

**BUDGET COMMITTEE OF THE WHOLE  
CITY COUNCIL CHAMBERS  
140 WEST PINE STREET  
MISSOULA MONTANA  
May 20, 2009, 3:00pm**

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

**Members absent:**

**Others present:** John Engen, Brentt Ramharter, Kaila Szpaller, Donna Gaukler, Bruce Bender, Ginny Miriam, Jilayne Lee, Dee Krevey, Jim Hausauer, Christian Hauser, Andrea Lutz.

**I. Administrative Business**

A. Approve committee minutes dated: [October 29, 2008](#) approved as submitted.

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

**II. Regular Agenda**

A. Resolution fixing the annual appropriations for the Fiscal Year 2010 budget ([memo](#)).—Regular Agenda (Brentt Ramharter) (Referred to committee: 04/20/09)

Mayor John Engen introduced the Fiscal Year 2010 Preliminary Budget and highlighted the following items as stated in the [Mayors handout](#)

- Revenues
- General Fund Balance
- Expenditures
- Other Significant Budget Recommendations
- Items for the future.

He also provided handouts titled [Baseline Reduction Forms](#), [General Fund Budget Reductions](#) for FY10 and [Mill Levies Sheet](#).

Stacy Rye asked Mayor Engen why Street Dept, Fire Dept and Cemetery did not come up with reductions.

Mr. Engen replied that they had revenue offsets, if they can produce revenue that is as good as a cut.

Bruce Bender, Chief Administrative Officer, added that the Street Department is doing additional work with the State and with Missoula Redevelopment Agency and are generating additional revenue. Fire Department obtained a grant and Cemetery has the Cemetery Care Fund.

Pam Walzer asked if the City's entire contribution to the health insurance plan for employee's coming from outside the levy cap.

Mr. Ramharter explained the City is required by law to maintain two health insurance levies, one is actually general fund monies within the cap, and the other is called a permissive levy, which is at the discretion of the Council and is outside our levy cap. 13.5 mills, nearly \$1.4 million dollars was levied within our levy cap for health insurance, which is actually general fund support. For six years, we have had a net income, so we are proposing to reduce the contribution by the amount of the net income and probably won't damage the fund balance much. In FY08 the net income for the plan was \$4.2 million and the actual expenses were \$3.7 million resulting in a net income of \$493,000.

Ms. Walzer if we are reducing the health plan contribution by \$100.00 per employee is that coming from the inside or outside the levy cap.

Mr. Ramharter replied inside the levy cap.

Mr. Engen added that we levy far more than any comparable Montana community.

Mr. Walzer commented that the Employee Benefit Committee (EBC) is not in support of this, employees realize there have been some reductions in benefits and deductibles have increased. The EBC would like to get some of those benefits back for the employees. There is a concern that this will be a trend.

Mr. Engen replied that he appreciates the concerns, and is very proud of this health plan and what the employees have given up to make the plan whole, but pointed out that people are losing their jobs and we have to balance the budget. He said this year he needs our support. He said the health plan is exceptional and the City's contribution is over \$670 per month per employee and the employee's contribution is \$10 per month.

Ms. Walzer wants it recognized that it's not just the City's contribution but the employee's loss of benefits that has made this plan grow.

John Hendrickson asked about asked about item #3 on the Mayors handout under Revenues and asked how the \$263,000 is funded.

Mr. Engen explained that it is funded through property taxes, but it's not a net increase. We collect more taxes for general fund but reduce taxes in the other two levy categories.

Mr. Hendrickson asked about the proposed cost of living pay increases for non-union employees.

Mr. Engen clarified that the employees below the midpoint in their pay scale will get a three percent increase, and the 30 employees who are at their midpoint will only get a one percent pay increase.

Ms. Rye asked who determines if the mills go up or down.

Mr. Ramharter replied the Department of Revenue makes that determination.

Ms. Rye commented that the budget is very lean this year, yet the cost of providing services continue to go up, she expressed concerns for future budget years and the potential need to raise taxes to provide those services.

Mr. Engen stated he doesn't propose to budget this way over a long term period, it reflects a downward turn in the economy.

Mr. Bender asked if the committee would review the budget details over the next week and if needed, request specific departments to provide further explanation.

Ms. Rye stated that she would prefer to have had each of the department's review their budget with committee in person as they have done each year.

Ms Walzer asked if Council has budget reductions.

Mr. Childers said that Council could forego attending League of Cities and Towns.

Mr. Strohmaier supported the idea of not taking a pay increase.

Mr. Jaffe disagreed and pointed out that Council is paid very low for the job they do. He asked for the detailed breakdown of departmental expenses.

Mr. Ramharter said he would send Council a link to the FTP directory with the detailed spreadsheets after the meeting.

Mr. Childers suggested the committee review the budget detail and bring the departments in for further explanation if needed.

**III. Held in committee**

**IV. Adjournment**

The meeting was adjourned at 4:15pm

Respectfully submitted,

*Dee Krevey*

Administrative Secretary