

**BUDGET COMMITTEE OF THE WHOLE  
CITY COUNCIL CHAMBERS  
140 WEST PINE STREET  
MISSOULA MONTANA  
June 1, 2011, 12:30 pm**

**Members present:** Ed Childers, President; Stacy Rye, Renee Mitchell; Pam Walzer; Dick Haines; Lyn Hellegaard; Jon Wilkins; Bob Jaffe; Dave Strohmaier arrived at 1:30 pm.

**Members absent:** Cynthia Wolken; Marilyn Marler; Jason Wiener.

**Others present:** John Hendrickson, Amy Fisher, Brentt Ramharter, Bruce Bender, Dee Andersen.

**I. Administrative Business**

**A.** Approve committee minutes dated: [May 18, 2011](#) -approved as submitted.

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

**II. Regular Agenda**

**A.** 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)**REMOVE FROM AGENDA**

**MOTION: The committee recommends the City Council adopt a resolution of the Missoula City Council approving the preliminary annual appropriations and the capital improvement program for the city of Missoula, Montana, as set forth in the preliminary fiscal year 2012 budget.**

• **Downtown Police Officer grant funding with Mark Muir**

Mark Muir, Police Chief, explained that last summer the Police Department participated in a program through the BID that paid for a downtown Police Officer. He said it was so successful they approached the BID again this year about continuing the program, but making it a full time position on a year-round basis. They reached an agreement with the BID to fund 50% of the cost of a full-time officer for three years, if the City would match a half-time FTE for the same period. At that time, Chief Muir was unaware of any federal funds available this year for the hiring of a community oriented Police Officer his department would be eligible for.

As it turns out, they are eligible to apply for a position. However, one of the application requirements is that it has to be a new position not previously funded with City funds. Because last year we didn't expend city funds, we are eligible to apply. He requested approval contingent upon grant funding this fall. He is optimistic that since they are qualified, they will receive the grant funding. He said it would allow us to move forward. Until then the BID and Parking Commission are funding the position. We have removed the wages and fringe from this request from the FY12 budget; however, we have left in some one-time costs for that position. It will cost \$11,000 to add a position to the Police Department in uniforms, equipment, and Police Academy training. He said that one of the conditions of this grant is that the City must retain this position for one full funding cycle following the 3 year grant. The fourth year the City has to pick up the cost. In their agreement with the BID, they can carry the funds forward and fund the fourth year retention. He said he would like to amend the Mayor's original request, and request approval of a half- time FTE for 3 years.

Mr. Childers asked if it has been built into the Mayor's budget proposal.

Chief Muir said it's already been modified.

Mr. Childers asked if this position will be available ASAP.

Chief Muir said it is, as we are back filling the position with someone we have who is leaving for the FBI soon.

Jon Wilkins said he supports the position.

Lyn Hellegaard agreed and said this position is a lot better use of our money and she supports it.

Bob Jaffe asked if there a reason it has to be a new hire.

Chief Muir said it won't be a new hire, it's a new position. The BID is helping pick up the slack and we are now using a 5 year officer, but in terms of the Feds, they will only fund an entry level officer.

Mr. Jaffe said if the Mayor's budget has been amended, there should be a revenue side to that. Is there a reduction in taxes?

Mr. Ramharter said it will result in a reduction in taxes, from 3.8% to 3.6%

Ms. Rye asked if this position will patrol the Riverfront Trail Systems.

Chief Muir said yes there are bicycle officers patrolling the Riverfront Trails, but not the downtown officer.

Renee Mitchell asked if this is contingent upon grant funding and when will it be awarded?

Chief Muir said yes, at the end of September. The BID will pay for half and get 7 months of dedicated services from April to October, then the other five months we can use the position in varying capacities.

Mr. Childers asked what they can do with the excess \$2,600 from this.

Chief Muir said at the end of the four year period, we projected there would be an excess of \$2,300 of funds.

Mr. Ramharter said it will need to be utilized toward police efforts per the grant.

Chief Muir said we could reduce the bill to the BID and Parking Commission to balance it out.

**Fee Increase Proposal:**

Scott Paasch, Finance Department, stated that in working with the City Attorney's Office, they amended the business license ordinance to include breweries, distilleries, and wineries. The other change was initiated by Pam Walzer and Ed Childers in the definition of a business and we increased the minimum monetary threshold from \$3,750 to \$6,000.

Mr. Jaffe said there were some things he wanted to get together for this discussion and hasn't had time but doesn't want to hold things up so he will let it go.

Mr. Ramharter said on the engineering fees, we have changed the effective date to October 1, 2011 as was requested by the committee.

