

City of Missoula
Administration and Finance Committee Agenda

Date: February 24, 2021, 4:15 PM - 4:30 PM

Location: ZOOM Webinar

Members: Stacie Anderson, Mirtha Becerra, John P. Contos, Heather Harp, Jordan Hess, Gwen Jones (chair), Julie Merritt, Jesse Ramos, Amber Sherrill, Sandra Vasecka, Bryan von Lossberg, Heidi West

Attend by computer:

[Join the meeting](#)

Attend by phone:

Cell phone users: 1-253-215-8782, 1-213-338-8477, or 1-267-831-0333; Landline users: 1-888-475-4499 or 1-877-853-5257

Webinar ID: 828 4077 0884

Password: 027222, Press *9 to raise your hand to be recognized for public comment

Watch the meeting:

[Web stream \(live or on demand\)](#), [YouTube](#), or Spectrum Cable Channel 190

For more ways to watch the meeting and submit public comment, see the Citizen Participation Guide.

Issues? Call the City Clerk 406-552-6078.

If anyone attending this meeting needs special assistance, please provide 48 hours advance notice by calling the City Clerk Office at 406-552-6073.

Pages

1. ADMINISTRATIVE BUSINESS

1.1. Roll Call

1.2. Approval of the Minutes

1.2.1. Minutes from the February 17, 2021 Meeting

1

2. PUBLIC COMMENT

3. COMMITTEE BUSINESS

3.1. Resolution Relating to the Financing of Proposed Parks & Recreation Department Capital Improvements; Establishing Compliance with Reimbursement Bond Regulations Under the Internal Revenue Code

Leigh Griffing

4

Recommended motion:

Adopt/deny a Resolution Relating to the Financing of Proposed Parks & Recreation Department Capital Improvements; Establishing Compliance with Reimbursement Bond Regulations Under the Internal Revenue Code

4. ADJOURNMENT

DRAFT - Missoula City Council Administration and Finance Committee Minutes

February 17, 2021

2:45 PM

ZOOM Webinar

Members present: Stacie Anderson, Mirtha Becerra, Heather Harp, Jordan Hess, Gwen Jones (chair), Julie Merritt, Jesse Ramos, Amber Sherrill, Sandra Vasecka, Bryan von Lossberg, Heidi West

Members absent: John P. Contos

1. ADMINISTRATIVE BUSINESS

1.1 Roll Call

1.2 Approval of the Minutes

Approved as presented. Public Comment Called for. None.

1.2.1 Minutes from the February 10, 2021 Meeting

The minutes were approved as submitted.

2. PUBLIC COMMENT

3. COMMITTEE BUSINESS

3.1 Missoula Housing Policy Implementation Update

Montana James and Emily Harris-Shears Presenting A Place to Call Home Implementation Update.

Happy to be here to present this informational update.

(See attached presentation.)

Ms. Jones - Tons of information out there and community has questions and it shows the complexity of the situation. The City is working on it, but it is hard to make a big dent right away.

Merritt - Thank you and for getting it onto the website to see what we are working on. I think we are doing a good job at meeting some of the goals around affordable properties. Typo possibly about getting the applications online. Should it be 2022 as it says, or 2021?

Montana James - Currently right now, due to how the fiscal year goes, the goal is to work through through this during the calendar year and then next year at this time, the application will be put up.

Ms. Anderson - Thank you for those great presentations. What kept coming to mind is the fact that Missoula is not an island. The money we allocated and investments made in

things we are doing at the City need to be matched at both the state and federal level. These issues don't seem to be addressed. I am curious to see if light could be shed on that, getting matching funds. We can't do it ourselves. We need a partnership with other entities, as we are a City within a State within a Country. I think it would be helpful to describe what "Leverage" means so people understand how it works. If this could be addressed as we continue to work on this and presentations are put together. Having that included would be very helpful.

Ms. Jones - This is an issue to start reviewing, but can't be answered today. A bit over time, but continue if people want to answer questions.

Ms. Sherrill - I have constituents asking all the time about affordable housing, as there isn't a very clear answer. It is very complex, as this presentation shows. We are making some serious progress toward it. Thank you for your work on it. I am going to share this with people when they ask. You had shown a vacancy rate for 2020 for the last quarter. Do you have any comparison for 2019 you could show, to show COVID's negative effect on that?

Montana James - Yes, we can pull some comparisons and send them to you.

Ms. Harp - Thanks for the presentation. I think this is very important. It seems like we are really making some good strides toward achieving our goals, but it is a drop in the bucket as for what our wards need. How do you plan to incentivize permanent home affordability going forward?

