

**DRAFT - Missoula City Council Budget and Finance Committee Minutes**

**April 23, 2025**

**9:00 AM**

**Council Chambers (in person) or TEAMS (virtually)**

**Attend in person: City Council Chambers, 140 W Pine, Missoula MT**

**Members present: Amber Sherrill, Stacie Anderson, Mirtha Becerra, Bob Campbell, Daniel Carlino, Sierra Farmer, Gwen Jones, Kristen Jordan, Eric Melson, Mike Nugent, Jennifer Savage, Sandra Vasecka**

**1. ADMINISTRATIVE BUSINESS**

**1.1 Roll Call**

**1.2 Approval of the Minutes**

**1.2.1 Minutes from April 16, 2025**

The minutes were approved as submitted.

**2. PUBLIC COMMENT**

No public comment.

**3. COMMITTEE BUSINESS**

**3.1 Interim Strategic Plan and Budget Updates**

Interim Strategic Plan and FY2025 Budget Updates from Central Administration, Central Services, City Attorney's Office, HR/Risk Management, Police, Fire, and Parking Commission.

Introduction: 9:00 AM - 9:10 AM (Eric Hallstrom)

City Council & Mayor's Office: 9:10 AM - 9:20 AM

Central Services: 9:20 AM - 10:05 AM

Break: 10:05 AM - 10:15 AM

City Attorney: 10:15 AM - 10:30 AM

Human Resources: 10:30 AM - 10:50 AM

Lunch: 10:50 AM - 1:15 PM (Midtown Association Annual Meeting & Luncheon)

Police: 1:15 PM - 2:00 PM

Fire: 2:00 PM - 2:45 PM

Parking: 2:45 PM - 3:15 PM

Eric Hallstrom, Chief Operations Officer, provides an introduction to the Interim Strategic Plan Update. He details that the departmental updates will include work plans, progress, strategic objectives, and mayoral priorities, as well as the budget performance for fiscal year 2025 thus far. Some departments may provide a look into the upcoming fiscal year of 2026, to give council a sense of the budget process landscape.

Eric details that budget management approach has changed in FY2025, including a budget management memo, staff hiring reviews, and a more regular monitoring process. He will be detailing large departments from both central administration and those that are funded with the general fund.

Eric details the City Council financial summary thus far as well as projections for the remainder of the fiscal year. City council has a smaller operating budget, but is more personnel dependent. Central administration is considering using savings in the budget to invest in council chambers to enhance the space, particularly in the sound system.

Eric details the Mayor's Office financial summary, which is also primarily a personnel budget with no significant changes in this year. The projects within this office have been focused on communications and customer service. They have also been focusing on creating a more effective internal constituent service process, to track resident inquiries and ensure quick and effective responses from city staff.

Eric previews that website design will be a part of the budget development for FY2026.

Eric provides an overview of central services divisions and staff, including the legislative services, financial services, IT services, fleet services, and facility services. He also details the Strategic Projects, Analysis & Reporting team. He describes the mission, vision, and principles of the internal administration. He details the roles and context of Central Services.

Eric provides updates on current projects led by Central Services. He details the work of the Digital Migration Project, updating Microsoft licensing, and the future of infrastructure modernization. He also details update to financial structures, including accounts payable and payroll. He also updates on how other departments are implementing technological systems to create efficiency, and training opportunities created in collaboration with the University of Montana.

Eric details priority work occurring and looking ahead for financial sustainability. He talks about the Cost Allocation Plan (CAP), audit work, software, and budget savings. He also talks about the potential need for more fleet staff in the future as that department continues to grow in utilization.

Eric talks about the Capital Planning Projects: the City/County partnership in the Engen Building planning and a Strategic Facilities Plan. He also notes how the City Attorney has assisted in navigating transitions and the support implementing the Strategic Plan. He talks about the Harvard-Bloomberg program and how the Mayor, Dale Bickell, and himself have worked with this program, as well as Paragon, to improve data driven work, track and assess the city's code reform and housing and development interventions. He also talks about the City's forthcoming experience and use of Generative AI within the organization.

Eric talks about the Strategic Goals--including the intention to supposed a results-oriented management culture, investment into technology that can better serve the community, but notes which ones are financially dependent. See recording for details on the goals.

