

**BUDGET COMMITTEE OF THE WHOLE  
CITY COUNCIL CHAMBERS  
140 WEST PINE STREET  
MISSOULA MONTANA  
July 8, 2009 3:05pm**

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

**Members absent:** Jason Wiener; Dave Strohmaier.

**Others present:** Brentt Ramharter, Bruce Bender, Marty Rehbein, Dee Kreyvey.

**I. Administrative Business**

**A.** Approve committee minutes dated: [June 24, 2009](#)-approved as submitted.

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

**II. Consent Agenda**

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

**MOTION: The committee recommends the City Council suspend Council rules and set a public hearing on August 17, 2009 on a resolution fixing the appropriations for the Fiscal Year 2010 budget.**

Ed Childers started the discussion, he explained that 2 weeks ago he suggested that the committee vote to pass the fiscal year 2010 budget, and at a later date if needed they could amend the budget. Several committee members requested time to consider it.

Stacy Rye asked if we have formally changed the line item where Parks Department benefited from Streets Department \$7000 cut.

Mr. Childers explained that \$7000 is in a pool to be used at a later date after the final numbers are in.

Ms. Rye asked what happens to that pool of money if we pass the budget today.

Mr. Childers responded that the \$7000 is there along with \$30-40,000. It was removed from Streets and if there is a surplus it will be part of that, if there is a deficit, it will be used to help adjust the deficit.

Brentt Ramharter, Director of Finance explained that we won't know our taxable values and be ready to set levies until mid September. Then we will be in a rush to get the budget adopted. He said it would be nice if we could have the bulk of the budget established. He said he followed up with the Parks Department and many of their cut backs were slated for the very end of their season in September/October, so there is time to remedy that later in the budget process. Mr. Childers is correct as to the \$7000.

Ms. Rye moved to adopt the budget, amount to be determined.

Mr. Ramharter said he will get a number to them this week.

Mr. Childers asked if we will have that amount for Monday night's meeting.

Mr. Ramharter said we will have to advertise it and set a public hearing.

Ms. Rehbein, City Clerk, clarified that her staff will have to advertise and publish it twice with the budget numbers, as well as the BID work plan and budget. She requested to direct this motion to be placed on the agenda on August 3, 2009.

Ms. Rye suggested they vote to set the public hearing for August 3, 2009.

Mr. Hendrickson replied that he will not support this; he said there are too many open items left to resolve. He expressed concerns regarding the union contracts and the autism mandate from the State. He said we don't have the numbers for tax delinquency from May. He pointed out that State revenue is down \$293,000,000 and we don't know how that will affect us. He said he would like answers to some of these questions before he feels comfortable voting to pass the budget. He also said his question regarding the privatization of the tree pruning has never been addressed.

Mr. Ramharter explained that setting a public hearing for August 3, gives enough time to respond to Mr. Hendrickson's questions. He said he has been in contact with the County and they have indicated that delinquent taxes are about equal to last year and will have the final numbers in late July. As far as the mandate for autism, we won't know for sure until we go through the year, but stated that the Health Plan Fund balance is very strong regardless of what happens.

Mr. Childers asked Mr. Hendrickson when he would be ready to vote, and suggested a later date for the public hearing.

Marilyn Marler expressed support of moving forward on the budget and keeps the ball rolling. She said adopting the budget each year is one the most important things City Council does.

Mr. Childers agreed.

Mr. Hendrickson asked where the union negotiations are at.

Mr. Bender replied that we have met with two unions at this point and both are accepting of the deduction and are asking for a commitment from the City that if any future increases are necessary, that it will go back to the City and not the employee. We have not heard from the other two unions, but they have been given notice. They are not required to respond, but are fully aware of the state of affairs.

Mr. Hendrickson asked Mr. Bender which unions have not responded.

Mr. Bender replied MPEA and Police.

Mr. Hendrickson asked Mr. Bender if he was 100% sure that nothing will come back to bite us, and if so, Mr. Hendrickson said he would vote on the motion.

Mr. Bender responded that none of us can be 100% sure of anything, he said he was sorry he couldn't give such assurances, but feels the response from the two unions were favorable.

Bob Jaffe said he understands Mr. Hendrickson's concern that there may be future changes to the budget and asked what the smoothest process for handling those changes would be. What is the benefit of adopting the budget now instead of waiting till September.

Mr. Ramharter said that the City Clerks office would set up a series of advertisements for a budget amendment.

Mr. Ramharter said one of the benefits is the raises set forth, will be paid with a minimal amount of retro-active pay. It makes it easier on our staff, easier for our final publications and expedites the process.

Mr. Jaffe said he would support the vote.

Mr. Hendrickson commented that since it didn't matter if the public hearing is on August 3rd or August 17<sup>th</sup> he would like to extend the vote until August 17<sup>th</sup> to get some more information. He added that he would like something in writing from the Unions so nothing comes back on us. He added that he would like a four month reserve in the health plan not a three month reserve, but if we settle on a three month reserve he doesn't want it to ever get below that. He said if we had a huge claim like a heart transplant, it could deplete our reserve.

Mr. Ramharter said our fund balance is very strong and at a seven month reserve. He added that we do carry stop loss insurance so if we get any claims that exceed \$135,000 it would be covered by our co-insurer.

Pam Walzer asked if the numbers from the state come in less than expected, what would happen if we could not honor the raises.

Mr. Childers said he had asked Mayor Engen the very same question and the Mayor replied that he would ask departments to make deeper cuts and possibly cut programs.

Mr. Ramharter said the bargaining unit increases have already taken effect.

Ms. Marler moved to suspend the Council rules and set a public hearing for August 17, 2009

Upon a voice vote the motion passed unanimously.

**III. Adjournment**

The meeting was adjourned at 3:49pm

**Respectfully submitted,**

*Dee Krevey*  
**Administrative Secretary**