

**MISSOULA PARKING COMMISSION**  
**Minutes**  
**October 10, 2019**

A Board of Directors' meeting was held on **Thursday, October 10, 2019**, at the **Jack Reidy Conference Room, 140 W. Pine**, at **2:00 p.m.** Those in attendance were Board members John Roemer, Joe Easton, and Pat Corrick. From the Missoula Parking Commission (MPC) were Tiffany Brander, Interim Director and Zoe Walters, Administrative Assistant II. Also in attendance were Linda McCarthy from Downtown Missoula Partnership (DMP), Leigh Griffing from the City of Missoula Finance Department, Jim Gallipeau from JCCS and Jessica Miller from the City of Missoula Mayor's Office and a University of Montana Master of Public Administration student.

- 1. Call to order** – John Roemer
- 2. Introductions**
- 3. Public Comments & Announcements** - None
- 4. Adjustment(s) to the Agenda**

John Roemer suggested to move Action Item 8 – Adoption of the Downtown Master Plan further down on the agenda to give a third Board member time to arrive. Joe Easton recommended Item 10b - Old Business (Parking Services Director Recruitment) be moved in executive session.

- 5. Approval of Minutes** - Board Meeting held September 5, 2019

Minutes cannot be approved at this time without a third Board member.

- 6. Financial Statement**

Jim Gallipeau presented July's financial statement. JCCS visited with Leigh Griffing on October 9<sup>th</sup> to ensure the JCCS and City financials are concurrent before the audit. The Finance Department is finishing a few things for FY19. The financials for July operations, income, and expenses look good, but there will be changes to reflect yearend.

July financials Dashboard page three shows a recap of cash and investments totaling \$1,637,072.00. This number less accrued city contract, accrued merchant fees, notes payable and bond payable leaves approximately \$1,123,666.00 potentially useable cash. The revenue total was \$250,000.00, compared to \$210,000.00 last year. This is an overall increase across the board. General administrative expenses were \$39,490.00 compared to \$67,000.00 last year. \$37,500.00 was contributed to the Downtown Master Plan in July 2019. This expense did not exist last year. Personnel services was \$40,000.00 compared to \$55,000.00 last year.

Repairs and maintenance budget shows large variances. The budget was \$15,275.00. Repairs and maintenance year total was divided by twelve for an annual average. JCCS will need to work with Tiffany

Brander to plan the budget time line for repair and maintenance projects. John Roemer clarified that the budget estimates repairs and maintenance for one year. There are different times of the year when specific projects are expected to be performed. Repairs and maintenance was \$107,000.00, compared to \$84,000.00 last year.

Net income for the month was \$58,709.00 compared to \$41,936.00 last year. Lease parking revenue varies because of billing dates. Meter revenue changes slightly, but generally increases. Ticket revenue is steady, but typically increases. Personnel expenses decreased this month because of payroll accrual into June.

Joe Easton asked Tiffany Brander if she has an opinion on how and why meter revenue increased. Tiffany answered that it is typical that we see an increase during summer because of tourists and general increased population Downtown.

Linda McCarthy added that 37 new businesses opened Downtown this year, as well as ROAM.

Linda asked if MPC has been billed for the full \$75,000.00 allocation to the Master Plan. Tiffany answered yes.

## **7. Communications and Presentations**

### **a. City Finance Department year-end review, reserve policy, and bond coverage discussions (Leigh Griffing, City of Missoula Finance Director)**

Leigh Griffing presented information on year-end review, bond coverage, future indebtedness, and policies. Leigh stated that 2019 financials look good. MPC has increased revenue and held the majority of expenses steady. Leigh lists a higher cash number compared to Jim most likely due to yearend adjustments. When reviewing the audit reports Leigh noticed the financial statements were not consistently calculating the bond coverage number. In 2018, the Missoula Redevelopment Agency TIF pledge of \$266,851.00 was previously subtracted. The large revenue bond needs to have coverage for approximately 125%. MPC meets this coverage. Leigh stated that is difficult to look at the current financials and give the Board an overview of future indebtedness and debt capacity for MPC. Leigh met with Baker Tilly - financial municipal advisors used for the majority of the City's debt issues. Baker Tilly has worked with MPC for the 2010 large revenue bond and refund, as well as subsequent capital equipment lease financing. Leigh would like to utilize Baker Tilly to help create a better picture for the Board to understand information on MPC's bonding capacity. When the audited financials are completed they will be sent to Baker Tilly. The City will work with Baker Tilly to present potential scenarios to the Board. This will likely be during the December Board meeting.

