

**BUDGET COMMITTEE OF THE WHOLE  
CITY COUNCIL CHAMBERS  
140 WEST PINE STREET  
MISSOULA MONTANA  
June 6, 2012, 2:05-4:00 pm**

**Members present:** Marilyn Marler, President; Caitlin Cople, Ed Childers, Alex Taft, Adam Hertz; Jason Wiener; Dick Haines; Mike O'Herron,; Dave Strohmaier; Bob Jaffe.

**Members absent:** Cynthia Wolken, Jon Wilkins.

**Others present:** Doug Waters, Sharee Fraser, Brentt Ramharter, Scott Paasch, Jil Lee, Gail Verlanic, Bruce Bender, Dee Andersen.

**I. Administrative Business**

**A.** Approve committee minutes dated: [May 30, 2012](#) and [May 23, 2012](#).-approved as submitted.

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

**II. Regular Agenda**

**A.** Approve the preliminary budget for Fiscal Year 2013 inclusive of the Fiscal Year 2013 capital improvement program, the TBID and BID budgets and work plans, Park District #1 and Road District #1. ([memo](#))—Regular Agenda (Brentt Ramharter) (Referred to committee: 04/16/12)  
**HOLD FOR DISCUSSION**

Brentt Ramharter, Finance Director, explained that revenue projections just are estimates. He said the Administration feels confident that they can expand the budget to include the Attorneys Department request and the fringe with the tax increases kept the same.

Ms. Marler asked for more explanation.

Mr. Bender said we can fund the Attorney's request of \$81,390 total by increasing fees by that exact amount so it will be matched.

Ms. Marler said that as of now, the budget is balanced before we go through the tickler list and make any changes.

Mr. Bender and Mr. Ramharter agreed.

Gail Verlanic referred to the [Health Plan Design Changes](#) spreadsheet provided by Mr. Ramharter. She gave a detailed background on the Health Plan and changes that have occurred over the last decade.

Jason Wiener said there is more to the story that is not being told with these numbers. He said the City's contribution has doubled in a decade, the deductible has quintupled. He is interested in how the City Plan has changed overtime within the health insurance marketplace, and how the cost share between the City, the public and employees has changed over time.

Mr. Bender said you might look at the average percentage of the increases. The employee contribution has gone up the most. It doesn't take in the loss of a higher deductible or determine the value of how we reduced the benefits.

Mr. Jaffe wanted clarification on the one time transfer.

Mr. Ramharter said the City has done this several times. It is a General Fund reduction of fund balance to help stabilize the fund.

The committee discussed the different variables on the spreadsheets provided.

Mr. Jaffe suggested separating the employee from the retiree in the data.

Mr. Childers said health insurance is part of the City's compensations for the employee's labor. When he first started it was free for employees and now it's a couple of thousand a year for a family. The EBC has done its best to keep the cost down and he supports their efforts and health insurance for the employees.

Adam Hertz asked if you could have different contributions for union and non-union employees.

Mr. Bender said that would be non equal treatment between employees and very bad for moral.

Mr. Hertz asked what kind of yearly dollar amount would be gained if we increase the employee's contribution by \$3-5.

Ms. Verlanic stated that law requires we offer the same plan to everyone. You could tier it and have different options with different deductibles.

Mr. Bender said we are at the cap with Fire and we would have to reopen their contract for negotiation. He said he proposed a \$50 increase to the deductible but EBC suggests increasing the deductible to \$1000 and give credits to lower it.

Mr. Hertz asked when was the last time the City did an analysis on whether it's still beneficial to be self funded.

Mr. Bender said we looked at going with MMIA and the costs were doubled and not enticing. It would be much more costly to do so now.

Mr. Ramharter said we can always go back and look again at that, but we want to get our plan back in order and be in a good position to do that.

Ms. Marler asked Mr. Ramharter what we need to do as far as the revised budget resolution. She referred to section five.

Mr. Ramharter said he added it to the resolution. Section five, item 4 deals with pricing and will come back to council. In section five, item five, the Administration has recommended the phase out of City subsidy for the retirees, spouses and dependents. The EBC did not agree.

Ms. Marler discussed the phase out and asked for The Council to respond.

Mr. Childers said the Administration has been trying to phase this out for a long time. They don't like the idea that once you retire the City has some obligation and maybe they are right. One thing to consider is to apply the same rational to retirees/spouses as to the health plan and that would be if they have another retirement plan available the City would become secondary. He is hesitant to reduce the retiree subsidy. People have accepted the health insurance as part of their compensation and it seems like a dis-service.

**Mr. Childers moved to strike item 5 from section 5 on the revised budget resolution**

The committee discussed the gap when some employees retire and when they can collect Medicare.

Ms. Marler asked Ms. Jil Lee, EBC Chairperson to speak on the motion.

