-170, 181-182, 200-243- Lighting Districts	474,089	472,517	477,499	1.1%
STREETS	504- Construction Funds	747,589	284,011	1,072,000	277.5%
TOTALS		8,521,566	7,902,353	10,132,192	

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
STREETS	Salaries & Benefits	1,676,893	1,629,339	1,756,594	7.8%
STREETS	Operating	3,100,433	2,736,818	3,810,135	39.2%
STREETS	Capital	2,206,475	2,525,511	2,822,080	11.7%
STREETS	Debt Service	223,985	315,207	310,800	-1.4%
STREETS	Transfers	1,313,800	695,478	1,432,583	106.0%
TOTALS		8,521,586	7,902,353	10,132,192	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
STREETS	4110- Street Operations	3,864,945	4,526,247	5,090,270	12.5%
STREETS	4130- Street Construction	3,590,831	2,284,665	4,045,083	77.1%
STREETS	4150- Street Lighting	562,969	530,517	535,499	0.9%
STREETS	4171- Traffic Signs & Markers	502,821	560,924	461,340	-17.8%
TOTALS		8,521,566	7,902,353	10,132,192	

Personnel

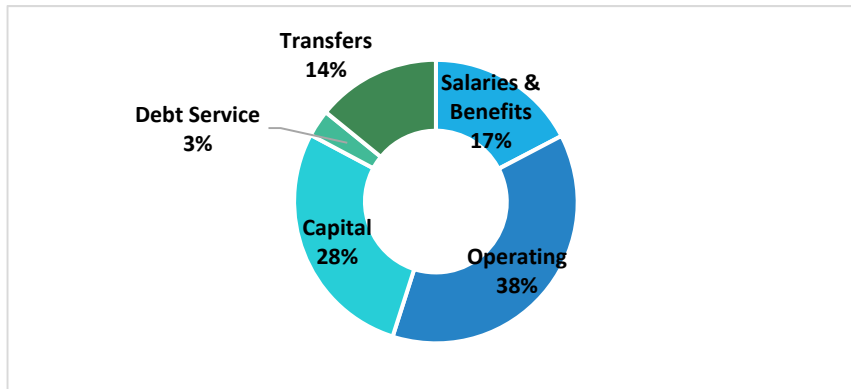
1.20 FTE added and decreasing .25 for a total increase of .95 FTE - Adding a City Streets worker and a short-term worker, and removing a seasonal worker

Operating

Operational costs increasing with maintaining more roads and an increase in general construction costs.

Capital

Many replacement and new vehicles and annual street projects, see Capital section for all the detailed capital listing for the Street maintenance fund and Gas tax fund



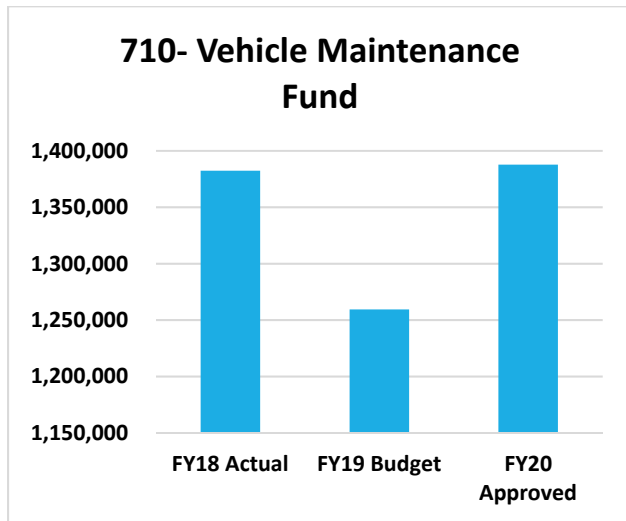
Vehicle Maintenance

Major Objectives:

- To maintain vehicles and equipment in good running condition thereby enabling various City personnel to perform daily assignments safely and without delay due to mechanical failure or breakdown.
- The Division emphasizes the importance of having a well-structured preventative maintenance program online for all equipment and vehicles.

Budget Allocation

Internal Service Fund- Vehicle Maintenance Internal Service Fund



FY19 Accomplishments

- Worked with the Fire Department on a maintenance and repair plan including supplying a mechanic on site during large events to monitor equipment.
- Schedule seasonal equipment months before season starts.
- Kept Library bookmobile in service with zero complaints of illiteracy.

FY19 Strategic Plans

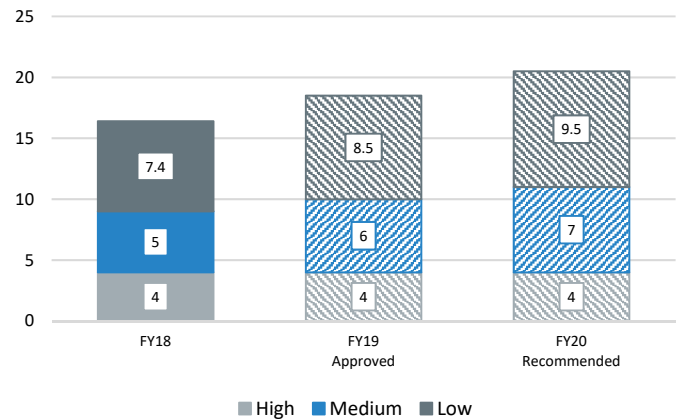
- 6.3 Climate Action- Reduce community and municipal Greenhouse Gas (GHG) emissions,

increase the supply of clean and renewable energy: foster related businesses. Vehicle Maintenance staff addresses vehicle emissions concerns as soon as we are aware of it. No “just drive it with the check engine light on”. One of our mechanics is a certified alternative fuel technician.

Performance Measures

- Calculate and monitor preventative vs reactive maintenance
- Measure the percentage of uptime that vehicles are operational
 - FY18 Water/Sewer: 98%
 - FY18 Streets: 91%
 - FY18 Police: 94%

Days From Initiation to Completion for Internal Vehicle Service Requests (by priority)



FY20 Strategic Plan

- 6.3 Climate Action- Reduce community and municipal Greenhouse Gas (GHG) emissions, increase the supply of clean and renewable energy: foster related businesses. Vehicle Maintenance staff addresses vehicle emissions concerns as soon as we are aware of it. No “just drive it with the check engine light on”. One of our mechanics is a certified alternative fuel technician.

FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
VEHICLE MAINTENANCE	710- Vehicle Maintenance Fund	1,382,402	1,259,462	1,387,800	10.2%

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
VEHICLE MAINTENANCE	Salaries & Benefits	492,099	481,127	541,468	12.5%
VEHICLE MAINTENANCE	Operating	890,303	778,335	846,332	8.7%
VEHICLE MAINTENANCE	Capital	-	-	-	0.0%
VEHICLE MAINTENANCE	Debt Service	-	-	-	0.0%
VEHICLE MAINTENANCE	Transfers	-	-	-	0.0%
TOTALS		1,382,402	1,259,462	1,387,800	10.2%

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
VEHICLE MAINTENANCE	6010- Vehicle Maintenance Shop	1,382,402	1,259,462	1,387,800	10.2%

Personnel

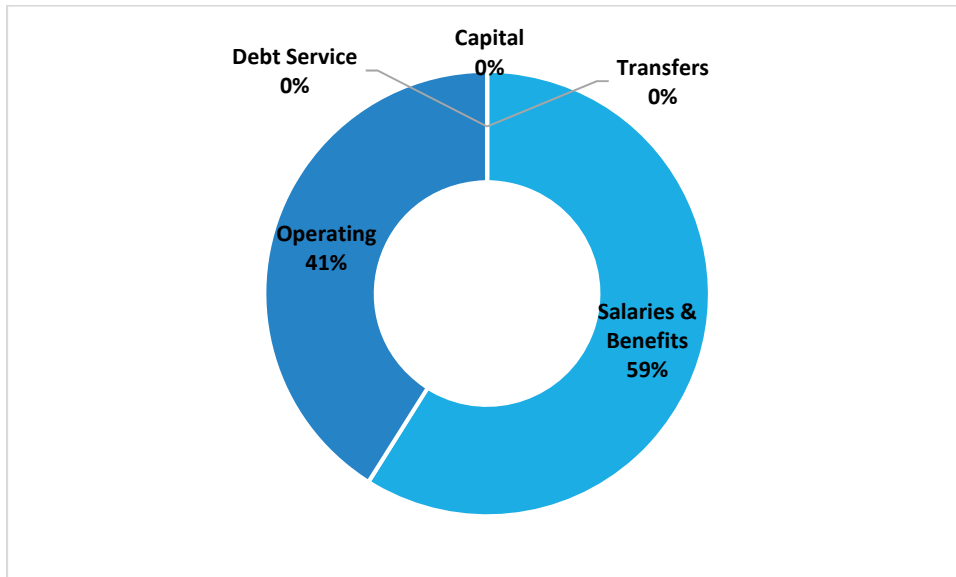
Adding 1 FTE a City Service Worker

Operating

Increase in fleet has increased operating costs

Capital

None



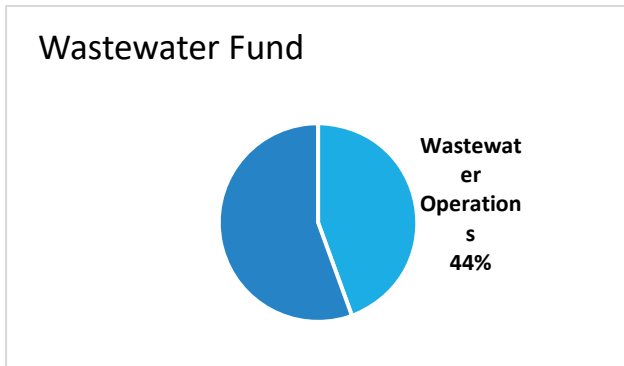
Wastewater- Operations

Major Objectives:

- Adequately maintain and locate the City's wastewater system including manholes, wastewater collection and transmission systems and lift stations
- Clean our entire collections system annually to minimize stoppages
- Teleview the existing sewer infrastructure to determine problems and overall condition of sewer mains, enabling repairs in a timely manner and helping to prioritize renovation projects funded through CIP

Budget Allocation

Funded by the Wastewater Enterprise Fund



FY19 Accomplishments

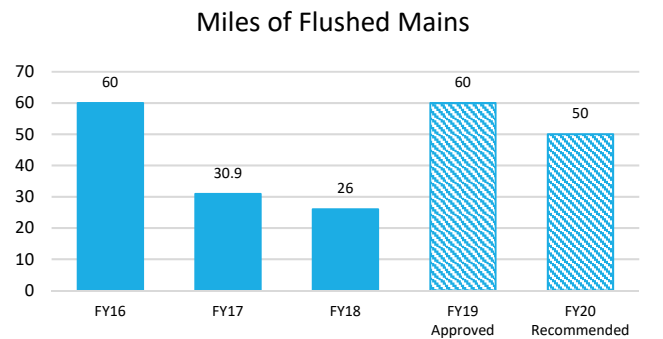
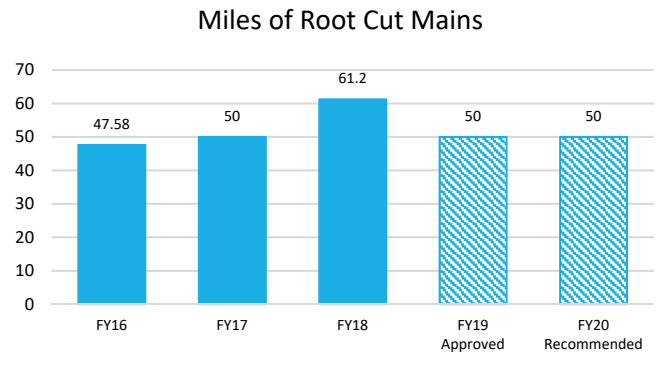
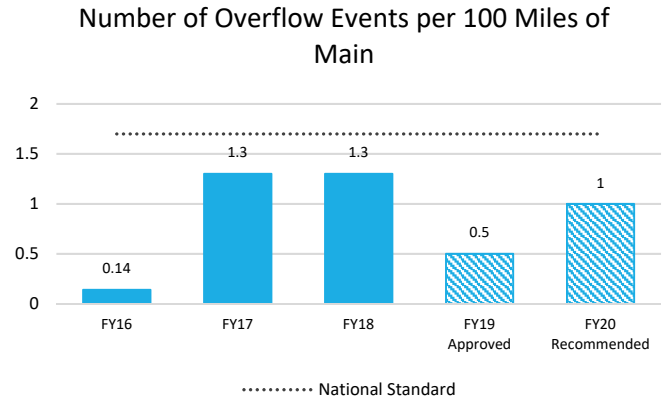
- More aggressively engaging educating and inspecting businesses for Fats Oils and Grease issues.
- Lower than median sewer backups caused by blockages in the main. - 1.3 / 100 miles of pipe / year.
- Started to plan for replacing root bound sewer connections in New Hyaliteview.

FY19 Strategic Plans

- 1.3C Enhance our relationship with MSU- We now meet quarterly with Montana State to communicate water and sewer information. We are assisting them with goal setting and utility

maintenance programs and they are helping us by working on cross connection control and sewer infiltration issues.

Performance Measures



FY20 Strategic Plan

- 7.4 a Develop Data Analysis tools- This was a pilot year where we used Cityworks data pushed to an excel spreadsheet to schedule maintenance. All sewer maintenance that we do had a rate and pace determined and a number of days scheduled to complete.

FY20 Budget

Department Budget by Fund

Division	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
WASTEWATER OPERATIONS	620- Wastewater Fund	3,881,356	3,472,368	3,505,788	1.0%

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
WASTEWATER OPERATIONS	Salaries & Benefits	852,401	856,835	926,727	8.2%
WASTEWATER OPERATIONS	Operating	2,204,492	1,513,033	1,456,561	-3.7%
WASTEWATER OPERATIONS	Capital	824,463	1,102,500	1,122,500	1.8%
WASTEWATER OPERATIONS	Debt Service	-	-	-	0.0%
WASTEWATER OPERATIONS	Transfers	-	-	-	0.0%
TOTALS		3,881,356	3,472,368	3,505,788	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
WASTEWATER	5210- Wastewater Operations	2,689,658	2,309,868	2,343,288	1.4%
WASTEWATER	5220- Utilities Locates	2,282	92,900	92,900	0.0%
WASTEWATER	5230- Wastewater Services	1,025	5,000	5,000	0.0%
WASTEWATER	5240- Wastewater Construction	1,149,623	1,022,500	1,022,500	0.0%
WASTEWATER	5250- Manholes	28,495	25,000	25,000	0.0%
WASTEWATER	5260- Televising	6,058	12,100	12,100	0.0%
WASTEWATER	5280- Main Repairs	4,215	5,000	5,000	0.0%
TOTALS		3,881,356	3,472,368	3,505,788	

Personnel

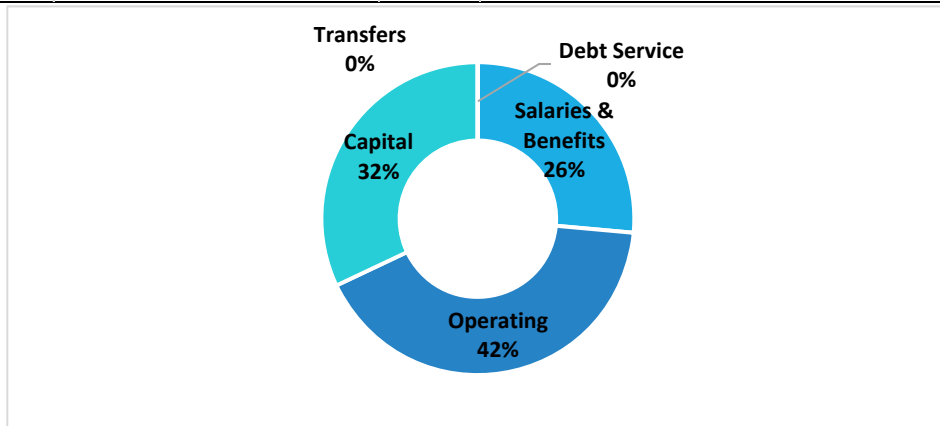
Adding 1 FTE- Sewer Operator

Operating

Minor adjustments showing a reduction in operating costs

Capital

Fund	Fund - Division	Project #	Project Name	Amount
620	Wastewater - Operations	WW07	ANNUAL WASTEWATER PIPE REPLACEMENT PROGRAM-DESIGN	22,500
620	Wastewater - Operations	WW08	WASTEWATER PIPE REPLACEMENT PROGRAM-CONSTRUCTION	1,000,000

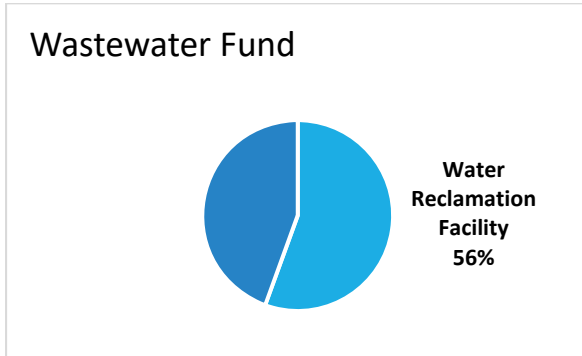


Wastewater- Water Reclamation Facility

Major Objectives:

- Protect and enhance the water quality of the East Gallatin River
- Consistently achieve compliance with all aspects of the city’s Discharge permit (MPDES) and in most cases be below allotted limit.
- Comply with all EPA 503 Bio-solids requirements and regulations, minimizing unpleasant odors.

Budget Allocation



FY19 Accomplishments

- Continued with asset maintenance management through CIP program and operating budget. Including,
- Meeting Montana Department of Environmental Quality discharge permit requirements.
- Continued with staff education. Three employees passed State of Montana Wastewater Certification.

FY19 Strategic Plans

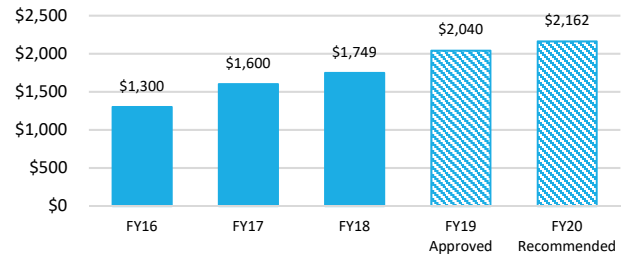
- 1.3e) Enhance our relationship with State and Federal Agencies: Ongoing permit negotiation with DEQ and EPA requesting discharge variance.
- 6.4d) Climate Change Adaption and Mitigation: Completed Digesters #1 and #2 clean and refurbishment. To increase methane production used as primary heat for the WRF.
- 7.2a) Be a “Best in Class” Employer: 10 out of 15 WRF employees are State of Montana

Wastewater Certified. One took test in Feb. three are actively studying for certification test.

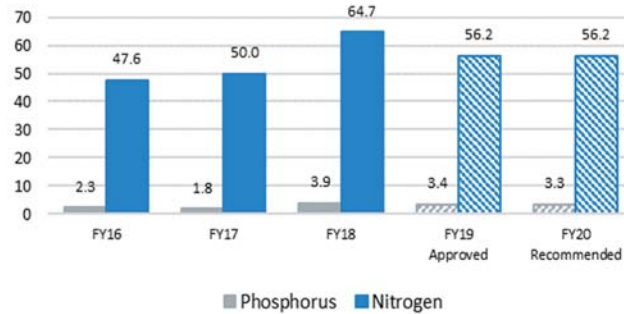
Performance Measures

- Calculate and monitor preventative vs corrective maintenance.

Cost per Million Gallons of Wastewater Flow Treated



Loading Per Million Gallons of Wastewater Flow Treated Daily



FY20 Strategic Plan

- 1.1a) Outreach – 3.4) Active Recreation -There is a fishing access off the WRF parking lot. The river joined the WRF discharge and continued on.
- 1.1a) Outreach -the WRF puts out a superior effluent discharge. Having the river back to the original location help communicate to the public through the fishing access the quality of the WRFs effluent discharge.
- 3.4) Active Recreation: -The fishing access was a very popular spot for not only fishing but also dog walking and short hiking. Fish have been caught literally feet from the WRFs discharge.

FY20 Budget

Department Budget by Fund

Division	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
WATER RECLAMATION FACILITY	620- Wastewater Fund	3,949,129	7,443,304	5,618,824	-24.5%

Department Budget by Category

Division	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
WATER RECLAMATION FACILITY	Salaries & Benefits	1,134,935	1,144,278	1,202,252	5.1%
WATER RECLAMATION FACILITY	Operating	2,224,923	2,572,967	2,677,572	4.1%
WATER RECLAMATION FACILITY	Capital	589,271	2,250,000	500,000	-77.8%
WATER RECLAMATION FACILITY	Debt Service	-	1,476,059	1,239,000	-16.1%
WATER RECLAMATION FACILITY	Transfers	-	-	-	0.0%
TOTALS		3,949,129	7,443,304	5,618,824	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
WASTEWATER	5610- WRF Operations	2,990,112	4,861,605	4,474,372	-8.0%
WASTEWATER	5620- Laboratory	440,783	487,490	511,052	4.8%
WASTEWATER	5630- Sludge Injection	430,554	553,400	568,000	2.6%
WASTEWATER	5640- Pretreatment	4,115	64,750	65,400	1.0%
WASTEWATER	5650- WRF Construction	83,565	1,476,059	-	-100.0%
TOTALS		3,949,129	7,443,304	5,618,824	

Personnel

No change

Operating

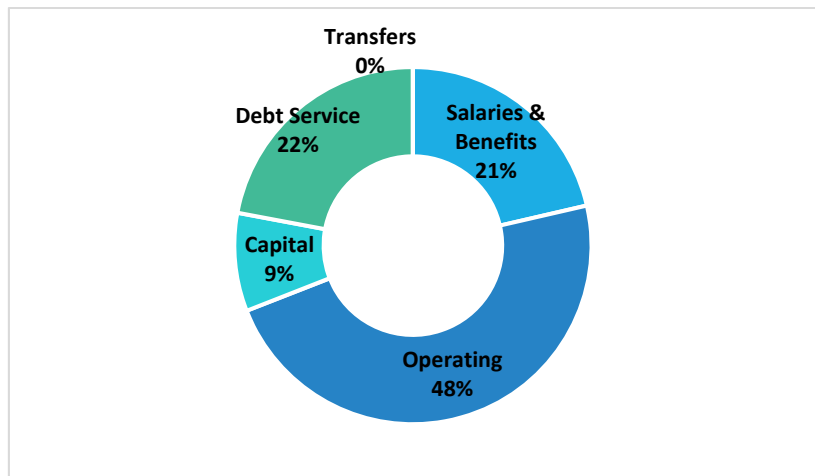
Inflationary costs to operations

Capital

Fund	Fund - Division	Project #	Project Name	Amount
620	Wastewater	WW54	REPLACE #1783 - 1995 FORD DUMP TRUNK	100,000
620	Wastewater	WW69	SMALL WORKS PROJECTS	100,000
620	Wastewater	WW96	EAST GALLATIN RIVER AVULSION RESTORATION	300,000

Debt Service

There was an assumption made for a possible debt issuance in FY19. The debt service is actually occurring in the Impact Fee fund and will be budgeted for payment there going forward.



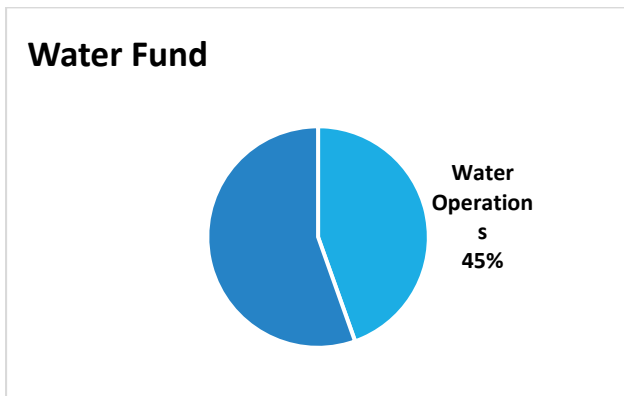
Water- Operations

Major Objectives:

- Maintain the City's 288 miles of the water distribution system, hydrants, valves, meters and pressure reducing valves.
- Respond to water distribution problems 24 hrs a day 7 days a week.

Budget Allocation

Funded by the Water Enterprise fund



FY19 Accomplishments

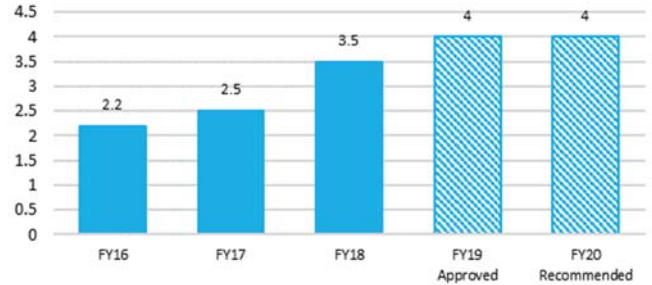
- Selected and trained a contractor to perform one call locates during business hours.
- Achieved a near perfect score in the ISO evaluation 38.66 out of 40 possible points.

FY19 Strategic Plans

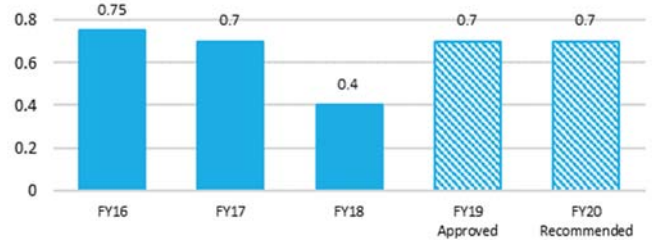
6.1 Clean Water Supplies Continued Lead Service Line removal both within the department and outside contractors down to 70 known lead service lines.

