

Journal of Proceedings
Missoula City Council Meeting

July 13, 2020, 6:00 pm

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Members Present: Stacie Anderson, Mirtha Becerra, John P. Contos, Heather Harp, Gwen Jones, Julie Merritt, Amber Sherrill, Sandra Vasecka, Bryan von Lossberg, Heidi West

Members Absent: Jordan Hess, Jesse Ramos

Administration Present: Mayor John Engen, Dale Bickell, Chief Administrative Officer, Jim Nugent, City Attorney, Marty Rehbein

Administration Absent: Ginny Merriam, Communications Director

1. CALL TO ORDER AND ROLL CALL

The meeting of the Missoula City Council was called to order by Mayor John Engen at 6:00 PM in the City Council Chambers at 140 West Pine Street

Mayor Engen said, we have a number of ways to participate. In addition to participating live in this meeting, we will have public hearings this evening. Those public hearings will remain open for a week and there will be opportunity to comment throughout the week until Council takes these items up again at our next regular meeting.

2. APPROVAL OF THE MINUTES

2.1 Minutes from the March 09, 2020 meeting

2.2 Minutes from the March 23, 2020 meeting

2.3 Minutes from the April 13, 2020 meeting

2.4 Minutes from the April 20, 2020 meeting

2.5 Minutes from the April 27, 2020 meeting

2.6 Minutes from the May 4, 2020 meeting

2.7 Minutes from the May 11, 2020 meeting

2.8 Minutes from the May 18, 2020 meeting

3. SCHEDULE OF COMMITTEE MEETINGS

3.1 Committee schedule for the week of July 13, 2020

Public Works Committee, July 15, 9:25 – 10:40 a.m.

Public Safety & Health Committee, July 15, 10:50 a.m. – 12 Noon

Parks & Conservation Committee, July 15, 12:20 – 12:50 p.m.

Administration & Finance Committee, July 15, 1:00 – 1:50 p.m.

Budget Committee of the Whole, July 15, 2:00 – 3:00 p.m.

4. PUBLIC COMMENT - None

5. CONSENT AGENDA

AYES: (10): Alderperson Anderson, Alderperson Becerra, Alderperson Contos, Alderperson Harp, Alderperson Jones, Alderperson Merritt, Alderperson Sherrill, Alderperson Vasecka, Alderperson von Lossberg, and Alderperson West

ABSENT: (2): Alderperson Hess, and Alderperson Ramos

Vote result: Approved (10 to 0)

5.1 Claims June 30, 2020

Ratify claims in the amount of \$ 2,090,875.44 for checks dated June 30, 2020.

Vote result: Approved

5.2 Professional Services Agreement with Harris Computer Systems to Integrate Wastewater Services into the Utility Billing Customer Information System (CIS)

Approve and authorize the Mayor to sign a professional service agreement with Harris Computer Systems for integration of wastewater services into CIS at a cost not to exceed \$42,000.00.

Vote result: Approved

5.3 Claims July 07.2020

Ratify checks in the amount of \$ 1,031,848.26 for checks dated July 7, 2020.

Vote result: Approved

5.4 Claims July 14, 2020

Approve claims in the amount of \$1,110,526.20 for checks dated July 14, 2020.

Vote result: Approved

5.5 Property Management Agreements for 301 E Main and 1919 North Ave

Approve and authorize the Mayor to sign two property management agreements with Zillastate for 301 E Main Street and 1919 North Ave.

Vote result: Approved

5.6 Update of Energy and Climate Team bylaws

Approve the amended bylaws for the Energy and Climate Team as presented.

Vote result: Approved

5.7 Reappointments to the City Board of Adjustment

Confirm the Mayor's reappointment of Lance Koch, Hans Hoffman, Patrick Bridegam, John Newman as Regular Members and Katelyn Hepburn as Alternate 1 and Don Briggs as Alternate 2, to the City Board of Adjustment, for terms beginning July 1, 2020 and expiring on June 30, 2023.

Vote result: Approved

Mayor Engen said, thank you, Ms. Hands. Questions or comments from Councilmembers? Seeing none, Ms. Rehbein, if an attendee wished to make comment on consent agenda, how does that work?