Eric details the FY25 Budget thus far for the Central Services, both by division and category. He notes that personnel is typically at 66% by this time of year, but is at 61% for this fiscal year. He also notes the projections for the remainder of FY25 in various divisions. See recording for specific statistics.

Amber Sherrill expresses gratitude for the presentation and for the insight into the depth of work that staff provides. She inquires about what anticipated savings are expected to be used for. Eric responds that the budget process includes anticipated savings for each budget, especially in the general fund and are used to set up a better position in the next fiscal year.

Mirtha Becerra inquires about the City Council budget and asks for more detail and transparency within what the budget is spent on beyond broad categories, including potential staff time, benefits, or other expenditures. Eric responds with the rough estimates for health insurance, but details that the primary use of the budget is for personnel as well as opportunities to attend conferences. He can include more details in future presentations.

Ryan Sudbury, City Attorney for Civil Division, begins his presentation. He notes that he would be interested in changing his department's name to the Office of General Counsel to better reflect the work he and his staff do. He briefs council on the staff within his department, noting Susan Aaberg's retirement after over 2 decades of service.

Ryan provides an overview of ongoing work, including 16 current open litigation cases, legal support for ongoing City projects, and agency support for Missoula Housing Authority (MHA) and City supported arbitration victories.

Ryan discusses FY25 Austerity measures and savings thus far this fiscal year. He also previews savings considered for FY26. He notes upcoming potential reclassifications of positions and recruitment for the upcoming vacancy. He notes the case load on the horizon, including litigation, water rights, and potential adjudications. He notes the office does not currently have a case management software and is working to acquire one, but they are still researching affordable and Sharepoint-compatible options.

Kristen Jordan asks about the case management software and what the lack of one allows for currently and how that may change with the acquisition of one. Ryan elaborates that licenses for JustWare were reconsidered when the office split into the Civil and Prosecuting divisions, as that software was not compatible with civil services. Ryan notes that the increase in cases means tracking more deadlines and records.

Bob Campbell congratulates Susan Aaberg on her retirement.

Keithi Worthington, City Attorney for Prosecution, presents. She details the staff in her office and how the attorneys are assigned based on Municipal Court's functions. She also details how her office manages cases, focusing on division of violent crimes, and the responsibilities of administrative staff within those divisions. She provides an overview of

case load, including statistics on open cases, hearings scheduled and held, as well as the caseload for administrative staff. See recording for specific statistics.

Keithi provides an overview of the statistics of victim contact by her office. She also details the work done in non-violent cases. She then provides highlights of changes within the office, including staffing, implementation of technology and new processes, the creation of a management team, and data conversion work. See recording for details.

Keithi lays out the budget status of the prosecution division. She notes that salary is the primary use of their budget and that discretionary funding is more difficult to allocate. She notes that the JustWare contract is about half of the "other" operating budget category. She details the austerity measures taken for FY25, noting how the division has reduced specific categories, including travel, office supplies, and printing. She also talks about potential savings in the staff vacancies.

Keithi talks about the upcoming FY26 items, noting they will be requesting funding for case management software, staffing and reclassification of staff, specialized teams for prosecution, and case diversion work with Missoula County. See recording for specific details.

Bob Campbell asks about a future opportunity to have Keithi present to council on how cases are adjudicated within our court system to better educate council on the processes and procedures.

Gwen Jones inquires about other cities experiencing similar situations with technology and case management. Keithi responds that a lot of larger cities have used JustWare. She also notes that Billings is using a different software that does not get utilized as in-depth as her division would require. Gwen also asks about conversations with the State Bar regarding specialized training. Keithi talks about the Tillotson program from MMIA.

Angela Simonson, Director of Human Resources, presents. She details the staffing of the department, noting the changes of positions to part-time to meet the needs of the department as a new staff position was denied this fiscal year. She notes there is no standalone HR within departments. Angela details metrics about whom HR serves, including active employees, recruitment, new hires, and turnover. See recording for specific data.

Angela details the achievements of HR in fiscal year 2025, including the results-oriented management culture as well as the implementation of ADP Workforce Now for employee data. She also discusses work to enhance recruitment for the City. She talks about work to retain employees, noting the efforts of HR to reduce turnover rates. See recording for specific details.