Performance Measures

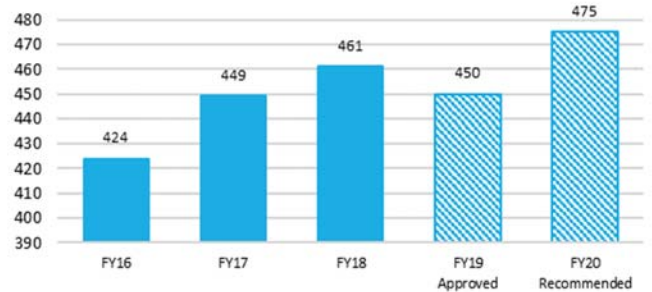
Water Main Breaks/Leaks 100 Miles of Pipe
(national standard = 31)



4-12 Hour Disruption of Water Service/1,000 Accounts
(national standard = 1.43)



New Water Service Line Inspections



FY20 Strategic Plan

6.2 Protect Local Air Quality Purchase another meter gateway will eliminate some of the driving we now do getting meter reads.

FY20 Budget

Department Budget by Fund

Division	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
WATER OPERATIONS	600- Water Fund	3,769,696	6,651,133	4,533,824	-31.8%

Department Budget by Category

Division	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
WATER OPERATIONS	Salaries & Benefits	1,247,340	1,145,232	1,196,370	4.5%
WATER OPERATIONS	Operating	1,784,898	2,016,892	2,114,954	4.9%
WATER OPERATIONS	Capital	737,458	3,489,009	1,222,500	-65.0%
WATER OPERATIONS	Debt Service	-	-	-	0.0%
WATER OPERATIONS	Transfers	-	-	-	0.0%
TOTALS		3,769,696	6,651,133	4,533,824	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
WATER	5010- Uwater Operations	2,751,971	2,366,084	2,477,727	4.7%
WATER	5020- Utility Locates	4,484	95,450	93,750	-1.8%
WATER	5030- Water Services	39,181	35,000	35,000	0.0%
WATER	5040- Water Construction	242,744	3,469,009	1,222,500	-64.8%
WATER	5060- Meter Reading	664,942	568,090	587,347	3.4%
WATER	5070- Hydrants	35,926	80,000	80,000	0.0%
WATER	5080- Water Valves	11,468	17,500	17,500	0.0%
WATER	5090- Main Repairs	1,890	20,000	20,000	0.0%
TOTALS		3,752,606	6,651,133	4,533,824	

Personnel

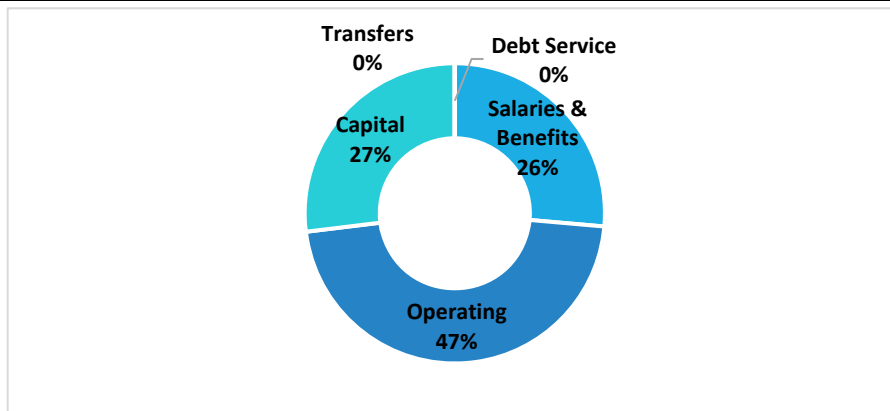
Adding 1 FTE- Water Operator

Operating

Inflationary increases in the costs of operations

Capital

Fund	Fund - Division	Project #	Project Name	Amount
600	Water - Operations	W03	ANNUAL WATER PIPE REPLACEMENT	22,500
600	Water - Operations	W04-20	WATER PIPE REPLACEMENT PROGRAM - CONSTRUCTION	1,200,000



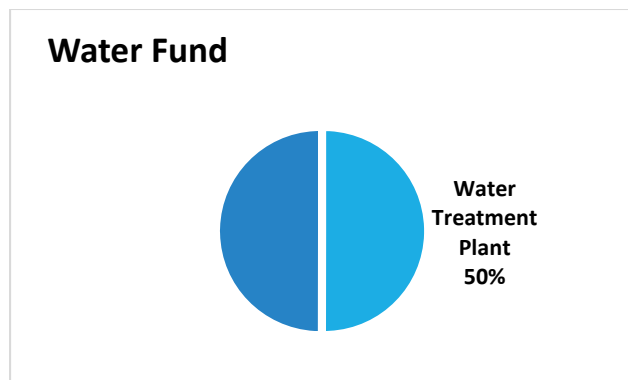
Water- Water Treatment Plant

Major Objectives:

- Protect public health through optimization of the Sourdough and Lyman Creek Plants.
- Maintain high-quality drinking water of low turbidity, void of contaminants, and meeting water supply demands of the City.
- Monitoring and maintaining WTP facilities to ensure current needs are met and to anticipate future water quality and quantity needs.

Budget Allocation

Funded by the Water Enterprise fund



FY19 Accomplishments

- 5.3 MG finished water storage tank online before end of FY19
- Lyman Creek spring overflow monitoring equipment completed
- Hilltop tank mixer will be installed before the end of FY19

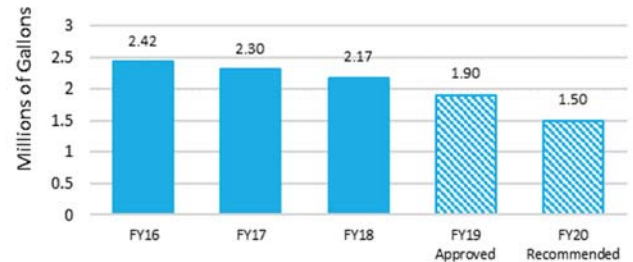
FY19 Strategic Plans

6.1 Clean Water Supplies

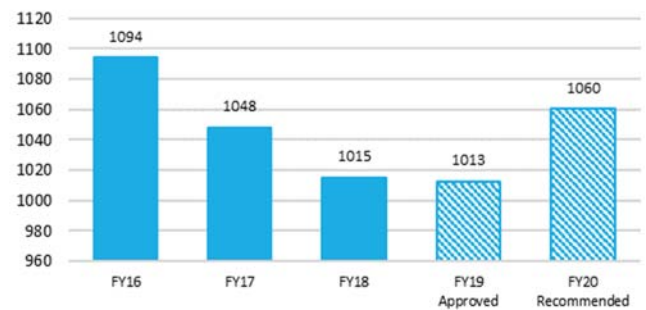
Performance Measures

Purchased Median Daily Surplus Hyalite Water

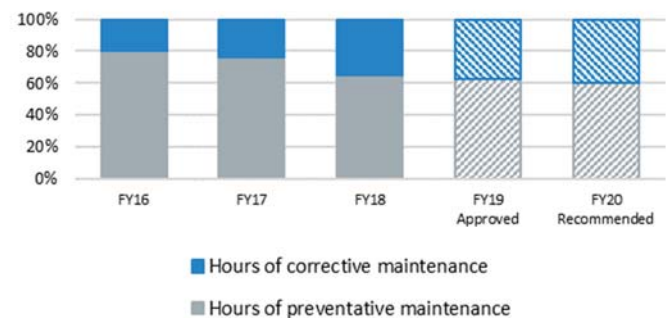
(Indicating water the City purchased but did not use)



Number of samples per 10,000 people



Corrective vs Preventative Maintenance



FY20 Strategic Plan

6.1 Clean Water Supplies

FY20 Budget

Department Budget by Fund

Division	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
WATER PLANT	600- Water Fund	2,562,029	5,013,637	5,088,729	1.5%

Department Budget by Category

Division	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
WATER PLANT	Salaries & Benefits	887,562	792,975	827,179	4.3%
WATER PLANT	Operating	1,573,809	2,340,032	2,091,920	-10.6%
WATER PLANT	Capital	100,658	715,000	1,004,000	40.4%
WATER PLANT	Debt Service	-	1,165,630	1,165,630	0.0%
WATER PLANT	Transfers	-	-	-	-
TOTALS		2,562,029	5,013,637	5,088,729	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
WATER	4610- Water Plant Operations	2,526,029	5,013,637	5,088,729	1.5%

Personnel

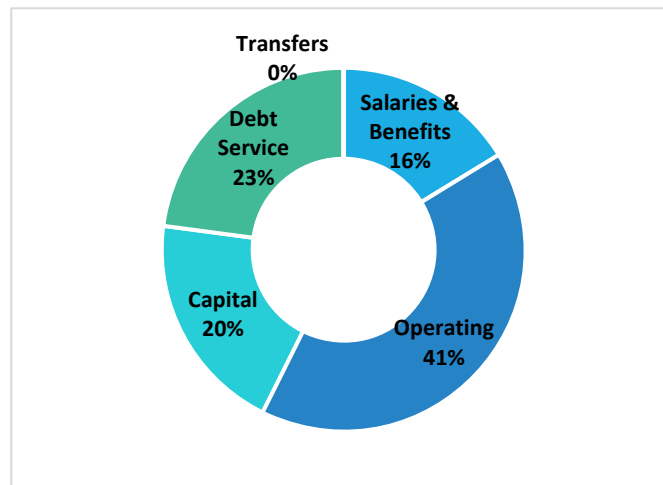
No changes

Operating

Reduction in consulting services for capital projects for the prior year

Capital

Fund	Fund - Division	Project #	Project Name	Amount
600	Water	W62	REPLACE #3446 - WTP GMC SIERRA PICKUP	45,000
600	Water	W66	SCADA METERS, TRANSDUCERS & COMMUNICATIONS	10,000
600	Water	W84	SOURDOUGH TANK INSPECTION & IMPROVEMENTS	600,000
600	Water	W91	TURBIDIMETER REPLACEMENT	14,000
600	Water	W94	MYSTIC LAKE BEAVER DECEIVER	35,000
600	Water	W96	SOURDOUGH RAW TRANSMISSION MAIN FLOW CONTROL VALVE AND METER	300,000



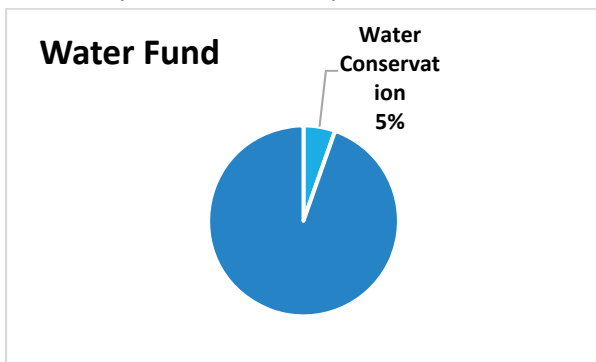
Water Conservation

Major Objectives:

- Establishing and strengthening the community's water conservation ethic.
- Ensuring adequate water supplies are available; to meet current and future demands, in times of drought, for emergency response and long term drought mitigation

Budget Allocation

Funded by the Water Enterprise Fund



FY19 Accomplishments

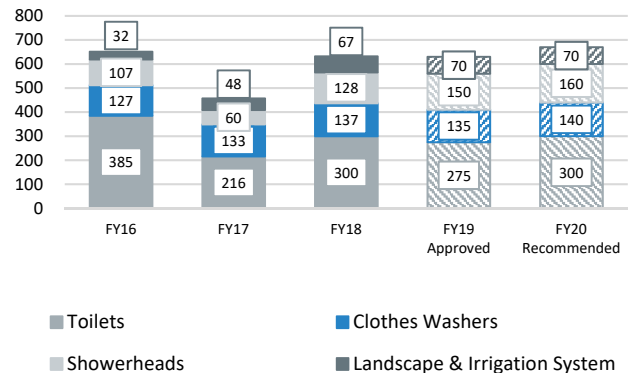
- Grant extension approval & construction contract for the Sunset Hills Cemetery Water Conservation Project
- Drought tolerant demonstration garden installation at Museum of the Rockies
- Increased participation in sprinkler system assessments by 65%.

FY19 Strategic Plans

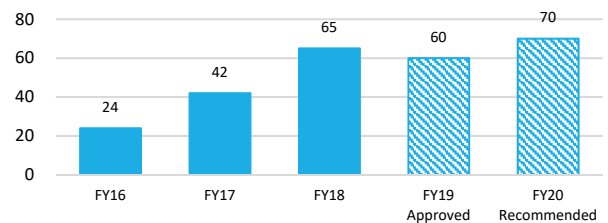
- 1.3.c.d Enhanced Relationships -Outreach Program, Demo Garden, MSU Student Masters Project (Drought Communication)
- A Well Planned City: 4.3.d Explore Sustainable Technology - Dropcountr customer water use portal development
- A Sustainable Environment: 6.1.a Watershed Management -Municipal watershed data collection, improvements to drought monitoring to

Performance Measures

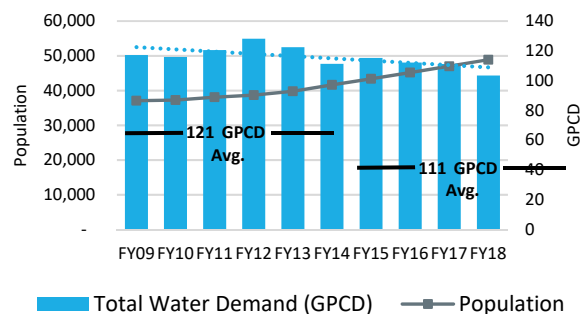
Water Conservation Rebates



Number of Outdoor Sprinkler System Assessments



Gallons Per Capita Per Day (GPCD) Water Demand & Population



FY20 Strategic Plan

- An Engaged Community: 1.1 Outreach and 1.2 Community Engagement
- A Well Planned City: 4.3.d Explore Sustainable Technology -CIP WC02: Subscription to Customer Water Use Portal, Dropcountr
- A Sustainable Environment: 6.1.a Watershed Management – CIP WC05 and WC06, along with outreach and incentive programs.

FY20 Budget

Department Budget by Fund

Division	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
WATER CONSERVATION	600- Water Fund	316,114	534,477	546,285	2.2%

Department Budget by Category

Division	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
WATER CONSERVATION	Salaries & Benefits	102,575	147,377	150,185	1.9%
WATER CONSERVATION	Operating	185,921	301,100	393,600	30.7%
WATER CONSERVATION	Capital	27,618	86,000	-	-100.0%
WATER CONSERVATION	Debt Service	-	-	2,500	100.0%
WATER CONSERVATION	Transfers	-	-	-	0.0%
TOTALS		316,114	534,477	546,285	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
WATER	4640- Water Conservation	316,114	534,477	546,285	2.2%

Personnel

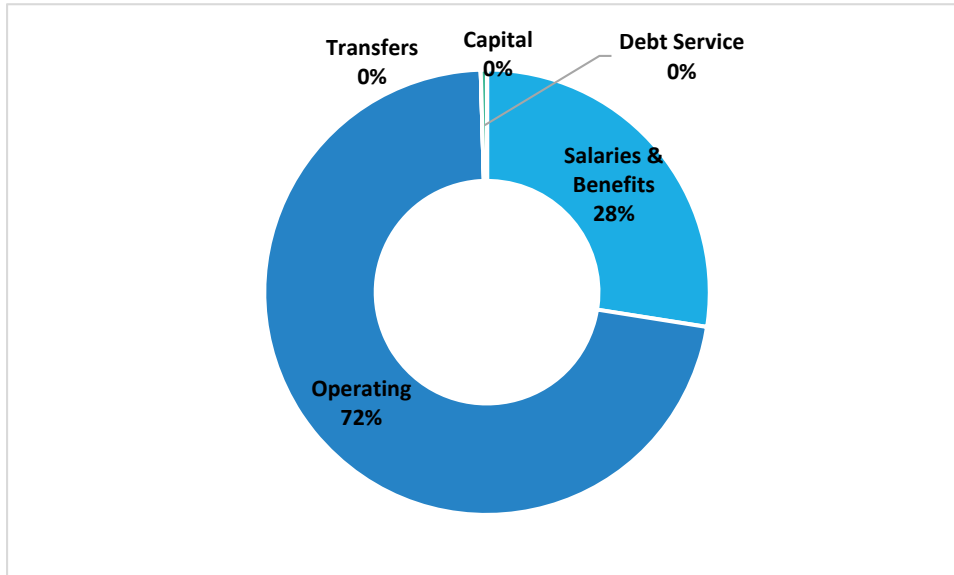
Addition of a short-term worker 0.20 FTE

Operating

Increases in operations and expanding the program

Capital

None





Public Welfare

Public Welfare

Recreation (Parks & Recreation)- The Recreation Division is responsible for identifying the recreation needs of our growing community and offering quality programs in diverse interest areas that satisfy those needs. The division has a committed staff that remains focused on program quality and customer satisfaction while offering all-inclusive opportunities in outdoor recreation, sports, fitness, and cultural arts. The Aquatics Division is comprised of one year-round indoor facility, the Swim Center and one outdoor seasonal facility, Bogert Pool.



Forestry (Parks & Recreation)- The Forestry Division is committed to providing a healthy, safe, and aesthetically pleasing community forest. Environmental, economic, and social benefits from the urban forest raise the standard of living for Bozeman residents.

Parks (Parks & Recreation)- The Parks Division is responsible for the overall development and maintenance of 44 public parks, 52 + miles of trails and associated sports fields and open space within the City limits.

Cemetery (Parks & Recreation)- The 73+acre Sunset Hills Cemetery, the only City owned and maintained cemetery, is a virtual arboretum of stately pine, fir, spruce, ash, maple, cedar and various ornamental trees, which are maintained by the Forestry Division with assistance from the Cemetery Division. The cemetery currently contains over 16,000 burial sites, three columbariums, nine dedicated affiliation areas and ample room for expansion.



Library- The Bozeman Public Library creates opportunities that inspire curiosity, exploration and connection. The Library is the community cultural center that connects all Bozeman citizens to their neighbors and the world.

Economic Development - Our community strengthens and diversifies the local economy by supporting business sectors that create & sustain mid- to high-paying jobs, enhancing the high quality of life in the greater Bozeman

Sustainability (Strategic Services) - Coordinates with city departments and community stakeholders to

promote a sustainable environment and reduce greenhouse gas emissions.

Affordable Housing (Community Development) - As Bozeman grows, the city is working to develop a long-term plan to meet the housing needs of its residents through the Affordable Housing Program.

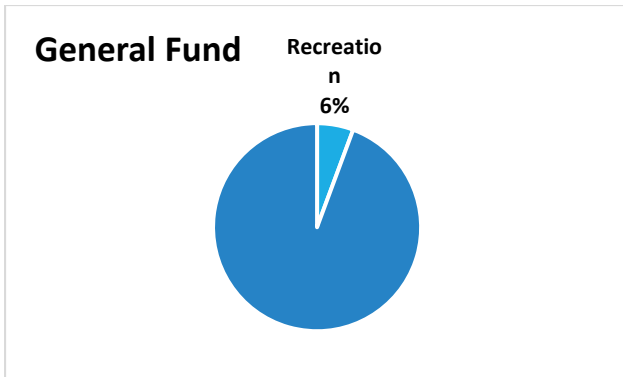
Recreation (Parks & Recreation)

Major Objectives:

- Offer recreational opportunities and facilities that promote health and wellness and improve the quality of life for the Bozeman community.
- To provide recreation and fitness opportunities to the community in an environment that encourages and instructs individuals how to be safe in, on, and around water.

Budget Allocation

Funded by the General Fund



Oversees the Story Mansion Operating Special Revenue fund

FY19 Accomplishments

- Policy and fee schedule for facility use and programs implemented
- Full Day Summer Camps added
- Story Mill Community Center opened to the public in July 2018
- State Swim Meet. Biggest meet ever held at the Swim Center, 454 swimmers.

FY19 Strategic Plans

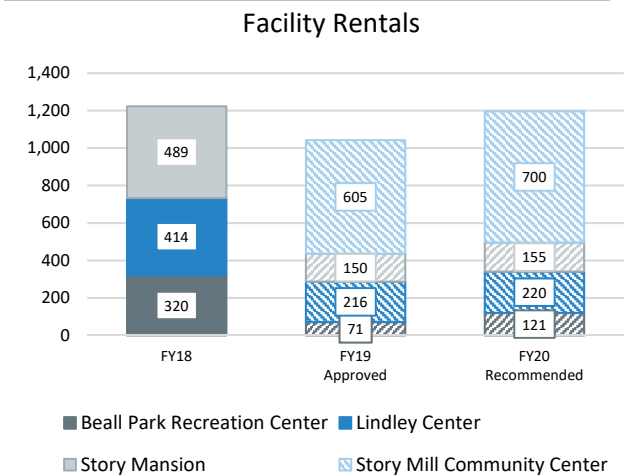
- 1.3 b) Enhance our relationship with Bozeman School District #7
- 1.4 Business and Institutional Partnerships- Explore opportunities for partnerships with key business groups and non-profit organizations.

- 3.4 Active Recreation-Facilitate and promote recreational opportunities and active health programs and facilities

Performance Measures

Recreation

- Identify the percentage of total program hours that are at full capacity relative to the program hours that are canceled due to low registration numbers, to track program performance and community interest.



Aquatics

- Measure the number of hours we are unable to staff according to the MT Health Code 10/20 rule.
- Track the number of individuals on swimming lesson wait lists to identify if we are meeting the community needs.

FY20 Strategic Plan

- 1.3 b) Enhance our relationship with Bozeman School District #7
- 1.4 Business and Institutional Partnerships- Explore opportunities for partnerships with key business groups and non-profit organizations.
- 3.4 Active Recreation-Facilitate and promote recreational opportunities and active health programs and facilities.

FY20 Budget

Department Budget by Fund

Divison	Fund #	FY18 Actual	FY19 Budget	FY20 Approved	% Change
RECREATION	010- General Fund	1,749,189	1,943,909	1,939,793	-0.2%
RECREATION	189- Story Mansion Operating Fund	31,946	57,302	40,792	-28.8%
TOTALS		1,781,135	2,001,211	1,980,585	

Department Budget by Category

Division	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
RECREATION	Salaries & Benefits	931,306	1,059,330	1,131,688	6.8%
RECREATION	Operating	578,533	825,381	811,817	-1.6%
RECREATION	Capital	271,296	116,500	37,080	100.0%
RECREATION	Debt Service	-	-	-	0.0%
RECREATION	Transfers	-	-	-	0.0%
TOTALS		1,781,135	2,001,211	1,980,585	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
PARKS AND RECREATION	8010- Recreation Operations	1,010,730	1,148,297	569,528	-50.4%
PARKS AND RECREATION	8020- Swim Center	322,811	457,565	1,036,463	126.5%
PARKS AND RECREATION	8030- Bogert Pool	61,721	89,576	86,576	-3.3%
PARKS AND RECREATION	8040- Facilities: Lindley, Beall & Story	327,870	231,083	205,743	-11.0%
PARKS AND RECREATION	8050- Recreation Programs	58,003	74,690	82,275	10.2%
TOTALS		1,781,135	2,001,211	1,980,585	

Personnel

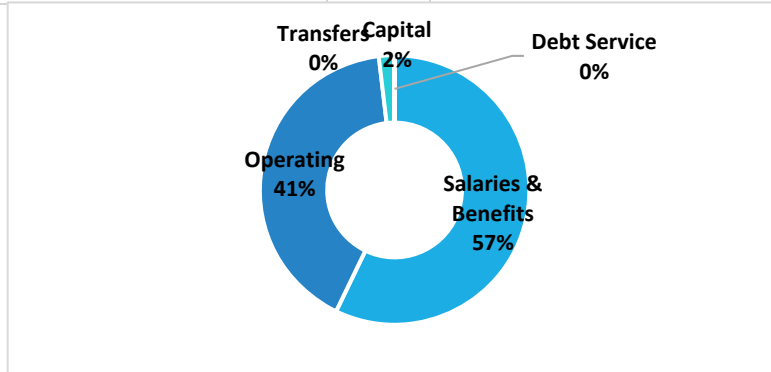
No changes with the exception of separating out aquatics payroll to their division code

Operating

Minor adjustments that in total was a reduction

Capital

Fund	Fund - Division	Project #	Project Name	Amount
10	General Fund- Recreation	GF296	SWIM CENTER FRONT FURNACE	37,080



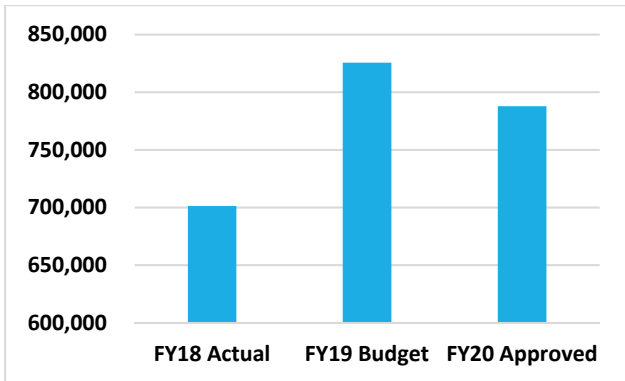
Forestry (Parks & Recreation)

Major Objectives:

- Continue both reactive and proactive maintenance for Bozeman's 23,946 public trees in boulevards, developed city parks, and city-owned properties.
- Manage potential risk factors through site inspections, proper pruning, and high-risk tree removals.
- Identify and correct encroaching vegetation utilizing Forestry staff (public trees) and Code Compliance (private trees).
- Maintain Cost Share and Voucher Replacement programs, while increasing Public Outreach to improve tree diversity and resident interaction.

