

BUDGET COMMITTEE OF THE WHOLE

140 WEST PINE STREET
MISSOULA MONTANA
June 9, 2010, 3:05pm

Members present: Ed Childers, President; Stacy Rye, Renee Mitchell; Pam Walzer; Jason Wiener; Dick Haines; Lyn Hellegaard; Roy Housemen; Dave Strohmaier; and Jon Wilkins; Bob Jaffe.

Members absent: Marilyn Marler.

Others present: Pat Morgan, Brentt Ramharter, Bruce Bender, Dee Andersen, Matt Leech.

I. Administrative Business

A. Approve committee minutes dated: [May 26, 2010](#)-approved as submitted

B. **Public Comment on items not listed on the agenda-None**

II. Regular Agenda

A. Consider adopting the FY 2011 preliminary budget ([memo](#)).—Regular Agenda (Brentt Ramharter) (Referred to committee: 05/24/10) **HELD IN COMMITTEE FOR FURTHER DISCUSSION 6/23**

Mr. Childers began the discussion by stating that the Municipal Court's budget is predicated on received revenues.

Pat Morgan, Municipal Court Manager, reviewed the [handout](#) provided and said currently they have over \$6 million in delinquent fines. We have 889 transient files and out of those we have 131 repeat offenders that we call "frequent flyers". We captured the data from the "frequent flyers" and the uncollected amount totals \$290,000. The types of common transient citations include open container, urinating in public, and disorderly conduct. We have some transients owing anywhere from \$500-\$16,000. They have no money, no assets and often use the Poverello as their mailing address and we can't use that for invoices. The jail does not want them, they take up room for more serious offenses and many have medical issues that cost the City and County.

She said uncollected fines from University Students are hard to estimate as the field on the tickets for students is not consistently populated. The student population moves around and is hard to track down. This may change as the University has offered to send a copy of the Student registry in the fall which also lists the parent's addresses.

She listed the collection process is as follows:

- We invoice around the University schedule
- We offer payment plans for more affordability.
- We use a collection service which attaches pay checks, bank accounts, and this years tax returns.

She said we already have 7,600 active warrants and to issue more warrants for non-payment would increase the work load and the cost for issuing warrants. Once again, she said most likely the jail would not keep them.

Mr. Wilkins said if you get a ticket on campus you pay or don't graduate.

Roy Housman confirmed that if you have outstanding parking tickets you can't graduate from the University until they are paid in full.

Ms. Morgan said you can't do that with Muni Court tickets.

Jason Wiener said he wanted to point out that problems with alcohol are not limited to the courts, the emergency rooms are filled with alcohol related injuries.

Jon Wilkins asked when transients get ticketed do they get jail time?

Ms. Morgan said the jail doesn't want them.

Mr. Wilkins asked if they get community service

Ms. Morgan replied that transients are not qualified for community service and no one will take them. They don't have proper clothing and shoes, they often show up under the influence of drugs and alcohol or they don't show up at all.

Mr. Wilkins made a suggestion maybe they should get jail time.

Bob Jaffe suggested they stop writing transients tickets.

Ms. Mitchell stated that one thing that she is aware from her experience with community service projects is that the participants often need to pay a fee up front to get in to the program.

Ms. Morgan offered to provide monthly reports to Council and they agreed.

Dave Strohmaier asked as far as uncollected fines, how Missoula compares to other cities in the state.

Ms. Morgan said dollar wise we are higher, percentage wise there is not much difference. We are the highest volume court in the state for years. We have a higher transient population and the University could also be a factor.

Jason Wiener asked if Ms. Morgan could provide a report that shows fines ordered by offense classification.

Ms. Morgan said it would be very time consuming, and not an easy process.

Mr. Wiener asked what software is used.

Ms. Morgan said it's *Full Court*, provided by the Supreme Court.

Mr. Jaffe said there is a question about the difference between the fines possible and what is actually assessed.

Ms. Morgan said it is always by judicial discretion and on a case by case basis.