Ms. Rye moved to approve the proposed fee schedule.

**Public Comment:**

John Hendrickson said in these tough economic times you're trying to balance the budget again on the business community. Some of these are not on the business community, but on private individuals where fees are being increased from \$441 to \$1,000. Contractors are facing tough times and this will be passed on to the community in the hundreds if not thousands of dollars.

He thinks in this climate you should be looking into a moratorium on Impact Fees to reduce the price of a house to stimulate the housing community. If you can do that and get 2-3 houses built a month, they will come into the tax roles as revenue and he thinks the City is shooting themselves in the foot. He said he doesn't understand why the City is raising fees.

Amy Fisher said she was speaking on behalf of the Missoula Organization of Realtors. She referred to a letter that was sent to the Council regarding the fee increases and property tax increases. She said the cumulative effect of these increases make it difficult to live here. She said

she did not renew her personal business license this year as it went from \$55 to \$75 and the cost is just too much. She said she doesn't have any employees or a business location, just a small side business. How many others have not renewed their business licenses because of the increase? There are only so many people to pay these increased taxes and fees, there is not much industry here and we only have so much money and you can only continue to tax them so much. We have reached max capacity. She pays more than \$4,000 a year on property taxes and urged the committee to find ways to cut costs and not raise fees.

Mr. Childers stated that under the new fee schedule that some business license renewals will be going down and asked Mr. Paasch to explain.

Mr. Paasch said to renew a home-based business under the new fee schedule; the cost will be \$53, so it is in fact going down.

Ms. Walzer asked about the various renewal dates and when the fees will take effect.

Mr. Paasch said the fees being charged this year for FY11 were adopted last August. The new fees will take effect for existing licensed businesses when we renew their license starting on January 1, 2012.

Ms. Walzer confirmed that the only ones that will pay the new higher fee after July 1 are the new business, which the study identified as more time consuming therefore more costly.

Mr. Paasch agreed.

Lyn Hellegaard asked if we do this fee increase for licensing and permits, are we going to be recouping 100% of the cost.

Mr. Ramharter said yes, with the exception of planning.

Ms. Hellegaard said if that is true then we are double dipping as we are raising fees to cover the employees wages and also get their wages through property taxes and she is wondering where the money is going, because you are collecting twice for the same expense.

Mr. Childers stated we don't charge a permit for Council work, or the Finance Directors work or Fire or Police's work.

Ms. Hellegaard insisted that the City is collecting twice for the specific employees salaries who issue these permits.

Ms. Rye said no we are not, we have very few employees that are here just to only issue a permit, the only departments she can think of would be the Building Department and there was staff reduction as a result of the economic downturn.

Mr. Ramharter said in his department people are funded through various funding streams. Ms. Hellegaard's interpretation is wrong.

Ms. Rye stated that we don't have employees that just appear to only issue a permit and then disappear when it's done. If we don't charge 100% of the fee for businesses' to conduct business, then citizens have to pay for that. At this level, we can't hide the cost of what it costs to provide government. From what she hears from citizens, they want more parks and trails and fewer dandelions. She doesn't hear we can't and we shouldn't, we want more. For the most part her constituents are very realistic about how you pay for these services. We pay into something collective and we get collective services. And someone paying \$4,000 for property taxes has a house that is worth twice that of a median household which would be \$400,000.

Ms. Mitchell said she doesn't see a lot of new permits being issued so she feels we won't generate enough revenue to make a difference. If a person is living in a \$400,000 house and it's paid for, it doesn't mean they are making more money it means they're probably paying twice the taxes. She said she will not support this.

Mr. Wilkins said what he hears is don't raise taxes. His continuants don't believe they are getting the bang for their buck. He said he does think there are places in the budget we can cut without hurting services, they have been suggested and it always falls on deaf ears. He said the timing is bad right now and people are hurting. He said the value of his own house went down but his taxes haven't gone down. Every block in his neighborhood has a house for sale. He is uncertain if he will support this. He knows we need to recover our costs, but he thinks we may be putting too much on the tax payers. He said the money we spend could be better utilized.

Ms. Walzer said maybe it would be helpful to see how much property taxes would increase if we charged no fees at all. She asked Mr. Ramharter what that would do to our mills. She said we continue to hear from fellow Council members that we don't want to raise taxes or we will put senior's citizens out of their homes. The concern there is that she is not sure that the average senior citizen would like to subsidize the local tattoo parlor's business license out of their property taxes. She also reminded everyone that we can only use certain funds for specific uses. We can't use FWP money for maintenance on McCormick Park. We can't use CTEP money to purchase playground equipment.