Mr. von Lossberg - Thank you. Montana, I think we talked about doing an update like this early in the calendar year, and then as a part of the budget process and then in the fall. I see you shaking your head, so I think I am remembering that correctly. This was intentional to set up a regular process for touching base on the policy and progress. I have used the material on the Engage Missoula website frequently for constituent communication and I really appreciate you all keeping things updated there. Just a thought for going forward, I like how you presented the funding and the leverage dollars. We might want to add some of the words that you said out loud about the Viallgio project and Trinity. They blend themselves to a rendering, maps, to think about where they sort of are in the community and then the amount. We are investing a sizeable amount of money in that partnership with the housing authority. It is a big, complex project. It would be nice to represent them both graphically and then I think the units we are representing in the table at the end...just spelling out the partnerships a bit more. But, I really like how you presented it so far.

Ms. Becerra - Thanks. To quote the Mayor, we are building the plane as we are flying it, and affordable housing is one of those. I appreciate all the work that has gone into this. While a drop in the bucket, a drop is more than what we may have anticipated we could do. Could you provide what bills at the legislature you are tracking? Good for public to know that what happens in Helena has a ripple effect here in Missoula. What can the community do to help participate in the legislative process to help facilitate things?

Montana James - I know that we have a regularly updated report on the website of all of the City's bills, but I would be happy to pull out specifically some of the housing bills for City Council.

Ms. Jones - This information was communicated well.

Ms. West - This is a great presentation. Thank you for the hard work. One more suggestion, with the Trinity project, there were the Public Works dollars that went into it. How those work together would be a good thing to add to the presentation, tracking what other "pots" of money the City is contributing toward affordable housing.

Ms. Jones - When I look back at City documents, we have been talking about affordable housing for years. The City created this department to help create a housing policy. We want to remind everyone that we were making progress and then the pandemic hit. Very difficult problems became exponentially more difficult. We just need to keep working forward on it. I don't know if our analysis needs to change or not, as we are still in this time of flux. Any other comments?

None.

Thank you for letting me go long. It was very good to have a discussion.

Moved by:

N/A – Informational Item Only

4. ADJOURNMENT

Adjourned at 3:28



City of Missoula, Montana
Item to be Referred to City Council Committee

Committee: Administration and Finance

Item: Resolution Relating to the Financing of Proposed Parks & Recreation Department Capital Improvements; Establishing Compliance with Reimbursement Bond Regulations Under the Internal Revenue Code

Date: February 18, 2021

Sponsor(s): Leigh Griffing

Prepared by: Leigh Griffing

Ward(s) Affected:

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Ward 1 | <input type="checkbox"/> Ward 4 |
| <input type="checkbox"/> Ward 2 | <input type="checkbox"/> Ward 5 |
| <input type="checkbox"/> Ward 3 | <input type="checkbox"/> Ward 6 |
| <input type="checkbox"/> All Wards | <input checked="" type="checkbox"/> N/A |

Action Required:

Approve reimbursement resolution on consent agenda

Recommended Motion(s):

I move the City Council: Adopt/deny a Resolution Relating to the Financing of Proposed Parks & Recreation Department Capital Improvements; Establishing Compliance with Reimbursement Bond Regulations Under the Internal Revenue Code

Timeline:

Referral to committee:	February 18, 2021
Committee discussion:	February 24, 2021
Council action (or sets hearing):	March 1, 2021, Consent Agenda
Public Hearing:	Click or tap here to enter text.
Deadline:	Click or tap here to enter text.

Background and Alternatives Explored:

Pursuant IRS regulations a municipality must adopt a statement of official intent to reimburse an original expenditure with tax exempt debt. This reimbursement resolution enables the City to issue tax exempt debt in the future should it be deemed economically advantageous to do so to fund capital projects.

Financial Implications:

This resolution enables the City to issue tax-exempt debt in the future. This reimbursement resolution covers certain improvements to the Northside pedestrian bridge, which crosses the railroad tracks on the north side of the City; to the Westside Park playground, including construction of a new playground for preschool-aged children, picnic shelter and restroom and site restoration; and related improvements (the "Projects") identified and approved within the FY2020 and FY2021 budget and FY2021-FY2025 capital improvement plan.

The City reasonably expects to reimburse some or all of the expenditures made for costs of the Projects out of proceeds of bonds in an estimated maximum aggregate principal amount of

approximately \$1,140,000 (the “Bonds”) after the date of payment of all or a portion of the costs of the Projects.