City Clerk Rehbein said, they would register for the meeting and once they've registered, they would get the join information in order to make public comment. And they'd just raise their hand. I share a screen here in just a second. If you're dialing in by the phone, you can press star 9 (*9) to raise your hand. If you want to lower it, you can hit star 9 (*9) again and participants can click on their name and raise their hand in the window as well. And we'll be able to see that.

Mayor Engen said, that's great. Thank you, Ms. Rehbein. So, currently there are no hands up among attendees so I'm going to assume no one cares to comment on the consent agenda so we will have a roll call vote.

Upon a roll call vote the motion passed with 10 Ayes, 2 Absent

Mayor Engen said, thank you. The consent agenda is approved.

6. COMMENTS FROM CITY STAFF, AGENCIES, BOARDS, COMMISSIONS, AUTHORITIES AND THE COMMUNITY FORUM - None

7. SPECIAL PRESENTATIONS - None

8. PUBLIC HEARINGS

Mayor Engen said, we do have a number of public hearings this evening. And, of course, state law and our own Council Rules set guidelines for inviting comment in a formal way on a variety of issues and following the staff report on each of these Council and I will invite comment. Under our new procedure,

Council will hear a staff report, I will open the public hearing and that public hearing will remain open until the next regular Council meeting so you're welcome to comment on any of these items this evening in the order on the agenda but that public comment period will remain open through the week. And thank you, Marty, for providing those items. And, with that, our first public hearing this evening is on a resolution amending Missoula sewer use fees effective January 1st, 2021 and Mr. Boughman is giving our staff report this evening.

8.1 Resolution Amending the Missoula Sewer Use Fees Effective January 1, 2021

Dennis Bowman, Deputy Public Works Director, said, this is the second reading motion for July 13, 2020, second and final reading. I move the City Council adopt or deny a resolution to amend the Missoula Water use fees to follow industry standards for wastewater, rate design and establish the fees based on water consumption. I, also, have with us, joining us tonight is FCS Group. Previously, the sewer use fees had been revised in 2011 and in 2015 and 2017. FCS Group was hired to create a facility plan and perform a rate study in order for the use fees to be included on the combined utility bill in February. The Public Works Department is proposing a change in the wastewater rate structure so that it is compatible with the utility billing system because of the current rate structure is not. The proposed rate structure will allow for all our accounts to be billed using a base rate and volume rate based on water consumption. Water consumption for residential customers will be calculated using the customer's wintertime average of October through March. All other customer classifications will use monthly water, meter consumption totals. Wastewater customers who are, excuse me, who are not Missoula Water customers or are customers but not...but do not have a meter will be billed at a flat rate. The mixed use with food service will be a new classification. The Public Works Department is requesting the adoption of the resolution to amend the sewer use fees to follow industry standards for wastewater rate design and establish the fees based on water consumption. I'd like to turn it over to Melanie Hobart and Angie Sanchez. They are with FCS and has done an outstanding job for the City of Missoula putting this stuff together for us.

Mayor Engen said, thank you, Mr. Bowman. Ms. Sanchez or Ms. Hobart, please.

Melanie Hobart, FCS Group, said, I'm here with Angie Sanchez. We are from FCS Group. I'm going to share my screen so you can see. Does that work? Can we get confirmation?

Mayor Engen said, that did.

Melanie Hobart, FCS Group, said, okay. We put together this presentation to kind of walk through some of the background on the new wastewater rate study and some other changes behind everything. So, I'm going to start today, there we go, alright, so, today we're going to first, to cover...FCS were hired to