Budget Allocation

Funded by the Tree Maintenance Special Revenue Fund



FY19 Accomplishments

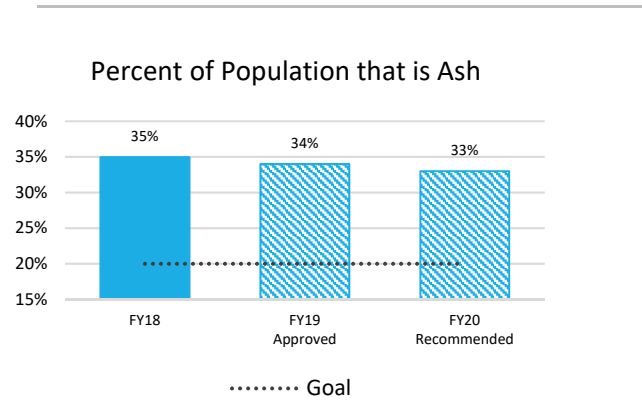
- Completed City-Wide Tree Inventory of 23,946 public trees: location, species, condition, size, and work history.
- Contract services for high-risk tree removals
- Spring Planting - Record Number of Tree Planting (284)

FY19 Strategic Plans

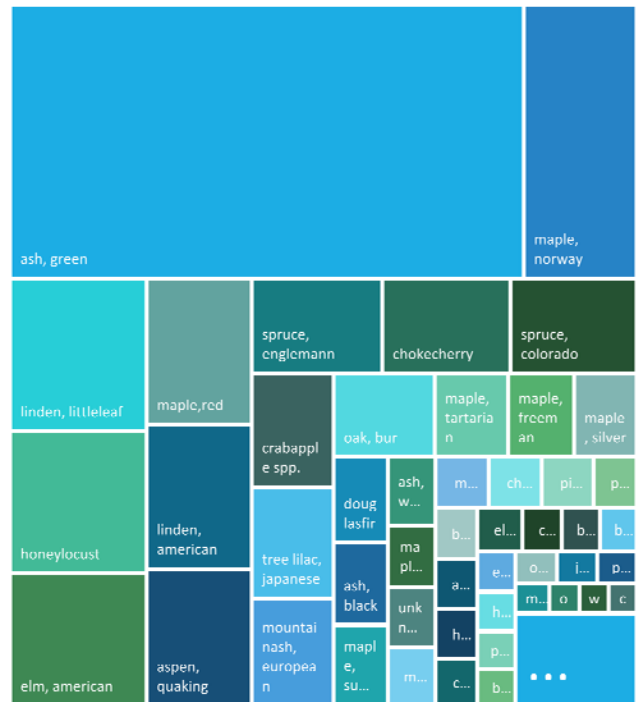
Climate Change Adaptation and Mitigation - Increase the community's resiliency and preparedness in response to climate change.

Performance Measures

* Track the percentage of Proactive vs Reactive maintenance



Species Diversity



FY20 Strategic Plan

- 6.2 Protect Local Air Quality
- 6.3 Climate Action -d) Climate Change Adaptation and Mitigation - Increase the community's resiliency and preparedness in response to climate change.
- 6.5 Parks, Trails & Open Space
- 6.6 Habitat

FY20 Budget

Department Budget by Fund

Division	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
FORESTRY	112- Tree Maintenance Fund	701,164	825,577	787,767	-4.6%

Department Budget by Category

Division	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
FORRESTRY	Salaries & Benefits	432,444	435,400	455,103	4.5%
FORRESTRY	Operating	143,947	244,177	242,664	-0.6%
FORRESTRY	Capital	124,773	146,000	90,000	-38.4%
FORRESTRY	Debt Service	-	-	-	0.0%
FORRESTRY	Transfers	-	-	-	0.0%
TOTALS		701,164	825,577	787,767	-4.6%

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
PARKS AND RECREATION	7710- Tree Maintenance	701,164	825,577	787,767	-4.6%

Personnel

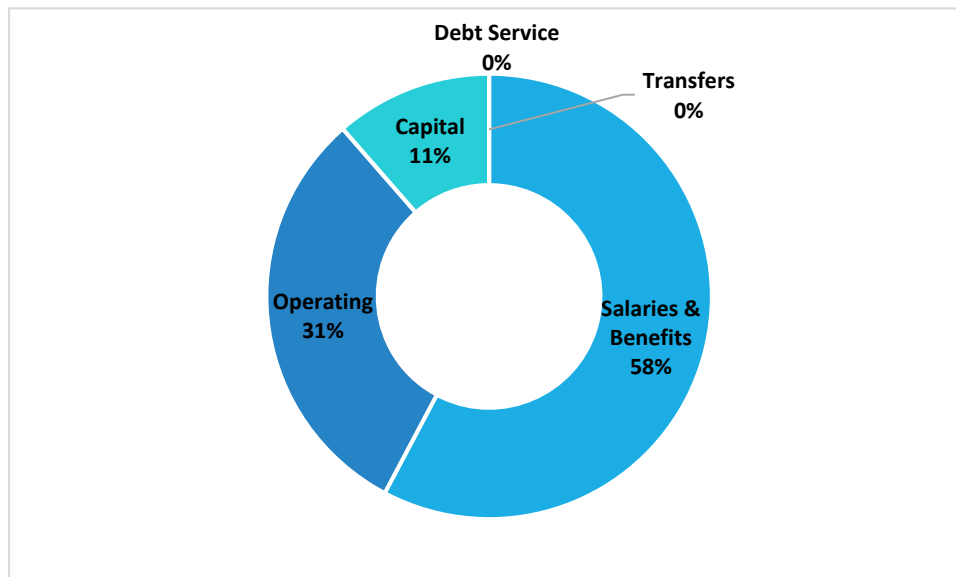
No changes

Operating

Only minor adjustment for a small reduction

Capital

Fund	Fund - Division	Project #	Project Name	Amount
112	Forestry	FOR14	Forestry Chip Truck	90,000



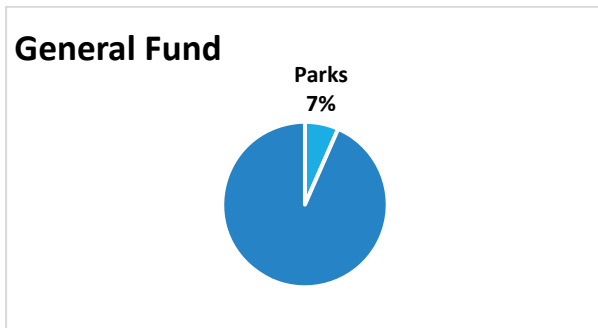
Parks (Parks & Recreation)

Major Objectives:

- Continue adding, upgrading, and maintaining safe and quality sports fields, trail corridors, community gathering areas, and playground equipment.
- Provide expanded maintenance and care to restrooms, litter control, pet waste disposal, turf care, and water conservation efforts.
- Improve, maintain, and expand the trail system in coordination with development and our partners.
- Continue to upgrade park signage for uniformity and less maintenance.

Budget Allocation

Funded mainly with the General Fund



Special Revenue fund also fund project operations and projects

FY19 Accomplishments

- Opening on the Bozeman Sports Park in April of 2019. Installation of two synthetic turf fields in spring/summer of 2019.
- Assumed maintenance responsibilities of the Story Mill Community Center grounds, with the Story Mill Community Park slated to open later this coming July.
- Continued work, research and development of a Parks and Trails District model for the City of Bozeman.

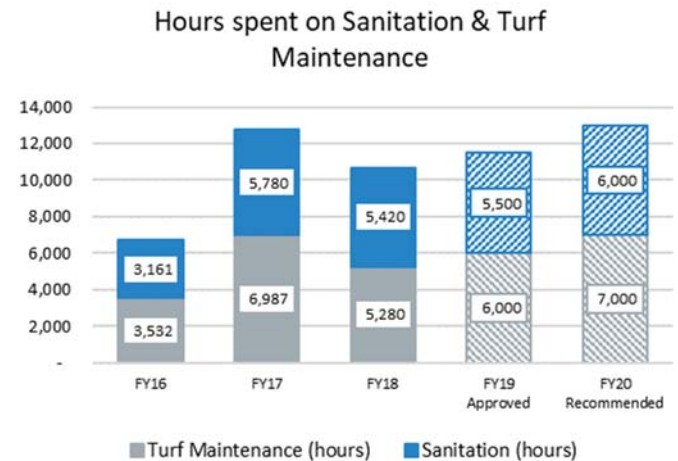
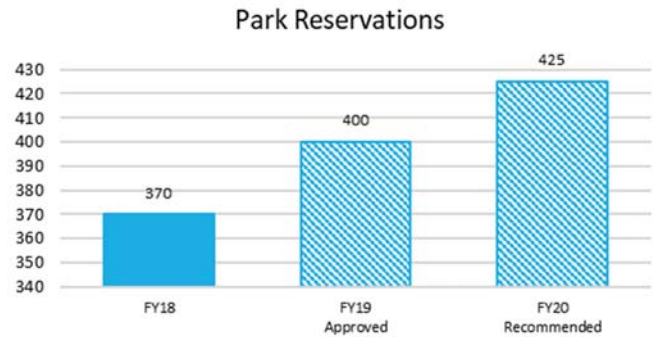
FY19 Strategic Plans

- 3.4 Active Recreation

- 4.3 Strategic Infrastructure (Parks and Trails District.)

Performance Measures

- Track the total number of users & agreements (Park & Rec. programs, special events, community teams, traveling teams, etc.)



FY20 Strategic Plan

- 6.5 Parks, Trails & Open Space (PROST update)
- 3.4- Active Recreation- Facilitate and promote recreational opportunities and active health programs and facilities.
- 4.3- Prioritize long-term investment and maintenance for existing and new infrastructure. A.) Develop a comprehensive parks maintenance and facilities plan.

FY20 Budget

Department Budget by Fund

Division	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
PARKS	010- General Fund	1,742,002	2,267,621	2,258,500	-0.4%
PARKS	128- FWP Management Areas	-	8,000	8,000	0.0%
PARKS	132 - Bogart Park	10,175	5,000	5,000	0.0%
PARKS	199- Sports Park	-	-	51,000	
PARKS	563- 568- Parks & Open Space Bond	8,076,445	-	-	0.0%
TOTALS		9,828,622	2,280,621	2,322,500	

Department Budget by Category

Division	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
PARKS	Salaries & Benefits	930,799	1,079,632	1,031,864	-4.4%
PARKS	Operating	740,134	874,989	957,636	9.4%
PARKS	Capital	8,157,689	326,000	333,000	2.1%
PARKS	Debt Service	-	-	-	0.0%
PARKS	Transfers	-	-	-	0.0%
TOTALS		9,828,622	2,280,621	2,322,500	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
PARKS AND RECREATION	7610- Parks Operations	9,828,622	2,280,621	2,322,500	1.8%

Personnel

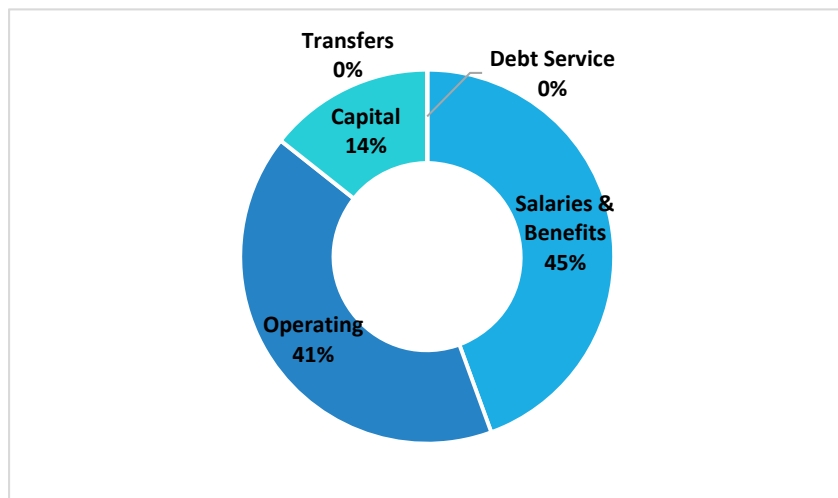
No changes

Operating

Increases in operational costs with new Sports Park and Storymill being added

Capital

Fund	Fund - Division	Project #	Project Name	Amount
10	General Fund- Parks	GF254	25TH STREET FROM OAK TO TSCHACHE	333,000



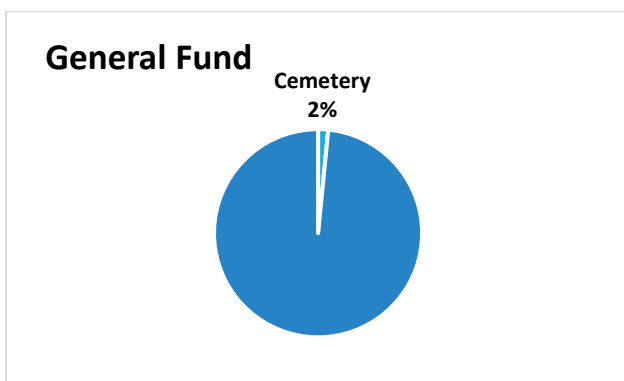
Cemetery (Parks & Recreation)

Major Objectives:

Develop new cemetery blocks and lots for internments as demand dictates. Provide an easily accessible, safe, and serene setting for cemetery/gravesite visitation. Continued excellence in providing professional and dignified internment services.

Budget Allocation

Funding through the General Fund



FY19 Accomplishments

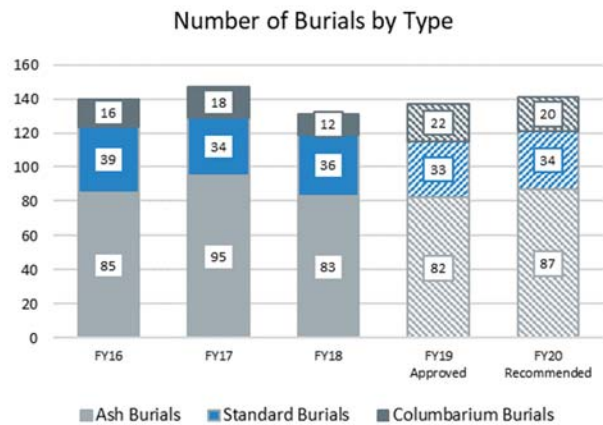
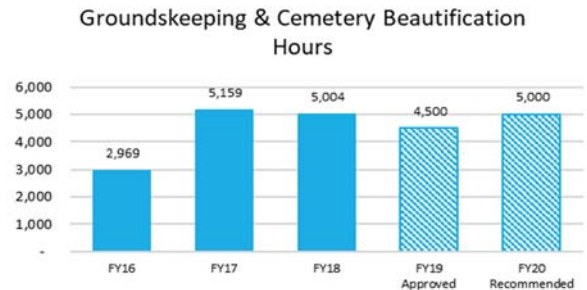
- Completed final layout, grading and design on the Southwestern Montana Veteran's Cemetery. Rough grading and dirt removal commenced in the fall of 2018.
- Final design and bid notification for the Cemetery Irrigation project (GF 231), with construction commencing in the spring of 2019.
- In coordination with the Cemetery Advisory Board, improvements made to the Memorial Garden and updates made to the Sunset Hills guide/pamphlet.

FY19 Strategic Plans

6.1- Clean Water Supplies-Ensure adequate supplies of clean water for today and tomorrow -Project Gf 231- converting the cemetery from treated water to surface water. Saving 258 acre feet of treated water per year.

Performance Measures

- Track partnerships with user groups and stakeholders to illustrate the impact of cooperation and collaboration. (BSF, Cyclocross, farmer agreement, etc.)



FY20 Strategic Plan

- 6.A Sustainable Environment
- 6.1-Clean Water Supplies- Ensure adequate supplies of clean water for today and tomorrow. GF 231- Cemetery Irrigation Project
- 6.2- Protect local air quality- The cemetery's diverse array of trees, turf and open space contributes to a vast amount of carbon sequestration, resulting in oxygen production, storm water reduction and measurable cooling effect upon the environment.

FY20 Budget

Department Budget by Fund

Division	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
CEMETERY	010- General Fund	521,580	821,433	541,628	-34.1%

Department Budget by Category

Division	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
CEMETERY	Salaries & Benefits	326,694	329,669	354,994	7.7%
CEMETERY	Operating	150,019	137,764	141,634	2.8%
CEMETERY	Capital	44,867	354,000	45,000	-87.3%
CEMETERY	Debt Service	-	-	-	0.0%
CEMETERY	Transfers	-	-	-	0.0%
TOTALS		521,580	821,433	541,628	-34.1%

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
PARKS AND RECREATION	7210- Cemetery Operations	521,580	821,433	541,628	-34.1%

Personnel

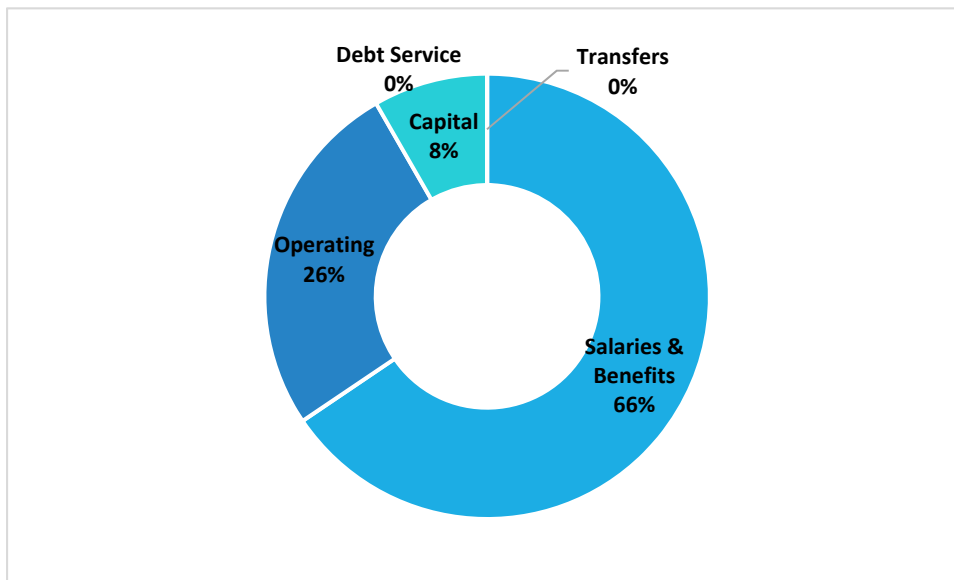
No changes

Operating

Slight increase in operational costs

Capital

Fund	Fund - Division	Project #	Project Name	Amount
10	General Fund- Cemetery	GF268	SW MT VETERAN'S CEMETERY	45,000



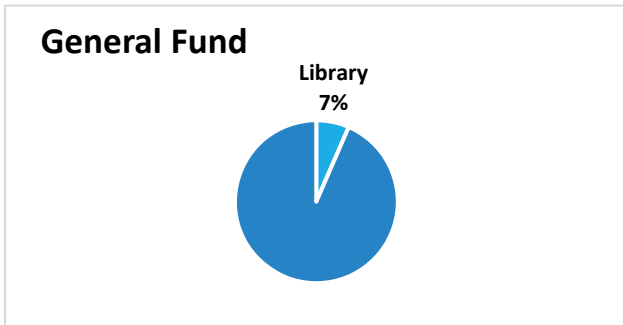
Library

Major Objectives:

- Space - Design & Implement an expansion to ensure that the Library has adequate space to Bozeman's growing needs.
- Technology - Use technology & digital resources to enhance the Library experience.
- Programming - Provide unique programming to inform & enrich the lives of target audiences of Library users.
- Outreach - Engage new & broader audiences in taking advantage of the Library's resources.

Budget Allocation

Funded through the General fund



A construction fund is setup for Library Maintenance which is funded by up to 2% of unspent appropriation from the prior year.

FY19 Accomplishments

- Library Strategic Plan for 2018-2021 - Continue to implement the strategic plan: making progress on increasing Library Space, Technology, Programming and Outreach.
- Bookmobile –"Information on the Go" - In our first year on the road, the Bookmobile checked out 23,586 items in FY2018. This was 12% of the total items checked out at Bozeman Public Library. Out of the 23,586 total checkouts, 17,527 items were children's books.

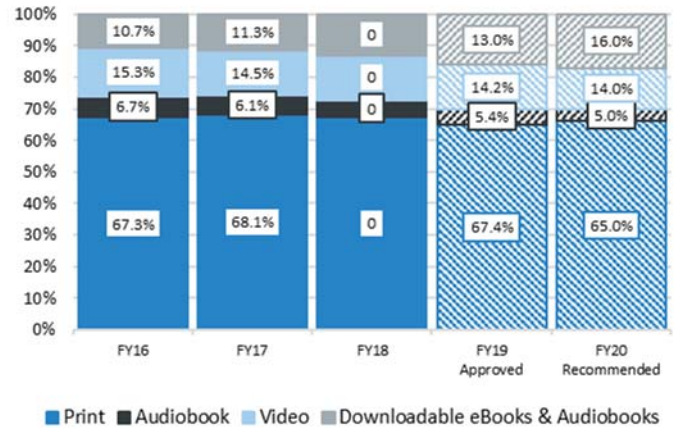
FY19 Strategic Plans

5.1 a) Library Expansion Planning -Currently working on an RFQ for a Master Plan of the existing building and grounds. Partnership with the Bozeman Public Schools for a BPL presence in the new High School Library.

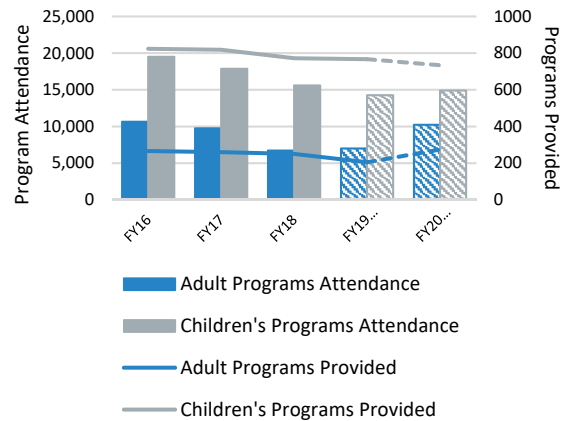
Performance Measures

- Measure children's use of the Bookmobile over time to track the mobile library's effectiveness in helping to raise the rate of early childhood literacy within the Bozeman community.

Circulation Trends



Library Programs Offered vs Attendance



FY20 Strategic Plan

- 5.1 a) Library Expansion Planning -Currently working on an RFQ for a Master Plan of the existing building and grounds. Partnership with the Bozeman Public Schools for a BPL presence in the new High School Library.
- Partner with Economic Development to make progress on City Strategic Plan number 2.1 – Business Growth.

FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
LIBRARY	010- General Fund	2,024,518	2,181,510	2,244,974	2.9%
LIBRARY	561- Library Depreciation Fund	18,612	32,000	280,000	775.0%
TOTALS		2,043,130	2,213,510	2,524,974	

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
LIBRARY	Salaries & Benefits	1,545,603	1,606,758	1,687,401	5.0%
LIBRARY	Operating	497,527	606,752	837,573	38.0%
LIBRARY	Capital	-	-	-	0.0%
LIBRARY	Debt Service	-	-	-	0.0%
LIBRARY	Transfers	-	-	-	0.0%
TOTALS		2,043,130	2,213,510	2,524,974	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
LIBRARY	7810- Library Operations	739,014	894,028	1,037,157	16.0%
LIBRARY	7820- Technical Services	300,147	310,913	318,245	2.4%
LIBRARY	7830- Information Services	418,587	439,099	495,148	12.8%
LIBRARY	7840- Children's Services	164,777	157,009	193,661	23.3%
LIBRARY	7850- Circulation Services	420,605	412,461	480,763	16.6%
TOTALS		2,043,130	2,213,510	2,524,974	

Personnel

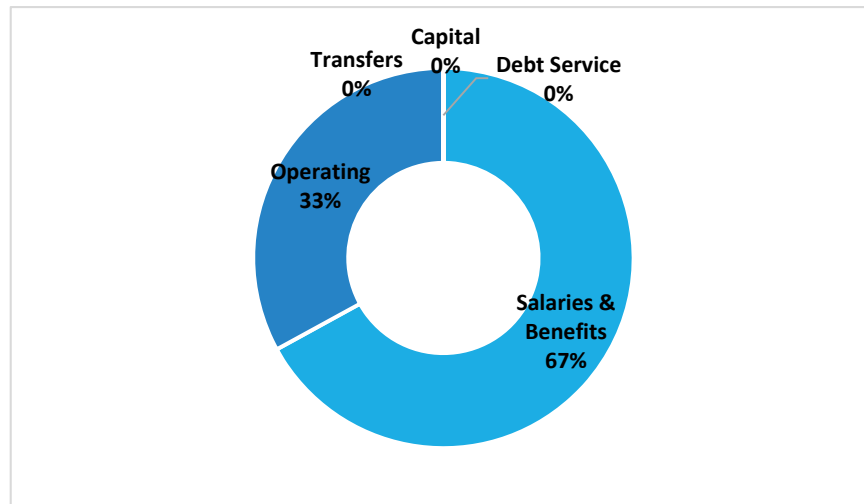
No change

Operating

Increase in subscriptions and updating the carpet throughout the Library

Capital

None



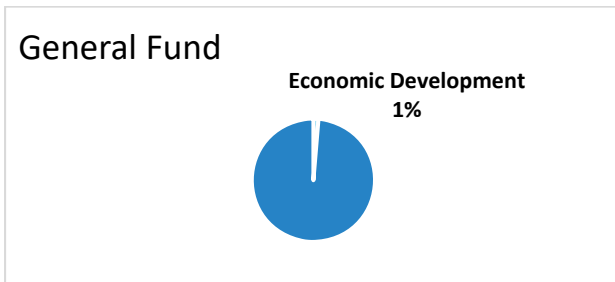
Economic Development

Major Objectives:

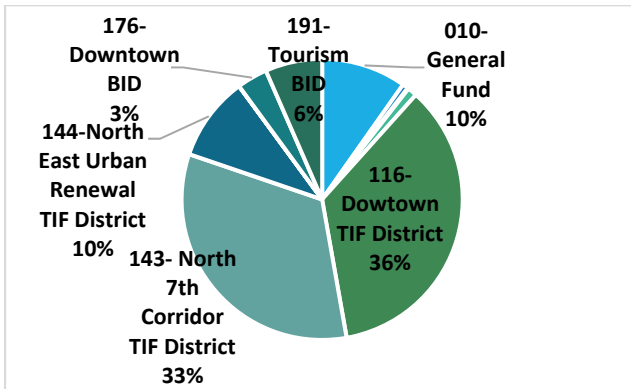
- Increasing economic activity that improves our community’s prosperity;
- Supporting innovation and encouraging growth in mid-to-high wage sectors; and
- Facilitating the creation of mid-to-high paying jobs/high quality employment to match the high quality of life.

Budget Allocation

Funded Operationally from the General Fund



Oversees the programming of Special Revenue Fund, which includes Urban Renewal Districts.