Links to external websites:

City of Missoula, Montana
Item to be Referred to City Council Committee

Committee: Administration and Finance Committee

Item: Resolution Relating to the Financing of Proposed Parks & Recreation Department Capital Improvements; Establishing Compliance with Reimbursement Bond Regulations Under the Internal Revenue Code

Date: February 18, 2021

Sponsor: Leigh Griffing, Finance Director;

Prepared by: Leigh Griffing, Finance Director;

Wards: All Wards

Action Required:
Approve reimbursement resolution on consent agenda

Motion

Adopt/deny a Resolution Relating to the Financing of Proposed Parks & Recreation Department Capital Improvements; Establishing Compliance with Reimbursement Bond Regulations Under the Internal Revenue Code

Timeline:

Referral to committee:	February 18, 2021
Committee discussion:	February 24, 2021
City Council Approval:	March 1, 2021 – Consent Agenda

Background and Alternatives Explored: Pursuant IRS regulations a municipality must adopt a statement of official intent to reimburse an original expenditure with tax exempt debt. This reimbursement resolution enables the City to issue tax exempt debt in the future should it be deemed economically advantageous to do so to fund capital projects.

Financial Implications:

This resolution enables the City to issue tax-exempt debt in the future. This reimbursement resolution covers certain improvements to the Northside pedestrian bridge, which crosses the railroad tracks on the north side of the City; to the Westside Park playground, including construction of a new playground for preschool-aged children, picnic shelter and restroom and site restoration; and related improvements (the "Projects") identified and approved within the FY2020 and FY2021 budget and FY2021-FY2025 capital improvement plan. The City reasonably expects to reimburse some or all of the expenditures made for costs of the Projects out of proceeds of bonds in an estimated maximum aggregate principal amount of approximately \$1,140,000 (the "Bonds") after the date of payment of all or a portion of the costs of the Projects.

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Missoula, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. _____ entitled: "**Resolution Relating to the Financing of Proposed Improvements; Establishing Compliance With Reimbursement Bond Regulations Under the Internal Revenue Code**" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City on _____, 2021, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Council members voted in favor thereof: _____; voted against the same: _____; abstained from voting thereon: _____; or were absent: _____.

WITNESS my hand and seal officially this ____ day of _____, 2021.

(SEAL)

City Clerk

RESOLUTION NO. _____

Resolution Relating to the Financing of Proposed Improvements; Establishing Compliance With Reimbursement Bond Regulations Under the Internal Revenue Code

BE IT RESOLVED by the City Council (the “Council”) of the City of Missoula, Montana (the “City”), as follows:

Section 1. Recitals.

1.01 The United States Department of Treasury has promulgated final regulations governing the use of proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the City for project expenditures paid by the City prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the “Regulations”) require that the City adopt a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditure. The Regulations also generally require that bonds be issued and the reimbursement allocation be made from the proceeds of such bonds within 18 months (or three years, if the reimbursement bond issue qualifies for the “small issuer” exception from the arbitrage rebate requirement) after the later of (i) the date the expenditure is paid or (ii) the date the project is placed in service or abandoned, but (unless the issue qualifies for the “small issuer” exception from the arbitrage rebate requirement) in no event more than three years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the bonds.

1.02 The City desires to comply with requirements of the Regulations with respect to certain improvements hereinafter identified.

Section 2. Official Intent Declaration.

2.01 The City proposes to undertake certain improvements to the Northside pedestrian bridge, which crosses the railroad tracks on the north side of the City; to the Westside Park playground, including construction of a new playground for preschool-aged children, picnic shelter and restroom and site restoration; and related improvements (the “Projects”).

2.02 Other than (i) expenditures to be paid or reimbursed from sources other than the Bonds (as hereinafter defined), (ii) expenditures permitted to be reimbursed under the transitional provision contained in Section 1.150-2(j)(2) of the Regulations, (iii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iv) expenditures in a “de minimus” amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the Projects have heretofore been paid by the City and no expenditures will be paid by the City until after the date of this Resolution.

2.03 The City reasonably expects to reimburse some or all of the expenditures made for costs of the Projects out of proceeds of bonds in an estimated maximum aggregate principal amount of approximately \$1,140,000 (the “Bonds”) after the date of payment of all or a portion of the costs of the Projects. All reimbursed expenditures shall be capital expenditures, a cost of

issuance of the Bonds or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations.

Section 3. Budgetary Matters. As of the date hereof, there are no City funds reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the portion of the Projects expected to be financed, other than pursuant to the issuance of the Bonds. The statement of intent contained in this resolution, therefore, is determined to be consistent with the City's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof.

Section 4. Reimbursement Allocations. The City Finance Director shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Bonds to reimburse the source of temporary financing used by the City to make prior payment of the costs of the Projects. Each allocation shall be evidenced by an entry on the official books and records of the City maintained for the Bonds or the Projects and shall specifically identify the actual original expenditure being reimbursed.

PASSED AND APPROVED by the City Council of the City of Missoula, Montana, this ____ day of _____, 2021.

Mayor

Attest: _____
City Clerk