

DRAFT - Missoula City Council Budget and Finance Committee Minutes

June 18, 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, Bob Campbell, Daniel Carlino, Gwen Jones, Eric Melson, Mike Nugent, Jennifer Savage, Sandra Vasecka

Members absent: Mirtha Becerra, Sierra Farmer, Kristen Jordan

1. ADMINISTRATIVE BUSINESS

1.1 Roll Call

1.2 Approval of the Minutes

1.2.1 Minutes from June 11, 2025

The minutes were approved as submitted.

2. PUBLIC COMMENT

No public comment.

3. COMMITTEE BUSINESS

3.1 Budget Presentations

Central Services: 9:00 AM - 10:00 AM

Human Resources: 10:00 AM - 10:30 AM

CPDI: 10:30 AM - 11:15 AM

Missoula Public Health: 11:15 AM - 11:45 AM

Eric Hallstrom, Chief Operations Officer, presents. He begins with an overview of the Mayor's Office budget, with no new requests for FY26. Hallstrom provides an overview of program activities and baseline budget. See recording for details.

Hallstrom provides a brief overview of the City Council baseline budget, with no new requests. See recording for details.

Hallstrom provides an overview of the Municipal Court baseline budget, with no new requests. He does note a projected revenue of \$234,522. See recording for details.

Hallstrom provides the budget presentation for Central Services, beginning with the core services and pillars. He discusses the core divisions of the department, including their baseline budgets: Clerks, Finance, Facilities, Fleet, and IT. See recording for specific details.

Hallstrom notes that the bulk of requests for Central Services are for baseline increases, representing contract and licensing increases, as well as standard inflation of utilities and administrative costs. He notes the requested increase for administration is \$52,578, comprised of rent, professional development training contracts, and ongoing lobbying services.

Hallstrom notes the requested increase for Finance is \$11,480 for the audit contract and budget software, Workiva. He provides information that the proposed \$10,000 increase for the Clerks Office is for an increase in filing fees. The request for \$20,000 in Fleet represents contractual collective bargaining increases and inflationary costs for supplies & parts. Hallstrom also notes that the requested \$53,150 for Facilities is for utility increases and contract increases for HVAC and janitorial services. Finally, Hallstrom discusses the requested \$67,740 increase for IT regarding contractual rent and inflationary increases in software. He commends the IT staff for working to find solutions to decrease the requests for software by consolidating purchasing and finding reduced costs.

Hallstrom presents on the new non-baseline requests. He notes that the previous fund balance for operations and maintenance has been depleted, and they are requesting the full cost for annual operations into the budget. He also talks about the funding needed for the new Engen Local Government Building. He also notes a small request of \$10,500 for leadership development, intended to build capacity and capabilities of leadership within Central Services.

Hallstrom also notes the request of \$75,000 for the City's website modernization project. The website has not been upgraded in some time, and this project is in early development. This project will require third party support in comprehensive assessment or in design and implementation of technology. The project needs an internally managed project team. See recording for details.

Hallstrom presents on the request for elections funding, \$400,000. This is a one-time funding cost for both primary and general elections. See recording for details.

Hallstrom notes the request for another mechanic position within Fleet. The request for \$111,567 was omitted in the last fiscal year for savings, but this position will help manage the increased growth of vehicles and equipment in the City. See recording details.

Hallstrom also notes that IT is requesting funding for a Cybersecurity Manager (\$101,450) and a GIS Analyst (\$86,925). He discusses the difference in the IT services and GIS services, noting why these divisions are distinct and relevant. He provides a history of employee growth over the last several years and why IT needs to keep up with that growth, noting the 1:89 ratio of IT staff to other City employees needing technological support. See recording for details.

Hallstrom discusses the Central Services CIP requests, noting that most of these have been presented before but may have date or timeline changes now. These include the Engen Building (\$2,924,624) for building rehabilitation, Facilities (\$160,000) for the Art Museum and the City Hall roof, Fleet (\$4,125,550) for core vehicle and equipment purchases, IT (\$151,000) for network infrastructure, aerial imagery, and copiers, and Finance (\$950,000) for a financial management system. See recording for details.

Councilor Stacie Anderson asks about the cybersecurity component, expressing concern about cuts from federal funding and how the cost is being shifted onto the City. Hallstrom clarifies that the City is not receiving grants or other programmatic support, but the scale of cyber defense and risk management is massive and a lot is handled at the federal level in conjunction with state IT departments. Municipalities rely on their information. He notes that a large part of network security comes from phishing or other human-based risk factors, and the ability to enhance risk management for employees is helpful. He notes that the City may not be able to rely on supports from the county in the future, and he recommends the Cybersecurity Manager role to manage the digital footprint internally, regardless of federal or state support. See recording for details.

