

Missoula City Council Budget Committee of the Whole Minutes

August 14, 2019

8:45 AM

City Council Chambers

140 W. Pine Street, Missoula , MT

Members present: Stacie Anderson, Mirtha Becerra, John DiBari, Heather Harp, Jordan Hess, Gwen Jones, Julie Merritt, Jesse Ramos, Bryan von Lossberg, Heidi West

Members absent: Julie Armstrong, Michelle Cares

Others present: Mayor John Engen, Dale Bickell and Ginny Mirriam with Mayor's Office; Leigh Griffing, Scott Paasch, Regina Swensen, Marianne Cox with Finance Dept;

1. ADMINISTRATIVE BUSINESS

1.1 Roll Call

1.2 Approval of the Minutes

The minutes were approved as submitted.

2. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Mr. Bob Moore made comments about various topics.

3. COMMITTEE BUSINESS

3.1 Fiscal Year 2020 Executive Budget

Dale Bickell with the Mayor's Office began by providing an overview in the change to mill levies along with a PowerPoint presentation.

Jesse Ramos asked Mr. Bickell to explain the calculation of special district assessments, which he did.

Bryan von Lossberg commented that this is a better apples-to-apples comparison.

Mr. von Lossberg clarified what topics are included on the table on the previous slide.

Mayor John Engen clarified several other positions that are included and stated that the growth with TIF is allowing some projects that had not been previously able to pursue. He also explained that the success of the program is allowing growth.

Mr. von Lossberg expressed his support.

Stacie Anderson asked Mr. Bickell to explain how the fund is used by schools and the county. He explained how the remittances work.

Jesse Ramos made comments related to the topic and his support of a one-time TIF remittance.

Gwen Jones expressed her support of the risk manager position and of the Missoula Redevelopment Agency and its board members with additional commentary.

Heather Harp commented.

Mr. Bickell continued the presentation.

Mr. von Lossberg clarified the numbers on the "Value of Newly Taxable Property" slide.

Mr. Ramos asked what would the total increase of the value of the mill for the City of Missoula be without the airport annexation. Mr. Bickell clarified.

Mr. Bickell continued the presentation.

Mr. von Lossberg underscored the TIF growth rates state the districts are doing exactly what they should be doing related to growth.

Mr. Bickell continued the presentation with the TIF Districts slide. He clarified how Missoula benchmarks itself against peer cities (Great Falls, Billings, Kalispell, Helena, Bozeman) and showed the FY20 Revenue Per Capita and that Missoula is in the middle consistently and is now "catching up" with where we would expect to be and that the trend is making sense. Mr Bickell explained Missoula is "in line" with peer cities.

Mr. Ramos asked about Revenue Per Capita slide.

Mrs. Anderson stated the rumor that Missoula is the "most taxed" city in Montana is dispelled by this data. Mr. Bickell agreed and said Missoula is in-line with peer cities.

Mrs. West asked if the other cities have TIF districts and redevelopment agencies. Mr. Bickell answered that he believes that the cities do have them.

Mr. Ramos asked a question.

Mr von Lossberg clarified that Bozeman just went through a bond for their schools and it was an apples-to-oranges comparison previously to compare Missoula to Bozeman.

Mrs. West asked if it would be easy to pull numbers to find out what percentage of other cities' tax bills go toward the city like "30% of Missoula's" go to the city. Leigh Griffing explained it would take some research and that could be done.

Mr. von Lossberg further explained some differences between the cities.

Leigh Griffing, Finance Director, continued the presentation with the "Overview of Budgeted Resources" slide with a breakdown of each fund within the city.

Mr. Bickell further explained the "FY 2019 Budget Performance" slide.

Mrs Griffing presented the "FY 2020 Fee Increases" slide.

Julie Merritt asked Mrs. Griffing to clarify the Wastewater fees. Mrs. Griffing explained they are not related to a resident's sewer bill.

Mrs. Griffing talked about the FY 2020 Budget Resolutions slide, including that there will be a public hearing next Monday, August 19.

Mr. von Lossberg asked Gwen Jones if she would like to talk about the Missoula Aging Services; she described the effort of the organization.

Susan Kohler, the executive director of Missoula Aging Services, explained the governing board-approved budget and that the agency has a significant increase in request for services. MAS expressed the appreciation from the MAS for the mill levy allocated to its budget from the city.

Mr. von Lossberg thanked Mrs. Kohler and Mrs. Jones for their comments and that the mill formula so funding can continue in the future for our aging residents.

Mrs. Harp asked Mrs. Kohler to explain how Missoula's population is aging and if the funding will be enough to fully support the population. Mrs. Kohler stated no, but that MAS is hoping to become more sustainable with other funding options. She explained with the population changes with aging citizens that the needs for service will only continue to increase.

Mrs. Griffing resumed the budget presentation and how the city plans to build the fund balance.

Mr. von Lossberg restated the numbers so everyone is clear.

Mr. Bickell further clarified.

Mirtha Becerra asked what the total amount is coming out for MRA; Mr. Bickell clarified it is \$2.8 million.

Jordan Hess asked how is the 7% figured; Mrs. Griffing explained.

Mr. Ramos asked for clarification of the TIF dollar distribution; Mr. Bickell explained.

Mrs. Griffing continued the presentation with Road District and Park District Funds.

John DiBari asked the Road District Fund; Mr. Ramos asked about the two funds. Mrs. Griffing answered.

