

**COMMITTEE OF THE WHOLE
CITY COUNCIL CHAMBERS
140 WEST PINE STREET
MISSOULA MONTANA
FEBRUARY 15, 2012, 3:05 PM**

Members present: Bob Jaffe, Vice President; Ed Childers, Caitlin Copple, Dick Haines; Adam Hertz; Mike O'Herron; Dave Strohmaier; Alex Taft; Jason Wiener; Jon Wilkins and Cynthia Wolken

Members absent: Marilyn Marler, President;

Others present: Mayor Engen, Bruce Bender, Brentt Ramharter, Keila Szpaller, Breanna Roy

I. Administrative Business

Minutes dated [February 8, 2012](#) were approved as submitted.

II. Public Comment on items not listed on the agenda--None

III. Regular Agenda

A. Present Mayor's FY 2013 Overview Budget Parameters to Council. ([memo](#))—Regular Agenda (Brentt Ramharter) (Referred to committee: 02/13/12) (**REMOVE FROM AGENDA**)

Mayor Engen stated this is an initial budget overview of the FY13 budget. Some council members in the past have expressed more interest in working with the budget from the very beginning. He asked council members if they have any items they would like to see added or subtracted from the budget to email him and cc their colleagues. He submitted three budget scenarios ([handout](#)):

1. Scenario #1 is the baseline budget with the salary increases. All scenarios do not include any enhancements from departments. The salary increase is in the amount of \$943,960. Some of the one time costs, like the election costs and GPS unit cost, not incurred and will be taken out of the budget will amount to \$132,336. Also in that amount some loss of grant funding for five officers from the COPS programs and some firefighters from the SAFER grant. The Missoula Downtown Association has a request in to match funds for the phased improvements for Caras Park which is by far the most used park in the city. The recommended changes to the neighborhood program by the task force would require an office remodel to move the Office of Neighborhoods to the Mayor's Office. He is also looking to add another conference room which is in short supply. There will also be lower fees in the revenue accounts. Without the work on sidewalks and to accomplish what the city wants to accomplish without any dramatic enhancements, a 3.45 percent increase would be needed. In FY 14, the city will retire some debt which would bring a very modest increase.
2. Scenario #2 brings in the salary baseline plus a health insurance increases in the amount of \$250,000. Support for health insurance will bring an increase of 4.25 percent.
3. Scenario #3 brings in the salary baseline, health insurance, and sidewalk amount of \$300,000.
4. Scenario #3A brings in the salary baseline, health insurance, and sidewalk amount of \$500,000.
5. Scenario #4 brings in the salary baseline, health insurance, and sidewalk amount of \$800,000.

Jason Wiener expressed his thanks to the Mayor for the early information. He asked what the percent in raises is for the contract vs. non contract employees. Mayor Engen stated they have reserved 3 percent for non-union contracts. Mr. Wiener stated the majority amount is for the bargaining units. Also, the final thing is the state's transfer under the big bill has been frozen for the second year in a row.

Dick Haines asked if this includes the cost of taking care of the fire station in the Miller Creek area which was on grants. Mayor Engen stated yes. Mr. Haines asked what the ball park figure might

be. Brentt Ramharter stated the safer grant's last year is FY 12 so it is coming due this year. Mr. Ramharter stated they need to pick up 5 police officers and 2-3 firefighters.

Mayor Engen stated they have a consultant working on analyzing some of the health care costs where they have been taking a beating in claims.

Alex Taft stated he would like see an emphasis on tax transfer on sidewalks and increasing the amount of sidewalks the city puts in. He would like them to go with \$800,000 instead of the \$500,000 to get extra sidewalks. On the Office of Neighborhoods, he would really like to see a person in the Mayor's office fulltime to assist the neighborhood councils. He hopes this will happen at the start of the next fiscal year. He is pleased the urban forestry has gone from \$10,000 to \$30,000 in available funds to address this problem but the Urban Forester states he needs \$200,000 in funds to get the data in proper order. He stated this would be for the Urban Forestry inventory and the start of the work. Finally, he hopes they can maintain the fiscal flexibility on the transportation flux for Bike/Pedestrian office, MRTMA, Missoula In Motion and the study.

