

**BUDGET COMMITTEE OF THE WHOLE
CITY COUNCIL CHAMBERS
140 WEST PINE STREET
MISSOULA MONTANA
April 11, 2012, 2:50 pm**

Members present: Marilyn Marler, President; Caitlin Copple, Ed Childers, Alex Taft, Adam Hertz; Jason Wiener; Dick Haines; Mike O'Herron, Cynthia Wolken; Dave Strohmaier; Jon Wilkins arrived at 3:35 pm; Bob Jaffe.

Others present: Mayor Engen, Joe Nickell, Steve Mamer, Breanna Roy Scott Paasch, Brentt Ramharter, Bruce Bender, Ginny Merriam, Steve King, Dee Andersen.

I. Administrative Business

A. Approve committee minutes dated: [March 23, 2012](#). Approved as submitted.

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

II. Regular Agenda

A. Presentation of Mayor's FY 2013 Budget to Council. ([memo](#))—Regular Agenda (Brentt Ramharter) (Referred to committee: 03/26/12) **REMOVE FROM AGENDA**

Council President Marilyn Marler said that the Mayors budget presentation to Council is the first step in an ongoing process. She said this year; Council wants to be more productively engaged in the budget process from the start.

Mayor Engen read through the [Introduction to the FY13 Budget](#) that was provided. He thanked the many volunteers throughout the City who make our community a better place to live.

He highlighted the following points in the General Fund:

- *The Administration is estimating new tax revenue from growth in our tax base to be \$350,000.*
- *A proposed 3.28% increase in our City tax levy, to largely fund wage increases for contracted employees.*
- *Last year was the first increase in our General Fund Levy in two years. In FY10 and FY11, we reduced our operating budget by a total of 6%.*

Outside of the General Fund:

- *The Administration is proposing an additional \$250,000 to be levied in the health insurance fund. Unprecedented claims over the last two years have eroded the plan's rainy-day fund, but by end of FY13 we should be even or ahead. A onetime transfer of \$350,000 will also be made in FY13 to assist in rebuilding the fund balance. (\$100,000 of one time funds will be brought forward from FY12 plus \$250,000 of new funds here)*
- *To continue the policy of cost recovery, a 4% increase is proposed for business licensing, engineering and certain fire inspection services. It is anticipated in generating up to \$152,000 in FY13.*
- *A dramatic change in the way Municipal Court is managed will generate an excess of \$500,000 in fines and surcharges in FY13 compared to the preceding year.*
- *For the Capital Improvement Program, The Administration is recommending General Fund support of \$1,024,913.*

In summary, Mr. Engen said the general fund proposed revenue will fund an estimated \$46.1 million of expenses. The Building Inspection Division has continued to recover as economic conditions improve. Impact fees are expected to generate about \$900,000 of revenue for FY13, the same amount that is expected for FY12. To date, about \$617,000 has been collected in impact fees. For at least one more year all funds collected at the Missoula Cemetery are proposed to be deposited into the general fund, to shore up the reduced revenues experienced over the past three years. In FY13, for GO Bond debt service the City will levy slightly less than

in FY12 (15.51 mills compared to 15.74 mills in FY12) this slight reduction, added to the general fund and health fund increases, represents a total levy increase of 3.28% percent for FY13. With the increase in special district levies, the owner of a property valued at \$225,000 will pay an additional .08 cents per day in City taxes. (Approximately \$30 per year.)

Dave Strohmaier asked the Mayor to explain the \$500,000 revenue increase in Muni Court.

Mayor Engen said basically the Judge is fining people and collecting the money. Judge Jenks and Court Administrator, Tina Schmaus have set consequences for not paying your fines and people don't like losing their driver's licenses.

Bruce Bender said the critical issue is a nearly 5 year back log of issues not addressed and people are coming in and paying those fines.

The committee discussed tax increment growth and urban renewal districts.

Alex Taft wanted to know why the Parking Commission revenue has gone down and where the estimates came from.

Mr. Ramharter stated that with the Parking Commission, we took a conservative approach. We estimated the 2nd half of this year's revenue was a little less, as their debt service is higher than in most years, due to the new parking garage.

Caitlin Cople would like to get a timeline for the health insurance piece.

Mr. Bender said they are waiting for the Employees Benefit Committee to make recommendations and then set a schedule and bring some things forward. We are trying to control cost increases as it is difficult to reduce them.

Scott Paasch referred the committee to the general fund enhancements sheet on the FTP site, and showed them how to navigate through the various budget documents.

Ms. Marler asked about staff presentations.

Mr. Ramharter said that once the committee reviews the budget documents and go over the details, if needed we can bring in specific staff members from various departments.

Mr. Bender discussed how the budget team categorized the new requests to be funded and made their budget recommendations.

Mr. Engen stated that if any new Council members have questions please contact Mr. Ramharter, Mr. Paasch, Mr. Bender or himself.

Jason Wiener requested the general fund all appropriations spreadsheet.

Mr. O'Herron requested a spreadsheet with the property tax increase and how much each tax payer would pay on a \$225,000 home.

Mr. Wiener wanted to look at the total Parks Department revenue from a wide variety of sources. He wants to know what those sources are. He is interested in digging in to the revenue sheets.

Mr. Ramharter said staff will be getting everything out on the FTP server and on the web as soon as possible. He indicated it would be a week before the non-General Fund revenue sheets would be posted.

III. **Adjournment**

The meeting was adjourned at 3:58 pm

Respectfully submitted,

Dee Andersen
Administrative Secretary