do a three-utility rate study. We completed the storm portion already. We have draft results for the wastewater portion but today we're really talking about specifically the wastewater rate design. We, following conversations with staff and given everything that's changed in the past six months with COVID, we decided that we should look just at rate design and not kind of the larger sewer picture. So, today's discussion will have three portions. The first is going to be a new billing structure. The second is going to be on that new sewer rate design. And the third is on the customer impacts and how this will affect its customers. So, first, utility bill changes the City is switching to monthly bills effective in January, 2021. They will be a combined utility bill. It will have your waters, storm water and waste water, rates all included. It will include the new sewer rate with the structure change proposed today and these rates I want to be really clear upfront, are revenue neutral for the system so we're not proposing any increased revenue for the wastewater utility. Just a structure change to get it in line with industry standards and help line up with water usage. Okay. Some of the benefits of monthly billing, there's a lot of them for customers, the main benefit is really that now they're going to get one monthly utility bill. And when you get one monthly utility bill that lines up more consistently with typical pay periods and it's easier to budget for it than a biannual bill. There are now payment options which they can access through the online portal and one of those options is to opt into an e-bill. So, paper bills will still be available and provided but now they have the option to do it all online. The benefits to the City are that they now can streamline into one billing system so they won't have to pay for the second billing system. They are going to save money on printing and postage when customers opt into the e-bill option. And they are going to have monthly revenues similar to customers multi-revenues increase revenue stability for the City and help keep things financially stable throughout the year. And then lastly, there's going to be daily payment processing. At the bottom you'll see an example of what the new customer portal will look like. Okay. So, switching gears a little bit into the new wastewater rate design, we worked with City staff over the past year so to talk about some of the rate design goals and we came up with this list. So, first and foremost, the rates need to collect sufficient and stable revenue to support the operations of the utility. They need to be cost-based and equitable to your customers. They need to be affordable. They need to be administratively feasible and easy to understand. And then as a baseline, they do need to be legally defensible. So, we evaluated these goals and the current issues including, as I mentioned earlier, kind of the changes to the environment in the past six months and we recommend a rate structure that had the base charge for all customers plus the flow charge for all customers. And the key difference here is that we're introducing, a new residential rate based on winter average water usage. But before I dive into that I want to touch on what the existing rate

schedule looks like. So, you'll see here residential is at the top. You've got your four general commercial classes on the bottom. There is a fixed charge per unit for residential, currently \$83.40 twice a year, so approximately \$13.90 per month is what it would equal. There is a uniformed administrative charge per account on every bill. So, residential is billed twice a year. Commercial is billed either quarterly or twice a year. Every bill that goes out has a fixed 89 administrative fee on it. And then the last thing to note here is that before general commercial...before commercial classes, there's a unique flow-based charge for each individual commercial class. So, it varies for different types of use and affects the system differently. Okay. So, looking at the proposed new rate, as I mentioned before, we're proposing a base charge and a flow charge. The base charge is consistent with the current admin fee will be charged per account for commercial and consistent with the current residential charge will be charged per unit. There is a flow charge similar to the ones the commercial currently pays. The flow charge is charged based on one CPS. A CPS is 100 cubic feet and that's equivalent to 748 gallons. So, per CPS of metered water usage for commercial and then for residential and we build on that winter average water usage, winter average is industry standard for wastewater for residential. The purpose behind using that is we're trying to estimate as accurately as possible the domestic use, the amount of water that's going into the sewer system and not necessarily just all the water that's entering the home. So, in the winter it's primarily domestic. You're not watering lawns or washing cars or filling pools, so that's used as the average and that's applied all year round. Okay. In addition to a new rate structure, one of the other things that came up in conversations with staff is that the current mixed-use policy isn't necessarily working the most effectively. So, currently mixed-use accounts...so, for example, an apartment building with a restaurant downstairs or a commercial building with a restaurant and a storefront. Currently, any account with one meter, these stats is estimating the split in volume between types of use. This is, obviously, a large administrative burden for staff currently and over time there are potential inconsistencies between similar customers. So, through conversations with staff, we propose a new policy that charges 100% of the volume at the higher rate class. There are a few caveats to this but generally speaking it's a hierarchy to simplify and streamline the billing process. The first new "rule" is that anything that's multifamily and commercial mixed will be billed at the general commercial rate now. Schools with any type of mixed use will be billed at the school rate. Currently, schools are split out between the school rate, some food service, some general commercial that streamlines that. And then we're developing...we developed a new mixed food service rate class and this is going to capture any type of account that has a restaurant and another type of general commercial. So, this is designed to...at equity between all customers and take out kind of that administrative burden and the