Angela talks about the goal of creating a workplace that supports safety and wellbeing for employees, detailing how HR has worked to do so with a new Workers Compensation Coverage vendor, a Wellness Council of America Wellness Assessment, and focus on the wellbeing of the HR team as well.

Angela discusses the financial summary and projections, noting that personnel takes up the majority of the budget. She details what is included in the operating budget for HR, including office supplies, printing, and the contract with Black Knight Security.

Bob Campbell inquires about the contract with Black Knight. Angela details that the contract for City Hall is included in the budget, but for the shelter is not a part of their budget. Bob also asks about the voluntary resignation by department, specifically the resignations from Municipal Court within the last fiscal year. He asks if HR still does a categorization of exit surveys. Angela affirms that HR does send out surveys, but does not have a large response rate. She notes that one-on-one interviews are also offered to exiting employees. She plans to detail more on exit surveys during her budget presentation in the summary.

Council reconvenes at 1:15 PM.

Michael Colyer, Chief of Police presents. He informs the council that the police department was formed 142 years ago today. Chief Colyer talks about the community, safety, health, and well-being pillar of Missoula's strategic plan and its implementation within the police department. He details the staff structure of the department and the various responsibilities of the positions. He also discusses the staffing levels. He gives a program inventory organized around billing codes, noting he will be discussing CIT, Administration, and Special Teams further.

Chief Colyer discusses the programs that have had success in FY2025, including the CIT Program Expansion that is grant funded, the Care Traffic Controller Position, a project specialist and consultant to assist with the traffic controller and crisis time intervention. He shows a graph of data regarding caretaking and deflection during calls for MPD and MCSO. See recording for specific details.

Chief Colyer briefly discusses licensing and software updates and the expected increases. The programs have allowed for more capacity for spare vehicles to assist when others are down for maintenance and repairs. He also discusses how the department is maintaining service in the Sexual and Violent Offender Registry. He also talks about the increase in the budget for cell phone services as negotiated through the union. See recording for specific details.

Chief Colyer then gives an overview of the FY25 budget for the police department, including the percentages of the budget used for personnel, supplies, and services. He also shows the anticipated savings of the budget for the fiscal year. See recording for specific details.

Chief Colyer talks about the updates from using Axon cameras in comparison with the former vendor. He then informs council of upcoming FY26 budget considerations, including an increased wage for BID officers, an increase in the Special Teams budget, and expanding the unmanned aircraft system program. He also discusses investment in firearms and the wellness program.

Chief also mentions the Annual Report will be finished April 30th.

Sierra Farmer inquires about the CIT position that is fully funded and is curious if training with Teresa Williams would be available for the public as well to understand the value of that position. Chief Colyer responds that there are variations of the training available for the general public.

Kristen Jordan thanks Chief Colyer for his work in acquiring a decibel reader for the library catalog. She asks about the current firearm caliber. Chief Colyer advises the

current caliber is a 40 caliber and why it is used right now. He notes that the cost of ammunition is a factor as well, and discussion is being held regarding if it will save more to change now or later. See recording for specific details.

Kristen also asks about the Care Traffic Controller and what that role would entail. Chief Colyer notes that this person would be assisting in coordinating when a person is in crisis and who can navigate where the person can go.

Bob Campbell asks about the BID officers and the funding for these positions. Chief Colyer responds that these were a grant funded item at first, but that this may be a difficult item to fund next year without the grant.

Stacie Anderson inquires about the reduction in training, specifically what components were cut and what value may have been lost. Chief Colyer does not have specifics, but notes that he can provide that information if there are requests in the budget presentation. Stacie also inquires about the employee wellness program and further investment into it. Chief Colyer advises that the department had a local fundraiser and donations from a local business to fund the program, as well as some city funding. He does see it as an effective and appreciated program.

Bob Campbell asks about training in the department and if there is still a rotational training for A and B teams. Chief Colyer confirms that training is maintained while some teams are training and others are continuing departmental duties. Bob asks if there is an issue with overtime in this capacity. Chief Colyer responds that there is overtime used to create minimum staffing on the street as required, but he is not sure about a direct relationship between that and trainings.

Amber Sherrill comments that the Axon cameras seem to be a positive change and has been worth the investments.

Gordy Hughes, Fire Chief, presents. He begins by discussing the department's organizational structure and growth in terms of staffing.