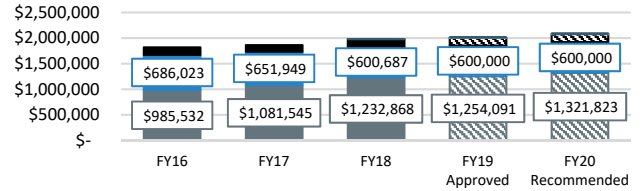
FY19 Accomplishments

- Big Sky Trust Fund - \$442,500 Awarded, 75 jobs (49 created to date)
- Collaboration with the Bozeman Public Library - Business Consultation Hours (Blackstone Launchpad and SBDC), MicroMegas Podcasts, and Economic Impact Analysis
- Urban renewal projects

Performance Measures

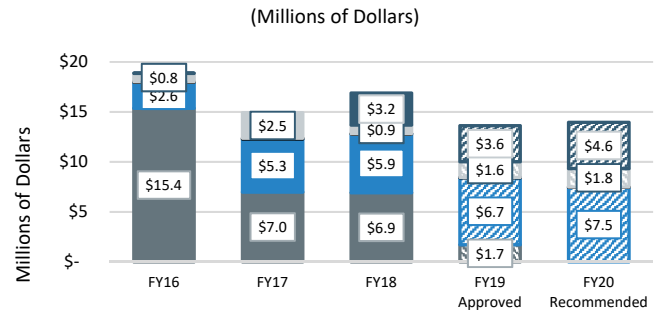
- Track the Big Sky Trust Fund grant values and associated number of jobs created.

Urban Renewal District Increment Value



- South Bozeman Technology District
- Northeast Neighborhood URD
- North Park URD
- Midtown URD
- Downtown TIF

Urban Renewal District Building Permit Valuations



- South Bozeman Technology District
- Northeast Neighborhood URD
- North Park URD
- Midtown URD
- Downtown TIF

FY20 Strategic Plan

- 2.1 Business Growth - Support retention and growth of both the traded and local business sectors while welcoming and encouraging new and existing businesses.
- 2.2 Infrastructure Investments - Strategically invest in infrastructure as a mechanism to encourage economic development.
- 2.3 Workforce Development - Support education and workforce development initiatives to improve the skills of our citizens.

FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
ECONOMIC DEVELOPMENT	010- General Fund	414,272	491,251	449,229	-8.6%
ECONOMIC DEVELOPMENT	119- Economic Development Loan	37,782	31,000	31,000	-83.9%
ECONOMIC DEVELOPMENT	186- Development Impacts (Big Box)	7,903	31,000	5,000	96.0%
ECONOMIC DEVELOPMENT	123- Big Sky Economic Development Grant	70,000	50,000	50,000	0.0%
ECONOMIC DEVELOPMENT	116- Downtown TIF District	1,180,721	2,052,500	2,816,000	37.2%
ECONOMIC DEVELOPMENT	143- North 7th Corridor TIF District	618,282	1,531,900	3,001,852	-21.8%
ECONOMIC DEVELOPMENT	144-North East Urban Renewal TIF District	121,987	434,100	339,500	-100.0%
ECONOMIC DEVELOPMENT	145- Mandeville Farm TIF	4,721	4,000	-	3.1%
ECONOMIC DEVELOPMENT	176- Downtown BID	132,939	162,175	167,160	3.1%
ECONOMIC DEVELOPMENT	191- Tourism BID	1,028,397	1,200,000	-	-100.0%
TOTALS		3,617,004	5,987,926	6,859,741	

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
ECONOMIC DEVELOPMENT	Salaries & Benefits	220,375	246,661	289,826	17.5%
ECONOMIC DEVELOPMENT	Operating	2,099,990	5,219,265	6,569,915	25.9%
ECONOMIC DEVELOPMENT	Capital	437,166	30,000	-	-100.0%
ECONOMIC DEVELOPMENT	Debt Service	92,000	-	-	0.0%
ECONOMIC DEVELOPMENT	Transfers	767,473	488,000	-	-100.0%
TOTALS		3,617,004	5,983,926	6,859,741	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
ECONOMIC DEVELOPMENT	8240- Economic Development	529,957	603,251	535,229	-11.3%
ECONOMIC DEVELOPMENT	- Downtown Improvement Districts	3,087,047	5,384,675	6,324,512	17.5%
TOTALS			5,987,926	6,859,741	

Personnel

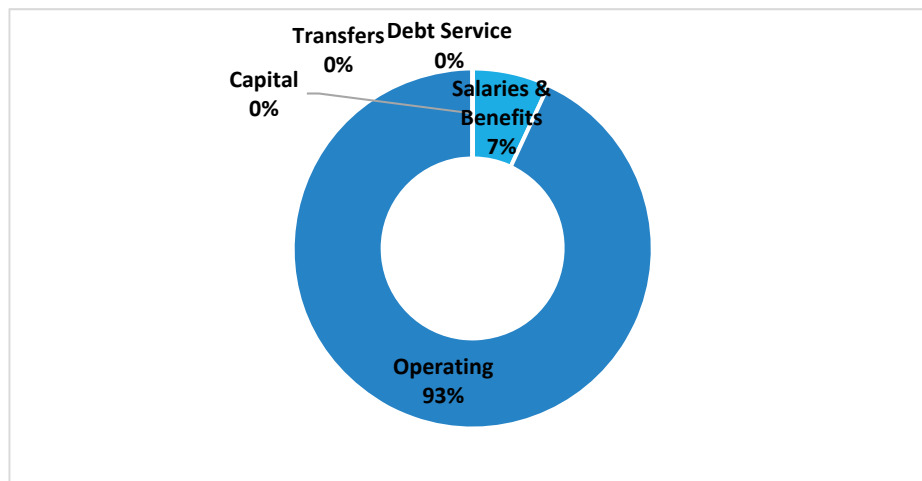
Adding 1 FTE Economic Development Technician to be split between the TIFF funds and Parking

Operating

Operational adjustment made, and operations does include \$25,000 to study Broadband

Capital

None



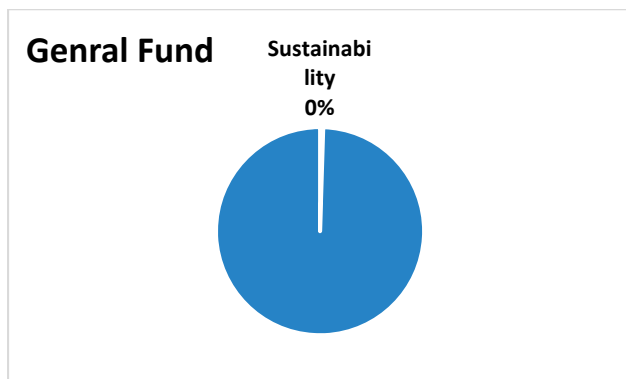
Sustainability (Strategic Services)

Major Objectives:

- Advance our utility tracking capabilities and reporting
- Develop a Climate Action & Resiliency Plan
- Implement the 2019 Climate Vulnerability Assessment & Resiliency Strategy
- Explore a building energy stretch code

Budget Allocation

Funded by the General Fund (only 0.48% of the fund expenditures)



FY19 Accomplishments

- New outreach materials for residential efficiency
- Expanded partnerships with local stakeholders to support solar powered transportation

FY19 Strategic Plans

- Climate Vulnerability Assessment & Resiliency Strategy (Climate Change Adaptation & Mitigation, 6.3.d)

Performance Measures

- Track the savings realized from upgrades made to commercial buildings through the Bozeman Energy Project.
 - FY15-19: \$19,792 incentives distributed
 - 165,256 kWh saved (equivalent to removing 25 passenger vehicles for one year)
 - 38,220 gallons of water saved
 - \$17,854 in annual small business savings

-
- Measure and communicate municipal energy consumption including buildings, infrastructure, and fleet.

-
- Monitor community greenhouse gas emissions to inform adopted goals for reduction.

FY20 Strategic Plan

- Update the Climate Action Plan 6.3.a - Builds upon Vulnerability Assessment & Resiliency Strategy
- Create Solar Energy Policies 6.3.c - Review Bozeman Solar Project three-year data, and use data to advise City goals for solar project and engage with NorthWestern Energy
- Explore Sustainable Technology 7.3.b - Advanced metering at WRF & WTP and dashboarding performance matrix.

FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
SUSTAINABILITY	10- General Fund	151,289	245,726	165,790	-32.5%

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
SUSTAINABILITY	Salaries & Benefits	120,842	124,236	127,115	2.3%
SUSTAINABILITY	Operating	30,447	112,490	38,675	-65.6%
SUSTAINABILITY	Capital	-	9,000	-	100.0%
SUSTAINABILITY	Debt Service	-	-	-	0.0%
SUSTAINABILITY	Transfers	-	-	-	0.0%
TOTALS		151,289	245,726	165,790	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
SUSTAINABILITY	8250- Sustainability	151,289	245,726	165,790	-32.5%

Personnel

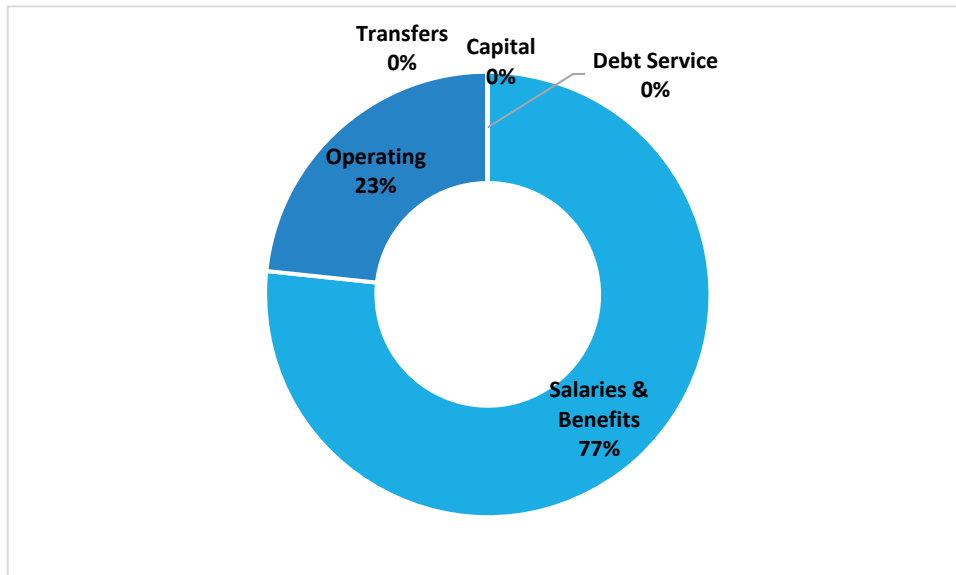
No changes

Operating

Consulting project in FY19 was a onetime expense for overall operational reduction in FY20

Capital

None



Affordable Housing

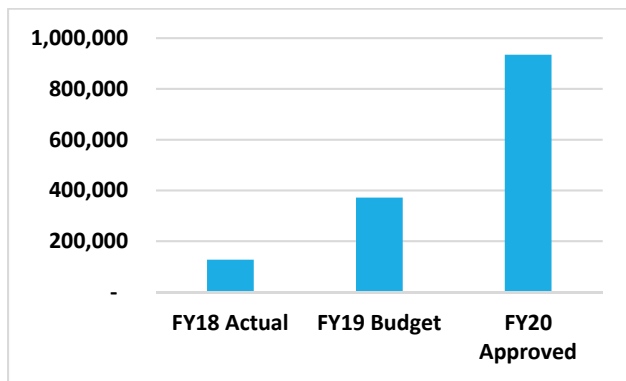
(Community Development)

Major Objectives:

- Provide down-payment assistance & low-interest loans
- Offer impact fee reimbursement for affordable housing projects
- Match funds for low-interest tax credit project applications.

Budget Allocation

Funded by the Workforce Housing Special Revenue Fund



FY19 Accomplishments

- Construction and sale of eight affordable Housing Units in 2018.
- Adoption of affordable housing Ordinance No. 2012 amending provisions of Chapter 38, Article 380 of the Bozeman Municipal Code in order to further the city’s affordable housing goals.
- Creation of Affordable Housing Manual and education material.

FY19 Strategic Plans

Develop a Comprehensive Affordable Housing Action Plan that does the following: (Objective 4.5b)

- Mandates the creation of affordable housing across all dwelling unit types.
- Provides the prescribed flexibility in the manner in which the mandate can be accomplished

- Provides a substantial, broad-based and reliable source of funding for the construction of affordable housing and for affordable housing loans
- Actively encourages Bozeman’s major employers to develop workforce housing programs for their employees (Ongoing meetings and efforts regarding this issue)

Performance Measures

- Track the number of Affordable units Constructed that were mandated by Inclusionary Zoning Ordinance as well as other units facilitated or incentivized.
- Monitor the number of units in approved housing plans.
- Track the Cash-in-Lieu funds received.

FY20 Strategic Plan

A Well Planned City | Housing & Transportation Choices (Objective 4.5b, 1-4)

- Affordable Housing Action Plan Consultant Fund Request | \$30K
- HRDC Homebuyer Education Contract | \$20K
- HRDC Pre-purchase Counseling Contract | \$20K
- Impact Fee or Down Payment Assistance | \$200K
- Funding for Salary and Training of Affordable Housing Manager | ~\$60K Salary & \$5K Training

FY20 Budget

Department Budget by Fund

Department	Fund	FY18 Actual	FY19 Budget	FY20 Approved	% Change
WORKFORCE HOUSING	120- Workforce Housing Fund	127,062	371,858	934,458	151.3%

Department Budget by Category

Department	Category	FY18 Actual	FY19 Budget	FY20 Approved	% Change
WORKFORCE HOUSING	Salaries & Benefits	27,052	78,708	81,708	100.0%
WORKFORCE HOUSING	Operating	100,010	293,150	852,750	190.9%
WORKFORCE HOUSING	Capital	-	-	-	0.0%
WORKFORCE HOUSING	Debt Service	-	-	-	0.0%
WORKFORCE HOUSING	Transfers	-	-	-	0.0%
TOTALS		127,062	371,858	934,458	

Department Budget by Division

Department	Division	FY18 Actual	FY19 Budget	FY20 Approved	% Change
WORKFORCE HOUSING	Workforcehousing	127,062	371,858	934,458	151.3%

Personnel

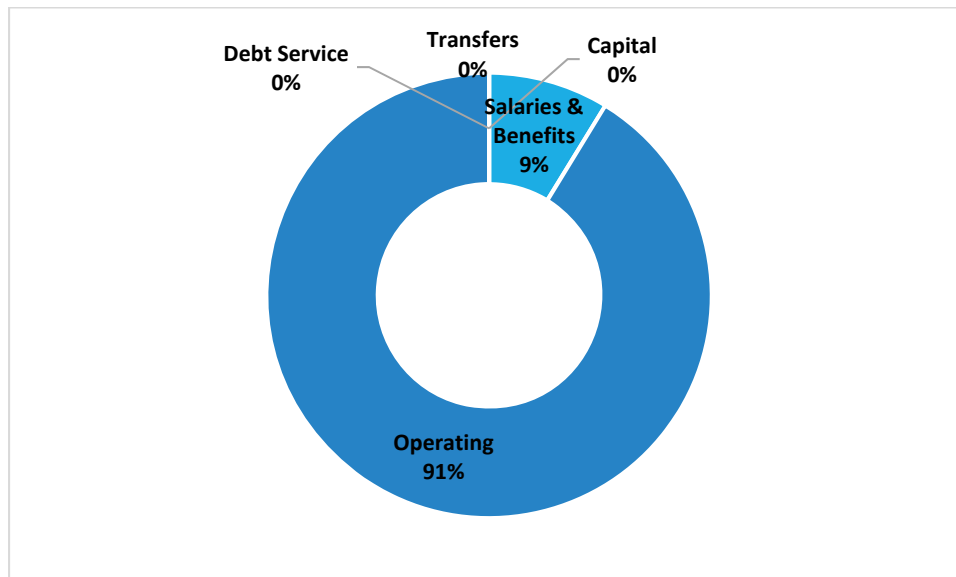
No changes

Operating

Increased funding to projects based on approvals from CAHAB

Capital

None



Non-Departmental

About:

The Non-Departmental unit accounts for expenditures that are not associated with a specific city department. Examples include insurance premiums paid by the City, costs of leave pay-outs for terminating employees, contingency funds, etc.

Major Objectives:

To accurately budget and account for non-departmental costs.

Budget Issues and Details

General Fund

- General fund allocation of liability & property insurance - \$491,391;
- General fund
 - Contribution to the band - \$10,440; Professional services for the landfill, \$25,000; Contingency appropriation - \$150,000; HRDC Streamline \$150,000; HRDC Streamline Grant match of \$20,000 and HRDC Fork & Spoon \$25,000
- Police & Fire state share retirement (non-cash) - \$2,668,262;
- Debt service fund for Intericap loan for Bronken and Storymill projects - \$40,480
- Transfer to Landfill Monitoring Fund - \$280,000; Transfer to Stormwater Fund for Landfill Loan payments - \$75,000;

Fund	Category	Division	FY18 Actual	FY19 Budget	FY20 Approved
10	Operating	Insurance	455,208	298,182	491,391
10	Operating	General	99,643	457,684	380,440
10	Operating	General (non-Cash)	-	2,400,348	2,668,262
10	Debt	Debt Service Intericap	-	-	40,480
10	Transfers	Transfers	632,084	491,188	355,000
			1,186,935	3,647,402	3,935,573
103	Transfers	Transfers - Insurance	2,407,104	2,654,566	2,815,384
175	Operating	General - Galavan	100,678	104,321	108,490
501	Construction	BPSC	-	-	40,115,362
720	Operating	Insurance	4,814,465	4,820,912	5,044,794

Debt items

Fund	Category	Fun Name	FY18 Actual	FY19 Budget	FY20 Approved
300	Transfers	SID Revolving Loan Fund	-	224,011	867,070
303	Debt Service	G.O. Refunding Series 2012	276,500	276,900	273,300
304	Debt Service	Parks and Open Space Bond	1,081,238	1,088,138	1,076,788
305	Debt Service	2007 Downtown TIF Bonds	422,288	423,673	418,898
307	Debt Service	Bozeman Public Safety Center	-	-	1,641,716
307	Transfers	Bozeman Public Safety Center	-	-	36,735,000
310-448	Debt Service	SID funds	972	385,800	1,000
450	Debt Service	Sports Park Turf Loan	-		32,000

** Estimated in the process of issuing first part of FY20

Below are the budget details followed by the debt schedules (Note: Bozeman Public Safety Center bonds have yet to be issued so the schedule is not included and half year payment is an estimate).

CITY OF BOZEMAN					
General Obligation Refunding Bonds, Trails, Open Space & Parks, Series 2014					
DEBT SERVICE SCHEDULE					
Payment Due	Principal Payment	Interest Rate	Interest Payment	Semi-Annual Payment	Principal Balance
7/1/2019	215,000.00	2.000%	77,706.25	292,706.25	4,360,000.00
1/1/2020	-		75,556.25	75,556.25	
7/1/2020	215,000.00	2.000%	75,556.25	290,556.25	4,145,000.00
1/1/2021	-		73,406.25	73,406.25	
7/1/2021	220,000.00	2.250%	73,406.25	293,406.25	3,925,000.00
1/1/2022	-		71,206.25	71,206.25	
7/1/2022	225,000.00	2.250%	71,206.25	296,206.25	3,700,000.00
1/1/2023	-		68,675.00	68,675.00	
7/1/2023	230,000.00	2.500%	68,675.00	298,675.00	3,470,000.00
1/1/2024	-		65,800.00	65,800.00	
7/1/2024	235,000.00	2.500%	65,800.00	300,800.00	3,235,000.00
1/1/2025	-		62,862.50	62,862.50	
7/1/2025	245,000.00	2.500%	62,862.50	307,862.50	2,990,000.00
1/1/2026	-		59,800.00	59,800.00	
7/1/2026	250,000.00	4.000%	59,800.00	309,800.00	2,740,000.00
1/1/2027	-		54,800.00	54,800.00	
7/1/2027	260,000.00	4.000%	54,800.00	314,800.00	2,480,000.00
1/1/2028	-		49,600.00	49,600.00	
7/1/2028	270,000.00	4.000%	49,600.00	319,600.00	2,210,000.00
1/1/2029	-		44,200.00	44,200.00	
7/1/2029	280,000.00	4.000%	44,200.00	324,200.00	1,930,000.00
1/1/2030	-		38,600.00	38,600.00	
7/1/2030	290,000.00	4.000%	38,600.00	328,600.00	1,640,000.00
1/1/2031	-		32,800.00	32,800.00	
7/1/2031	305,000.00	4.000%	32,800.00	337,800.00	1,335,000.00
1/1/2032	-		26,700.00	26,700.00	
7/1/2032	315,000.00	4.000%	26,700.00	341,700.00	1,020,000.00
1/1/2033	-		20,400.00	20,400.00	
7/1/2033	325,000.00	4.000%	20,400.00	345,400.00	695,000.00
1/1/2034	-		13,900.00	13,900.00	
7/1/2034	340,000.00	4.000%	13,900.00	353,900.00	355,000.00
1/1/2035	-		7,100.00	7,100.00	
7/1/2035	355,000.00	4.000%	7,100.00	362,100.00	-
TOTALS	5,100,000.00		2,266,840.63	7,366,840.63	

CITY OF BOZEMAN

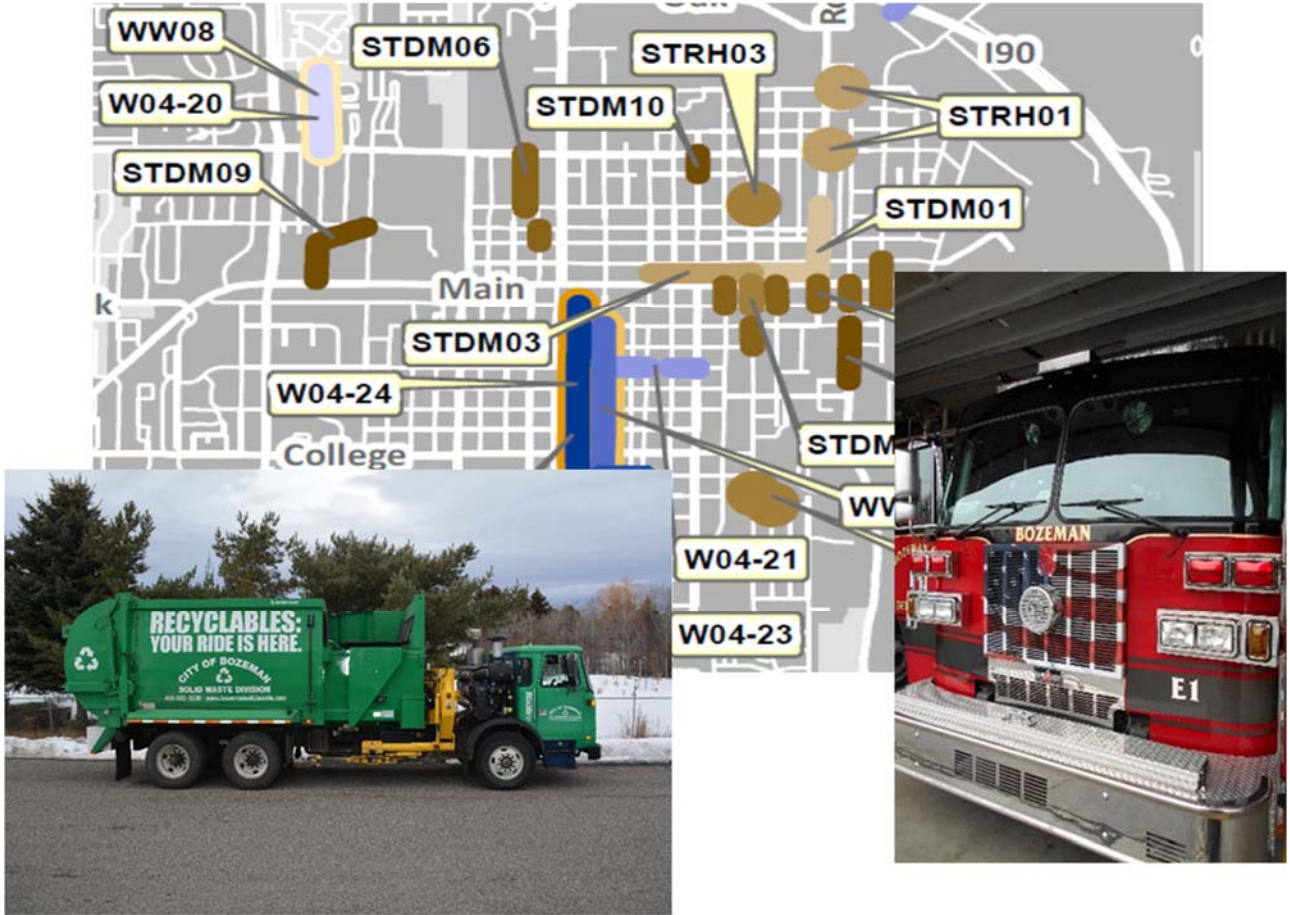
General Obligation Refunding Bonds, Trails, Open Space & Parks, Series 2013

DEBT SERVICE SCHEDULE

Payment Due	Principal Payment	Interest Rate	Interest Payment	Semi-Annual Payment	Principal Balance
7/1/2019	420,000.00	2.000%	146,362.50	566,362.50	8,045,000.00
1/1/2020	-		142,162.50	142,162.50	
7/1/2020	430,000.00	2.250%	142,162.50	572,162.50	7,615,000.00
1/1/2021	-		137,325.00	137,325.00	
7/1/2021	435,000.00	2.500%	137,325.00	572,325.00	7,180,000.00
1/1/2022	-		131,887.50	131,887.50	
7/1/2022	450,000.00	2.750%	131,887.50	581,887.50	6,730,000.00
1/1/2023	-		125,700.00	125,700.00	
7/1/2023	460,000.00	3.000%	125,700.00	585,700.00	6,270,000.00
1/1/2024	-		118,800.00	118,800.00	
7/1/2024	475,000.00	2.800%	118,800.00	593,800.00	5,795,000.00
1/1/2025	-		112,150.00	112,150.00	
7/1/2025	490,000.00	3.250%	112,150.00	602,150.00	5,305,000.00
1/1/2026	-		104,187.50	104,187.50	
7/1/2026	505,000.00	3.500%	104,187.50	609,187.50	4,800,000.00
1/1/2027	-		95,350.00	95,350.00	
7/1/2027	520,000.00	3.750%	95,350.00	615,350.00	4,280,000.00
1/1/2028	-		85,600.00	85,600.00	
7/1/2028	540,000.00	4.000%	85,600.00	625,600.00	3,740,000.00
1/1/2029	-		74,800.00	74,800.00	
7/1/2029	565,000.00	4.000%	74,800.00	639,800.00	3,175,000.00
1/1/2030	-		63,500.00	63,500.00	
7/1/2030	585,000.00	4.000%	63,500.00	648,500.00	2,590,000.00
1/1/2031	-		51,800.00	51,800.00	
7/1/2031	610,000.00	4.000%	51,800.00	661,800.00	1,980,000.00
1/1/2032	-		39,600.00	39,600.00	
7/1/2032	635,000.00	4.000%	39,600.00	674,600.00	1,345,000.00
1/1/2033	-		26,900.00	26,900.00	
7/1/2033	660,000.00	4.000%	26,900.00	686,900.00	685,000.00
1/1/2034	-		13,700.00	13,700.00	
7/1/2034	685,000.00	4.000%	13,700.00	698,700.00	-
TOTALS	9,900,000.00		4,355,805.28	14,255,805.28	