inconsistencies. Okay. This is the proposed rate schedule. There's two key parts here. Well, the first thing I'll draw your attention to is actually you'll see the last user class there is the new mixed-use with food service. So, it's added a user class to the rate structure. All the other classes are consistent with your existing rate structure. All customers then rebuild a base rate for residential, for single-family that will be \$14 per month or \$11 for multi-family and then for all commercial classes it'll be \$5 per month. The flow rate there you'll see the residential flow rate is at pretty low intentionally to 18 cents and 16 cents respectively between single and multi-family. And then the general commercial flow rates vary by a class. These rates were designed, as I mentioned earlier, to be revenue neutral within each class and in the system overall. Because the structure is changing, there are going to be some small changes to individual customer bills but they're minimal and that is why the flow rate for residential is so low currently. We wanted to familiarize customers to the new structure, tie together water usage with sewer usage without really diversely impacting people at this point with everything else going on. Okay. So, let's talk about how this will impact your customers. Household residential first. So, let me orient you to what we're looking at here. All residential sewer bills are going to fall somewhere on this chart. This is your monthly residential sewer bills total and the vertical left-hand column, that's the amount billed, so zero to \$25. On the horizontal access, you'll see those are the amounts of the winter average water usage per month. Based on the information we have, the average winter usage is approximately 5.3 CPS per month and that's that light blue line, that vertical line in the middle. The flat green line, that's your existing bill. Because residential customers are billed based on accounts and units now and not usage, if they use zero CPS or if they use 15 or more, they're all going to pay the equivalent of 15.05 per month. This new structure mixes that up a little bit. You can see that with the new \$5 base charge and that, excuse me, \$14 base charge for residential and the 18 cents flow charge. Your lowest customers are going to pay a little bit less in that dotted black line and the new increase usage beyond that average, they're going to pay a little bit more than their existing bills. This is to connect water usage with sewer bills but I want to emphasize here, as we look at this next slide, what it really means. So, what we're looking at here in this chart is an estimate of what a monthly bill would be like for different household sizes. So, for...in that left-hand column you'll see...we start with one and as we go down, we have 2, 4 or 6-person household. The assumptions behind this are that each person uses an average of 60 gallons per day or 2.4 CPS per month and that these are all single-family homes so they're one account, one unit. Currently, their monthly equivalent bill all the way down the column there is 15.05; they're all pay the same right now. As we shift the rate structure a little bit to add that 18 cent flow charge per CPS, assuming the monthly winter usage per person, that top one, single-family, single

person, 2.4 CPS, those are actually going to go down by 62 cents per month. As you add people to the household, you can see down at the bottom there that six-person household almost three times, this is just an average monthly usage, winter usage, they're both going to go up \$1.54 per month. So, there is a range here, still they're going to change a little bit but it's really minimal and it's designed to be minimal at this point. Okay. So, here's the commercial. This is the same chart for general commercial. It is going to look a little different for each commercial class as rates are different for each commercial class but they're all going to have the same shape. So, similar to residential, we have our monthly sewer bill on the vertical Y access and the usage on the X access, in this case, it's a straight metered water usage. It's not winter average like it was for residential. For general commercial the average usage is 29 CPS per month. That again is that light blue vertical line. And then you can see that because the existing structure is predominantly one big...one flow charged, in this case by increasing the base charge, increased revenue's ability for the utility, your lowest users are going to pay a little bit more and your highest users are going to pay a little bit less. That's the balance. So, if we look at some specific customer examples here, the first two here are schools. So, high school and elementary schools, with pretty different usage. They are now being billed, all of the usage, at the school rate. Previously, if you recall, many slides ago, I mentioned that schools existing rate structure is split often between school and commercial and food service. In these two cases, when they're put at 100% at the school rate, their monthly bills are actually going to go down and that's also in combination that they have higher than average usage per month. For the next two examples on here are two car dealerships. Pretty different usage again, one about double, they both have higher than average usage and their bill is going to go down by 11 and 4 dollars. The next...here is a restaurant. This restaurant just coincidentally has almost exactly the average monthly usage for food service which is 61 CPS per month. So, their bill is going to stay the same monthly because they are at that average usage. And when we're looking at a revenue neutral rate structure, your average users are going to pay the same approximately. The last two here, we've got a general retail that's less than average usage for general commercial and their bill is going to go up by \$2 per month. And then the last one is a residential commercial and the impact here, their bill is going up because it's at the new mixed group service rate. This particular example, the majority of their usage was being billed at the commercial rate. That, of course, would vary depending on the split as a mixed-use account now. So, this streamlining process, in this case, comes out with a higher bill for that individual. Okay. Switch back to residential really quickly. What we're looking at here is a table of residential bill comparison for monthly bills and that same average usage, so the top two here are Missoula, the current and the proposed. And then also at five other neighboring cities. So, what I want