Chief Hughes then briefs council on the ongoing and completed strategic goals for FY2025. He notes the ongoing projects of implementing the Master Fire Plan and the fire levy and there is a path toward opening a sixth station. He also notes that the department is executing recommendations from the Emergency Medical Services system study. He provides an overview of the completed hiring of 26 firefighters, the implementation of an additional emergency response crew, and the presentation of a location study to council in order to advance the Station 6 location. See recording for specific details.

Chief Hughes details how the department is aligning with Mayor Davis's priorities for 2025. He notes that the department is working to increase response times and paramedic coverage, in order to create a more responsive local government for better public service. He discusses the data driven decision making in the department, including the EMS study and the Station Location study. He talks about the improvements to infrastructure and operations, including the additional emergency response unit, the new station location, and upgrades to existing stations.

Chief Hughes details the budget summary and projections, noting the personnel budget is the primary use of funds. He then provides a graph of the divisions using funds. He

also provides an overview of savings in the budget and where they came from. See recording and attached presentation for specific statistics.

Chief Hughes also provides updates for the Mobile Support Team, noting that the funding sources are coming from Medicaid and Medicare, as well as House Bill 872. They anticipate the program will grow. He also briefs council on the SAFER grant, and how that provides funding for 20 firefighters for three years, which is more savings for the fire levy. He then provides an update on the current situation of the fire levy. He notes that the presentation in front of council on this subject is forthcoming.

Chief Hughes then provides an update on the budget relative to strategic projects, comparing what has been spent to what is projected to be spent in the remainder of the fiscal year. See recording for specific data.

Chief Hughes notes that for FY2026, the department will be looking at the land purchase and plans for Station 6, as well as repairs to Station 4. The department will also have work moving to a new records management system in tandem with the National Fire Service.

Amber Sherrill asks about when data about response times will be available and the period of time at which those are examined. Chief Hughes notes that once the Type 1 engine is ready from the fire levy, the department will be able to pull that data after a month of running the engine, but he believes a better picture would utilize a year of data. He also notes that when Station 6 is fully ready, that will also impact response time data.

Kristen Jordan asks about information or data that would show if the Mobile Support Team needs to be more available than it currently is. Chief Hughes notes that crises don't stop in the evening and a 24/7 unit would be utilized well, but notes this would require a different contract with PHC. Kristen also inquires about if tariffs may impact equipment costs going forward. Chief Hughes responds that metal tariffs will impact construction costs in regards to fire engines.

Sierra Farmer inquires about the plans for wildfire response in light of recent federal funding cuts. Chief Hughes is hesitant to confirm more availability of resources beyond the home front of the city. He believes once the newly recruited firefighters have a year of experience, they will be able to provide more assistance to wildfire work.

Stacie Anderson thanks Chief Hughes for his service and leadership for over thirty years and congratulates him on retirement.

Jodi Pilgrim, Parking Services Director, presents. She begins with the staff structure of the department. Jodi details revenue in FY2025 thus far. She also details the expenses paid for by the department revenue for the fiscal year so far. See recording for specific data.

Jodi details the three CIP work in the Parking Commission. The department has fulfilled a new enforcement officer person, is looking to replace that scooter with an electric scooter, and to invest in a maintenance 4-wheeler. She explains that these CIPs were paid for with department revenue. She also details the Bank Street parking structure repair work, including the completion of a condition assessment, which led to the board's decision to explore a full replacement of the structure. After the estimated cost from the RFP

exceeded the original budget, they decided to revise the work to address repairs rather than replace the structure.

Jodi briefs council on the vision statement for the Parking Plan, previously presented to council. She provides an overview of the goals of the plan and the recommendations to achieve these goals. See recording, attached presentation, and parking website for specific details.

Jodi notes the proposed proposed parking ticket fine increases recently discussed by the Parking board. See recording for specific details.

Jodi discusses the short-term paid parking updates in Missoula, as well as permits for commercial and employee parking for the downtown area.

Kristen Jordan inquires about the permit program for residential parking, if there is data on how many homes have off-street parking in those areas. Jodi advises there is not an exact number of driveways or alley access parking in the area. She believes driveways are not common, alleys are slightly more accessible, but more residents park on the street.

#### **4. ADJOURNMENT**

Meeting adjourns at 3:18 PM