

DRAFT - Missoula City Council Budget and Finance Committee Minutes

**June 29, 2022
10:30 AM
ZOOM Webinar**

Members present: Stacie Anderson, Mirtha Becerra, Daniel Carlino, John P. Contos, Jordan Hess, Gwen Jones, Kristen Jordan, Mike Nugent, Jennifer Savage, Amber Sherrill, Sandra Vasecka, Heidi West

1. ADMINISTRATIVE BUSINESS

1.1 Roll Call

1.2 Approval of the Minutes

1.2.1 Minutes from the 6/22/2022 B&F Committee Meeting

The minutes were approved as submitted.

2. PUBLIC COMMENT

No public comment offered.

3. COMMITTEE BUSINESS

3.1 Resolution Relating to \$[6,897,000] Water System Revenue Bonds, Series 2022B; Authorizing the Issuance and Fixing the Terms and Conditions Thereof

Leigh Griffing presented the resolution.

Amber Sherrill made the motion.

No public comment.

Moved by: Amber Sherrill

Adopt the Resolution Relating to \$[6,897,000] Water System Revenue Bonds, Series 2022B; Authorizing the Issuance and Fixing the Terms and Conditions Thereof

AYES: (11): Stacie Anderson, Mirtha Becerra, Daniel Carlino, John P. Contos, Jordan Hess, Gwen Jones, Kristen Jordan, Mike Nugent, Amber Sherrill, Sandra Vasecka, and Heidi West

ABSENT: (1): Jennifer Savage

Vote results: Approved (11 to 0)

3.2 FY 2023 Executive Budget

Mayor Engen presented the information and read his budget letter to the group and discussed the past year and upcoming year.

Please see recording for full presentation.

Leigh Griffing showed a PowerPoint Presentation with information about the upcoming budget months. Please see attached presentation for more details.

Jennifer Savage arrived at the meeting.

Daniel Carlino - Asked about ARPA fund spending.

Dale Bickell - We have about \$8 million of ARPA funds available. All of that is included in the Mayor's FY23 budget. Most is going to help fund the programs that were established during the pandemic, supporting the Affordable Housing Trust Fund budget, etc.

Stacie Anderson - I know there were timelines associated with the distribution of those dollars. Could you remind us of those?

Dale - We have until the end of calendar year 2024 to allocate/encumber and spend by the end of calendar year 2026.

Refer to recording for specifics on questions/answers posed regarding previous funding and current/future funding.

Dale - During establishment of the strategic plan, discussions need to be had regarding levels of service, expenditures, etc.

Amber Sherrill - As inflation increases, how do we care for that in the budget?

John Engen - We will be looking at practical ways to further reduce expenses as necessary. Many times, things need to be deferred as much as possible. The search for new revenues is always a piece of the puzzle.

Dale - We are going to maintain the level of service we had, but not add new things, to help cover the cost of inflation. This budget is focused on keeping the programs we had going and looking forward to next year's budget, working on the strategic plan to cover shortages.

Amber - Keeping services is certainly critical.

Jordan Hess - Thank you for the thoughtful approach. I do appreciate the strategic approach and the long-term approach as we approach a very difficult revenue system statewide. I think this conveys our collective responsibilities to our residents in Missoula. What have peer cities in Montana doing, Dale?

Dale - Other big cities in Montana are facing similar issues. Until we get our taxable value numbers, we won't know exactly how we compare. The property tax system in Montana was created for a different economy and it does not work in the current economy.

John - We are anything but outliers here. All communities in Montana are dealing with the same issues for the same reasons. This is not the worst budget I've dealt with. We made it through the Great Recession and we will make it through this, too.

Mirtha Becerra - There are some departments that have open positions that have not been filled yet. Those have not been taken out of the budget, correct? Will we be making those departments whole?

Dale - Yes. We will continue to recruit and retain current employees. We have significant hiring challenges we are working on.

Gwen - Called for public comment and there was none. How is the cannabis tax approved on last year's ballot affecting things?

Dale - We received about \$175,000 in tax dollars for FY22. Our FY23 budget includes \$350,000 anticipated income. Per the Council's decision on that income, those monies will go toward property tax relief.

Gwen - Until we change our taxation system, I am afraid we are going to just go from bad to worse. It is not structured to meet the needs of the 21st century.

None. Informational item.

4. ADJOURNMENT

Meeting adjourned at 11:28.