The early draft of the operating income for 2019 is over \$600,000.00. While reviewing the bond conveyance, Leigh found there is a requirement to uphold a reserve. She thinks Finance, JCCS, or audit firms may not have noticed this because MPC always has cash on hand and revenues continue to grow each year. The bond covenants requires MPC to set aside 10% of the prior year's operating expenses in a reserve. A quick calculation of last year gives MPC \$192,000.00 with the administrative fee removed. The administrative fee is removed because it is assumed that if the City needed to use the operating reserve MPC would not pay the City administrative fee. For FY19 financials Leigh will work with JCCS

balance sheets. The restricted cash amount of \$192,000.00 will be reserved. This is not an expense in FY19 financials. It is an allocation of cash from uncommitted to reserved.

Joe Easton asked if MPC needs to backfill any operating expenses from prior years that have not been reserved.

Leigh answered no, the amount just needs to stand at the level of 10%. The assumption is this level will increase each year. This is not an annual reserve.

Jim Gallipeau asked if these numbers should be added or subtracted out of the cash investments showing in restricted assets. Leigh answered it will show up as restricted when FY19 financials are complete.

Jim explained that they would subtract \$192,000.00 from the available cash amount of \$1,123,666.00.

Leigh would like the Board to consider a maintenance reserve. This is an industry standard and is similar to an operating reserve. The primary difference is the operating reserve is being restricted by the bond document. The way the bond is written, MPC has to have an operating reserve. The amount can only be spent under certain criteria. The maintenance reserve is something the Board could consider. If an unexpected maintenance repair presented itself the reserve could be used. A general industry calculation for a maintenance reserve runs about \$150.00 to \$250.00 per space per structure depending on the age of the structure. Tiffany and Leigh previously calculated an amount based the ages of each structure and the number of spaces. The general calculation was \$200.00 for newer spaces and \$250.00 on older spaces. This is a calculation for the Board to consider.

John Roemer recalled that the Board came up with a number years ago and it was a higher number, closer to \$400.00. Tiffany offered to review meeting minutes to possibly find a previous amount discussed. John stated that it is important to have something in the maintenance reserve.

Leigh explained the reserve factors in rated debt. The maintenance reserve could be implemented over a period of time. If the Board would like to act on this it could quickly be incorporated into present day financials.

Jim stated this amount could be added as a line item on the balance sheet. Leigh explained that there are different ways to build the maintenance reserve. The amount could be fully committed at the end of a particular fiscal period or it could be budgeted for long-term. This would be a great way to fund a capital reserve for a large future project. For the operating reserve MPC will commit the cash amount at the end of FY19.

Linda McCarthy asked if MPC wants to be at 125% total coverage before issuing another bond.

Leigh answered no that is the bond covenant requirement to not fall below. If MPC falls below that, the bond covenant requires action on part of MPC. The first line of defense is to increase rates. MPC has to maintain the ability to increase rates as needed.

Linda asked if there is a percent MPC is looking at when considering the next major investment.

Leigh answered that it depends on the size of the next major investment.

Joe recalled a few months ago during a Downtown Master Plan meeting Kimley Horn informed MPC that they did not have bonding capacity. Joe calculated the information presented by Jim and Leigh today for an estimated number of \$11,949,000.00 project budget. If a budget of \$30,000.00 per parking space is used, this would about 405 spaces. Joe questioned why Kimley Horn does not think we have bonding capacity.

Leigh responded that this is exactly how the financials and estimates are calculated. She is not sure of Kimley Horn's thought process. Revenue from the new facility needs to be taken into consideration.

Joe explained that the bonding information and plans were removed from the Downtown Master Plan because of negative connotation. He stated that it is still a priority for MPC to look into the next project. With this information it is possible, but we do not have a location for 400 new parking spaces.