to draw your attention to here is you'll see that the existing current rate structure is 15.05 equivalent per month. The proposed is 14.95 and then all the other five exceptions...Great Falls are more than those rates so higher monthly bill to their customers. And the other thing I really want to point out here is that in the new rate structure we're proposing this 18-cent flow rate for average winter usage. And if you look at the other five examples, they all do already include flow rates as in industry standards and theirs are much higher. So, that means that their lowest users are going to pay a lot less than their highest users. So, this is a sliding scale when you set up a flow rate and our intention now is not to do this and really impact users that way but just line it up with industry standards and have the option in the future. Okay. This here is just kind of a high-level summary of the proposed rate schedule. The top left box there should look familiar. We've already seen that. That is the new residential and commercial classes. Bottom left there, I didn't mention this earlier but there is another large volume commercial and industrial rate class currently. We did not update their rates at this time. We have evaluated them in the cost of service but they're already being charged in an industry standard manner so their rates are not changing with this update. I wanted to include them here to make sure that we're all on the same page but those are there. And on the right-hand side is the flat rate customer charges. There are a number of customers in your system that don't have water meters and have to be charged as best as possible estimating their usage. So, those are the charges there based on different types of view. Okay. That is pretty much it. So, in summary, the City is switching to monthly utility billing and that benefits both the City and the customers. There is a new sewer rate structure that is in line with industry standards. And then the proposed changes would be effective in January, 2021. In the future we're going to talk some more, I hope, about sewer and water development charges and some approaches to future increases for the rate structure costs go up over time so you'll want to address, you know, over time the rates to make sure you're covering your needs for the utility. And then just overall projects status, you can see that we'll be back to finish up the waste water and then talk about the system development charges. And that is everything. Are there any questions today?

Alderman Contos said, you're muted, Mayor.

Mayor Engen said, I'm sorry, I was muted. We'll take questions after we allow folks in the audience who are interested in commenting on this item and I think you can take the slide down please. Thank you very much. And I have one hand up in the attendees and that is Matt Larson.

Matt Larson said, hello, can you hear me?

Mayor Engen said, we can, thank you.

Matt Larson said, hello, yeah, I'd first like...I missed the general comments portion of this meeting because the whole Zoom format was switched up. Normally, you've got some dial-in number and I couldn't get to this meeting until right now. So, I'd like to comment on the fact that we're still doing these over Zoom. I understand that there's some City Councilmembers that are at risk, as we all are, but I think that this format is really incumbering the public from commenting further on these subjects. And I think that if we all wear masks and we socially distance, this might be something that we can do in like a larger format area, like a different venue from the regular City Council Chambers, but I do think that it's time to open this back up to true public commentary. I know there's emails and I know there's voice mails, especially for the luddites amongst us or the not-technically-inclined but I think that it's a serious encumbrance on the public's ability to participate in these meetings. And I think that's reflected by the very few people that have participated since this has switched to a Zoom format. Like normally I'm the only one talking here or there's one other person talking in these meetings. The other thing I'd like to comment about and maybe you'd like to wait and let me comment again when the affordable housing trust fund thing comes up but this is the only general commentary that I had and I'm sorry I missed it. It was not possible for me to get in there.

Mayor Engen said, you actually didn't miss it. I think I missed it, Mr. Larson, so that's my fault. I apologize for that.

Matt Larson said, no problem.

Mayor Engen said, a little baffled by Zoom myself. We welcome your opportunity for comment as subsequent public hearings come up so thank you. Anyone else in the audience interested in commenting on this item? I don't see any hands at the moment. There's one. Erin Flaherty.

Erin Flaherty said, hi. Can you hear me okay?

Mayor Engen said, we can, thank you.

Erin Flaherty said, oh, okay. No, thank you. So, maybe I might have missed it when it was all being discussed but when does the monthly bill go into effect? Does that go into effect in 2021 or is that immediately?

Mayor Engen said, January of 2021.

Erin Flaherty said, okay. Perfect. Thank you.

Mayor Engen said, you're welcome.

Dennis Bowman, Deputy Public Works Director, said, Mayor, can I comment on that real quick?

Mayor Engen said, Mr. Bowman?

