

**BUDGET COMMITTEE OF THE WHOLE
CITY COUNCIL CHAMBERS
140 WEST PINE STREET
MISSOULA MONTANA
July 14, 2010, 2:20pm**

Members present: Stacy Rye, Acting as Chair, Marilyn Marler; Renee Mitchell; Pam Walzer; Jason Wiener; Dick Haines; Lyn Hellegaard; Roy Housemen; Dave Strohmaier; and Jon Wilkins; Bob Jaffe.

Members absent: Ed Childers.

Others present: Sharee Fraser, Mike Fellow, Lee Clemmensen, Ernest Millhouse, John Hendrickson, Keila Szpaller, Brentt Ramharter, Bruce Bender, Doug Waters, Jim Nugent, Dee Andersen.

I. Administrative Business

A. Approve committee minutes dated: [July 7, 2010](#)-approved as submitted

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

II. Consent Agenda

A. An [ordinance](#) amending Chapter 12.44 Missoula Municipal Code entitled "Cemeteries" repealing section 12.44.070 entitled "Reserve Funds." removing the requirements relating to the deposit of certain cemetery revenue into reserve funds. ([BCOW](#)) ([revised ordinance 07/14/2010](#))(Returned from Council Floor: 07/12/2010) **REMOVE FROM AGENDA**

Motion: The committee recommends the City Council set a public hearing August 9, 2010 to adopt an ordinance of the Missoula City Council amending chapter 12.44 Missoula Municipal Code entitled "cemeteries" amending sections 12.44.060 and 12.44.070 to provide that cemetery revenues be deposited into the city's general fund and designated for the provisions of cemetery services.

Brentt Ramharter, Director of Finance, said he asked for this item to be sent back to committee as the Cemetery Board was working with staff on some ordinance changes. He said he noticed the City Clerk had cleaned up some of the sections and he wasn't comfortable addressing those. He suggested setting a public hearing on August 9, 2010 and let Ms. Rehbein address those sections when she gets back in the office.

Dave Strohmaier moved to set a public hearing and asked how this proposal came forward.

Mr. Ramharter said our ratings agency, Standard and Poors, made the suggestion during our last ratings review. He said they have a new fund balance pronouncement that is instructing governmental entities to capture the reserves and change the fund category.

Bob Jaffe asked if this will increase the general fund balance.

Mr. Ramharter said yes.

Jon Wilkins praised the City Cemetery for the work they do and expressed concerns about their revenue going into the general fund, because they are self sufficient.

Doug Waters, Cemetery Director, said the funds will remain dedicated to cemetery care. He said the annual revenue that will be going into the general fund is about \$75,000 per year. At the end of three years Council can make another determination as to whether to continue directing the revenue into the general fund or not. He then introduced Sharee Fraser- Chair of the Missoula Cemetery Board.

Sherry Fraser, Chair of the Missoula Cemetery Board, read the following [statement from the board](#).

Dick Haines asked how much revenue will go into the general fund.

Mr. Waters said it's about \$75,000-100,000 per year.

Mr. Wilkins asked where this revenue comes from.

Mr. Waters said cemetery care fund.

Mr. Ramharter said the money in those reserves will stay in those funds. It's in the budget and is intended for cemetery operations.

Mr. Wilkins called the question.

Upon a voice vote to call the question, it passed unanimously.

Upon a voice vote to set the public hearing for August 9, 2010, the motion passed unanimously.

- B. Approve the Missoula Downtown Business Improvement District's annual work plan and budget for fiscal year 2011. (Returned from Council Floor: 07/12/2010) **REMOVE FROM AGENDA**

Motion: The committee recommends the City Council approve and authorize the Missoula Downtown Business Improvement District's annual work plan and preliminary budget for fiscal year 2011.

Mr. Wiener moved to approve the preliminary budget.

Upon a voice vote the motion passed unanimously.