Leigh added that a municipal advisor could write a letter based on financial review that the City has the ability to bond for a certain amount. Joe sees that we have capacity. Joe thanked Leigh for providing a different perspective on MPC's financial condition. This is part of implementing our strategic plan.

**b. Greetings from Missoula Mural Project funding request in the amount of \$5,000.00.  
(Linda McCarthy, Missoula Downtown Partnership)**

Linda explained the Greetings Tour is a cross-country mural project creating landmarks through public art. Artists Victor Ving and Lisa Beggs are interested in adding Missoula as a location in summer 2020. They have completed 41 murals across the country. The local community decides what images are part of the mural and who the partners are in completing the design. First Montana Bank located at 201 N Higgins has offered their north alley wall immediately adjacent to the alley entrance of the Central Park garage as the canvas. DMP has been communicating with Destination Missoula, Arts Missoula Organization, and City leadership to discuss Missoula's capacity to complete a project like this. The mural quote is \$21,500.00 and includes five images. Additional expenses to be covered include a scaffold and a home stay for ten days.

Joe asked about the location of five images. Linda clarified it is one location containing five images. Iconic images go in the letters of the mural.

The goal is to raise \$25,000 to complete the project if there is desire from the community partners. The Greetings Tour website includes information about mural locations and their influence. The DMP would like to secure five partners that contribute \$5,000.00 each. The mural would quickly launch the recommendations of the Downtown Master Plan for big art and alley activation. Six other locations have been discussed. The Montana Bank location on the north side of the building and south side of the alley is central to Downtown.

John asked if there was any concern about visibility of the mural.

Linda answered that she has not received any feedback about visibility. There are not many street facing building sides to put a mural like this. Tiffany added that the website discusses the ability to capture the mural within the frame of a selfie photo.

Linda asked how MPC feels about participating in this project. If funding is secured the project would take place in June or July of 2020 for about ten days.

Pat Corrick asked if there is historical information about murals in other cities in relation to maintenance costs. Linda answered yes, Victor has information. Ownership and maintenance would likely fall with the property owner or the contracting agency. The artists provides them with the color palettes for touch ups. Victor said that it is easier to maintain the mural if it is not covered with anti-graffiti coating. There has been little issue with tagging of the murals in other cities

Jim added that we currently have an example of a large mural on Broadway. A lot of money was spent to make it graffiti proof.

Linda asked for questions.

John likes the idea, but stated that his biggest concern is about visibility. John explained he struggles with how to reconcile a project like this with our mission as a parking commission. This would be a discussion for the Board.

Linda added that if we complete this project Missoula will be a part of the “Greetings Tour” and people will look for it. This would be a jump start into alley activation. If the mural does not happen in Missoula, it will be done in another Montana community. Linda guessed that it would be Bozeman.

John asked for any further questions for Linda. No questions were heard.

## **8. Action Items**

### **a. Adoption of the Downtown Master Plan**

Joe moved that the Parking Commission adopt Missoula’s 2019 Downtown Master Plan. Joe would like to speak to the motion. Pat seconded the motion.

Joe congratulated Linda on the process of the Downtown Master Plan. When Joe supported the motion to financially support the plan MPC had several goals. He feels that MPC’s goals were primarily met. These goals included informing the strategic plan for the next project, examining existing parking utilization, and examining and result of expanding commission boundaries. The plan does not fully reach all of our goals to implement our strategic plan, but it provides steps to initiate.

Linda stated that by adopting the plan MPC is committing to active implementation of the plan. Linda thinks the plan was very concentrated on parking.

Joe agreed that the plan is informative to implement a goal.

Linda noted that there is now council approval and 50% of stakeholders agree that parking enforcement is needed on the Hip Strip.

The motion to adopt the Downtown Master Plan was unanimously approved.

John noted that Matt Ellis was in favor of adopting the plan.

#### **b. Greetings from Missoula Mural Project funding request**

John asked for discussion on the Greetings from Missoula Mural Project funding request.