Mrs. Griffing continued to the Capital Improvement Program portion of the presentation and explained how debt financing is related to CIP and its impact on the budget.

Mr. von Lossberg stated the North Side Parking Lot project is not actually located on the north side.

Mrs. Harp asked how does the city's debt as a percentage, what percentage of the expenditures are spent on debt. Mr. von Lossberg explained that the upcoming CAFR will explain that. Mrs. Griffing stated the city is no where close to its debt ceiling. Mrs. Harp stated it's "pay as you use."

Mrs. Griffing concluded her presentation. Mr. Bickell highlighted some projects that are funded. Mr. von Lossberg asked Donna Gauckler the Parks Director to comment on the \$100,000+ on the north side pedestrian bridge. Gwen Jones asked Mr. Bickell to explain the bicycle pedestrian project near Missoula Aging Services, which he clarified.

Mrs. Becerra asked about the potential build grant related to the Mary Jane improvements west of Reserve Street. Mr. Bickell explained.

There were no additional questions. Mr. von Lossberg asked if there was public comment; there was none. He called for a break and the meeting would convene at 10:10 AM. The break was extended to 10:15 AM.

Meeting reconvened at 10:15 AM.

Mr. von Lossberg opened the meeting for comments, etc.

Mr. Ramos stated he had no amendments nor budget cuts this year, but he said he did have some comments, which he shared, along with a property tax/mill rate example. He stated he can not support the budget and wanted to get that on the record.

Mrs. Merritt explained that she disagrees with his example, explained her own understanding, and asked Mr. Bickell to clarify property valuations, which he did.

Mrs. Jones talked about two topics: what is going on with the tax formula and she provided an example; and she proposed an amendment to the budget that adds a small piece to the urban forest. Although urban forestry is referenced in several categories, it is not specifically covered. Mrs. Jones made a motion to add \$29,070 addition to the Park District Assessment.

Mrs. Merritt is asking if this would generally allocated to the area recently annexed, what would occur with the inner core of the city; Donna Gauckler explained.

Mrs. Becerra added her support to this motion and made additional comments.

Mrs. West expressed her support of the addition of the funding.

Mrs. Harp stated her full support of this motion.

Mr. von Lossberg expressed his support.

There was no public comment.

The vote was taken. Mr. Ramos voted no. All over members present else voted yes.

Dr. DiBari stated his comments related to non-motorized transportation and the complete streets initiative. He proposed ear-marking \$100,000 to be used to add on to existing projects that would help benefit non-motorized transportation or would leverage the ability to get alternative means of funding. He asked Aaron Wilson, Transportation Manager with Development Services, to speak to why this funding would be helpful. Mr. Wilson provided an example of how had this type of funding been available it would have improved an existing street project even more bicycle-friendly. He also explained how some other small projects would benefit from alternative funding such as this.

Dr. DiBari stated he is hopeful this money could be used as seed money with the intent to use the current staff and resources to enhance the project related to make a recomittment to the city's initiative.

Mayor Engen stated he said there is likely capacity in the larger road district budget, but the opportunity lives in urban renewal districts where funding is available and this would be a great place to start. There is also capacity issues to determine who would do the work and when. Mr. Bickell stated the issues aren't necessarily resource, but related to in-house ability such as engineering, manage the contracts, etc., and the proposed traffic engineer would be able to assist this.

Dr. DiBari commented that the money could buy the supplies and the staff could prioritize the projects.

Mr von Lossberg stated the motion would be to direct administration and staff to work for a target of \$100,000 within existing budgets in addition to looking at additional funding to address complete streets projects.

Mr Hess stated his appreciation of the direction and the city has an award-winning complete streets policy and this speaks to that.

Mr. von Lossberg stated this is a reaffirmation of existing policy and this is a reallocation of existing funding.

The vote was taken; it passed unanimously.

Mayor Engen suggested it a "very Missoula thing to have a half-empty glass" and the budget conversations have been positive. This is good news for the community and this budget reflects the values we hear over and over.

Mr. Ramos provided his comments about the budget.

Mrs. West stated there is a disconnect between property values and wages earned. Missoula is a growing city with growing needs.

Mr. von Lossberg stated his appreciation of Mayor Engen's comments and commented about property values. He expressed his thanks for Finance staff, Mayor Engen, and all involved in this budget process.

The public hearing has been set.

Meeting adjourned.

Moved by: Gwen Jones

Add \$29,070 to the Park District Assessment for Urban Forestry.

AYES: (8): Mirtha Becerra, John DiBari, Heather Harp, Jordan Hess, Gwen Jones, Julie Merritt, Bryan von Lossberg, and Heidi West

NAYS: (1): Jesse Ramos

Vote results: Approved (8 to 1)

Moved by: John DiBari

Direct administration and staff to work for a target of \$100,000 within existing budgets in addition to looking at additional funding to address complete streets projects

AYES: (9): Mirtha Becerra, John DiBari, Heather Harp, Jordan Hess, Gwen Jones, Julie Merritt, Jesse Ramos, Bryan von Lossberg, and Heidi West

Vote results: Approved (9 to 0)

3.1.1 Budget Items Flagged by Council Members

3.1.2 Capital Improvement Projects (CIPs)

3.1.3 Certified Taxable Values from the State of Montana

3.1.4 Budget Wrap-Up

3.1.5 Deliberations

4. ADJOURNMENT