CITY OF BOZEMAN					
General Obligation Refunding Bonds, Series 2012					
DEBT SERVICE SCHEDULE					
Payment Due	Principal Payment	Interest Rate	Interest Payment	Semi-Annual Payment	Principal Balance
7/1/2019	260,000.00	2.000%	7,950.00	267,950.00	535,000.00
1/1/2020	-		5,350.00	5,350.00	
7/1/2020	265,000.00	2.000%	5,350.00	270,350.00	270,000.00
1/1/2021	-		2,700.00	2,700.00	
7/1/2021	270,000.00	2.000%	2,700.00	272,700.00	-
TOTALS	3,080,000.00		250,394.38	3,330,394.38	

CITY OF BOZEMAN					
TAX INCREMENT URBAN RENEWAL REVENUE BONDS, SERIES 2007					
(DOWNTOWN BOZEMAN IMPROVEMENT DISTRICT)					
DEBT SERVICE SCHEDULE					
Payment Date	Principal Payment	Interest Rate	Interest Payment	Semi-Annual Payment	Principal Balance
7/1/2019	220,000.00	4.25	101,786.25	321,786.25	3,995,000.00
1/1/2020	-	-	97,111.25	97,111.25	
7/1/2020	230,000.00	4.40	97,111.25	327,111.25	3,765,000.00
1/1/2021	-	-	92,051.25	92,051.25	
7/1/2021	240,000.00	4.50	92,051.25	332,051.25	3,525,000.00
1/1/2022	-	-	86,651.25	86,651.25	
7/1/2022	250,000.00	4.60	86,651.25	336,651.25	3,275,000.00
1/1/2023	-	-	80,901.25	80,901.25	
7/1/2023	260,000.00	4.70	80,901.25	340,901.25	3,015,000.00
1/1/2024	-	-	74,791.25	74,791.25	
7/1/2024	275,000.00	4.80	74,791.25	349,791.25	2,740,000.00
1/1/2025	-	-	68,191.25	68,191.25	
7/1/2025	290,000.00	4.95	68,191.25	358,191.25	2,450,000.00
1/1/2026	-	-	61,013.75	61,013.75	
7/1/2026	300,000.00	4.95	61,013.75	361,013.75	2,150,000.00
1/1/2027	-	-	53,588.75	53,588.75	
7/1/2027	315,000.00	4.95	53,588.75	368,588.75	1,835,000.00
1/1/2028	-	-	45,792.50	45,792.50	
7/1/2028	330,000.00	4.95	45,792.50	375,792.50	1,505,000.00
1/1/2029	-	-	37,625.00	37,625.00	
7/1/2029	350,000.00	5.00	37,625.00	387,625.00	1,155,000.00
1/1/2030	-	-	28,875.00	28,875.00	
7/1/2030	365,000.00	5.00	28,875.00	393,875.00	790,000.00
1/1/2031	-	-	19,750.00	19,750.00	
7/1/2031	385,000.00	5.00	19,750.00	404,750.00	405,000.00
1/1/2032	-	-	10,125.00	10,125.00	
7/1/2032	405,000.00	5.00	10,125.00	415,125.00	-
TOTALS	4,215,000.00		1,614,721.25	5,829,721.25	



CAPITAL EXPENDITURES SUMMARY

Capital Expenditure Summary

The CIP includes any planned expenditure of \$10,000 or greater, that results in the acquisition of an asset with a useful life of 3 years or more. There is a couple of “exceptions” or “extensions” of this definition that we have found helpful and necessary in past years:

- General Planning Documents (master plans, community surveys, etc.) are NOT included in our CIP.
- Specific plans that involve pre-engineering or preliminary design of facilities are often (but not always) included in the CIP.
- Software purchases that could potentially be “software as a service”. Cloud based services are beginning to replace our purchase of outright software and hardware. In the CIP, we have treated the software projects as a capital outlay purchase; although a “service” type, solution may actually be chosen during the bidding/proposal process.

State law and City charter require the City to prepare the CIP. State Law requires the City to maintain a Capital Improvement Plan for our Development Impact Fee programs. Under Montana Code Annotated (MCA), this Capital Improvement Plan provides the schedules and cost projections required under MCA §7-6-1602(2)(k)(i-iv). In Article 5.06 of the adopted City Charter, the City Manager is responsible for preparing and submitting a multi-year capital program to the City Commission no later than December 15 for the ensuing fiscal year.

This five-year plan includes long-range plans for our current facilities while keeping in mind level of service standards. In a community with relatively high cost of living, the ability of citizens to afford the needed utility rate, fee, and assessment levels is of concern. At the same time, the City strives to keep existing facilities properly maintained — and not pass deferred maintenance costs and problems on to future generations. The staff have taken a lot of time and care in preparing this document. The efforts toward our Strategic Plan when developing our plan.

Strategic Plan

- **Engaged Community:** By making technology improvements we have been able to make this Capital Improvement Plan more concise, informative and citizen-user friendly. The Lasher Fiche upgrade (GF337) will aid in our efforts for 1.1 b-Dramatically increase transparency and create access to all city documents.
- **Innovative Economy:** The General fund includes a project for Fiber Optic Conduit this aids in our efforts for 2.2 a Identify Commercial/ Industrial Infrastructure Needs.
- **Safe, Welcoming Community:**
 - 3.1 a-Develop a Criminal Justice Facility Plan and 3.1 c-Implement the Fire Station Location Plan with the Bozeman Public Safety Center and later in the capital plan Fire Station 2 relocation is scheduled for FY23.
 - Both Police and Fire FY20 has the second payment for the radio lease with Gallatin County as part of 3.1 d Update Public Safety Technology Systems.
 - 3.4 Active Recreation is included throughout the General fund plan with many projects that encourage and promote active recreation such as the proposed aquatics/recreation center (GF056). We have several park amenities proposed with splashpads and pickleball courts in the plan as well.
- **Well-Planned City:**

- Software investment in the Public Works administration Fund works towards 4.1 c -GIS Land Use & Infrastructure Development Tracking.
- The Wastewater fund and Wastewater Impact fund have many projects that achieve 4.3 b Increase Capacity of Sewer Pipes to Accommodate Development Projects.
- We have proposed the creation of a Parks and Trails Maintenance District that works towards 4.3 a Develop a Comprehensive Parks Maintenance Facilities Funding Program that would provide funding for Parks' capital needs.
- All the road projects funded by the Street Impact Fee fund and Arterial & Collector fund will include bike lanes and aid in our efforts towards 4.5 a Enhance Non-motorized Transportation. In addition, every year the Street Maintenance fund has allocation of \$25,000 annually for bike path improvements and some additional project are planned n FY20 increase the amount.
- **Creative, Learning Culture:** As other efforts work towards this visions efforts and identify projects they will be added to this plan when they meet the capital plan definition.
- **Sustainable Environment:** The Water fund with the Water Conservation have a project to create a water conservation and efficiency plan in 2020 to achieve 6.2 a Watershed Management, which is to develop and implement a regional watershed approach.
- **High Performance Organization:**
 - This year we worked towards item 7.1 b -Create a Culture of Innovation by changing our CIP database system for project tracking and plan development. We are now using our city-wide budgeting system's project module for all CIP items. This will make it easier to merge approved projects into the approved budget, begin tracking projects in their initial stages, and give us increased project cost reporting. We are also recommending that we continue to innovate the plan for next year by increasing the CIP threshold from its current level of \$10,000 to a new minimum level of \$25,000. For the FY21 to FY25 CIP we recommend using a \$25,000 threshold. This will align us with best practices and allow us to make better capital decisions by focusing on true capital items and less maintenance and operational expenses.
 - This year we started earlier specifically with Finance and Public Works to improve the process, this aids in our efforts towards strategic plan item 7.3 C Improve Departmental Collaboration.

Using this plan adopted in December the City incorporates the first year of the plan into the budget.

FY20 Capital Projects with Material Operational Impacts

- The Bozeman Public Safety Center will begin construction in FY20. This exciting advancement of the City's public safety services and the strategic plan moves Police, Courts, Prosecutors and Fire Station 1 into one building. This project does add large operational and maintenance costs going forward. Operational costs are estimated to be at least \$360k. As



we finish design we can finalize these numbers and will need to included in the future General fund mill levy.

- Sewer capacity-expanding project The Norton East Ranch Outfall Diversion (WWIF38) is \$5,200,000.
- Major roads funded through the Street Impact Fee Fund and Arterial Collector fund a good portion is for building of the roads surrounding the new high school.
- Road maintenance, vehicle replacements and building improvements are in the plan as well. Most capital projects have some sort of impact on ongoing operational costs.

FY20 Capital impacts on operational costs:

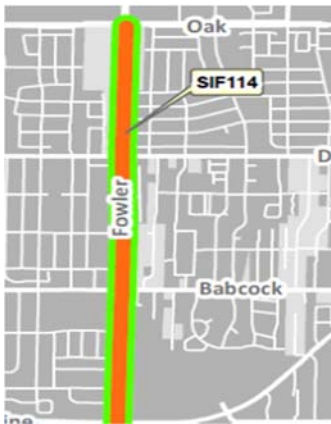
- The larger infrastructure projects have an impact on our operational costs, which can include increased cost for maintenance, additional monitoring, and additional services such as more roads to plow with the street construction scheduled. The major wastewater projects discussed earlier will add maintenance time and monitoring. The streets that will be constructed will affect the Street Maintenance fund's operational budgets in FY20 with the additional snow plowing and into the future for repairs and maintenance.
- Expanding the vehicle fleet increases maintenance and gas expenditures. This budget year there are some vehicles and other mobile equipment replacements that will not have as big of impact as the new vehicles expanding the number in the fleet.
- We are not constructing any major building in this budget but there are some remodels but their operational impact is minimal since there is not additional need for cleaning and utilities. This includes the Professional building remodel and the City Commission room.

Included in the plan looking out towards the future:



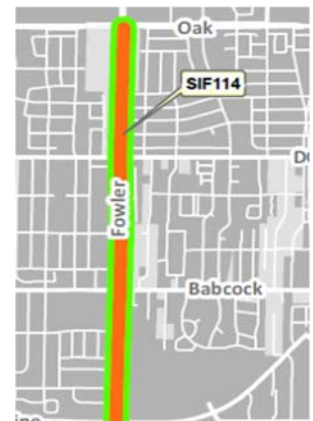
2021 - This includes a water fund major project for the Lyman Tank and Transmission Main Construction W88, which will be funded through financing for \$10million. Griffin 7th to Rouse SIF113 funded by Street Impact Fees and Arterial collector funds is scheduled in FY21 for a project total of \$3.7 million.

2022 - The Indoor/Outdoor aquatics center is planned for FY22 and will be funded through bonds going to the citizens for a vote. The Water fund has an over \$6million projects, PRV Phase 2 - Automation and Instrumentation Upgrades W71 which will provide necessary water system maintenance work. Routine vehicle replacements, pipe replacements and road maintenance is planned.



2023 - Fowler connection (Huffine to Oak) SIF114 funded by Street Impact Fees and Arterial collector funds is scheduled in FY23 for a project total of \$7.5 million. Wastewater Impact Fees has a capacity project N Frontage Rd Interceptor WWIF20 scheduled for just under \$5.3 million. The relocation of Fire Station 2 is scheduled to align with service needs as outlined in the adopted master plan.

2024- Water fund and Street Impact Fee fund have added improvements to their time lines. Street Impacts Fee fund sees Kagy improvements for the South side of town with SIF009. The Water fund adds W71, which is the second phase of automation and instrumentation upgrades for the treatment plant.



FY20 Capital Project Listing

Fund	Fund - Division	Project #	Project Name	Amount
10	General Fund- Cemetery	GF268	SW MT VETERAN'S CEMETERY	45,000
10	General Fund- Facilities	GF274	CITY HALL BOZ CREEK IMPRV	33,500
10	General Fund- Parks	GF254	25TH STREET FROM OAK TO TSCHACHE	333,000
10	General Fund- Parks	NEW	BOGART PARK PAVILLION REPAIRS	200,000
10	General Fund- Police	GF053	PATROL CAR & EQUIP RPLCMT	118,000
10	General Fund- Police	GF166	COUNTY RADIO LEASE	295,000
10	General Fund- Police	GF292	MOBILE DATA EQUIP	30,000
10	General Fund- Police	GF293	NON-PATROL CAR NEW VEHICLES	15,000
10	General Fund- Recreation	GF296	SWIM CENTER FRONT FURNACE	37,080
10	General Fund-IT	GF062	PERSONAL COMPUTER (PC) RE	50,000
10	General Fund-IT	GF080	CITY-WIDE SWITCHES&ROUTRS	50,000
10	General Fund-IT	GF265	SERVER REPLACEMENT GF	20,000
10	General Fund-IT	GF289	SERVER FARM SOFTWARE UPGRADES	35,000
10	General Fund-IT	GF310	APC REPLACE FOR DATA CEN	12,000
10	General Fund-IT	GF312	ISCI FLASH UPGRADE CHALL	10,000
10 General Fund Total				1,283,580
100	Planning	CD06	PLANNING VEHICLE REPLACEMENT REQUEST	35,000
100 Community Development Total				35,000
110	Gas Tax- Street Maintenance	STR30	Annual Median & Boulevard	60,000
110	Gas Tax- Street Maintenance	STR75	Annual Pedestrian Ramp Repair	100,000
110	Gas Tax- Street Maintenance	STR91	MSU Kagy Pedestrian Crossing	80,000
110 Gas Tax Total				240,000
111	Street Maintenance	STR20	Annual Bike Path Improvement	53,080
111	Street Maintenance	STR22	Grader Lease	60,000
111	Street Maintenance	STR34	Sweepers	100,000
111	Street Maintenance	STR39	Truck Mounted Tack Oil Distributor	210,000
111	Street Maintenance	STR49	Sanders	27,000
111	Street Maintenance	STR50	Snowplows	12,000
111	Street Maintenance	STR68	Rectangular Rapid Flashing Beacon	10,000
111	Street Maintenance	STR71	Maintenance & Rehabilitation (Mill & Overlay)	575,000
111	Street Maintenance	STR73	Replace Skid Steer	90,000
111	Street Maintenance	STR78	Replace #2748 -Truck	35,000
111	Street Maintenance	STR83	N 27TH Median Landscaping & Irrigation (Oak to Baxter)	50,000
111	Street Maintenance	STR85	Replace 1992 Wheel Loader	180,000
111	Street Maintenance	STR92	Oak St Median Landscaping & irrigation (Davis to Ferguson)	60,000
111	Street Maintenance	STR95	Signal Conflict Monitor Tester	13,000
111	Street Maintenance	STR97	REPLACE #3149-LIGHT DUTY	35,000
111 Street Maintenance Total				1,510,080
112	Forestry	FOR14	Forestry Chip Truck	90,000
112 Forestry Total				90,000

Fund	Fund - Division	Project #	Project Name	Amount
114	Street Impact Fee	SIF001	RIGHT OF WAY ACQUISITION	250,000
114	Street Impact Fee	SIF057	OAK (FLANDERS MILL TO RYUN SUN WAY) - CONSTRUCTION	1,000,000
114	Street Impact Fee	SIF076	FOWLER CONNECTION (HUFFINE TO OAK) - DESIGN	500,000
114	Street Impact Fee	SIF098	OAK & COTTONWOOD (INTERSECTION IMPROVEMENTS) - ROUNDABOUT CONSTRUCTION	2,192,000
114	Street Impact Fee	SIF105	COTTONWOOD (DURSTON TO OAK) - CONSTRUCTION	1,250,000
114	Street Impact Fee	SIF110	MANLEY & GRIFFIN (INTERSECTION IMPROVEMENTS) - CONSTRUCTION	1,600,000
114	Street Impact Fee	SIF123	BRIDGER DR & STORY MILL RD (INTERSECTION IMPROVEMENTS) - DESIGN	100,000
114	Street Impact Fee	SIF132	STORY MILL (GRIFFIN TO BRIDGER) - DESIGN	50,000
114	Street Impact Fee	SIF134	OAK (COTTONWOOD TO FLANDERS MILL) - CONSTRUCTION	434,000
114 Street Impact Fee Total				7,376,000
141	Arterial & Collector	SIF057	OAK (FLANDERS MILL TO RYUN SUN WAY) - CONSTRUCTION	500,000
141	Arterial & Collector	SIF076	FOWLER CONNECTION (HUFFINE TO OAK) - DESIGN	500,000
141	Arterial & Collector	SIF098	OAK & COTTONWOOD (INTERSECTION IMPROVEMENTS) - ROUNDABOUT CONSTRUCTION	548,000
141	Arterial & Collector	SIF110	MANLEY & GRIFFIN (INTERSECTION IMPROVEMENTS) - CONSTRUCTION	400,000
141	Arterial & Collector	SIF134	OAK (COTTONWOOD TO FLANDERS MILL) - CONSTRUCTION	433,000
141 Arterial & Collector Total				2,381,000
187	Fire Capital	FE06	Radio Replacement Program	250,000
187	Fire Capital	FE12	Personal Protective Equip	38,000
187	Fire Capital	FE17	Wildlands Apparatus	55,000
187	Fire Capital	FE18	Light Duty Vehicles	80,000
187	Fire Capital	FE19	Utility Vehicle	45,000
187 Fire Capital & Equipment Replacement Total				468,000
500's	Construction Funds	BPSC	Bozeman Public Safety Center	40,115,362
500's	Construction Funds	SCR01	ANNUAL CURB REPLACEMENT & CONCRETE REPAIR PROGRAM	60,000
500's	Construction Funds	SCR16	N 17TH (DURSTON TO END) - DESIGN AND CONSTRUCTION	1,012,000
500's Construction Funds Total				41,187,362

Fund	Fund - Division	Project #	Project Name	Amount
600	Water	W62	REPLACE #3446 - WTP GMC SIERRA PICKUP	45,000
600	Water	W66	SCADA METERS, TRANSDUCERS & COMMUNICATIONS	10,000
600	Water	W84	SOURDOUGH TANK INSPECTION & IMPROVEMENTS	600,000
600	Water	W91	TURBIDIMETER REPLACEMENT	14,000
600	Water	W94	MYSTIC LAKE BEAVER DECEIVER	35,000
600	Water	W96	SOURDOUGH RAW TRANSMISSION MAIN FLOW CONTROL VALVE AND METER	300,000
600	Water - Operations	W03	ANNUAL WATER PIPE REPLACEMENT	22,500
600	Water - Operations	W04-20	WATER PIPE REPLACEMENT PROGRAM - CONSTRUCTION	1,200,000
600 Water Total				2,226,500
610	Water Impact Fee	WIF25	DAVIS 12" WATER MAIN & VALLEY CENTER 16" WATER MAIN	725,729
610	Water Impact Fee	WIF40	SOURDOUGH TRANSMISSION MAIN PHASE 2	4,320,000
610	Water Impact Fee	WIF47	GRAF AND S. 27TH WATER TRANSMISSION MAIN OVERSIZE	150,000
610	Water Impact Fee	WIF50	I-90 WATER MAIN EXTENSION	1,100,000
610 Water Impact Fee Total				6,295,729
620	Wastewater	WW54	REPLACE #1783 - 1995 FORD DUMP TRUNK	100,000
620	Wastewater	WW69	SMALL WORKS PROJECTS	100,000
620	Wastewater	WW70	WRF FACILITY ENGINEERING & OPTIMIZATION	60,000
620	Wastewater	WW88	RE-TUBE BOILER	25,000
620	Wastewater	WW91	UPDATE CONTROLS NETWORK	20,000
620	Wastewater	WW96	EAST GALLATIN RIVER AVULSION RESTORATION	300,000
620	Wastewater - Operations	WW07	ANNUAL WASTEWATER PIPE REPLACEMENT PROGRAM-DESIGN	22,500
620	Wastewater - Operations	WW08	WASTEWATER PIPE REPLACEMENT PROGRAM-CONSTRUCTION	1,000,000
620 Wastewater Total				1,627,500
630	Wastewater Impact Fee	WWIF22	DAVIS-FOWLER INTERCEPTOR	125,000
630	Wastewater Impact Fee	WWIF35	BABCOCK SANITARY SEWER UPGRADE	245,000
630	Wastewater Impact Fee	WWIF37	HUNTERS WAY SEWER CAPACITY UPGRADE	350,000
630	Wastewater Impact Fee	WWIF38	NORTON EAST RANCH OUTFALL DIVERSION	5,200,000
630	Wastewater Impact Fee	WWIF42	MANLEY ROAD SEWER UPGRADE	504,000
630 Wastewater Impact Fee Total				6,424,000
640	Solidwaste	SW32	Front Load Truck Replacement	270,000
640	Solidwaste	SW36	Side Load Truck - New	290,000
640	Solidwaste	SW53	Pickup Truck	30,000
640	Solidwaste	SW55	Side Load Truck	300,000
640 Solidwaste Total				890,000

Fund	Fund - Division	Project #	Project Name	Amount
641	Landfill Closure		Closure Costs	61,417
641 Landfill Closure Total				61,417
650	Parking	P004	SURFACE PARKING LOT HARDWARE & SOFTWARE SYSTEMS	15,000
650	Parking	P020	PARKING VEHICLE LEASES	45,000
650	Parking	P023	PARKING TECHNOLOGY PHASE II	150,000
650	Parking	NEW	IVR - Voice message system	20,000
650 Parking Total				230,000
670	Stormwater	STDM01	DOWNTOWN TRUNK LINE REHAB	400,000
670	Stormwater	STDM02	MANLEY DITCH REHAB	100,000
670	Stormwater	STUO01	STORMWATER FACILITY PLAN	150,000
670 Stormwater Total				650,000
750	Public Works Admin	GIS03	ASSET MANAGEMENT SOFTWARE	75,000
750 Public Works Admin Total				75,000
Total Capital Expenditures				73,051,168

Appendices

Appendix A- Statistical Information

Appendix B- Budget Financial Policies

Appendix C- Long Range Planning

Appendix D- General Fund Minimum Reserve Analysis

Appendix E- Glossary

Appendix A: Statistical Information

Statistical Information

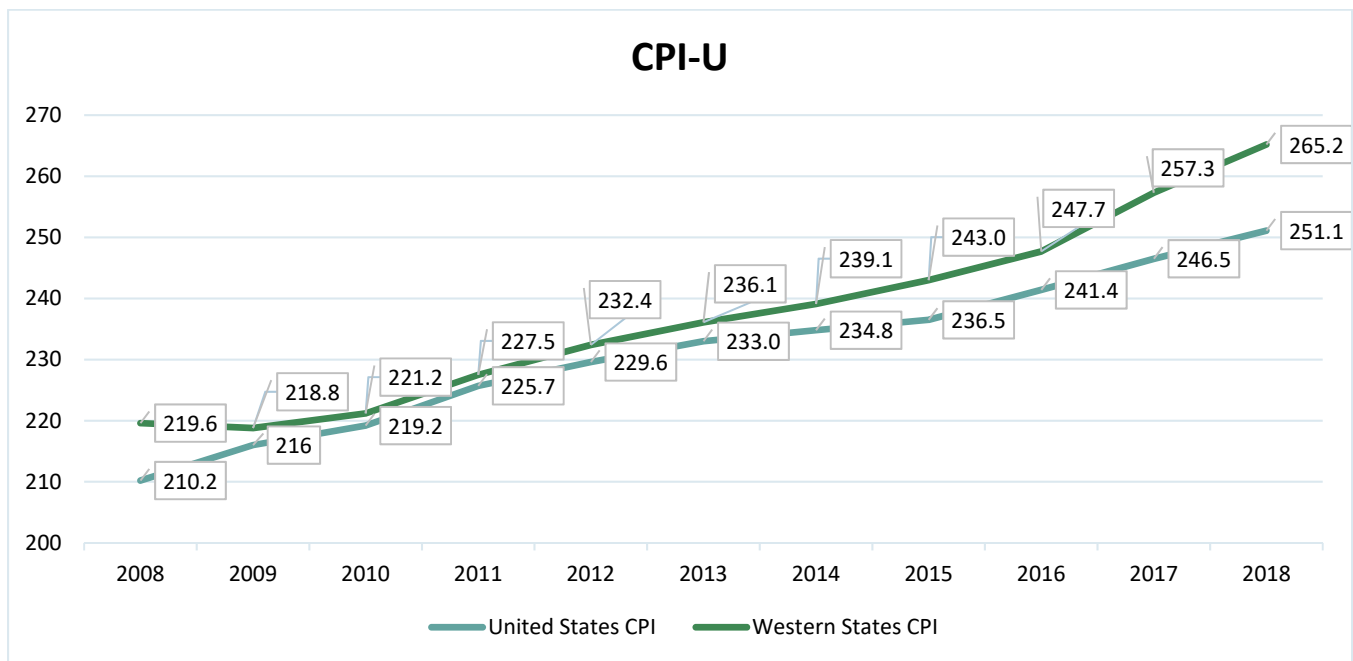
Consumer Price Index

The City uses the Consumer Price Index as a general gauge of price inflation this includes all Items, Unadjusted, Urban Consumers (CPI-U). The City's living wage ordinance bases increases on CPI-U for Western States.