Mike O'Herron stated he would like to take a step back and look at what various things they need funded in Missoula like sidewalks and police stations. He stated he doesn't think they have a good picture view of what should be worked on first. One thing he would like to see is more funds for polling citizens. He would like to allocate some more funds for polling. Mayor Engen stated they did a survey in 2008 and he would like to ask the citizens the same questions to find out where they are today. He also has been talking to Missoula County about some of the things they have in common since 2008.

Bob Jaffe asked about the scenario of 1 million for salary increases. In the nearly 1 million dollar salary increases it is comprised of primarily from contract agreements from past years. He asked for clarification if there is anything additional and if there is any flexibility. Mayor Engen stated they have discretion over non-union salaries.

Mr. Jaffe asked what the percent of the salaries is non-union. Mr. Ramharter stated about 15 percent.

Mr. Jaffe asked in scenario #1 the total cost is \$869,050 which is less then a million dollar increase. Mr. Bender stated it is because of the revenue increase.

Mr. Jaffe asked about what the revenue increase they are anticipating. Mr. Bender stated in the possible funding streams ([handout page 2](#)).

Jason Wiener asked in the carried forward amount, what is the total gap? Mr. Ramharter stated there is \$860,000 levied so far which is what is held back.

Adam Hertz stated the one time cost of the elections is also held back in the fiscal years 14 and 15 but FY 14 is an election year.

Mayor Engen stated in looking at FY13, they are not looking at what the departments are going to cut or defer to tapping into the cash balance.

Mike O'Herron asked in scenario #1 what is the amount of increase per household on a \$225,000 household. Mr. Bender stated the increase will be roughly about \$24.00 per household per year.

Bob Jaffe asked if they are not counting on the whole sidewalk business. Mr. Ramharter stated the projects take about a year to get in place then there is a bond sale in late spring. The council can make all the commitments for the subsidy available in FY 13 but then the out years in FY 14 and FY 15 is when it takes affect.

Bob Jaffe asked if there are other issues on the horizon like the city tax bill. Is there anything coming from the Schools and the county regarding the portion of the tax bill? Mayor Engen stated

he is currently not aware of any bond issues with Missoula County. He does not know about the school district. Last year, Missoula County trended about 2 percent.

Jason Wiener asked about the two CIP items and a schedule that runs through March 26. Mayor Engen stated he is anticipating the CIP to be flat. He stated he is making the two current CIP items priorities which are the Caras Park Improvements and the Neighborhood office. Mr. Bender added the public works have some building improvements to the Maintenance Facility at Scott Street. There are a few CIP items with Streets and Parks that may be able to wait for another year.

Ed Childers clarified some department projects are not included in the \$869,050 baseline number. Mayor Engen stated in looking in the out years there are some expensive rolling stock for the fire department that will need to be funded.

Alex Taft asked a hypothetical about a year or two down the road, the transit study comes out for more service and the city must have a local match to federal operating funds. How do you gain those funds? What is the process of funding to increase operations? Mayor Engen stated it is revenue or a tax dollar. You will need to find out how you want to fund. The sources you could use are the general fund, special district or fees.

Dave Strohmaier thanked Mayor Engen, Mr. Bender, and Mr. Ramharter in bringing this to them sooner than later. He also encourages his colleagues to bring issues to the table rather than waiting until the public hearing sequence.

IV. Held in committee

1. Updates from Council representatives on the Health Board, Community Forum, Transportation Policy Coordinating Committee, other boards and commissions as necessary.
– (Ongoing in Committee)
2. Joint meeting between the Missoula City Council and the Missoula County Public Schools' Board of Trustees ([memo](#)).—Regular Agenda (Dave Strohmaier) (Referred to committee: 09/17/07)
3. Examination of Office Planning and Grants ([memo](#))—Regular Agenda (Lyn Hellegaard) (Referred to committee: 09/08/08)
4. Biannual meeting with Missoula Chamber of Commerce. ([memo](#))—Regular Agenda (Marilyn Marler) (Referred to committee: 02/13/12)
5. Invite Dr. Barry Good, Dean of the UM College of Technology to update the committee on current plans and programs of the COT. ([memo](#))—Regular Agenda (Mike O'Herron) (Referred to committee: 02/13/12)

V. Adjournment

The meeting was adjourned at 4:05 PM

Respectfully submitted,

Nikki Rogers

Deputy City Clerk