Regular Agenda

- A. A [resolution](#) declaring it to be the intention of the City Council of the City of Missoula, Montana, to create a special district as authorized by Title 7, Chapter 11, Part 10 MCA, more specifically a city-wide road district entitled "City of Missoula Road District Number 1" to establish an annual assessment and provide for a method of assessments for the purposes of funding and/or financing costs associated with providing services including but not limited to: (1) maintenance, repair, replacement, upkeep, installation, improvement, operational enhancement, construction, reconstruction, acquisition of right-of-way and/or (2) implementation of measures required to maintain public health and safety or meet legal or regulatory requirements, and/or (3) purchasing, replacing, and/or maintaining equipment, tools or vehicles used to carry out the functions described herein, and/or (4) any other functions and/or labor, supplies and/or materials necessary for management and maintenance of city-owned facilities, lands and equipment under the responsibility and care of the City of Missoula Public Works Department's Street, Engineering, and Vehicle Maintenance Divisions including but not limited to: streets, alleys, driveways, alley approaches, sidewalks, curbs and gutters, medians, boulevards, lighting, parking lots, support facilities, public amenities, storm water facilities, traffic control inclusive of traffic signals, signs, and pavement markings, and other public facilities located in the public right-of-way and/or within public easements; and providing for other matters properly relating thereto. ([memo](#)) ([revised Road District Resolution of Intent 07/13/2010](#), [updated Road District Resolution of Intention 7/15/2010](#)) ([BCOW](#)) (Returned from Council Floor: 07/12/2010) **REMOVE FROM AGENDA**
- B. A [resolution](#) declaring it to be the intention of the city council of the city of Missoula, Montana, to create a special district as authorized by Title 7, Chapter 11, Part 10 MCA, more specifically a city-wide park district entitled "City of Missoula Park District Number 1," to establish an annual assessment and provide for a method of assessments for the purposes of funding and/or financing costs associated with providing services including but not limited to: (1) maintenance, repair, replacement, upkeep, installation, improvement, operational enhancement, construction, reconstruction, acquisition of land and/or (2) implementation of measures required to maintain public health and safety or meet legal or regulatory requirements, and/or (3) purchasing, replacing, and/or maintaining equipment, tools or vehicles used to carry out the functions described herein, and/or (4) any other functions, labor, supplies and/or materials necessary for management and maintenance of city-owned facilities, lands and equipment under the responsibility and care of the city of Missoula Parks and Recreation Department including but not limited to: public parks and park areas (as described in the Master Parks and Recreation

Plan for the Greater Missoula Area), recreation facilities, trails, open space (as defined in the City of Missoula Urban Area Open Space Plan), urban forest, medians, boulevards, pathways, sidewalks, public easements and other facilities located in the city and/or owned by the city; and providing for other matters properly relating thereto. ([memo](#)) ([revised Park District Resolution of Intent 07/13/2010](#), [updated Park District Resolution of Intent 7/15/2010](#)) (BCOW) (Returned from Council Floor: 07/12/2010) **REMOVE FROM AGENDA**

NOTE* THE ABOVE 2 ITEMS WERE DISCUSSED AND VOTED ON AS ONE MOTION

Motion: The committee recommends the City Council suspend the Council Rules and hold a special meeting on August 30, 2010, to hold a public hearing on the resolution of intention for Missoula Road District Number 1 and Missoula Park District Number 1.

Note* Instead of the recommendation to schedule a special meeting, the city administration is recommending the city council adopt Resolution of intention number [7545](#) for the road district and Resolution of intention number [7546](#) for the park district and schedule a public hearing on September 13, 2010. The resolutions have been revised to reflect the new dates associated with public notice, taxable valuation determination, and the new public hearing date.

Ms. Rye said this item was sent back to committee by Mr. Wilkins and she asked him if he had any questions.

Mr. Wilkins expressed concerns about the future costs of these districts, he said for next year its only 12 or 13 dollars per household, but in the future, it could go sky high. He would like to put a cap on it. He thinks there should be controls put in place.

Mr. Bender said the state law caps it. Its constrained by budget.

Mr. Wilkins said there are a lot of things this district can be used for; lets take land purchases-if we want to purchase land to build a road, this tax could go out of sight. For those of us on a fixed income it is a concern.

Dave Strohmaier moved to set a public hearing on August 30, 2010.

Mr. Bender pointed out the revisions on the resolution of intent, section 7. We have added the sentence recommended by our bond counsel in regards to determining the tax value for tax exempt properties. It now states that tax values will be set by the Department of Revenue, if the state does not make that determination then the City will. He also wanted to comment on Mr. Wilkins statement.

Mr. Strohmaier said he wanted to address Mr. Wilkins' comment. One of the main reasons he would like to establish these districts is because the City needs another funding mechanism to get major projects done. This does not get us to where we need to be, but it is a step in the right direction. He said it is a tax no doubt about it.

There was discussion on whether to suspend the Council rules and set a public hearing or let the Mayor set a special meeting on August 30, 2010.

Upon a voice vote to suspend the Council rules, it did not pass with Hellegaard, Haines, Mitchell and Wilkins voting nay.

Jason Wiener said we can recommend the full Council suspend the rules for the purposes of scheduling a special meeting on August 30, 2010.

Mr. Strohmaier revised his motion, he moved the Council suspend the rules and schedule a special meeting on August 30, 2010 for a public hearing on the resolution of intention.

Mr. Wilkins asked what is the difference is between the first and second motions we voted on.

The committee then discussed point of order and the difference between the 2 motions and what the proper way to proceed would be.

Mr. Haines asked the committee if any of them had discussed this with each other before this meeting.

Ms. Rye said she asked a couple of members informally if they would be available on August 30.

Mr. Haines asked Mr. Wiener what he discussed with Ms. Rye.

Mr. Wiener responded that Ms. Rye asked him if he was available on August 30.

Mr. Haines asked Ms. Rye who else she spoke to.

Mr. Rye said Mr. Wiener and Mr. Strohmaier.