Source: Bureau of Labor Statistics, US Department of Labor

United States CPI		
Year Ending December,	CPI-U	% Change
2008	210.2	0.10%
2009	216	2.70%
2010	219.2	1.50%
2011	225.7	3.00%
2012	229.6	1.70%
2013	233	1.50%
2014	234.8	0.80%
2015	236.5	0.70%
2016	241.4	2.10%
2017	246.5	2.11%
2018	251.1	1.87%

Western States CPI		
ANNUAL	CPI-U Western	% Change
2008	219.6	3.50%
2009	218.8	-0.40%
2010	221.2	1.10%
2011	227.5	2.90%
2012	232.4	2.20%
2013	236.1	1.60%
2014	239.1	1.30%
2015	243.0	1.60%
2016	247.7	1.90%
2017	257.3	3.88%
2018	265.2	3.07%



Population

Bozeman's population has been growing steadily since 2000. The rate of population has shown a larger increase the last three years. The Bozeman Population has median age that has held steady at 27 and has a high percentage of residents holding a bachelor's degree or higher at 55.5%. Source: US Census Bureau:

People QuickFacts	Bozeman	Montana	Bozeman as % of Montana Data
Population: 2018 estimate	46,596	1,074,167	4.34%
Population: 2010 (April 1) estimates base	37,282	989,417	3.77%
Population: Percent change 4/01/10 to 7/01/16	21.40%	4.40%	
Population: 2010 census	37,280	989,415	3.77%

Fiscal Yr	Estimated Population	Bozeman's Estimated Annual % Change in Population	Accumulated % Growth Since 2007
2008	35,944	3.19%	7.69%
2009	36,933	2.75%	10.44%
2010	37,280	0.94%	11.38%
2011	37,314	0.09%	11.47%
2012	38,116	2.15%	13.62%
2013	38,753	1.67%	15.30%
2014	38,860	0.28%	15.57%
2015	41,660	7.21%	22.78%
2016	43,405	4.19%	26.97%
2017	45,250	4.25%	31.22%
2018	46,595	4.25%	35.47%

Year	% Change in Population	Per capita Income	Median Age	% Residents w/ Bachelors	K-12 enrollment	Unemployment rate
2008	3.1%	\$ 23,387	27.2	53.7%	5,432	2.7%
2009	2.7%	\$ 26,313	27.0	52.7%	5,463	4.6%
2010	0.9%	\$ 25,909	26.0	50.6%	5,509	5.8%
2011	0.1%	\$ 25,611	27.2	50.1%	5,679	5.6%
2012	2.1%	\$ 24,709	27.2	53.9%	5,810	5.2%
2013	1.6%	\$ 25,608	27.1	55.4%	5,994	4.3%
2014	0.3%	\$ 26,427	26.8	53.3%	6,216	3.5%
2015	6.7%	\$ 26,335	27.3	53.6%	6,294	2.9%
2016	4.0%	\$ 26,350	27.5	54.4%	6,533	2.8%
2017	4.1%	\$ 26,506	27.7	56.5%	6,770	2.8%
2018	4.1%	\$ 28,748	27.9	56.5%	6,908	2.8%

Business:

Private Employers: The Montana Department of Labor and Industry reports the following largest private employers within the City’s boundaries (2018 data).

Private Employers	Size
Bozeman Deaconess Hospital	1,000+ Employees
Oracle America	500 to 999 Employees
Kenyon Noble Lumber & Hardware	250 to 499 Employees
Town Pump Convenience Stores	250 to 499 Employees
Wal Mart	250 to 499 Employees
Albertson's	100 to 249 Employees
Balckhawk Industries	100 to 249 Employees
Bridger Bowl	100 to 249 Employees
Community Food Co-Op	100 to 249 Employees
Costco	100 to 249 Employees
First Student	100 to 249 Employees
JC Billion	100 to 249 Employees
McDonalds	100 to 249 Employees
Murdoch's Ranch & Home Supply	100 to 249 Employees
Ressler Motor	100 to 249 Employees
Simms Fishing Products	100 to 249 Employees
Town & Country Foods	100 to 249 Employees
Williams Plumbing & Heating	100 to 249 Employees
Zoot Enterprises	100 to 249 Employees

Public Employers: The Montana Department of Labor and Industry reports the following largest public employers within the City’s boundaries, one of which is the City.

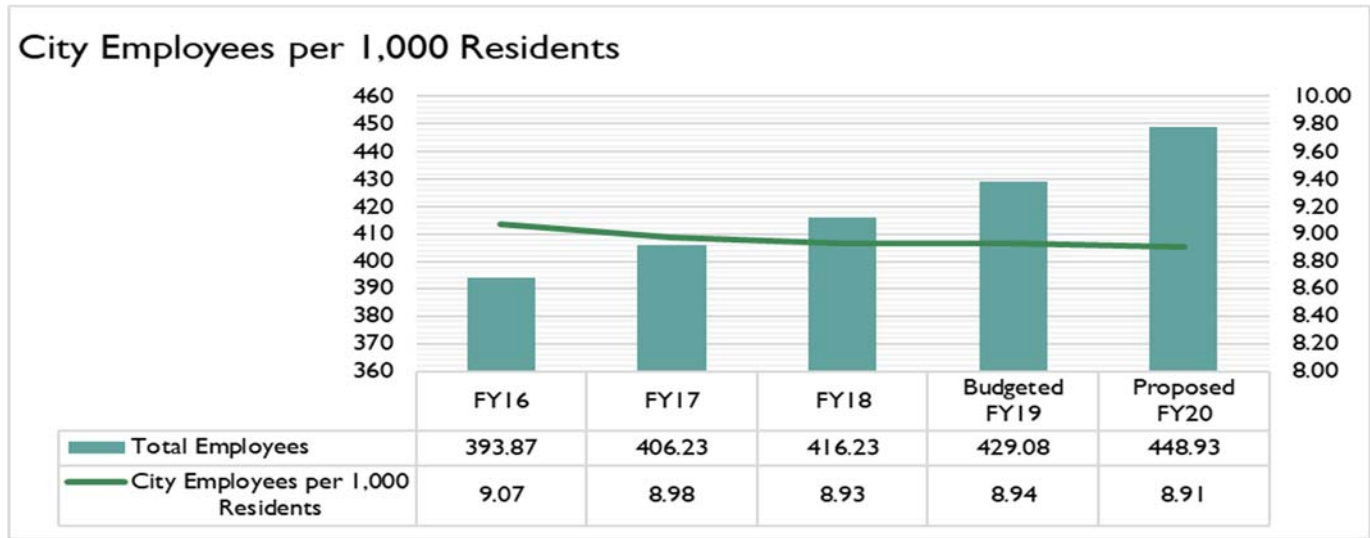
Public Employers	Size
Montana State University	1,000+ Employees
School District #7	500 to 999 Employees
Belgrade School District	500 to 999 Employees
City of Bozeman	500 to 999 Employees
Gallatin County	250 to 499 Employees

Principal Tax Payers:

The annual certified valuation of taxable real and personal property is completed by the Montana Department of Revenue and transmitted to the City each August. For fall of 2017, the top taxpayers within the City were as follows. These ten taxpayers comprised a total of 9.4% of our property tax base.

Tax Payer	Assessed Value	% of Total
Northwestern Energy - Transmission & Distribution	5,379,804	57.10%
Verizon Wireless	583,961	6.20%
Centurylink, Inc. (Qwest)	524,350	5.57%
Charter Communication	498,174	5.29%
NB Stadium View District	460,554	4.89%
Harry Daum - Gallatin Mall	446,722	4.74%
Stone Ridge Partners LLC	423,820	4.50%
Mitchell Development & Investment	376,921	4.00%
Bridger Peaks Holding LLC	375,052	3.98%
First Security Bank	352,421	3.74%

City Staffing Per Capita



Debt Limits

	Fiscal Years			
	2015	2016	2017	2018
Debt limit*	84,500,000	142,464,717	147,500,000	168,633,783
Total net debt applicable to limit	\$ (15,356,726)	\$ (16,454,841)	\$ (18,613,264)	\$ (14,598,588)
Legal debt margin	\$ 69,143,274	\$ 126,009,876	\$ 128,886,736	\$ 154,035,195
Total net debt applicable to the limit as a percentage of debt limit	18.2%	11.6%	12.6%	8.7%

Appendix B: Budget and Financial Policies

The overall goal of the City's financial policies is to establish and maintain effective management of the City's financial resources. Formal policy statements and major objectives provide the foundation for achieving this goal. Accordingly, this section outlines the policies used in guiding the preparation and management of the City's overall budget and the major objectives to be accomplished. In addition, the rationale, which led to the establishment of the fiscal policy statements, is also identified.

Budget Development & Administration

1. A comprehensive annual budget will be prepared for all funds expended by the City.

State law provides that "no money shall be drawn from the treasury of the municipality nor shall any obligation for the expenditure of money be incurred except pursuant to the appropriation made by the commission." Inclusion of all funds in the budget enables the commission, the administration, and the public to consider all financial aspects of city government when preparing, modifying, and monitoring the budget, rather than deal with the City's finances on a "piece meal" basis.

2. The budget will be prepared in such a manner as to facilitate its understanding by citizens and elected officials.

One of the stated purposes of the budget is to present a picture of the City government operations and intentions for the year to the citizens of Bozeman. Presenting a budget document that is understandable to the citizens furthers the goal of effectively communicating local government finance issues to both elected officials and the public.

3. Budgetary emphasis will focus on providing those basic municipal services which provide the maximum level of services, to the most citizens, in the most cost effective manner, with due consideration being given to all costs--economic, fiscal, and social.

Adherence to this basic philosophy provides the citizens of Bozeman assurance that its government and elected officials are responsive to the basic needs of the citizens and that its government is operated in an economical and efficient manner.

4. The budget will provide for adequate maintenance of capital, plant, and equipment and for their orderly replacement.

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

5. The City will avoid budgetary practices that balance current expenditures at the expense of meeting future years' expenses.

Budgetary practices such as postponing capital expenditures, accruing future years' revenues, or rolling over short-term debt are budgetary practices which can solve short-term financial problems; however, they can create much larger financial problems for future administrations and commissions. Avoidance of these budgetary practices will assure citizens that current problems are not simply being delayed to a future year.

6. The City will give highest priority in the use of one-time revenues to the funding of capital assets or other non-recurring expenditures.

Utilizing one-time revenues to fund on-going expenditures results in incurring annual expenditure obligations which may be unfunded in future years. Using one-time revenues to fund capital assets or other non-recurring expenditures better enables future administrations and commissions to cope with the financial problems when these revenue sources are discontinued, since these types of expenditures can more easily be eliminated.

7. The City will maintain a budgetary control system to help it adhere to the established budget.

The budget passed by the Commission establishes the legal spending limits for the City. A budgetary control system is essential in order to insure legal compliance with the City's budget.

8. The City will exercise budgetary control (maximum spending authority) through City Commission approval of appropriation authority for each appropriated budget unit.

Exercising budgetary control for each appropriated budget unit satisfies requirements of State law. It also assists the commission in monitoring current year operations and acts as an early warning mechanism when departments deviate in any substantive way from the original budget.

9. Reports comparing actual revenues and expenditures to budgeted amounts will be prepared monthly.

The City's budget is ineffective without a system to regularly monitor actual spending and revenue collections with those anticipated at the beginning of the year. Monthly reports comparing actual revenues and expenditures to budget amounts provide the mechanism for the Commission and the administration to regularly monitor compliance with the adopted budget.

Revenue Collection

1. The City will seek to maintain a diversified and stable revenue base.

A city dependent upon a few volatile revenue sources is frequently forced to suddenly adjust tax rates or alter expenditure levels to coincide with revenue collections. Establishment of a diversified and stable revenue base, however, serves to protect the City from short-term fluctuations in any one major revenue source.

2. The City will estimate revenues in a realistic and conservative manner.

Aggressive revenue estimates significantly increase the chances of budgetary shortfalls occurring during the year—resulting in either deficit spending or required spending reductions. Realistic and conservative revenue estimates, on the other hand, will serve to minimize the adverse impact of revenue shortfalls and will also reduce the need for mid-year spending reductions.

3. The City will pursue an aggressive policy of collecting revenues.

An aggressive policy of collecting revenues will help to ensure the City's revenue estimates are met, all taxpayers are treated fairly and consistently, and delinquencies are kept to a minimum.

4. The City will aggressively pursue opportunities for Federal or State grant funding.

An aggressive policy of pursuing opportunities for federal or state grant funding provides citizens assurance that the City is striving to obtain all state and federal funds to which it is entitled, thereby reducing dependence on local taxpayers for the support of local public services.

5. User fees and charges will be used, as opposed to general taxes, when distinct beneficiary populations or interest groups can be identified.

User fees and charges are preferable to general taxes because user charges can provide clear demand signals which assist in determining what services to offer, their quantity, and their quality. User charges are also more equitable, since only those who use the service must pay--thereby eliminating the subsidy provided by nonusers to users, which is inherent in general tax financing.

6. User fees will be collected only if it is cost-effective and administratively feasible to do so.

User fees are often times costly to administer. Prior to establishing user fees, the costs to establish and administer the fees will be considered in order to provide assurance that the city's collection mechanisms are being operated in an efficient manner.

Expenditures and Payments

1. On-going expenditures will be limited to levels which can be supported by current revenues.

Utilization of reserves to fund on-going expenditures will produce a balanced budget; however, this practice will eventually cause severe financial problems. Once reserve levels are depleted, the City would face elimination of on-going costs in order to balance the budget. Therefore, the funding of on-going expenditures will be limited to current revenues.

2. Minor capital projects or recurring capital projects, which primarily benefit current residents, will be financed from current revenues.

Minor capital projects or recurring capital projects represent relatively small costs of an on-going nature, and therefore, should be financed with current revenues rather than utilizing debt financing. This policy also reflects the view that those who benefit from a capital project should pay for the project.

3. Major capital projects, which benefit future as well as current residents, will be financed with current revenues as well as other financing sources (e.g. debt financing).

This policy reflects the view that those who benefit from a capital project should pay for the project.

4. Major capital projects, which benefit future residents, will be financed with other financing sources (e.g. debt financing).

Major capital projects represent large expenditures of a non-recurring nature which primarily benefit future residents. Debt financing provides a means of generating sufficient funds to pay for the costs of major projects. Debt financing also enables the costs of the project to be supported by those who benefit from the project, since debt service payments will be funded through charges to future residents.

5. Construction projects and capital purchases of \$10,000 or more will be included in the Capital Improvement Plan (CIP); minor capital outlays of less than \$10,000 will be included in the regular operating budget.

The Capital Improvement Plan (CIP) differentiates the financing of high cost long-lived physical improvements from low cost "consumable" equipment items contained in the operating budget. CIP items may be funded through debt financing or current revenues while operating budget items are annual or routine in nature and should only be financed from current revenues.

6. Spending Policy:

The City will spend its resources in the following order. Resources will be categorized according to Generally Accepted Accounting Principles (GAAP) for state and local governments, with the following general definitions:

- **Restricted -- Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.**
- **Committed -- Amounts constrained to specific purposes by the City Commission; to be reported as committed, amounts cannot be used for any other purpose unless the City Commission takes action to remove or change the constraint.**
- **Assigned -- Amounts the City intends to use for a specific purpose; intent can be expressed by the Commission or by an official or body to which the Commission delegates the authority. The City Commission delegates this authority to the City Manager.**
- **Unassigned -- Amounts that are available for any purpose; these amounts are reported only in the General Fund.**

When both restricted and unrestricted resources are available, spending will occur in the following order, for the identified fund types:

Fund Type	Order of Spending
General Fund	1. Restricted 2. Committed 3. Assigned 4. Unassigned The City Commission and the City Manager, individually, have the authority to express assignments in the General Fund.
Special Revenue Funds	1. Restricted 2. Committed 3. Assigned The City Commission and the City Manager, individually, have the authority to express assignments in Special Revenue Funds.
Debt Service Funds	1. Assigned 2. Committed 3. Restricted The City Commission and the City Manager, individually, have the authority to express assignments in Debt Service Funds.

Fund Type	Order of Spending
Capital Projects Funds	1. Restricted 2. Committed 3. Assigned The City Commission and the City Manager, individually, have the authority to express assignments in Capital Project Funds.

Debt Administration

1. The City will limit long-term debt to capital improvements, which cannot be financed from current revenues.

Incurring long-term debt serves to obligate future taxpayers. Excess reliance on long-term debt can cause debt levels to reach or exceed the government's ability to pay. Therefore, conscientious use of long-term debt will provide assurance that future residents will be able service the debt obligations left by former residents.

2. The City will repay borrowed funds, used for capital projects, within a period not to exceed the expected useful life of the project.

This policy reflects the view that those residents who benefit from a project should pay for the project. Adherence to this policy will also help prevent the government from over-extending itself with regard to the incurrence of future debt.

3. The City will not use long-term debt for financing current operations.

This policy reflects the view that those residents who benefit from a service should pay for the service. Utilization of long-term debt to support current operations would result in future residents supporting services provided to current residents.

4. The City of Bozeman will adhere to a policy of full public disclosure with regard to the issuance of debt.

Full public disclosure with regard to the issuance of debt provides assurance that the incurrence of debt, for which the public is responsible, is based upon a genuine need and is consistent with underwriters' guidelines.

Reserves and Fund Balances

1. Reserves and Fund Balances will be properly designated into the following categories:

- **Nonspendable fund balance** -- Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- **Restricted fund balance** -- Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.
- **Committed fund balance** -- Amounts constrained to specific purposes by the City Commission; to be reported as committed, amounts cannot be used for any other purpose unless the City Commission takes action to remove or change the constraint.

- **Assigned fund balance** -- Amounts the City intends to use for a specific purpose; intent can be expressed by the Commission or by an official or body to which the Commission delegates the authority.
- **Unassigned fund balance** -- Amounts that are available for any purpose; these amounts are reported only in the General Fund.

2. A minimum level of General Fund reserve equal to 16.67% of annual revenues will be maintained by the City. This reserve is committed to be used for: cash flow purposes, accrued employee payroll benefits which are not shown as a liability, unanticipated equipment acquisition and replacement, and to enable the city to meet unexpected expenditure demands or revenue shortfalls. (See Appendix D for recommendation)

Property taxes represent the City's primary source of general fund revenue. Property taxes are collected in November and May of each fiscal year. Since the City's fiscal year begins on July 1st, the City must maintain an adequate cash balance in order to meet its expenditure obligations between July 1st and the commencement of the collection of property taxes in November.

Accrued employee payroll benefits represent a bona fide obligation of the City. The City will maintain sufficient reserves to meet its annual expenditure obligations.

The City recognizes the need to maintain adequate equipment in order to carry out required public services. Equipment acquisition and replacement represent on-going costs of a relatively minor nature, as compared to major capital purchases. We plan for equipment replacement within our Capital Improvement Program. However, unforeseen equipment problems will arise. The reserve will provide resources for the immediate, unanticipated replacement of critical equipment.

The City is subject to revenue shortfalls and unexpected expenditure demands during the fiscal year. An undesignated General Fund reserve will be maintained to be able to offset these revenue shortfalls or meet unexpected demands occurring during the year, without suddenly adjusting tax rates or reducing expenditures.

Financial Reporting & Accounting

1. The City will manage and account for its financial activity in accordance with Generally Accepted Accounting Principles (GAAP), as set forth by the Governmental Accounting Standards Board (GASB).

GASB is recognized as the authority with respect to governmental accounting. Managing the City's finances in accordance with GAAP and in accordance with the rules set forth by GASB provides Bozeman citizens assurance that their public funds are being accounted for in a proper manner.

2. The City will maintain its accounting records for general governmental operations on a modified accrual basis, with revenues recorded when available and measurable, and expenditures recorded when services or goods are received and liabilities incurred. Accounting records for proprietary fund types and similar trust funds will be maintained on an accrual basis, with all revenues recorded when earned and expenses recorded at the time liabilities are incurred, without regard to receipt or payment of cash.

Adherence to this policy will enable the City to prepare its financial statements in accordance with GAAP as set forth by the GASB.

3. The City of Bozeman will prepare a Comprehensive Annual Financial Report (CAFR) in conformity with Generally Accepted Accounting Principles (GAAP). The report will be made available to the general public. The CAFR shall be prepared in accordance with the standards established by the GFOA for the Certificate of Achievement for Excellence in Financial Reporting Program

The Certificate of Achievement represents a significant accomplishment for a government and its financial management. The program encourages governments to prepare and publish an easily readable and understandable comprehensive annual financial report covering all funds and financial transactions of the government during the year. The CAFR provides users with a wide variety of information useful in evaluating the financial condition of a government. The program also encourages continued improvement in the City's financial reporting practices.

4. The City will ensure the conduct of timely, effective, and annual audit coverage of all financial records in compliance the local, state, and federal law.

Audits of the City's financial records provide the public assurance that its funds are being expended in accordance with Local, State, and Federal law and in accordance with GAAP. Audits also provide management and the Commission with suggestions for improvement in its financial operations from independent experts in the accounting field.

5. The City of Bozeman will maintain a policy of full and open public disclosure of all financial activity.

Full and open public disclosure of all financial activity provides the public with assurance that its elected officials and administrators communicate fully all financial matters affecting the public.

6. The modified accrual basis of accounting and budgeting is used for the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related liability is incurred. Employee compensated absences and principal and interest on long-term debt expenditures are recorded when due in the current period. The accrual basis of accounting is used for proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred. For budget preparation and presentation, the proprietary funds' expenses are converted to expenditures and follow the same budget format as the government fund types. Capital outlays in the enterprise funds are presented as expenses for budget basis, but are recorded as assets along with associated depreciation expense on the GAAP basis. Debt service principal payments in the enterprise funds are accounted for as expenses for budget purposes, but are reported as reduction of long-term debt liability on the GAAP basis.

Recording capital outlays as expenditures and principal payments on long-term debt for budget purposes, presents a clearer picture of the City's financial operations, is easier to administer for cash flow purposes, and is easier for the lay person to understand.

Appendix C: Long Range Financial Planning

5-year Financial Plans: Each year, the City also prepares and maintains financial plans for the current year and the ensuing 5 years for the following funds:

Special Revenue Funds

- Street Maintenance Fund
- Arterial & Collector Fund
- Tree Maintenance Fund

Enterprise Funds

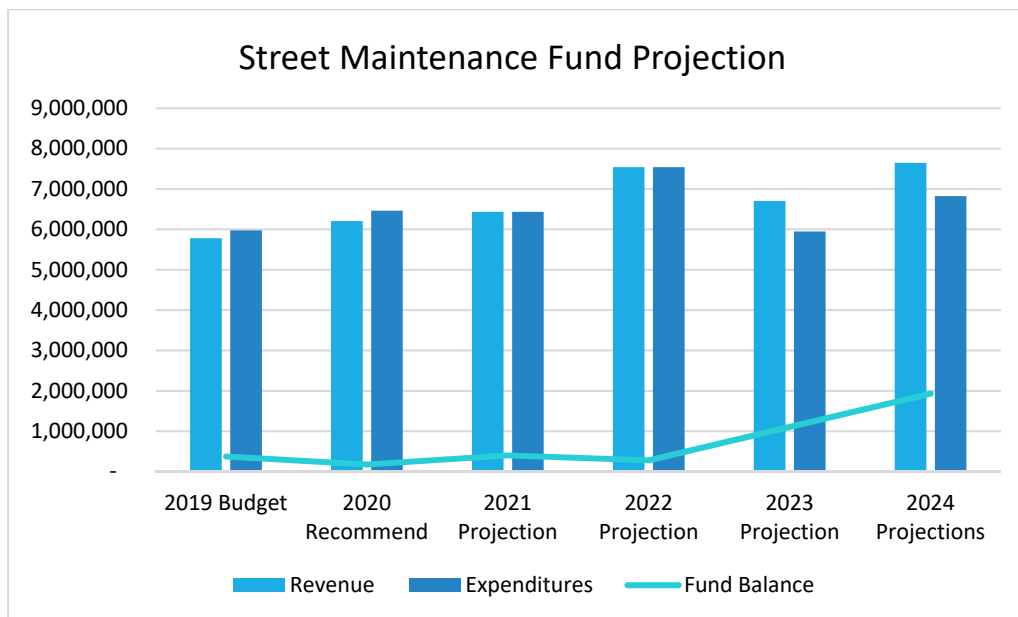
- Water Fund
- Wastewater Fund
- Stormwater Fund
- Solid Waste Fund (Rate study being conducted no Plan for FY20)

These plans are developed as a part of the annual budget process and are based on current and future estimates of staffing levels, estimated increases in operating costs such as supplies, fuel, and chemicals, and approved the capital plans. The plans project revenue requirements, expenditure levels, and estimated reserve levels for each of the five years.

Special Revenue Funds

STREET MAINTENANCE:

The Street Maintenance long-term plan continues to show increases in assessment to meet the needs of the capital plan and growth. We are showing stabilization in rates and achievement of our desired reserve level established in FY19.