Ms. Lee said the committee would need to look at it during their next meeting.

Mr. Wiener asked how many plan participants does the \$93,000 cover

Ms. Verlanic said there are 62 retirees; about 120 total with spouses and children.

Mr. Wiener said that is a net increase of \$250 per participant, \$20 per month. He said these people are on a fixed income.

Caitlin Cople supports the motion to strike item five.

Mr. Wiener opposes the motion because the alternatives have not been presented to the EBC.

Mr. Hertz said he is not supporting it. He wished they could phase this out slower and will support the phase out.

**Mr. Childers moved to table his motion until the EBC could discuss it.**

**Upon a voice vote, to table the motion to strike item five from section five on the revised FY13 budget resolution, the motion carried with Hertz voting nay.**

Item number one on FY13 tickler list was \$33,000 for a lobbyist.

**Mr. Haines moved to eliminate it from the FY13 budget.**

He said this is for the Mayor not for us.  
The committee discussed their opinions on the lobbyist.

Mr. Wiener called the question.

**Upon a voice vote, to remove the \$33,000 for the lobbyist from the FY13 budget, the motion failed with Marler, O'Herron, Wiener, Taft, Copple, Strohmaier, Jaffe and Childers voting nay.**

Item two on the tickler list is the Cemetery Care Fund.

**Ms. Marler moved to accept the FY13 budget as recommended by the Administration with a split of 10% to the Care Fund and 90% to the General Fund**

Mr. Childers said it is a bit unusual for a City Department to fund its own capital from a fund that it's not being given funding to create.

Mr. Ramharter said Administration would like to fund the equipment replacement the Care Fund and their other projects within the CIP.

Mr. Childers asked if this is something that may need more discussion outside of the budget context.

Mr. Bender said the Cemetery is working on a revision of the ordinance. That would be a way to outline specifics and obligate them.

Doug Waters, Cemetery Director, stated that this whole process started because cemetery equipment does not qualify for the CIP criteria. The bottom line is the cemetery has the money to fund the equipment they require. We have equipment needs to FY23. He said he can't do an ordinance change because he is not sure what the Council wants. He handed out a 3 page [document](#) outlining the various splits of the Care Fund with the Administration.

**Ms. Marler withdrew her motion to accept the Administrations proposed FY13 budget because we don't need a motion to keep the budget as it is. She moved to direct staff to revise the ordinance to reflect a 50-50 share of the Care Fund** di

Mr. Bender said a lot of departments struggled through the CIP scoring process, even the Street Department. Six years ago we created a core equipment replacement schedule that was reasonable and funded it. He feels anything beyond the core equipment for Cemetery should go through the CIP just like any other departments.

Mr. Jaffe asked why it is not handled through our Master Lease Program.

Mr. Bender said If you got rid of the Care Fund completely, that is where it would be.

Mr. Jaffe said we have made changes to the CIP since the fund was set up, is there still a need for the Care Fund to exist.

Mr. Bender said the Care Fund was set up to move Cemetery away from General Fund subsidy, but that has never happened.

Ms. Marler asked what committee the Cemetery is in.

Mr. Waters said Conservation.

Mr. Wiener said he understands why the Care Fund was set up, but it never actually removed the cemetery from being subsidized by the General Fund, he suggested replacing the cemetery equipment through the Master Lease Program. He said he feels no need to go against the Administrations recommendations.

Mr. Waters said the cemetery looks good because of the Care Fund. We have run all these projects with it. We have freed up more money for others in the General Fund because we have had this. This has really helped the Cemetery.

Mr. Wiener said in the ordinance discussion he would prefer to see the 65-35 it does all the required equipment replacement and build a small balance.

Mr. Jaffe said he would like to explore if we need this fund at all. The Cemetery is still subsidized by the General Fund even if you do use the Care Fund for equipment replacement.

**Ms. Marler moved to direct staff to bring a draft of the three Care Fund scenarios to the Conservation committee for discussion on revising the ordinance.** She asked Mr. Waters to make the referral.

**Upon a voice vote, to direct staff to bring three scenarios to conservation for revising the Cemetery Care ordinance, the motion passed unanimously.**

Mr. Childers said the Health Department found other funding for the immunization clinic and would like to withdrawal this from the ticker list.

Item 3 on the list was the \$16, 255 to increase the Health Department and Animal Control fringe.

Upon a voice vote, to add \$16,255 to the FY13 Budget for increased fringe benefits for the Health Department and Animal Control staff, the motion failed with Jaffe, Marler, Strohmaier, Taft, Copple, Hertz voting Nay, and Haines abstaining.

**III. Held in committee**

**IV. Adjournment  
The meeting was adjourned at 4:05 pm**

**Respectfully submitted,**

**Dee Andersen  
Administrative Secretary**