Councilor Bob Campbell inquires about the Municipal Court revenue, noting the projected revenue estimate of \$458,493, but the year to date amount in April being \$251,915.85. He is concerned that the revenue is underperforming compared to the initial estimate. Hallstrom clarifies the projected revenue of \$234,000 for FY26 is perhaps informed by the actual numbers of FY25. Kari Dady, Court Administrator, notes that she did not partake in the FY25 budget. She notes the fines and forfeitures are a case-by-case determination on the record based on an ability to pay. She based the projection on the pace from FY25. Councilor Campbell asks about the implication of court operations when the revenue for FY25 came up \$200,000 short. He inquires about a mechanism to make up the difference to make the court financially whole. Dady notes these fees are paid by defendants, and this brings up a question if it is the responsibility of a defendant to subsidize the court. Councilor Campbell still would like an answer on the mechanism to make up the difference in revenues.

Dale Bickell notes that fines & forfeitures have been considered general revenues and have not been tied to departmental revenues, due to the impact of other activities, like the police writing tickets. He notes that these revenues coming in under projection are not necessarily only under the control of Municipal Court. These estimates come from prior history.

Councilor Gwen Jones thanks Eric for his presentation. She asks about the financial management system for Finance, noting how large that cost is. She would like more information on this, noting that this pivot is necessary as the provider is ending their service. She asks about timeline and strategy. Eric Hallstrom responds that there were necessary preceding activities like data migration that were city-wide and changed workflows, including accounts payable and other processes. The department is also still implementing the ADP software, which must be completed to be able to integrate with a future financial management system. These projects will allow the department to determine a software that will integrate these completed projects best. The department has been aware of the "sunsetting" of Eden by Tyler Technologies, and is exploring other services, including discussion with the County about their services and potential cost-saving through partnerships. This project has been held due to the aforementioned projects, but the ability to push it out much further isn't there. Hallstrom believes this project may take approximately 18 months to 2 years. See recording for details.

Dale Bickell adds that implementation of a new software has been in progress for some time. The City has been moving from an enterprise-wide system to systems specialized for necessary roles like payroll or utility billing. See recording for details.

Councilor Mike Nugent asks about the GIS request, noting the capacity would allow the City to make more informed decisions about land use. He notes that he is curious about partnership with the County, to potentially create a central information system between the County and the City. Hallstrom responds that a discussing with Leigh Griffing, Finance Director and the IT team would be helpful. He notes that moving into the Engen building for the City and the County could help with collaboration.

Councilor Nugent asks for expansion the difference between Community Services and MCS. Kari Dady responds that this involves pretrial services, how the court dedicates funds to getting people to court and handling case resolution. Councilor Nugent follows up and asks about connection to services in the community and if that falls into this category. Dady responds that some do, including getting people to court and some connection to services. She notes that these are case-by-case services and are in conjunction with the County.

Angela Simonson, Director of Human Resources (HR), presents. She provides an overview of staffing, key services, and metrics regarding personnel. She also discusses recruitment, retention, and turnover. Simonson also discusses priorities that require staff retention and engagement. See recording for details.

Simonson presents on the baseline budget for HR. She provides the current budget and expense categories. She presents on the one new request: increasing the Administrative Specialist to a full time employee (FTE). She details the benefits of increasing the hours for this position. She also discusses the cost of living adjustment (COLA) for staff. This 3% increase. MORE INFO.

Councilor Bob Campbell inquires about the turnover rate in Municipal Court. Angela Simonson notes that the turnover rates for the top departments were: Municipal Court at 49.41%, Parks at 28.68%, Public Works at 13.02%, and Police at 11.42%. Councilor Campbell also asks about reasons for leaving specifically within the court. Angela Simonson reiterates that there has been less turnover in recent months with Municipal Court, but notes that cultural issues were the primary reason for leaving. Councilor Campbell asks about any involuntary terminations in the department. Simonson will respond via email.

Councilor Stacie Anderson inquires about timelines for union contracts. Simonson responds that not all contracts are on the same time frame and are staggered. Simonson answers that she spends about 60% of time on contracts during negotiations. She directs council to the HR department on the City website where contracts are listed under labor and show the term of each.

Montana James, Deputy Director of Community, Development, Planning, and Innovation (CPDI) and Kirstin Hands, Business & Finance Manager, present. Montana James discusses the mission of CPDI as well as the staffing structure. Kirstin Hands discusses the projected revenues for FY26, a total of \$13,966,652. Hands also talks about the projected expenditures for the department: \$15,285,689. See recording for details.