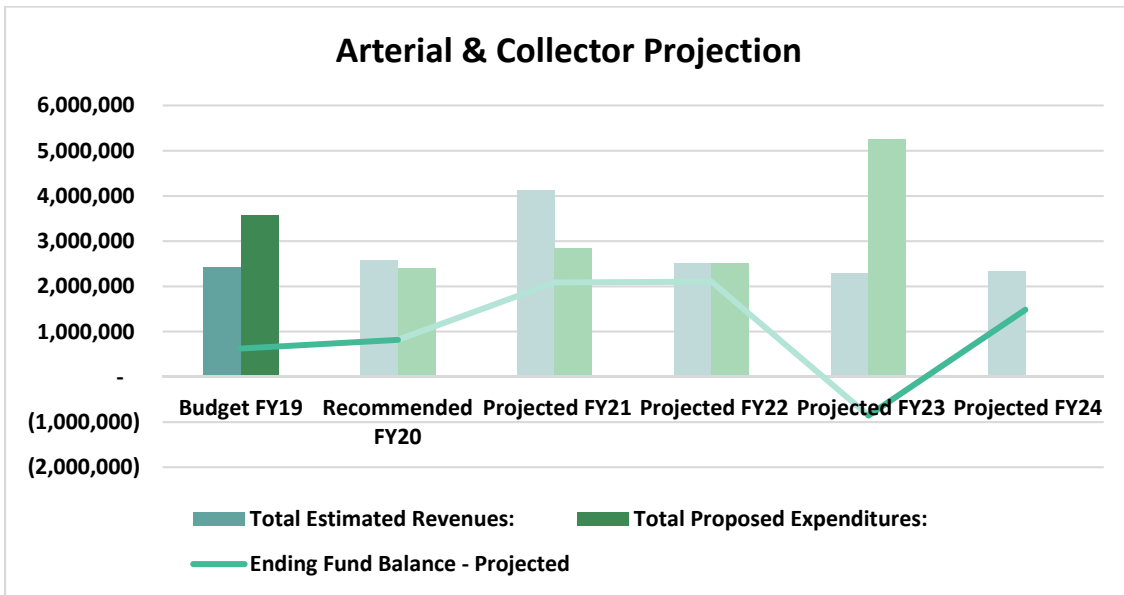


Street Maintenance District - 5 year Projection
FY2020 Budget Preparation

	Approved	Proposed	Projected	Projected	Projected	Projected
Customer Increase - sq ft	2%	2%	2%	2%	2%	2%
Rate Increase - General	5%	8%	10%	12%	0%	0%
Rate Increase - Added Maintenance	0%	0%	0%	0%	0%	0%
Rate Increase - Street Reconstruction	0%	0%	0%	0%	0%	0%
	5.0%	8.0%	10.0%	12.0%	0.0%	0.0%
General Street Maintenance	FY19	FY20	FY21	FY22	FY23	FY24
Proportional Assessment Share	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
Beginning Fund Balance - Projected	528,760	334,733	76,733	360,445	238,514	1,067,050
Estimated Revenues:						
Assessments: Undesignated	4,008,541.29	4,402,821	4,925,436	5,610,269	5,705,644	5,802,639
Assessments: Added Maintenance	1,026,782	1,026,782	1,026,782	1,026,782	1,026,782	1,026,782
Street Cut Permits	18,000	18,000	18,000	18,000	18,000	18,000
Interest Earnings	10,000	10,000	10,000	10,000	10,000	10,000
Penalty & Interest	11,500	12,000	12,000	12,000	12,000	12,000
Other Revenue	10,000	25,000	25,000	25,000	25,000	25,000
Total Estimated Revenues:	5,084,823	5,494,603	5,992,218	6,677,051	6,772,425	6,869,421
Proposed Expenditures:						
Personnel	1,629,339	1,756,594	1,756,594	1,910,074	1,948,275	1,987,241
Staffing plan PW allocation FY21 and 22		-	153,480	210,834	-	-
Operations	2,019,804	2,175,129	2,218,631.58	2,416,484.21	2,464,814	2,514,110
Debt Service, incl Intercap	315,207	310,800	310,800	310,800	310,800	310,800
Approved CIP *with adjustments	1,314,500	1,510,080	1,269,000	1,950,789	1,220,000	1,234,000
Total Proposed Expenditures:	5,278,850	5,752,603	5,708,506	6,798,981	5,943,889	6,046,151
Ending Fund Balance - Projected	334,733	76,733	360,445	238,514	1,067,050	1,890,320
Street & Curb Reconstruction	FY19	FY20	FY21	FY22	FY23	FY24
Accumulated Assessment Amount	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Beginning Designated Fund Balance - Projected	39,149	40,195	40,195	40,195	40,195	40,195
Estimated Revenues:						
Assessments Designated: Reconstruction & Curbs	696,525	709,733	724,510	741,340	758,457	775,865
Proposed Expenditures:						
Transfers to Construction Fund	695,478	709,733	724,510	741,340	758,457	775,865
Ending Designated Fund Balance - Projected	\$ 40,195	\$ 40,195	\$ 40,195	\$ 40,195	\$ 40,195	\$ 40,195
Reserve Policy:						
30 build Day Operating Reserve (15, 15, 20, 20, 30)	\$ 162,918	\$ 174,350	\$ 243,261	\$ 265,654	\$ 323,554	\$ 395,519
	\$ 162,918	\$ 174,350	\$ 243,261	\$ 265,654	\$ 323,554	\$ 395,519
diff	\$ 212,009.74	\$ (57,422)	\$ 157,380	\$ 13,055	\$ 783,691	\$ 1,534,996
Total Annual Assessments:						
Small Lot, 5,000 sq ft.	\$ 138.59	\$ 149.67	\$ 164.64	\$ 184.40	\$ 184.40	\$ 184.40
Average Lot, 7,500 sq ft.	\$ 207.92	\$ 224.55	\$ 247.01	\$ 276.65	\$ 276.65	\$ 276.65
Large Lot, 10,000 sq ft.	\$ 277.22	\$ 299.40	\$ 329.34	\$ 368.86	\$ 368.86	\$ 368.86
Capped Residential, 15,000 sq ft.	\$ 415.83	\$ 449.10	\$ 494.01	\$ 553.29	\$ 553.29	\$ 553.29

ARTERIAL AND COLLECTOR

The assessment is predicted to stay at the FY20 rate and need slight increases of 2% to fund the capital program. This fund also relies on the gas tax remaining at current levels as well.



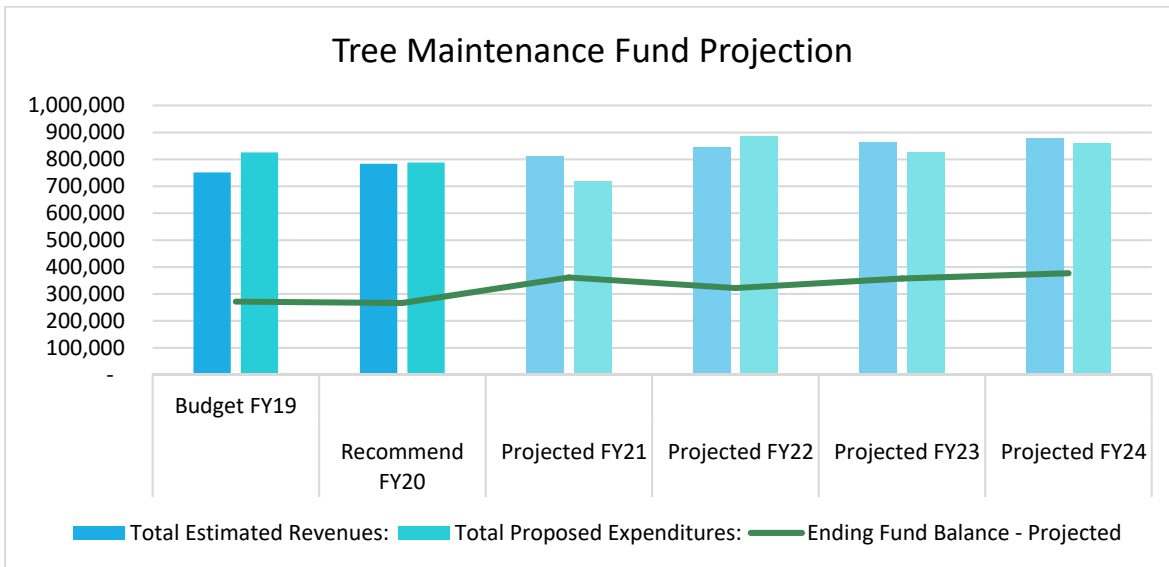
Arterial & Collector District - 5 year Projection

FY2020 Budget Preparation

	<i>Adopted</i>	Proposed	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
Customer Increase - sq ftg	2%	2%	2%	2%	2%	2%
Rate Increase - General	-28%	0%	2%	2%	2%	2%
	-26%	2%	4%	4%	4%	4%
Arterial & Collector Maintenance & Cap	Budget FY19	Recommended FY20	Projected FY21	Projected FY22	Projected FY23	Projected FY24
Beginning Fund Balance - Projected	1,781,963	627,223	818,725	2,087,077	2,103,636	(854,888)
Estimated Revenues:						
Assessments:	1,306,466	1,332,595	1,386,432	1,442,444	1,500,719	1,561,348
Gas Tax Funding from fund 110	708,000	722,850	737,307	752,053	767,094	782,436
Interest Earnings	17,820	7,000	8,187	20,871	21,036	(8,549)
Penalty & Interest	2,286	2,500	2,426	2,524	2,626	2,732
Revenue - Payback Districts	378,688	522,557	300,667	300,667	-	-
Developer contributions	-	-	1,683,333	-	-	-
Total Estimated Revenues:	2,413,260	2,587,502	4,118,353	2,518,559	2,291,475	2,337,967
Proposed Expenditures:						
Personnel	-	-	-	-	-	-
Operations	115,000	15,000	-	-	-	-
Debt Service, incl Intercap	-	-	-	-	-	-
Approved CIP	3,453,000	2,381,000	2,850,000	2,502,000	5,250,000	-
Total Proposed Expenditures:	3,568,000	2,396,000	2,850,000	2,502,000	5,250,000	-
Ending Fund Balance - Projected	627,223	818,725	2,087,077	2,103,636	(854,888)	1,483,079
Total Annual Assessments:						
Small Lot, 5,000 sq ft.	\$ 34.52	\$ 34.52	\$ 35.90	\$ 37.34	\$ 38.83	\$ 40.38
Average Lot, 7,500 sq ft.	\$ 51.78	\$ 51.78	\$ 53.85	\$ 56.01	\$ 58.25	\$ 60.58
Large Lot, 10,000 sq ft.	\$ 69.03	\$ 69.03	\$ 71.79	\$ 74.66	\$ 77.65	\$ 80.76
Capped Residential, 15,000 sq ft.	\$ 103.55	\$ 103.55	\$ 107.69	\$ 112.00	\$ 116.48	\$ 121.14

TREE MAINTENANCE FUND

The Tree maintenance fund needs to continue to build a fund balance to be able to address capital needs and emergency funds.



Tree Maintenance District - 5 year Projection

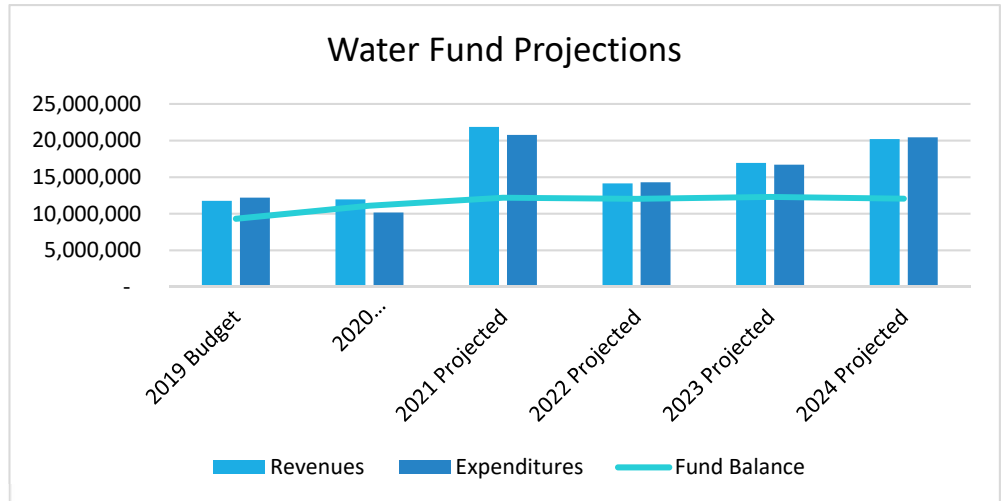
FY2020 Budget Preparation

	Approved	Recommend	Projected	Projected	Projected	Projected
Proposed Rate Increase	5%	2%	2%	2%	0%	0%
Estimated Growth in Assessable SqFt	2%	2%	2%	2%	2%	2%
	Budget FY19	Recommend FY20	Projected FY21	Projected FY22	Projected FY23	Projected FY24
Beginning Fund Balance - Projected	345,584	271,260	266,437	361,190	321,954	357,287
Estimated Revenues:						
Assessments	744,853	774,945	806,252	838,825	855,602	872,714
Penalty and Interest	1,200	2,000	2,000	2,000	2,000	2,000
Interest Earnings	2,200	3,000	2,200	2,200	2,200	2,200
Sale of Cost-Share-Trees	3,000	3,000	3,000	3,000	3,000	3,000
Total Estimated Revenues:	751,253	782,945	813,452	846,025	862,802	879,914
Proposed Expenditures:						
Existing Personnel	435,400	455,103	468,756	482,819	497,303	512,222
Operations --	244,177	242,664	249,944	257,442	265,166	273,120
Capital	146,000	90,000	-	145,000	65,000	75,000
Total Proposed Expenditures:	825,577	787,767	718,700	885,261	827,469	860,343
Ending Fund Balance - Projected	271,260	266,437	361,190	321,954	357,287	376,857
Reserve Policy:						
General Capital reserve	65,000	72,000	78,000	85,000	90,000	90,000
Working Capital for Emerald Ash Incidents	100,000	100,000	100,000	100,000	100,000	100,000
45 Days Pers & Ops	83,783	86,026	88,607	91,265	94,003	96,823
	248,783	258,026	266,607	276,265	284,003	286,823
Remaining Fund Balance	22,476	8,411	94,583	45,689	73,284	90,034
Annual Assessments:						
Small Lot, 5,000 sq ft.	15.73	16.05	16.37	16.70	16.70	16.70
Average Lot, 7,500 sq ft.	23.61	24.08	24.56	25.05	25.05	25.05
Large Lot, 10,000 sq ft.	31.48	32.11	32.75	33.41	33.41	33.41
Extra Large, 15,000 sq ft	47.21	48.16	49.12	50.10	50.10	50.10

Enterprise Funds

WATER FUND

Recently, the City had a rate study completed for the Water fund. Rates and reserve levels were designed to ensure proper revenue coverage and reserve amounts, including a drought reserve.



**Water Fund - 5 year Projection
FY 2020 Budget Preparation**

	Approved 5% per rate study	Proposed Varied by Class 3.0%	Projected Varied by Class 3.0%	Projected Varied by Class 3.0%	Projected Varied by Class 3.0%	Projected Varied by Class 3.0%
	FY19	FY20	FY21	FY22	FY23	FY24
Beginning Fund Balance - Projected	9,766,068	9,323,836	11,098,678	12,200,230	12,050,465	12,299,906
Estimated Revenues:						
Rate Revenues- (Fy19 est actuals)	9,211,115	9,906,722	10,394,895	10,913,543	11,463,943	11,989,106
Drought Surcharge	-	187,854	202,081	206,849	211,793	216,871
Unmetered Sales	2,500	2,500	2,500	2,500	2,500	2,500
Low Income Discount	(22,500)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Sales of Water Materials	216,225	220,000	226,600	233,398	240,400	247,612
Hydrant Fees	175,330	-	-	-	-	-
Refunds & Reimb	5,000	5,000	5,000	5,000	5,000	5,000
Admin Reimbursement	-	-	-	-	-	-
Hookup Charges	58,925	75,000	75,000	75,000	75,000	75,000
Other/Grants	81,500	81,500	81,500	81,500	81,500	81,500
Late Charges	31,546	33,000	33,000	33,000	33,000	33,000
Hang Tag Charges	31,775	50,000	50,000	50,000	50,000	50,000
MSU Contract	50,000	50,000	50,000	50,000	50,000	50,000
Interest Earnings	168,495	160,000	160,000	160,000	160,000	160,000
Transfer in Impact fee portion of debt	-	600,000	600,000	600,000	600,000	600,000
Loan Proceeds	1,750,000	600,000	10,000,000	1,750,000	4,000,000	6,710,000
Total Estimated Revenues:	11,759,911	11,946,576	21,855,576	14,135,790	16,948,136	20,195,589
Proposed Expenditures:						
Existing Personnel	2,085,584	2,173,734	2,173,734	2,451,512	2,768,542	2,823,913
Staffing Plan FY 21-22	-	-	277,778	317,030	-	-
Operations	4,534,920	4,603,370	4,741,471	4,883,715	5,030,227	5,181,133
Capital	4,416,009	2,226,500	11,446,380	3,229,500	5,368,500	8,623,500
Debt Service	1,165,630	1,168,130	2,114,661	3,403,798	3,531,426	3,810,789
Total Proposed Expenditures:	12,202,143	10,171,734	20,754,024	14,285,555	16,698,695	20,439,335
Ending Fund Balance - Projected	9,323,836	11,098,678	12,200,230	12,050,465	12,299,906	12,056,160
Reserve Policy:						
Operating Reserve	-	1,652,124	1,716,863	1,784,506	1,855,188	1,919,192
Capital Reserve	-	1,008,079	1,048,079	1,088,079	1,128,079	668,079
Debt Reserve	-	2,114,661	3,403,798	3,531,426	3,810,789	4,271,806
Drought Reserve (In progress)	-	187,854	389,935	596,784	808,577	1,025,448
Total Reserve	-	4,962,718	6,558,675	7,000,795	7,602,633	7,884,525
Remaining Fund Balance	9,323,836	6,135,960	5,641,555	5,049,670	4,697,273	4,171,635

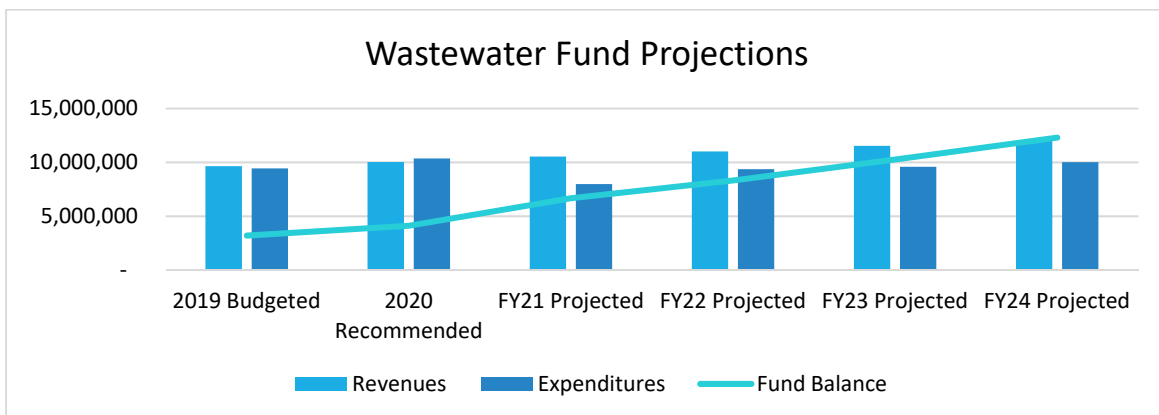
WASTEWATER FUND

Recently, the City had a rate study completed for the Wastewater fund. Rates and reserve levels were designed to ensure proper revenue coverage and reserve amounts.

Wastewater Fund - 5 year Projection

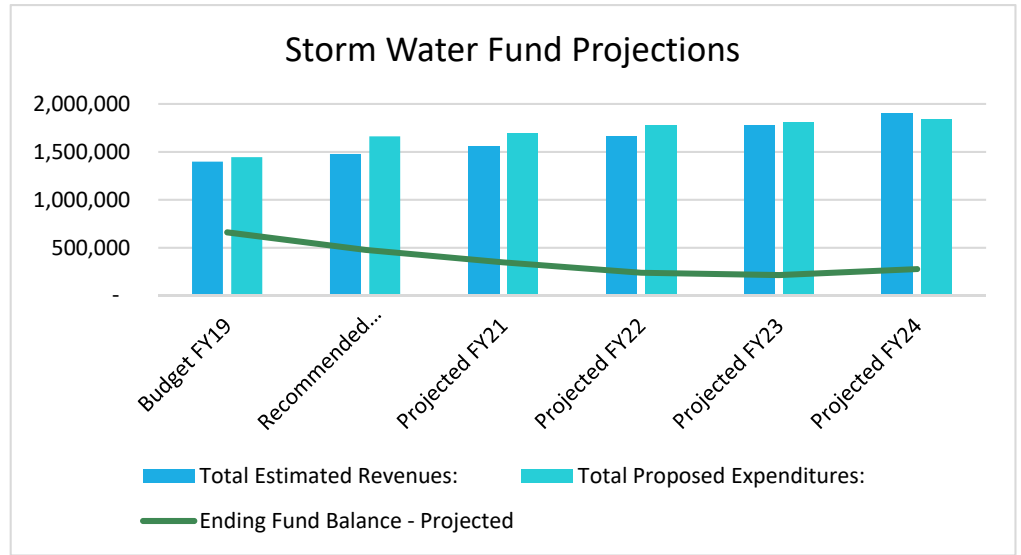
FY2020 Budget Preparation

	Approved Rate study update 4.5%	Proposed Varied by Class 3.0%	Projected Varied by Class 3.0%	Projected Varied by Class 3.0%	Projected Varied by Class 3.0%	Projected Varied by Class 3.0%
	FY19	FY20	FY21	FY22	FY23	FY24
Proposed Rate Increase						
Estimated Customer Growth						
Beginning Fund Balance - Projected	3,004,211	3,216,959	4,128,741	6,678,047	8,324,047	10,270,699
Estimated Revenues:						
Rate Revenues (annualized-estimated)	9,473,085	9,874,194	10,371,583	10,857,957	11,372,109	11,892,947
Unmetered Sales	33,965	32,000	32,000	32,000	32,000	32,000
Low Income Discount	(25,504)	(27,000)	(27,000)	(27,000)	(27,000)	(27,000)
Sales of Materials	17,079	20,000	20,000	20,000	20,000	20,000
Lift Station - Bxt	24,968	-	-	-	-	-
Lift Station - Laurel	6,171	-	-	-	-	-
Lift Station - Loyal	3,492	-	-	-	-	-
Lift Station - Norton Ranch	1,780	-	-	-	-	-
Liftstation - Cattail	1,577	-	-	-	-	-
Extra Strength Surcharge	20,932	20,000	20,000	20,000	20,000	20,000
Hookup Charges	2,078	2,200	2,200	2,200	2,200	2,200
Other/Grants	1,500	35,000	35,000	35,000	35,000	35,000
Hang Tag Charges	-	-	-	-	-	-
Interest Earnings	91,238	80,000	80,000	80,000	80,000	80,000
Total Estimated Revenues:	9,652,361	10,036,394	10,533,783	11,020,157	11,534,309	12,055,147
Proposed Expenditures:						
Personnel	2,017,844	2,128,979	2,128,979	2,324,970	2,654,142	2,760,308
Staffing Plan FY21 -22			195,991	227,090		
Operations	4,069,269	4,129,133	4,253,007	4,380,597	4,512,015	4,647,376
Capital	3,352,500	1,627,500	167,500	1,202,500	1,182,500	1,372,500
Debt Service	-	1,239,000	1,239,000	1,239,000	1,239,000	1,239,000
Total Proposed Expenditures:	9,439,613	9,124,612	7,984,477	9,374,157	9,587,658	10,019,184
Ending Fund Balance - Projected	3,216,959	4,128,741	6,678,047	8,324,047	10,270,699	12,306,662
Reserve Policy:						
Operating Reserve		1,644,861	1,727,104	1,813,459	1,904,132	1,980,297
Repair/Replacement Reserve		760,750	1,108,169	2,015,855	2,967,855	3,355,742
Debt Reserve		1,788,592	1,788,592	1,788,592	1,788,592	1,788,592
Rate Stabilization Reserve		812,534	661,420	564,399	573,325	1,091,315
Total Reserve	-	5,006,737	5,285,285	6,182,305	7,233,904	8,215,946
Remaining Fund Balance	3,216,959	(877,996)	1,392,762	2,141,742	3,036,795	4,090,716



STORM WATER FUND

Projected with 2% growth assumption and increases in rates are needed to further compensate in growth and higher construction costs to continue to maintain and replace infrastructure.



Storm Water Utility - 5 Year Budget & Rate Projection

FY2020 Budget Preparation

	Approved	Proposed	Projected	Projected	Projected	Projected
Rate Increase	0%	4%	4%	5%	5%	5%
Customer Increase	2%	2%	2%	2%	2%	2%
	Budget FY19	Recommended FY20	Projected FY21	Projected FY22	Projected FY23	Projected FY24
Beginning Fund Balance - Projected	706,361	660,247	478,134	346,735	238,660	214,508
Estimated Revenues:						
Storm Water Utility Charges	1,322,688	1,403,107	1,488,416	1,594,094	1,707,275	1,828,491
Low Income Discount	(5,000)	(5,200)	(5,408)	(5,678)	(5,962)	(6,260)
Interest Earnings	5,500	5,500	5,500	5,500	5,500	5,500
Transfers from Other Funds	75,000	75,000	75,000	75,000	75,000	75,000
Total Estimated Revenues:	1,398,188	1,478,407	1,563,508	1,668,916	1,781,812	1,902,731
Proposed Expenditures:						
Personnel	408,583	580,938	580,938	631,001	701,496	726,048
Staffing Plan FY21-22			26,335	50,063		
Operating	240,373	268,372	276,423	284,716	293,257	302,055
CIP	635,000	650,000	650,000	650,000	650,000	650,000
Debt Service (includes Landfill)	160,346	161,211	161,211	161,211	161,211	161,211
Transfers	-	-	-	1,403	-	-
Total Proposed Expenditures:	1,444,302	1,660,521	1,694,907	1,776,991	1,805,964	1,839,314
Ending Fund Balance - Projected	660,247	478,134	346,735	238,660	214,508	277,924
<i>Reserve Policy:</i>						
45 Day Operating Reserve	80,008	104,709	105,702	112,897	122,641	126,752
Depreciation Reserve Est	120,000	120,000	120,000	120,000	120,000	120,000
	200,008	224,709	225,702	232,897	242,641	246,752
Remaining Fund Balance	\$ 460,239	\$ 253,424	\$ 121,033	\$ 5,763	\$ (28,133)	\$ 31,172

Appendix D- General Fund Balance Minimum Analysis

Background

Fund balance is a critical for financial stability and flexibility. Reserves aid in governments being able to respond to events, buffer against economic down turns and are a factor for bond ratings. The City of Bozeman adopted its current General fund reserve policy April 26, 2010 via ordinance.¹ The minimum fund reserve is “16 2/3 percent of estimated general fund revenues” and was adopted based on the GFOA’s best practice recommendation at the time. GFOA has since revised its best practices and recommend a policy be developed articulating “a framework and process for how the government would increase or decrease the level of unrestricted fund balance over a specific time period. In particular, governments should provide broad guidance in the policy for how resources will be directed to replenish fund balance should the balance fall below the level prescribed.”²

Appropriate Level - The amount of reserve needed is unique to every local government since all deal with different revenue streams, live in areas with higher risk of natural disaster, and have different aged infrastructure. At a minimum, the GFOA recommends, “at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.” Then based on a review of the governments risk factors determine what is beyond the minimum.