Dennis Bowman said, yes, this is Dennis Bowman, Deputy Public Works Director of the utilities. Yes, the new monthly billing goes into effect January of 2021. The first bill though, because we'll be billing arrears, won't start going out until February 1st.

Mayor Engen said, thank you, Mr. Bowman.

Erin Flaherty said, thank you.

Mayor Engen said, seeing no additional comments from attendees, are there questions from Councilmembers? Ms. Merritt?

Alderperson Merritt said, hi there. I just wanted to speak about some of the questions that we've gotten from emails and one of the questions that we got more than one of, and I do believe Dennis addressed this, but I'd like for him to maybe address it again now, is the question of whether or not the graph showing your past usage of water is something that will be incorporated into the new bill in the future.

Dennis Bowman, Deputy Public Works Director, said, the way that this process is going to work is, we're going to turn around new billing system and then tell them about starting in October and try to incorporate that to other customers. It is also available right now online, just so you know, so they can go online.

Mayor Engen said, Mr. Bowman, I don't know if the experience is the same for everyone but the first part of that was technologically slurry. If you could just repeat yourself, apologies.

Dennis Bowman, Deputy Public Works Director, said, sure, I apologize for that. Yes, basically we're going to be working on that starting in October to the customers, starting in October. We're also...the customer can look online and see their usage at the same time.

Mayor Engen said, thank you, Mr. Bowman. Seeing no further questions, this public hearing will remain open until our next regular Council meeting when Council considers this item on final consideration. Our next public hearing this evening is, pardon me, our next public hearing is on ordinances amending Missoula Municipal Code Chapter 13.26 to reflect water system ownership. We've been cleaning up bits and pieces since the City took ownership of the system in 2017 and those hits just keep coming. Mr. Bowman, are you presenting this evening? Oh, Ms. Emery, there you are. Our staff report comes from Katie Emery this evening.

8.2 An Ordinances Amending Missoula Municipal Code Chapter 13.26 to Reflect Water System Ownership

8.3 Resolution to establish the Utility Rate Schedule

8.4 A Resolution amending the Utility Rate Schedule to increase tap fees, establish a new construction or replacement water meter charge, and establish a private hydrant inspections and flow tests fee.

8.5 An Ordinance amending Title 13 establishing Chapter 13.02 and renaming Chapter 13.08 and 13.27 to consolidate municipal utility rates and charges into one chapter in Missoula Municipal Code Katie Emery said, yup. I am going to turn over the next couple to Dennis and I'm just here if you have any questions.

Mayor Engen said, okay.

Dennis Bowman, Deputy Public Works Director, said, yeah, thank you, Mayor. If it's okay with the Council, I would love to just go ahead and read them all, all together, and then we can take public comment afterwards on all of them to try to speed up the time a little bit for everybody. Are you okay with that, Mayor and Council?

Mayor Engen said, we got that. So, you will be presenting staff report on the ordinances amending Code, the resolution to establish the utility rates and the resolution amending the rate schedule.

Dennis Bowman, Deputy Public Works Director, said, that's correct. And, also, I'll add the or amend the or add an ordinance amending Title 13 establishing Chapter 13.02.

Mayor Engen said, thank you.

Dennis Bowman, Deputy Public Works Director, said, okay, I'll start with #1 is the ordinance amending Missoula Municipal Code Chapter 13.26 to reflect water system ownership. I move that the City Council motion for June 15th is now a moved motion for July 13th, 2020, second and final reading, adopt or deny an ordinance amending Missoula Municipal Code Title 13 Chapter 13.26 entitled Missoula Valley Water Quality ordinance Section 13.26.090 to reflect City of Missoula ownership of the water system to allow for installation of new wells. Background, changes to Chapter 13.26 are needed to reflect that the City of Missoula now owns the water system and will allow new water wells to be installed. The second is a resolution to establish the utility rate schedule. This is a motion for July 13th, 2020, second and final reading. Adopt or deny a resolution of the Missoula City Council to establish the utility rate schedule and to include municipal water, sanitary sewer and storm water rate charges and fees. Background and alternative explored on this is currently each city utility has its own separate resolution and/or rate schedule for rates, charges and fees and to prepare for the combined utility billing that Public Works currently would like to establish the utility rate schedule to create one document and place to find all utility rates, charges and fees for the City. Third one is the resolution amending the utility rate schedule to increase tap fees, establish a new construction or replacement water meter charge and establish a