James presents on the Strategic Plan priorities and the enhancements covered by the budget requests for FY26. See recording for specific details.

James presents on three requests supporting community safety, health & wellbeing: a Houseless Operations Specialist (\$100,242), a Built for Zero Specialist (\$95,352) that is

partially grant funded, and a Property Engagement Specialist (\$95,352). She also discusses how these roles, including the coordinated Entry Specialist, work together to provide systems-level support within the community. support See recording for specific details.

James presents on the requests that fulfill the Economic health pillar of the department: a Baseline increase for the Affordable Housing Trust Fund (\$100,000) and a Neighborhood Grants request (\$15,000). She notes the Trust Fund is anticipated to have a balance of \$178,500 at the end of FY25, and the increase would support the FY26 application cycle. She also notes the Grants request is in accordance with resolution 8836. See recording for details.

Councilor Bob Campbell asks about the Affordable Housing Trust Fund, wondering about the private donation that was provided for affordable housing opportunities and how it fits within the fund. Montana James asks if that this may be the NeighborWorks Housing Fund. Amber Sherrill advises it is the work the MEP did to solicit private donations. James clarifies that the MEP partnered with NeighborWorks Montana to create the Housing Impact Fund, which is outside of the Affordable Housing Trust Fund.

No public comment.

Councilor Stacie Anderson inquires about the balance in CPDI against new requests regarding houselessness and other projects. She inquires about the impact on workload or turnover for staff within the department. James responds that CPDI does resonate with themes within the HR department. The department is looking at turnover rates, burnout prevention, and department culture. The department is trying to share budget across various activities to invest in leadership trainings. She does believe turnover has improved over the last few years. She notes that the Code and Houseless Program teams have taken on a lot more work in particular.

Council takes a brief recess.

Jeanna Miller, Director Missoula Public Health (MPH), presents. She begins with the mission and core values of the department, as well as the Strategic Plan for 2023-2026. Miller provides an overview of the three funds for MPH, detailing the revenue within each. See recording for details.

Miller presents on the requests for FY26. She notes that many of these requests are a consequence of federal cuts. She begins with the request for the Administration Division Restructure, to fund a business manager, a cross-division programs manager, and a new accountant. She is requesting \$35,782 from the City.

Miller presents on the second request: 2 Full time Community Health Workers (CHW). She notes that these positions were funded by grants for the past 3 years, but funding unexpectedly ended March 31st. The County is funding these positions through the rest of FY25. The request is for \$85,048 from the City.

Miller presents on the third request: a Foster Child Health position increased to a full-time position. This request is for \$24,844 from the City. This position is currently .5 FTE, and has been funded by CAF. Funding has been diminishing and the caseload warrants an increase to 1 FTE.

The fourth request from MPH is for 1 FTE Shelter Attendant, with \$37,874 requested from the City. The Animal Shelter needs more staffing capacity, as staff works 10 hour days and needs the manager to assist when staff is out.

Miller presents on the fifth request: 1 FTE Communications Officer, with \$1,680 from the City. She notes that this position is mostly grant-funded and notes that this is the first year that this position exceeded the grant amount.

Miller presents on the sixth request for 1 FTE Sanitarian. She received the data for this position after the presentation was posted, and notes that the cost is about \$80,000 and there is no additional ask for this FTE, due to coverage from programs revenue.

Miller presents on the final request for a 60% increase of personnel increases. She notes that the budgeted increase was 4% for salaries and expenses. The City's 60% share of this funding would be \$149,513. She then details the history of the interlocal agreement cost distributions between the City and the County. She then provides the updated funding for requests within the Health Fund, the Animal Control Fund, and the additional tax requests. The department is requesting a 4.03% increase in personnel expenses and a 5.07% increase for new requests. See recording for details.

Councilor Bob Campbell asks about any correlation between Partnership Health divesting from the County and any sort of the County continuing their commitment with MPH. Miller responds that MPH has a close relationship with Partnership and works together regarding grants. She does not believe that MPH operates the way that Partnership does and does not believe that the County is looking to sever any relations with MPH.

Councilor Gwen Jones asks about the renegotiations of the interlocal agreement, noting that the benchmark division is the difference in taxable values between the county and the city. Dale Bickell responds that the joint MPH is funded by property taxes. Bickell advises the taxable value helps determine each entity's ability to pay to fund the department fairly. He notes that the City carves out part of the general fund to fund MPH, but the County has a dedicated mill levy for properties taxes outside of city limits.

4. ADJOURNMENT

Meeting adjourns at 11:51 AM.