Use and Replenishment- The reserve policy should include the conditions and/or circumstances where the funds can be used and if the balance goes below the desired level, there should be a plan to relish the reserve

We have reviewed GFOA’s best practice, and its referenced material, as well as GFOA case studies and examples of polices from other cities. We have performed analysis to determine factors for the appropriate level. When looking at our reserve we followed GFOA’s methodology used in their study done on the City of Colorado Springs.³ Based on the research and analysis we are recommending the expansion of the General fund reserve policy as stated in the adopted budget book and of the ordinance.

1

https://library.municode.com/mt/bozeman/codes/code_of_ordinances?nodeId=PTICCOOR_CH2AD_ART6FI_DIV2BU_S2.06.180MILEBUGE_FUUNFUBA

² <http://www.gfoa.org/fund-balance-guidelines-general-fund>

³ http://www.gfoa.org/sites/default/files/Colorado%20Springs_FINAL_0.pdf

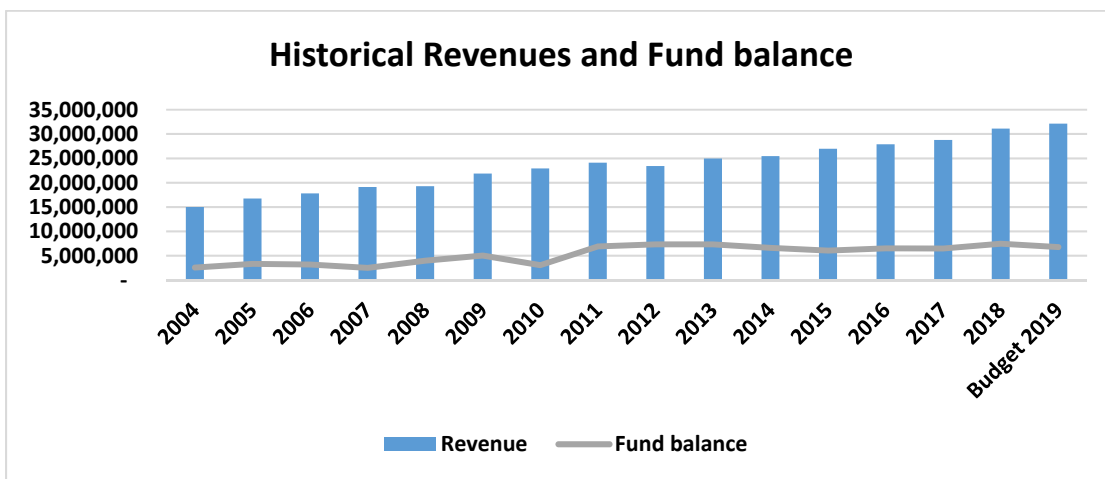
Analysis

Using GFOA’s best practice and their own analysis, we examined the City’s risk factors in regards to the General fund. We reviewed revenue volatility, infrastructure upkeep, Vulnerability to Extreme Events and Public Safety Concerns, Expenditure Volatility,

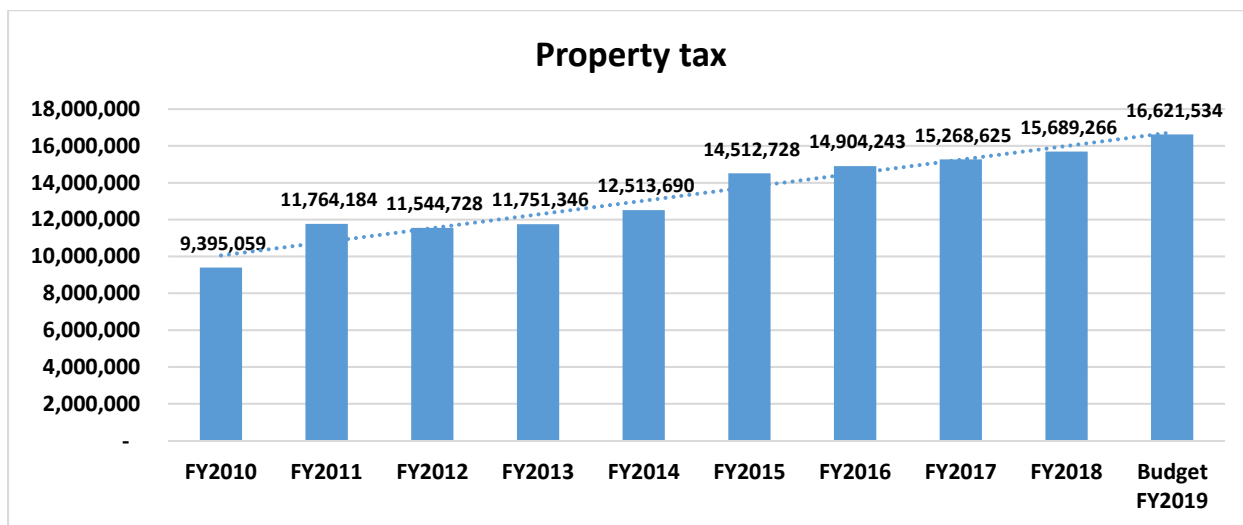
Risk Factors

Revenue Volatility

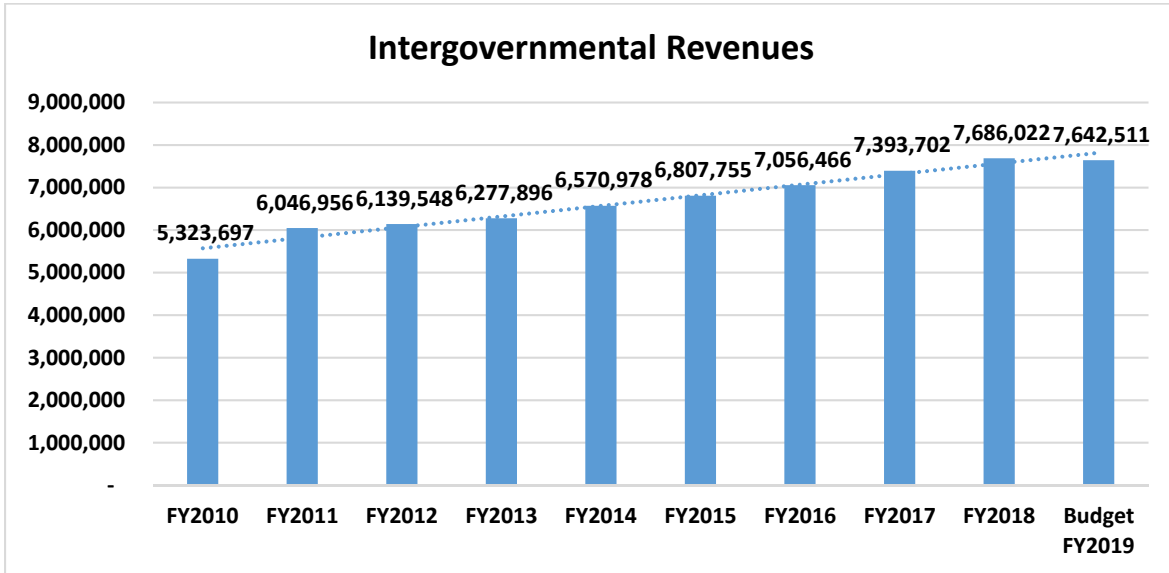
The more volatile a government’s revenue sources the higher a risk for fast changes and the need to respond to down turns. This type of risk requires higher reserve to be in place to be able to respond to revenue drops instead of suddenly reducing service levels. The City’s General fund revenues are mainly from four sources: property taxes, charges for services, intergovernmental revenues and other financing sources. Other financing sources are typically for debt issuance so it does not need to be included in the analysis.



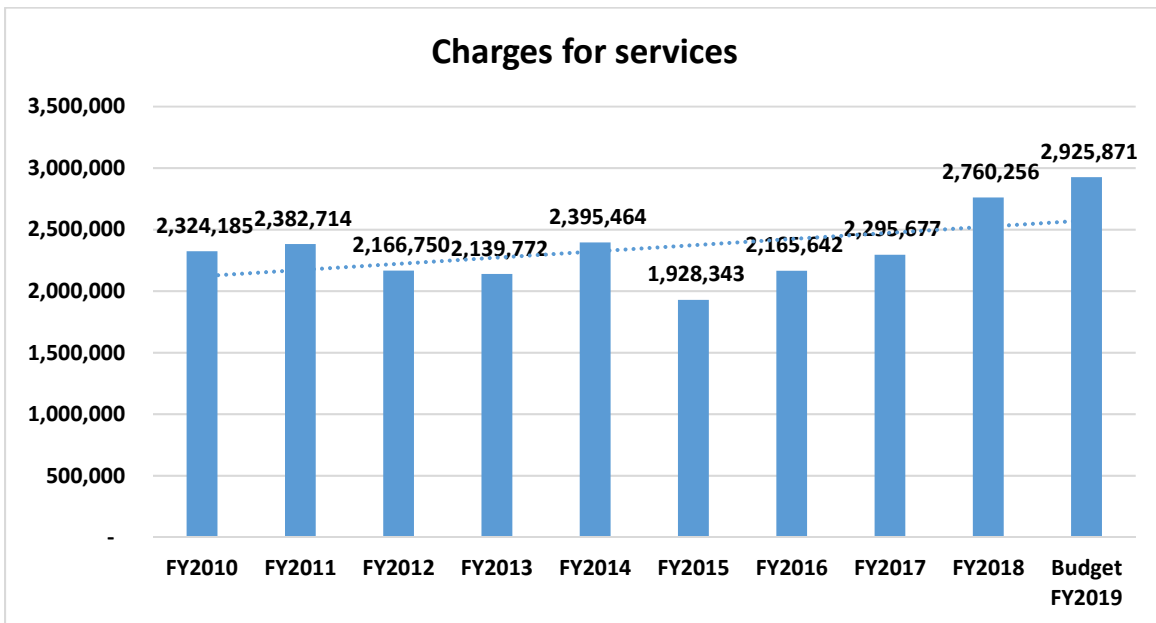
Property taxes- Property taxes make up about 50-52% of the General fund’s revenues. Traditionally property taxes are not as volatile as others taxes are, such as sales tax. Based on the linear increase in actuals this revenue is currently not showing signs of volatility.



Intergovernmental Revenues - The largest part of this revenue stream is the State entitlement share, which increases based on the average change of the last 3 years of CPI. There have been talks at the legislature to reduce these funds and the economy could have an impact. Grants would be included in this revenue item and that could increase this revenue, as the City grows larger and qualifies for more funding. Based on the linear increase in actuals this revenue is currently not showing signs of volatility.



Charges for Services - Charges for services has shown volatility. The City has increased fees recently to align better with cost of services, specifically in Parks and Recreations. With it being only 9% of revenues and the recent efforts these just require monitoring and cost recovery analysis but no reserve fund changes are needed to cover possible down turns beyond the current minimum.



Infrastructure Upkeep

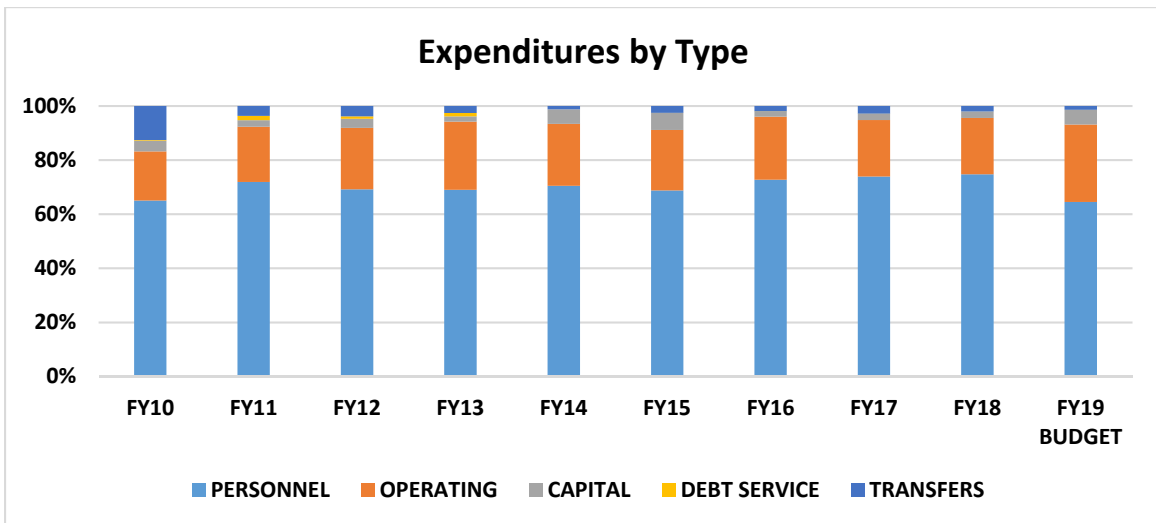
Worn infrastructure holds a potential risk of failure and General fund reserves maybe needed to repair and replace unexpected failures of assets. The City’s infrastructure is vast and is planned for in many different fund reserves, for example, water and wastewater reserves are part of the rate study and the model to plan for replacement and maintenance. The General fund infrastructure is the facilities accounted for in the General fund including administrative buildings and parks and recreation facilities. This winter Bozeman saw record heavy snowfall and had a partial collapse at Bogart Park. The Pavilion is about \$3.4 million to replace. MSU saw a bigger catastrophe due to the snowfall and older buildings. The City is having our other structure examined but there should be some funding set aside in the reserve for the infrastructure and next year with the further study and expansion of our asset management program we can better quantify this risk going forward. **The FY20 Reserve should include 0.4% to address this risk.**

Vulnerability to Extreme Events and Public Safety Concerns

Extreme events require public safety programs that must continue to be funded while waiting for any state and federal aid. “For example, reimbursement from the Federal Emergency Management Agency (FEMA) does not always occur right away, so it is important to have reserves to absorb the cost in the meantime, and FEMA does not necessarily reimburse 100 percent of the cost of responding to an event.”⁴ The City has taken measures to prepare for events with the Climate Action Plan and the joint project with MSU for Continuity of operations planning. Montana is prone wildfires, heavy snowfall and flooding. As we developed these plans, we can further examine the need for a reserve beyond our minimum.

Expenditure Volatility

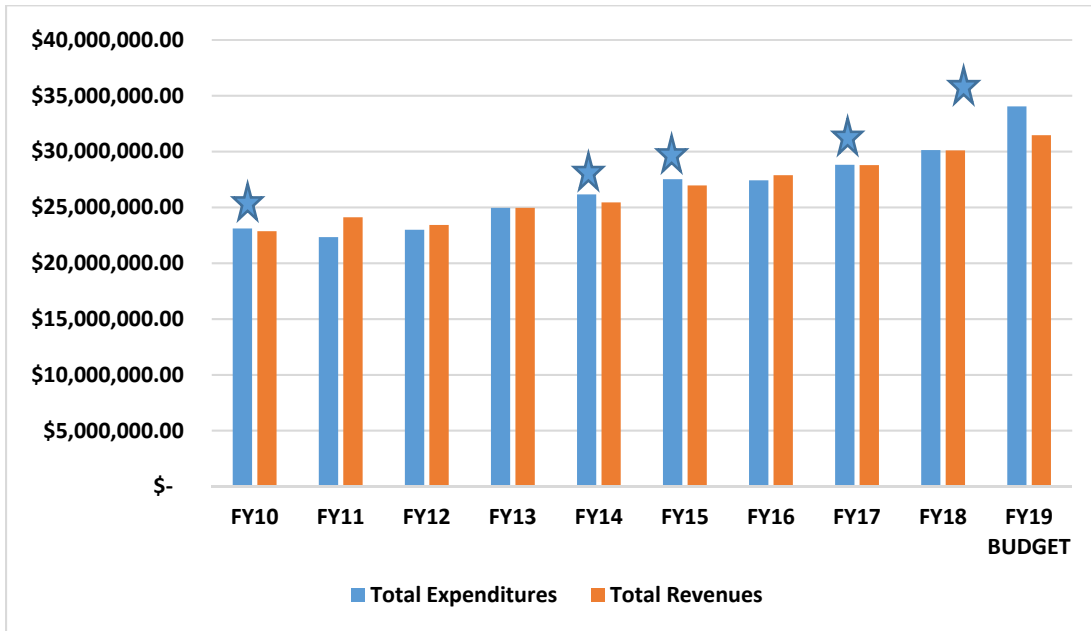
Unexpected expenditures or non-reoccurring expenditures are often funded by reserves, unlike re-occurring that should be funded by reoccurring revenues and not reserves. Reoccurring should be part of the operating budget and the risk of non-reoccurring can be planned for in the reserve. We have limited our funding for capital expenditures and in the future either reserve should be built up for items or debt financing might have to increase.



We have not seen a rise of such expenditures but the City has relied upon the prior year spending not to happen and use carryforward of 4% to balance operating expenditures. The trend has been decreasing but one-time

⁴ http://www.gfoa.org/sites/default/files/Colorado%20Springs_FINAL_0.pdf

monies have off set it, which will not always be the case. The budget can only rely on 2.5% carryforward but at this time the need for more reserve is not needed, however ***the reserve calculation should be based on expenditures rather than revenues*** due to this trend (highlighted with stars below).



The exception should be made for non-cash items that are required to be shown in the budget because they are shown as revenue coming and expenditures going out. The city has one of these for the State retirement contribution for Police and fire that is around \$2.4 million. This item should be excluded from the minimum since in essence, it is a wash and there is no actual cash coming or going from the City.

Growth of the Community

“Rapid growth of the community could call for larger levels of reserves, lest service requirements expand beyond the City’s ability to continue services in the face of revenue interruption. For instance, property tax revenues may not be received until a couple of years after development occurs, yet the government will still need to provide for the public safety, health, and welfare of these members of the community in the meantime.”⁵ The City has seen an average of 4% growth over the last 4 years. The General fund faces level of service constraints as the City grows. Infrastructure is paid for through other means such as impact fees. Level service are operating expenses and reoccurring so this will not impact the need for addition minimum reserve amounts but rather impact operating budget decisions in regards to the General Fund.

⁵ http://www.gfoa.org/sites/default/files/Colorado%20Springs_FINAL_0.pdf

Recommendations

Begin working towards the following recommendations and revise the City Ordinance once the City has achieved this objective, evaluated the method, and the City Commission has approved this approach.

Appropriate Level

Based on the above analysis, 17% of budgeted expenditures (appropriations), this will be set at budget time where both the current fund balance and projected fund balance will meet this minimum unless it has been used as described below.

Use and Replenishment

Available fund balances shall not be used for ongoing operating expenditures, unless a determination has been made that available balances are in excess of required guidelines and that plans have been established to address any future operating budget shortfalls. Emphasis shall be placed on one-time uses that achieve future operating cost reductions.

Uses that would cause going below the minimum should be limited to:

- Unanticipated expenditures of a non-reoccurring nature
- Meet unexpected increases in service delivery costs

Replenishment plan should be established when dropping below the minimum and should be replenished at a maximum of three years.

Appendix E: Glossary of Key Terms

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

APPROPRIATION- Legal authorization granted by City Commission to make expenditures and incur obligations.

ASSESSED VALUATION - A value that is established for real and personal property for use as a basis for levying property taxes. (For the City of Bozeman, the Montana Department of Revenue establishes Property values.)

ASSET - Resources owned or held by a government having monetary value.

BALANCED BUDGET - Refers to a government budget with revenues equal to expenditures.

BOND - A written promise to pay a sum of money on a specific date at a specified interest rate. The most common types of bonds are general obligation, revenue, and special assessment district bonds. These are most frequently used for construction of large capital projects such as buildings, streets, and water and waste water lines.

BOND RATING - An evaluation of a bond issuer's credit quality and perceived ability to pay the principal and interest on time and in full.

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

BUDGET - Plan of financial operation, embodying an estimate of proposed expenditures for a given period (City of Bozeman's budget is for a fiscal year July 1—June 30) and the proposed means of financing them. Upon approval by Commission, the appropriation ordinance is the legal basis for incurring expenditures.

BUDGET AMENDMENT- A procedure to revise the appropriation ordinance through action by the City Commission.

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

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

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

BUDGETARY CONTROL - The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

CAPITAL BUDGET - The Capital Budget comprises the capital improvements that are funded in the current budget year.

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

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

CAPITAL IMPROVEMENTS PROGRAM (CIP) - A plan for capital expenditures needed to maintain, replace, and expand the City's heavy equipment and public infrastructure (for example streets, parks, buildings, etc.) The CIP projects these capital equipment and infrastructure needs for a set number of years (5 years for City of Bozeman's Program) and is updated annually to reflect the latest priorities, cost estimates and changing financial estimates or strategies. The first year of the adopted CIP becomes the basis of the City's capital budget.

CAPITAL OUTLAY - Items that cost more than \$5,000 and have a useful life of one year or more.

CAPITAL PROJECT - New facility, technology system, land or equipment acquisition, or improvements to existing facilities beyond routine maintenance. Capital projects are included in the CIP and become fixed assets.

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

CDBG - Community Development Block Grant.

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

CONTRACTED SERVICES - Expenditures for services performed by firms, individuals, not other city departments.

DEBT LIMIT - The maximum amount of gross or net debt which is legally permitted.

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

DEBT SERVICE - Payment of principal and interest related to long term loans or bonds.

DEBT SERVICE FUND - A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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

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

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

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

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

DIVISION - A group of homogenous cost centers within a department.

ENTERPRISE FUND - A fund established to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

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

ESTIMATED REVENUE - The amount of projected revenue to be collected during the fiscal year.

EXPENDITURES - Decreases in net financial resources.

FISCAL YEAR - The time period signifying the beginning and ending period for recording financial transactions. The City's fiscal year begins on July 1 and ends on June 30 of each year.

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

FTE - See Full Time Equivalent.

FULL FAITH AND CREDIT- A pledge of a government's taxing power to repay debt obligations.

FULL TIME EQUIVALENT Also referred to as FTE. The yearly personnel hours worked by a position divided by the total available work hours for a full year (2080).

FUND - An accounting entity with a self-balancing set of accounts which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

FUND BALANCE - The excess of assets over liabilities. The beginning fund balance is the residual funds brought forward from the previous fiscal year.

Nonspendable fund balance -- Amounts that are not in a spendable form (such as inventory) or are

required to be maintained intact (such as the corpus of an endowment fund).

Restricted fund balance -- Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.

Committed fund balance -- Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned fund balance -- Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned fund balance -- Amounts that are available for any purpose; these amounts are reported only in the General Fund.

GAAP - See Generally Accepted Accounting Principles.

GENERAL FUND - The fund used to account for all of the City's financial resources except those required to be accounted for in another fund.

GENERAL OBLIGATION BONDS (G.O. Bonds) - Bonds for the payment of which the full faith and credit of the issuing government are pledged. These bonds usually require voter approval and finance a variety of public projects such as roads, buildings, parks and improvements.

GOAL - A statement of broad direction, purpose or intent based on the needs of the community.

G.O. BONDS - See General Obligation Bonds.

GOVERNMENTAL FUNDS - Funds generally used to account for tax-supported activities. Governmental funds include: general, special revenue, debt service, capital projects, and permanent funds.

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

IMPROVEMENT DISTRICT - Special assessment districts formed by property owners who desire and are willing to pay for mutually enjoyed improvements such as lighting or street maintenance.

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

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

INTERNAL SERVICE FUND - A fund used to account for the financing of goods or services provided by one department or agency to other departments on a cost-reimbursement basis.

LEASE-PURCHASE AGREEMENT - Contractual agreements, which are termed “leases”, but which in substance, amount to purchase contracts for equipment and machinery.

LEVY - (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments, or service charges imposed by a government.

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 specific category.

LONG-TERM DEBT - Debt with a maturity of more than one year after the date of issuance.

MANDATE - Legislation passed by the state or federal government requiring action or provision of services and/or programs by the City. Examples include the Americans with Disabilities Act, which requires such actions as physical facility improvements and provision of specialized equipment for public recreation and transportation.

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.

OBJECT - As used in expenditure classification, this term applies to the article purchased or the service obtained (as distinguished from the results obtained from expenditures). Examples are personnel services, contracted services, and supplies and materials.

OBJECTIVE - Desired outcome-oriented accomplishments that can be measured and achieved within a given time frame, and advances the activity or organization toward a corresponding goal.

OPERATING BUDGET - The portion of the budget pertaining to daily operations that provides basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, and services.

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

OUTSTANDING BONDS - Bonds not yet retired through principal payment.

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

PAYMENT IN LIEU OF TAXES - Also referred to as PILT. Payments made in lieu of taxes from another government or entity.

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

PERSONNEL SERVICES - Items of expenditures in the operating budget for salaries and wages paid for services performed by City employees, as well as the fringe benefit costs.

PROPERTY TAX - A levy upon each \$100 of assessed valuation of real and personal property within the City of Bozeman.

PROPRIETARY FUND- Funds that focus on the determination of operating income, changes in net position (or cost recovery) financial position, and cash flows. Proprietary funds include enterprise and internal service funds.

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

RESOURCES - Total amounts available for appropriation including estimated revenues, fund transfers, and beginning fund balances.

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

REVENUE BONDS - Bonds sold for constructing a project that will produce revenue for the government. That revenue is pledged to pay the principal and interest of the bond.

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

SPECIAL IMPROVEMENT DISTRICT (SID) - An area defined and designated for improvements, often financed with bond proceeds that specifically benefit the property owners within the area of the district. Debt is repaid through annual assessments to property owners.

SPECIAL REVENUE FUND - A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or of major capital projects) that are legally restricted to expenditure for specified purposes.

STATE SHARED REVENUE - Revenues levied and collected by the state but shared with local governments as determined by state government. Entitlement funds received by the City from the state of Montana is the largest State Shared Revenue.

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

TIF- Tax Increment Financing. A method of using incremental increases in property tax values to fund the improvements or efforts of a designated area.

TRANSFERS IN/OUT- Amounts transferred from one fund to another to assist in financing the services from the recipient fund.

UNRESERVED FUND BALANCE - The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

USER CHARGES OR FEES - The payment of a fee for direct receipt of a public service by the party benefiting from the service.

WORKING CAPITAL - The different between current assets and current liabilities.

WORKLOAD INDICATOR - A unit of work to be done (e.g. number of permit applications received for the number of burglaries to be investigated.)

WRF - Water Reclamation Facility; commonly referred to in the past as a Wastewater Treatment Plant.