Mr. Ramharter said it would increase 4 mills or 1.5%.

Ms. Hellegaard said we are not saying cut these fees completely. What you have failed to hear is that we want to take some time and set some priorities.

Ms. Hellegaard called for the question.

Upon a voice vote, to end debate, the motion failed with Walzer, Childers, Haines, Rye and Jaffe voting nay.

Mr. Jaffe asked which things we should cut. He said he is open to reviewing programs to make eliminations. He said the general tone is that there are inefficiencies and he understands the frustration.

Ms. Walzer said she appreciates the referral system we have in place. We have all year long to try and make changes to procedures and policy, but it seems like every year during budget deliberations is the only time is when Council members talk about bringing forth change. As soon as the budget is done, the heated topic's seems to disappear. She said she can't understand how anyone could say we are double dipping, the math just does not add up.

**Public Comment:**

John Hendrickson said when anyone talks of cutting the budget it always goes straight to Fire and Police and he is tired of that. He said once we reach 100% for recouping the fees how will we balance the budget next year? He said appraisals are on the downward trend.

Amy Fisher said she understands what the committee is saying, the people who issue the permits, it's only a small part of their job. No one is talking about health insurance cuts, she said she knows of no other insurance that has a \$300 deductible, and she herself has no insurance.

Upon a voice vote to adopt fee increases, the motion passed with Wilkins, Hellegaard, Haines and Mitchell voting nay.

**Tickler List Discussion:**

**GPS:**

Mr. Bender said there was extensive discussion on the GPS units and a written explanation from Ms. Gaukler. He said it is a tool to increase productivity and reduce fuel costs. It is a very logical way to proceed and the cost is minor in a \$2 million dollar operation.

Mr. Jaffe said it is a tool and asked if we have someone to analyze the data.

Mr. Bender said the data will be available on a website. Management can see where the vehicle is and where it has been. He said he saw it used in San Diego to inform the public where the street sweepers were and where they were headed next. It can be used for snowplows as well.

Mr. Jaffe is suspicious but will support it.

Mr. Strohmaier said he is still a little iffy on this. He said something doesn't sit right, he knows we have to keep track of our employees but it seems like spying. How will this improve efficiency?

Ms. Walzer said she thinks it is a good idea and doesn't think it is infringing on employees rights. It's not easy to fire or reprimand someone based on hearsay. She thinks it's an important tool to have.

**Problem Bears and Dogs:**

Ms. Walzer said she appreciates there is no identified funding for problem bears and dogs, but she would like a place- holder for this unfunded item. She asked if it is easier to do a budget amendment for this.

Mr. Bender said a grant is the most flexible.

Ms. Walzer said it could be easier to get a grant.

Mr. Bender said there would have to be a grant available, and if you know the grant criteria you could develop the job qualifications around that.

Mr. Strohmaier said he thinks the time has come for urban wildlife issues to be extracted from the Animal Control budget and placed in the Parks or Police Department.

Ms. Rye suggested a referral to conservation. There is a lot of potential savings.

**Immunization Clinic:**

Mr. Childers commented that the immunization clinic is waiting on the County budget, right?

Mr. Bender said yes, they are developing their preliminary budget.

Ms. Hellegaard said she doesn't know why we continue to pay the janitorial on the art museum. If it is between the janitorial contract and immunization for kids, her vote is for the kids.

Mr. Childers stated we have a janitorial contract.

Mr. Jaffe said the health department can pay out of their contingency fund.

Mr. Bender agreed.

**B.** 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) **REMOVE FROM AGENDA**

**C.** An [ordinance](#) amending Title 5, Missoula Municipal Code, entitled "Business Licenses and Regulations" Chapter 5.04 entitled "Definitions", Chapter 5.08 entitled "Licensing Provisions Generally," Chapter 5.20 entitled "Junk Dealers", Chapter 5.24 entitled "Pawnbrokers," Chapter 5.28 entitled "Secondhand Dealers," Chapter 5.40 entitled "Boiler-room Operations," Chapter 5.52 entitled "Liquor," and Chapter 5.90 entitled "Devices Depicting Sexual Activity" adjusting and/or increasing the fee provisions in each chapter's fee section in accordance with the results of an official 2010 fee study commissioned by the City of Missoula. ([Proposed Ordinance Amendments](#)) ([Memo](#)) ([BCOW](#)) (Returned from Council floor: 05/23/2011)  
**REMOVE FROM AGENDA**

**MOTION:** The committee recommends the City Council adopt an [ordinance](#) Amending Title 5, Missoula Municipal Code, entitled "Business Licenses and Regulations," chapter 5.04 entitled "Definitions," chapter 5.08 entitled "Licensing Provisions Generally," chapter 5.20 entitled "Junk Dealers," chapter 5.24 entitled "Pawnbrokers", chapter 5.28 entitled "Secondhand Dealers", chapter 5.40 entitled "Boiler-Room Operations," chapter 5.52 entitled "Liquor", and chapter 5.90 entitled "Devices Depicting Sexual Activity" adjusting and/or increasing the fee provisions in each chapter's fee section in accordance with the results of an official 2010 fee study commissioned by the City of Missoula.