Mr. Jaffe asked is there a way to have what the charge was and what is assessed is for each case. Is it documented?

Ms. Morgan said it is documented and on the back of each ticket so she would have to print out 80,000 ticket files.

Mr. Jaffe asked if the City IT Dept could help create a summary report.

Ms. Morgan said no, the Supreme Court has its own IT Department; however we can make a request to create a report.

Ms. Walzer said she understood that we have some uncollectible fines outstanding as a result of a high transient and student population. She said she was the victim of an accident herself and she only received \$200 out of a \$1400 restitution order. Is it possible to put those outstanding fines on property taxes like we do sewer bills? Would we go to the state for that?

Ms. Morgan said no, you would go to the constitution for that and the answer is no, the inability to pay can't interfere with justice. With restitution we suggest you file a case in small claims court.

Bruce Bender commented that unpaid sewer accounts can be added to property taxes as it is a service that was provided to that property. A ticket is not a service to the property.

The committee moved on to discuss Maintenance Districts-

Bruce Bender, Chief Administrative Officer, reviewed the Maintenance District [PowerPoint Presentation](#).

Stacy Rye asked in regards to trees, would it be a tree maintenance district that would purchase and plant trees?

Mr. Bender explained you could make it a part of the parks maintenance district. But if you wanted to be more specific you can create a tree maintenance district with specific boundaries.

Mr. Childers asked that presentation be updated to follow the current law. He inquired about the comparison of the total dollar amount of property tax and maintenance districts per property in other communities.

Mr. Ramharter said with \$200,000 for parks \$300,000 for streets. His staff picked homes in the \$225,000 to \$250,000 price range, and based on those taxable values they found the average increase for a home in that range for what we are proposing is \$22.00. Out of that \$8.00 is for streets and \$5.00 for parks.

Mr. Wilkins said you compare us to these other cities, but it's not in their general fund. Their general fund is lower so they pay out of their maintenance districts, are you going to lower the general fund?

Mr. Bender responded that we have presented the budget to you and we have cut the budget by 2%. We cut it 4% last year. We would need to cut another 1% and would cut into some positions. So, if you didn't put this in place you would have to make up \$500,000.

John Wilkins commented on not being able to write off maintenance districts like you can with property taxes. He asked if we are brining in more revenue to add services.

Mr. Bender said we are just maintaining services. We had a \$2 million dollar debt going into this budget year as a result of lost revenues and salary increases. We asked for a salary freeze and we cut spending by 2%, now we are asking to increase revenues this way to make up for the remainder of that debt. In the future you can increase the amount earmarked in these districts to increase services, but this is just a starting point.

Ms. Mitchell said if all we are going to do is bring this forward to balance the numbers what are we getting in the way of park maintenance? We already have parks unkempt; we have people not doing their jobs. People in my area spent \$600,000 of their own money to build a park to City specs and the City goes out there and drives their full size trucks and is damaging our newly paved park paths. We have back flow protectors that don't get winterized. We are not using our resources efficiently right now. How am I going to sell a park maintenance district to my constituents?

Mr. Childers replied that if you want to have a million dollar park maintenance district, you can start doing some of the things you would like to do.

Ms. Rye said she is in favor of both of these districts. Maybe the goal this year is to give it a start. She said she is interested in creating a tree maintenance district, either along with the parks maintenance district or in a separate referral. After ten years of drought the boulevard trees are in very bad shape. Brooks street is a perfect example of that. Of all the trees inspected. 20% needed to be removed. We have the lowest dollar amount for urban forestry in the state. She said if you look at old photographs you will see how much different it looks without trees. It looks like a desert. So a hundred years ago the City fathers planted trees every 15 feet for miles and we need to that for future generations. She would like to discuss how to begin and she

suggested they start with the neighborhoods that have boulevards. She said she would prefer to do this in BCOW.