Pat generally supports the mural project, but would like to learn and think more about it. He would like to see other locations that were considered. Linda responded that the other locations have been eliminated. Pat feels that the proposed alley location does not seem accessible and does not jump out. Pat asked if it is possible to remove and replace the murals from the building on the southwest corner of Broadway. Linda answered no because the Public Art Committee has a contract with the property owner for the murals to remain there in perpetuity. Pat asked if there could be negotiation to move the murals to a different location. Linda responded that the murals can be moved, but she does not feel that this is an option.

John asked the Board if they would like to continue the discussion next meeting. Joe and Pat agreed.

Linda reminded the Board that the more marketing done to bring people Downtown, the more money the Parking Commission makes.

### **9. Interim Director's Report**

John asked the Board for questions of Tiffany's October report. No questions were heard.

Tiffany informed the Board that Food for Fines would take place in the month of November.

Tiffany sent out a survey regarding board meeting scheduling time preference. She has not received any responses on different days to meet. Joe prefers Thursdays at noon. Pat prefers Friday or Monday. Joe noted that generally if Tiffany does not see action items coming up that meetings could be consolidated.

Tiffany stated that Tom Benson with Arts Missoula is scheduled to present a request of \$1,500.00 for the First Night shuttle. This amount is budgeted for and does not necessarily need a vote. Joe responded the ridership directly influences his support for the shuttle. In Joe's opinion it does not require an action item, but he would like the review ridership and the context of the request. Tiffany clarified the amount is approved in the budget. If Joe and Pat are provided with the numbers for comparisons and analysis they prefer not to meet.

### **10. Non-action Items**

#### **a. New Business**

- i. 2016 MPC Strategic Plan review

Joe thought that Tiffany's updates on the strategic plan were very good. He would like Tiffany to develop the next step of the 2018 update into policy or action. Joe would like to see motions or actions for the board for short-term and long-term goals to start implementation.

Tiffany stated that MPC is in a good position to start with an updated strategic plan to ensure all of our goals are aligned.

ii. 2019/2020 strategic planning session discussion (Tiffany Brander with Jessica Miller, University of Montana Master of Public Administration student/City of Missoula Citizen Services Manager)

Jessica Miller presented to the Board a project she is completing for a strategic planning course. The goal of the project is to diagnose major challenges MPC is facing today. The project will create guidelines and action items to ease challenges. Jessica would like to see if anyone is interested in doing interviews in order to collect more information about MPC's challenges.

Jessica asked the Board what the most pressing challenges MPC faces are today.

Joe answered prudent use of public resources. Joe stated that MPC is due to construct the next garage. He has been pressing this in the strategic plan for action to start the process. In Joe's opinion, action has not been taken because there has been focus on completing the Downtown Master Plan and multiple changes of the MPC director. It would be difficult to start a large project with leadership insecurity. The second challenge is expansion of revenue and services to the City of Missoula. The problem may be implementation, bonding capacity, leadership, access to resources, or support from City Council and the Mayor's office.

John agrees with Joe. He believes the most pressing challenge is transitional leadership.

Joe added that when the strategic plan was updated in October 2016 the LUKE meters had just been installed. In his opinion, the meters were poorly implemented, enforced, and communicated. Part of the strategic plan was to improve technology and communication to the community about what the kiosks were accomplishing. Communication and technology has improved, but there is still work to be done.

Pat agreed that leadership issues are important to address, but not necessarily a challenge.

The Board is willing to meet with Jessica at a later time to discuss further.

Jessica asked the Board what they think the greatest assets of MPC are today.

Joe answered that the Board Chair has deep institution knowledge of MPC. MPC has recognition by the Downtown Association, per City Council to the Mayor's Office, that parking continues to be needed and expanded. MPC in the past has been known to take risks and improve services.

John thinks improving parking technology with the LUKE meters showed leadership. This was a necessary step.

Jessica will share results with the Board when the project is completed.

**b. Old Business** i. Parking Services Director Recruitment (John Roemer)

Joe moved MPC enters executive session and for the Chair to recognize that the right of individual privacy of the Interim Director outweighs the public right to know.

Pat seconded this motion.

**11. Setting of next meeting** (November 7, 2019, Jack Reidy Conference Room) **and adjournment**

Respectfully submitted,

Zoe Walters

Administrative Assistant II