private hydrant inspection and flow test fee. This is a motion, July 13th, 2020, second and final reading, adopt or deny a resolution of the Missoula City Council on amending utility rate schedule to increase tap fees, establish a new construction or replacement water charge, water meter charge, and establish a private hydrant inspection and flow test fees. Currently, the Missoula Water pays for all new construction meters and any meter needing to be replaced due to negligence by the customer. Missoula Water would like to have the cost causer be responsible for paying for a new construction meter during the permitting process. And when negligence occurs on the part of the customer, there is also no charge to place for an owner of a private hydrant when they request the Missoula Water to perform hydrant inspections and flow tests. Due to the water tap material increases by 18% since the City took ownership, Missoula Water is requesting to increase the current tap fees and split out the fees depending on the size of the water main, multiple other cities in Montana have similar charges to their customers. The fourth and final one is an ordinance amending Title 13 establishing Chapter 13.02 entitled Municipal Utility Rates and Charges and remaining chapter 13.08 to read, sewer service regulations and renaming Chapter 13.27 to read, storm water utility regulations. Motion for July 13th, 2020, second and final reading, adopt or deny an ordinance amending Title 13 establishing Chapter 13.02 entitled Municipal Utility Rates and Charges to consolidate Municipal utility rates and charges into one chapter in Missoula Municipal Code and to enable a single monthly bill for utility rate customers renaming Chapter 13.08 to read, sewer service regulations and renaming Chapter 13.27 to read, storm water utility regulations. Currently, all of the billing ordinance for each city utility were located in separate chapters within Title...Chapter...Title 13. Because of the combined billing the utility billing ordinances need to be in its own chapter within the Title 13 that is easily accessible for both the City of Missoula utility customers and the City staff.

Mayor Engen said, thank you, Mr. Bowman. With that, I will open the public hearing. I see no attendees who appear interested in participating at this time. I'll move on to questions from Councilmembers. And Ms. Vasecka?

Aldersperson Vasecka said, a procedural question. Is this...we're not voting on this tonight, we're just opening up the public hearing, is that correct?

Mayor Engen said, that's correct.

Aldersperson Vasecka said, okay, thank you.

Mayor Engen said, and Mr. von Lossberg?

Aldersperson von Lossberg said, thanks. I just was going to highlight for folks in the audience that the Public Works Committee took up all of these in detail on, I believe it was Wednesday, June 17th and so if

anyone is particularly interested, there was some more detail discussion and questions from Councilmembers at that point. Thanks.

Mayor Engen said, and Ms. West?

Alderson West said, hi, thanks. I just wanted...I asked this question during the committee meeting as well but just wanted to ask it again in this forum and I just wanted...Dennis, could you please address how, if at all, this impacts people that are switching from unmetered accounts to metered accounts?

Dennis Bowman, Deputy Public Works Director, said, it doesn't impact them at all. The only ones that it impacts is currently brand new construction, brand new houses. And, also, if, due to negligence, a customer doesn't protect the meter or damages the meter, they have to replace it. But if they...it won't be no charge if the customer is a flat-rate customer and they want to switch over meter. We want to still provide that service at no additional cost to the customer.

Mayor Engen said, seeing no additional questions, the public hearing will remain open on all of these items until Council takes them up again for final consideration. Our last public hearing of the evening is on an ordinance and resolution, one establishing an affordable housing trust fund for the City of Missoula and a resolution supporting the creation and funding of that trust fund. And our staff report this evening comes from Ms. James.

8.6 Affordable Housing Trust Fund Ordinance & Funding Commitments Resolution

Montana James said, I'm the Community Development Program Manager in the office of Housing and Community Development. This evening's meeting opens a one-week public hearing on the adoption of an ordinance establishing Missoula's Affordable Housing Trust Fund and a resolution speaking to Missoula's commitment to funding homes Missoulians can afford. This trust fund is an important building block for the rest of the housing policy that Council adopted last June. As the policy states, the trust fund mechanism plays a role in nearly all of the program development activities currently being explored. Optimally, a trust fund would also secure and reinvest community contributions to housing as well as capture the value treated by land use incentives and other city-driven programs that produce below market housing. Establishing our local Affordable Housing Trust Fund is the first recommendation in the portion of the adopted Housing Policy that calls for aligning and leveraging existing resources to support housing. Staff have been working for the past several months on our approach to establishing our local trust fund. In addition to doing research on best practices for local housing trust funds and looking at example ordinances from other places across the country, including some in New Mexico, California, Oregon and Massachusetts, we've also collaborated extensively with a variety of our other city departments and leadership including the Clerk's office, the City Attorney's office, Finance, Parks