- D. An [ordinance](#) to amend portions of Missoula Municipal Code Chapter 8.40 entitled “Hazardous Vegetation and Nuisance Weeds”, Chapter 12.04 entitled “Street Vacation”, Chapter 12.12 entitled “Curbs, Sidewalks, and Paving”, Chapter 12.14 entitled “Right-of-Way Occupancy Permit”, Chapter 12.24 entitled “Excavations”, Chapter 12.30 entitled “Fences”, Chapter 13.06 entitled “Industrial Wastewater”, Chapter 15.38 entitled “Accessibility”, Chapter 15.65 entitled “Grading, Drainage, Erosion Control and Storm Water Pollution Prevention Plan (SWPPP)”, pertaining to fees. ([Proposed Ordinance Amendments](#)) ([Memo](#)) ([BCOW](#)) (Returned from Council floor: 05/23/2011) **REMOVE FROM AGENDA**

**MOTION:** The committee recommends the City Council adopt an [ordinance](#) of the Missoula City Council amending portions of Missoula Municipal Code chapters 8.40 entitled “Hazardous Vegetation and Nuisance Weeds”, chapter 12.04 entitled “Street Vacation”, chapter 12.12 entitled “Curbs, Sidewalks, and Paving”, chapter 12.14 entitled “Right-of-Way Occupancy Permit”, chapter 12.24 entitled “Excavations”, chapter 12.30 entitled “Fences”, chapter 13.06 entitled “Industrial Wastewater”, chapter 15.38 entitled “Accessibility Standards”, chapter 15.65 entitled “Grading, Drainage, Erosion Control and Storm Water Pollution Prevention Plan (swppp)”, pertaining to fees.

- E. A [resolution](#) to increase fees for services related to the review and processing of land use applications pursuant to city adopted regulations pertaining to zoning, subdivision and floodplain services based on the 2010 cost of services study. ([Memo](#)) ([BCOW](#)) (Returned from Council floor: 05/23/2011) **REMOVE FROM AGENDA**

**MOTION:** The committee recommends the City Council adopt a [resolution](#) of the Missoula City Council increasing fees for services related to the review and processing of land use applications pursuant to city adopted regulations pertaining to zoning, subdivision and floodplain services based on the 2010 cost of services study.

- F. An [ordinance](#) to amend Title 8, Missoula Municipal Code, entitled “Fire Inspection Fees” section 8.50.010 entitled “Establishment of Fees” and section 8.52.020 entitled “Manufacture in City Prohibited—Permit for Sale or Discharge” increasing the inspections fees and establishing fees for pyrotechnic/fire performance permits in accordance with the results of an official 2010 fee study commissioned by the City of Missoula. ([Memo](#)) ([BCOW](#)) (Returned from Council floor: 05/23/2011) **REMOVE FROM AGENDA**

**MOTION:** The committee recommends the City Council adopt an [ordinance](#) amending title 8, Missoula Municipal Code, entitled “Fire Inspection Fees” section 8.50.010 entitled “Establishment of Fees” and section 8.52.020 entitled “Manufacture in City Prohibited - Permit for Sale or Discharge Increasing the Inspections Fees and Establishing Fees for pyrotechnic/fire performance permits in accordance with the results of an official 2010 fee study commissioned by the City of Missoula.

- G. An [ordinance](#) to amend Title 12, Chapter 12.58 entitled “Special Event Permits” establishing section 12.58.035 to establish a fee for holding special events in accordance with the results of an official 2010 fee study commissioned by the City of Missoula. ([Memo](#)) ([BCOW](#)) (Returned from Council floor: 05/23/2011) **REMOVE FROM AGENDA**

**MOTION:** The committee recommends the City Council an [ordinance](#) amending title 12, chapter 12.58 entitled “Special Event Permits” establishing section 12.58.035 to establish a fee for holding special events in accordance with the results of an official 2010 fee study commissioned by the City of Missoula.

### III. Adjournment

The meeting was adjourned at 2:00 pm

Respectfully submitted,

*Dee Andersen*  
Administrative Secretary