

**BUDGET COMMITTEE OF THE WHOLE
CITY COUNCIL CHAMBERS
140 WEST PINE STREET
MISSOULA MONTANA
May 18, 2011 - 11:05 am/3:05 pm**

Members present: Ed Childers, President, Stacy Rye, Marilyn Marler, Renee Mitchell, Pam Walzer, Dick Haines, Lyn Hellegaard, Jon Wilkins, Bob Jaffe

Members absent: Jason Wiener, Dave Strohmaier, Cynthia Wolken

Others present: Brentt Ramharter, Bruce Bender, Jack Stucky, Gail Verlanic

I. Administrative Business:

A. Approve committee minutes dated: [May 4, 2011](#) and [May 11, 2011](#)
The minutes were approved as submitted.

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

II. Regular Agenda:

Approve a resolution on the preliminary budget for FY 2012 inclusive of the FY 2012 capital improvement program. (memo)—Regular Agenda (Brentt Ramharter) (Referred to committee: 04/25/11) Held in committee

1. AM Discussion:

Health Plan Funding Changes with Gail Verlanic (Held in Committee)

Brentt Ramharter, Finance Director discussed the proposed retiree health insurance increase. The employee benefit committee requests the council to consider a phase-in increase over two years for a significant cost increase for retirees. He discussed options for health care increases.

Gail Verlanic, Human Resource Director discussed the funding percentages of health care cost concerning the Cities premium and retiree's premium. She noted the retiree health care plan is not the same plan as the active employees plan. She mentioned the retirees total plan cost is \$767 per month and the retiree's premium will cost \$611.85 per month after the dental and the Cities contribution. The retiree currently pays \$509.64 and the request is to split the difference between \$611.85 and \$509.64.

The active employee's total plan cost is \$767 per month and the employee will pay \$21.75 for themselves and \$113 for a spouse.

Dick Haines requested a spreadsheet to clarify the cost difference. Ms. Verlanic stated she has a spreadsheet with the changes and she will email it to the council.

Lyn Hellegaard asked if research has been conducted with Allegiance for other plan options that can be offered to the retiree's, so they are not paying for medical care that does not pertain to their age for example, child birth issues.

Ms. Verlanic stated the statute states that the City will provide an insurance plan for employees and retirees of the organization and the retiree's plan is set to their age group.

Mr. Ramharter noted the retirees make up 11% of the participant count, but their claims are over 20% of the cost. At this point it is not an option to offer a reduced plan.

Ms. Verlanic distributed an [insurance claim spreadsheet](#) prepared by Allegiance showing the dollar amount of claims that was submitted in the previous 11 months. The blue bar represents active employees and dependents and the purple bar represents the retirees and dependents.

The council requests Mrs. Verlanic provide a spreadsheet with more information for clarification. Ms. Verlanic stated she will provide one.

Pam Walzer moved to accept the EBC recommendations regarding phasing in the insurance premium increases for the retiree's.

Bruce Bender, Chief Administrative officer stated the City needs to be careful how the phase in is being perceived. The net result will create less buildup in the fund balance. By receiving half of the premiums, it will create a loss and will need to be made up somehow. It will need to be recovered by the retirees in the future, or the City will have to pay and that will lead to a property tax increases to make up for the loss.

Ms. Hellegaard asked Ms. Walzer to consider withdrawing her motion. This is a complicated issue and the ramifications can cause hardships. She suggests the council gather questions and concerns to address Mr. Ramharter and Mr. Bender and discuss this issue further.

Ms. Walzer requests to withdraw her motion and add this issue to the tickler list.

Stacy Rye asked if the premiums can be staggered so retirees who made higher wages can pay more than retirees who were paid less. Ms. Verlanic replied yes that can be an option.

2. GPS Units on Parks Vehicles with Jack Stucky [GPS Fleet management benefits](#)

Jack Stucky, Vehicle Maintenance Superintendent stated Mr. Ramharter asked him to speak to the council regarding installing GPS systems in the Parks & Recreation vehicles and equipment. Currently there are three City vehicles that have a GPS system. GPS has tremendous results in other industries by showing where and what the vehicle/equipment is doing at all times. They offer a valuable tool in terms of planning, logistics and energy savings, and he discussed the options and benefits of GPS technology.

Mr. Stucky invited the council to visit the City shop and he will demonstrate the GPS options in the three vehicles that have it. He said he knows what the vehicles are doing at all times.

Mr. Bender stated it helps the supervisor control the project activities that are scattered around the City and it is beneficial to keep track of employees and equipment. It is a valuable tool to make projects more efficient.

Jon Wilkins asked how many systems are needed, price per unit, how much would the City save, and who will pay for it.

Mr. Stucky said a wastewater vehicle conducted a trial and there was a 5% to 7% savings, which is significant. If the City were to approve the project, the project would need to go out to the public for bidding. The GPS systems that are currently installed in the sewer trucks cost \$150 per unit, and the GPS service will cost \$28 per month per vehicle.

