

**BUDGET COMMITTEE OF THE WHOLE
CITY COUNCIL CHAMBERS
140 West Pine Street
Missoula, Montana
May 30, 2012, 1:05 PM**

I. Administrative Business

Members present:	Jason Wiener, Dave Strohmaier, Alex Taft, Bob Jaffe, Jon Wilkins, Mike O'Herron, Dick Haines, Marilyn Marler, Ed Childers
Members absent:	Cynthia Wolken, Caitlin Copple.
Others present:	Kelleen Roseboom, Jim Nugent, Gail Verlanic, Jil Lee, Cynthia Winchell, Brentt Ramharter, Scott Paasch, Bruce Bender, Steve King, Kevin Slovarp, Dee Andersen.

II. Public Comment on Items not Listed-none

III. Regular Agenda

A Budget for Fiscal year 2013

Recommended motion: Discussion Only - No Action Required

Brentt Ramharter, Finance Director said Kelleen Roseboom and Jim Nugent from the City Attorneys Office have a staff request not included in the original budget.

Ms. Roseboom said recent changes in Municipal Court have brought in compliance and restitution cases to our office which has created a new workload.

Marilyn Marler asked for the complete costs and m asked if Mayor Engen and Mr. Bender have seen the new request.

Mr. Ramharter said the Administration is supportive of the new request.

Ms. Marler said it's a request for \$57,000.

Mr. Paasch directed the Committee to which documents were being reviewed.

Alex Taft said he was in support of this as the court is making our community safer with the new direction and it pays for itself.

Mr. Jaffe said he doesn't understand how a new request not in the original budget could cover the \$57,000 and not need funding.

Mr. Ramharter said he will provide the backup for Mr. Jaffe's question by the next meeting.

Mr. Jaffe asked if we are we reducing our fund balance.

Mr. Bender said in order to sustain the workload we are creating in the courts this is necessary.

Ms. Marler asked if this dollar amount is within the margin of error we build into the budget.

Mr. Jaffe stated now there is additional increases in expenses, so how does this work?

The Administration said they will provide the financial details next week.

The committee discussed the best way to amend the budget.

Ms. Marler asked if this new request is now a part of the budget.

Mr. Ramharter said no, not yet.

Ms. Roseboom said the Compliance Legal Assistant is currently in the budget. We will get the final word in June as to how much grant funding will be available for this position, but it will likely be about \$23,000 less than in the preliminary budget.

Ms. Roseboom identified the requested court improvements as two laptops that will be replaced with thin clients and will be dedicated to the Court rooms.

Jil Lee, EBC Committee, discussed the Health Plan proposals.

She said in total there were six proposals to consider. She reviewed the Health Plan proposals, the EBC recommendations, the Administrations recommendations and how the EBC voted on the Administrations recommendations. In summary, EBC voted to increase spouse premium for those who have other health insurance options. Implementation would start in FY14 so spouses have time to enroll in the alternative program. They also voted to approve the concept of raising the deductible and allowing credits toward deductible if participant meets certain benchmarks; with specifics to be developed by the EBC with assistance from the City, Allegiance and the City's Wellness Coordinator, It Starts With Me. Education and screenings in FY13 would be done to achieve credits toward deductible in FY14.

The committee discussed the decline of the Health Plan Fund balance.

Ms. Lee said some of the factors that contributed are a substantial increase in utilization and increase in medical costs.

Mr. Wiener asked if Ms. Lee could quantify the increase of utilization.

Ms. Lee said we can look at total claims and compare that.

Mr. Ramharter said as of the end of April we are \$1.3 million ahead of the prior year. The Administrations approach is to develop a package. When we get this info we can provide Mr. Wiener with some analytics.

Mr. Strohmaier asked if the savings proposed has been realized with the new CVS Pharmacy Prescription plan. He has heard many concerns from retirees and would like EBC's take.

Ms. Lee said it saves the plan \$100,000 annually.

Mr. Ramharter said if we didn't have that pricing in place we would be up over \$100,000 in costs.

Mr. Wilkins stated that the new plan really guides you to using more generic drugs and when he tried to switch to a generic it was not as effective for him.

Gail Verlanic, Human Resources Director, discussed the cost of having a spouse on our insurance.

Mr. Wiener asked where the EBC Board minutes are filed.

The committee discussed the participants on our plan and how many use the health screenings to achieve a lower deductible. They also discussed the retirees and Medicare.

Mr. Childers is pleased with the recommendations.

Ms. Marler reviewed the sidewalk presentation and based on the recommendations of the sub-committee proposed a new way to assess sidewalk and curbs. They call it the Health Insurance Model. Everyone would pay \$17 a year and when it comes to your house you pay a \$300 deductible with a \$2,000 max out of pocket scenario. Then the city would pay excess of that and afterward it would go to property owner;

Mr. Bender reviewed the spreadsheet provided and stated the typical assessment is about \$4,500. We are trying to determine a base. What is a reasonable burden for a sidewalk assessment? If you use the health care model, you are forgetting there is a dollar amount at the end that doesn't need help.

Mr. Wiener stated that it's a reasonable burden only because people are getting smacked with large assessments. He is not convinced that this is a wise path. He wonders if the Administration could provide a way to look back and lighten the heavy burdens.

Mr. Jaffe agrees with Mr. Wiener. The norm being the average because it's what has been charged. The general principal should be to pay for most of the sidewalks from public funds with participation from the owner. In essence, the Administration's proposal is reversed with most of the funding coming from the property owner and a small amount coming from public funds.

Alex Taft said he is interested in moving toward a public cost shared by all tax payers and this way seems a shift away from that. How many people are affected by this? Are your numbers lower for the actual mill levy? He would like to see the numbers move closer to the health care model to share the burden equitably.

Mr. Childers said if one accepts that the sidewalks are for the public good and rejected the fact that the person who lives next to the sidewalk should pay for them. He would support the proposal on the health insurance model they are both compromises. Everyone uses it and everyone should pay for it.

Steve King, Public Works Director, said we have a work plan at the beginning of the year. We need somewhat of a conservative approach.

Mr. Strohmaier said he is not entirely convinced on the reasonable burden, and he is not ready to end the discussion.

Mr. Hertz said he tends to support the Administration's proposal. Its not quite as harsh and easing into it may be a better way.

Ms. Marler did not agree with all of it but said something can be done in between. She stated that a lot of the neighborhoods that have no sidewalks are mixed and low income individuals. There is more room for discussion. She suggested the assessments would start in FY14.

The committee discussed the potential problems with assessing projects next year for the work done this year and how that could be managed.

IV. Adjournment

The meeting was adjourned at 3:05 pm

Respectfully submitted,

Dee Andersen,
Administrative Secretary

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