Ms. Walzer asked for a comparison in the average lot sizes not in the price of the house. From city to city we don't have the same median house. What we pay in Missoula in taxes would be different in Billings for the same size lot. If we want to have improved maintenance in parks and streets then we have to get the money from somewhere. We as Council can raise property taxes, which we have chosen not to do. She said she supports a tree maintenance district. However; City-wide may not be the way to go as there are a few homeowners associations that have their own tree maintenance program.

Mr. Haines commented that last time we talked he asked for a list of what kind of services will be lost if these maintenance districts don't go through and the dollar amount.

Mr. Bender said it's a half million dollars. You would have to go back to the departments and ask them to cut an additional 1.5%. We may need to remove a couple police and firefighters.

Mr. Haines said the first thing you want to cut is fire and police I don't care if they are the most expensive it doesn't make it a first priority to cut. Make some cuts in parks. You can cut parks for a couple of years and that is better than cutting people. The next item is the gas tax. A 2 cent per gallon gas tax is not adequate. If you raise the gas tax then it takes the load off the property owners and puts it on the tourists and students. We have trees with no leaves on them and I don't care what you do they are still going to look the same. We can take down the trees and not replace them for 3 years that is not going to kill a park or hurt the trees. I think there needs to be a different approach.

Ms. Hellegaard said there is a \$300,000 program that could go away and no one would notice. So I don't support a street maintenance district unless it is to improve services. In response to Ms. Walzer's comment, according to the mill levy increase sheet, since 2004 the City has raised those mills 31.43% so we have been raising taxes in this town. Bozeman's general fund is \$22.9 million, Helena's is \$16.2 million, Billings is \$31.5 million, and Great Falls is \$25.7 million which is significantly less than the \$41 million that we have. Rather than going to the tax payers like an ATM machine we need to take a look at how we spend money. We have money in City Budget programs that are duplicated by other agencies in our community.

Mr. Housemen asked if we wanted to cut the city band or the MRMTA, program what is our commitment to those programs and can we make cuts there. We could reduce the maintenance district costs by over \$100,000.

Mr. Bender said the City has been contributing to those programs for over a decade and there is a history there and a story behind each one. We have asked them to cut back on their requests.

Ms. Hellegaard replied that the \$10,000 contribution to MRTMA allows them to bring in \$180,000 in federal money to the community.

Mr. Wiener quoted Grover Norquist saying "The mill levy cap was a deliberate act of sabotage, it was created as a tool by people who are opposed to government existing. It was done to strangle government to make it small enough that you can drown it in a bathtub." California is in the end game, they came to this position before we did. That is what this is all about, putting these constraints in place so when hard times come people will want to do something like cut a park. Let me tell you what it means to cut a park, it means that children who don't have access to a backyard because they live in an apartment, the quality of their play space goes down, yet the children whose parents have money will continue to get what they always had. That is what government does; it provides services to those based on citizenship not based on what means what you bring to the table. I will fight to protect the services that government provides. As far as the statistic of the mill levy going up, it's a junk statistic here's why, the actual number of the mill levy is unrelated to the value of a mill. The value of a mill goes down every year because the ratio of taxable value to market value goes down every year. So over that same period that you are quoting, the ratio of market value to taxable value has declined by 15%. There is no adjustment for inflation within the market value and there is no accounting for growth. To say we can make cuts in programs that we will not miss, he has heard it before as is the case for a gas tax, and he

watched as people threw it out. He would like to know what \$300,000 program that could be cut and no one would miss, lets get it out on the table.

Mr. Wilkins again asked for a list of what will be cut if these districts don't go through; he said it will help him make his decision.

Public Comment:

John Hendrickson asked If maintenance districts are put in place, what will the assessed amount will be for commercial properties?

Mr. Ramharter replied the rate will be identical for all properties 2.15%.

III. Held in committee

- A. Update on the quarterly budget report ([memo](#)).—Regular Agenda (Lyn Hellegaard) (Referred to committee: 04/26/10)

IV. Adjournment

The meeting was adjourned at 4:40pm

Respectfully submitted,

Dee Andersen
Administrative Secretary
Finance Department