Mr. Haines stated he had concerns about members discussing this before the meeting and said he was against it.

Ms. Rye explained that Mr. Bender told her the Mayor was going to call a special meeting on August 30, so as the Chair of the meeting, she asked Mr. Wiener and Mr. Strohmaier informally if they would be in town. Then she addressed the rest of the committee and asked them if they were available on August 30 for a special meeting.

Lynn Hellegaard replied no.

Mr. Wilkins said he has had plans for weeks.

Ms. Rye said we have one motion on the floor and called for discussion.

Ms. Mitchell said she has had plans for some time on August 30. She finds this inconvenient. She has been at every Council meeting since she came on Council. What disturbs her most is that the notices to the tax payers were already printed up before the districts were passed by Council. She asked to know what the cost of that was and who sent that order and when. She asked if the notices would be able to be reused for a future mailing.

Mr. Bender said we have a contract with the vendor and he said a variety of people were involved from different departments and he did not know who specifically placed the order. He said the notices would have to be reprinted, because they were dated.

Mr. Ramharter said cost to reprint is about \$2,400. The City staff was not aware of the state of affairs with Towne Mailer and there was to be no mailing until approved by City Council.

Ms. Mitchell said usually one person calls in the order and she continued to ask for answers. She said we spent \$2,400 for nothing. She asked Mr. Nugent if this was even legal- for the Administration to direct a mailing notifying the tax payers of an increase before it was authorized by this body.

Marilyn Marler called a point of order and asked that the meeting stay on course.

Jim Nugent, City Attorney, responded that if staff are preparing in the manner you described, assuming they will have the votes, they do so at a bit of risk. The Mayor, as the Chief Executive, can do prep work but he does so at some risk, as in this instance.

Ms. Rye stated that the motion on the floor is to recommend they hold a special meeting for a public hearing on August 30, 2010 for the resolution of intent.

Mr. Jaffe called the question.

Public Comment:

Lee Clemmensen said it seems like this is being rushed thorough while people are still on vacation before the Labor Day weekend. She wants to make sure the issues are addressed like the cap and the process of how the properties will be assessed. You will be sending the tax

payers a card while ignoring the un-assessed properties. They have not been listed or evaluated so how can you know how much you are going to ask for.

I'm opposed to an August 30 meeting. This whole thing stinks. Rushing it through is political. I know MOR is opposed to this and MBIA is opposed. Let's make sure we have transparency and let people know what's going on and not rush this through when people are on vacation.

There is enough suspicion about the City of Missoula. Answer the big questions. If you assess City and County properties are we going to be billed twice? Its time to clean up and make sure everyone knows why we are doing this and how we can cap it and how we will assess the properties. There is so much to be worked through.

Ernest Millhouse said the City Council lost credibility with him when they emailed each other and made fun of those at the podium. That's as low as you can get, if you don't have the hair to tell a person what you think to his face then you're not much of a person. Who is going to tally these 20, 000 property tax votes? Can he view them? The people that don't send in their vote is that a no vote for this increase. If I don't send in my vote am I voting for or against.

Mike Fellows said this is a poor public policy. We need more options and shouldn't take the easy route; we can make the tough budget cuts. There has got to be more options on the table for us. The City wide tax of \$12.00 doesn't seem like much, but when you get a new program it starts out small. Like the Neighborhood Council, at the beginning it wasn't going to cost us any money, now we have an office and couple staff members and a budget.

Jeff Stevens came to express his support of these proposed districts. He said has waited a long time to come up with an alternative to the SID process. He realizes it wont replace SID's, but would be very valuable in helping to supplement projects like Hillview Way. He would like to see this process go forward in a timely fashion.

John Hendrickson, MBIA, asked how to get his questions asked, submit them in writing? He asked if golf courses can be taxed. He asked about section 8 of the resolution and if there was a work plan and budget for estimated expenses.

Upon the voice vote, the motion to call the question passed unanimously.

Upon a voice vote to suspend the Council Rules and hold a special meeting on August 30, 2010 for a public hearing on the resolution of intent for Missoula road district number 1 and Missoula Park District Number 1, the motion carried with Hellegaard, Mitchell, Wilkins and Haines voting nay.

III. **Held in committee**

- A. Update on the quarterly budget report ([memo](#)).—Regular Agenda (Lyn Hellegaard) (Referred to committee: 04/26/10)
- B. Review and make recommendations on a proposal to create two City-wide maintenance districts for the purpose of funding a portion of the costs to provide public street and park maintenance ([memo](#)).—Regular Agenda (Carla Krause) (Returned from council floor: 06/21/10) (*Tabled 06/23/2010*)
- C. Consider adopting the FY 2011 preliminary budget ([memo](#)).—Regular Agenda (Brentt Ramharter) (Referred to committee: 05/24/10)

IV. **Adjournment**

The meeting was adjourned at 3:25pm

Respectfully submitted,

Dee Andersen
Administrative Secretary