Mr. Bender mentioned the installation is proposed in the budget and will be funded by a grant.

Mr. Ramharter said P&R is requesting 64 GPS units, there is \$15,000 in grant funds and the City will contribute \$4500, totaling \$19,500. The service cost is approximately \$14,000 per year and will be funded from the P&R department budget.

Renee Mitchell asked what kind of vehicles will utilize the GPS units. Mr. Bender replied the maintenance trucks, lawn mowers, and service vehicles.

Ms. Mitchell stated cell phones have a GPS unit installed and asked if they can replace the GPS units. Mr. Bender said the foreman's carry City cell phones, but not the employees.

Mr. Jaffe said if the project is approved, a progress report should be revisited in a year.

Ms. Hellegaard commented there are advantages of knowing if the employees are performing their jobs that they were hired to do, and the GPS system would help cut down on complaints from the public.

Mr. Childers stated this item will be continued for discussion.

PM Discussion:

3. Immunization Clinic Request with Ellen Leahy

Ellen Leahy, Health Department Director stated she is requesting funds from the City to help cover the health department costs, and she is asking the City to fund 60% and the County fund 40%.

She said she was granted an appeal from the Mayor and she returned with additional analysis of the efficiencies of the clinic. She discussed the budget appeal request [memo](#), and the reports and measurements of efficiencies [memo](#).

Ms. Leahy stated certain services continue to rise in demand. The nursing services have increased the referrals by 10% and there have been cuts in that area over time. The immunization clinic has increased 25% in the past five years, and is rising.

The [vaccine for children](#) is a Federal Government funded program that provides the vaccine. They do not provide administrative support and they have a fee limit of what can be charged. The Health department tries to collect the full fee of \$14, and 80% of the patients do pay it, and the rest pay what they can. If they cannot pay, they still receive the immunization.

In 2009, Ms. Leahy reassigned a permanent nurse from the field team into the clinic, because the immunizations are a priority. The budget has been satisfied, but it has been decreasing and the program continues to lose funds. It is difficult to find funding for the half time nurse, and the position is needed, and the funding from the City will cover costs to pay for the nurse.

Ms. Leahy stated service utilization for the immunization clinic makes up 65% of City residents according to the zip code method. At this time there are no County outreaches for immunizations or other options to collect fees.

Ms. Leahy stated the demand for immunizations change every month and the time of day changes also. She discussed the [flow rate per hour](#) chart.

Mr. Childers clarified the original request preferred from the City is 60% and the County will contribute 40%. Ms. Leahy said she requested the City pay all of it, because the research indicated the services were being utilized by City residents.

Ms. Leahy discussed the Health Departments funding.

Mr. Bender stated the request was received late and the City considered the issue and it is understood that the Health department is using their reserve fund of \$1 million. The funds requested have not been included in the City budget.

Mr. Childers clarified the request is 60% of \$37,966 and Ms. Leahy agreed.

Ms. Leahy discussed the County Health department's reserve fund requirement.

Mr. Childers suggests continuing the discussion when more information from the County is available.

4. An ordinance on the proposed City fee increases in the engineering, business licensing, fire inspections and planning divisions of the City. ([memo](#))—Regular Agenda (Brentt Ramharter) (Referred to committee: 04/25/11) Held for further discussion

Mr. Ramharter discussed the method of business license fees and requests raising the minimum gross requirement to be licensed.

Scott Paasch, Finance Department stated the minimum gross amount a business could make without a business license was \$3750 and the amount has been raised to \$6000. Gross wages over \$6000 will require a business license.

Mr. Ramharter discussed the revised changes in the Title 5, Chapter 5.04 [ordinance definitions](#), and mentioned the language has been simplified for clarification for new business owners to understand.

Mr. Ramharter said a comparison was conducted using the FY10 data and a small fee request for engineering fees averages to a 4% increase.

Mr. Paasch discussed the requirements for a new tenant that replaces a prior tenant regarding fire inspections and fees.

Ms. Hellegaard said she received a comment on the Board of Adjustment fee increase, and they were under the impression that the City is trying to restrict access for the public to address the board. Mr. Ramharter stated he is not familiar with the fees, but he will ask Denise Alexander in the Office of Planning & Grants to provide information.

Denise Alexander provided the proposed Board of Adjustment [fee increase memo](#).

Mr. Childers stated there will be further discussion at a later date when information is available.

Fee Increases-Bob Jaffe's proposed changes to business license fees and credit card charges.
Mr. Jaffe stated he will gather more information to discuss this at a later date.

B. Held in committee:

Mayor's presentation of the FY 2012 Budget. ([memo](#))—Regular Agenda (Brentt Ramharter)
(Referred to committee: 03/21/11)

C. Adjournment:

The meeting adjourned at 4:00 pm

Respectfully submitted,

Kelly Elam
City Clerk Office