and Recreation, Public Works, Transportation and the Missoula Redevelopment Agency. The adopted Housing Policy calls on the City to do four things in this area. First is to adopt an ordinance establishing the trust fund. Second, is aligning existing funding sources with the fund to create an allocation and administration process, and then to explore new funding sources. The original intent of the trust fund is really to create a local, reliable and flexible funding source to support our housing efforts especially as federal resources become less reliable. So, as I mentioned, based on our research and conversation with folks in other departments, we created this approach that you have before you to creating...to establishing our most local trust fund. First, we wrote the ordinance which establishes the fund in City Code and it's really important to sort of set the bounds for what the fund can be used on, sets some key definitions, and that's mostly why these trust funds tend to live as ordinance or City Code. We also created the funding commitments resolution, speaking to the City's larger strategy to align resources and make explicit the intersections that we know exist between housing, health, transportation, parks and redevelopment and to commit to using housing as a lens for these other funding resources that we know cannot be placed directly into the trust fund. So, adopting the ordinance and resolution are really the first steps in the multi-phase process for establishing the local trust fund. Once we have the mechanism in City Code and a shared understanding of our commitment to support housing with City resources, we will turn to the administrative and oversight pieces of the fund. These will include an annual look at the data by drafting a housing assessment report that examines housing indicators in the community like cost burden, average rent home prices among other things. In this report we'll also eventually report on outcomes achieved in the prior years' trust fund allocations. From that we will develop clear policies and procedures for how our office would administer the trust fund, building from key provisions that are set out in the ordinance about uses, definitions and requirements. We will annually create an allocation plan which will speak to the findings of the assessment report and how those have shaped funding priorities for the upcoming year. And based on the assessment report and the allocation plan, we will create a request for proposals or an application form as the tool for awarding funds. And all of these pieces of the trust fund cycle needs some sort of community oversight and that's where the Citizen Advisory Committee comes in which the ordinance speaks to. Based on the basic parameters discussed in the draft ordinance, we will establish the committee to help oversee the fund, make sure that the trust fund is being administered towards the right goals and that it's meeting those goals. And we believe this Advisory Committee should reflect the Missoula that it serves and so that's why the ordinance speaks to diversity being an important element of the committee. So, since we presented these initial documents on June 17th at the Committee of the Whole, we have been working,

meeting with folks and actively soliciting public comment on the trust fund documents. We have had a lot of conversations via Zoom and phone call and email with community members, local coalitions and housing partners, looking at the draft documents. The documents, along with some specific prompts, were also published on our Engage Missoula Housing Policy Project page and we've sent several rounds of emails to partners and a list to serve those interested Missoulians and distributed documents to our partner networks as well. And based on all of this outreach over the past several weeks, we heard some really great feedback on ways to strengthen the resolution, additional statements that could be added, improving some definitions in the ordinance document and a few other items. So, based on these conversations and the online feedback we received, we've incorporated any basic text edits into the documents. Attached to the meeting information and agenda, you'll find a marked-up version of each document showing those test changes that we've made as well as a clean version with changes incorporated. Any major suggested changes that constituted a shift in intent or outcome or uses of the fund we've compiled in a summary of public comment document for Council to consider. And I just want to briefly say that we are really appreciative of all of the engagement and the conversations we've had over the past several weeks. It's been challenging in these times when we can't have meetings, as we usually do, but folks have shown up via Zoom and email and everything else and we're really appreciative of that feedback. So, next Monday, July 20th, when the public hearing closes, there will be two recommended motions before Council. One is for the ordinance and the other for the resolution and those are here on the screen. And with that, I'm happy to take any questions that folks have.

Mayor Engen said, thank you, Ms. James. And with that, I will open the public hearing and I will take attendees in the order they raised their hands. We'll begin with Mr. Larson.

Matt Larson said, hello, can you hear me?

Mayor Engen said, we can.

Matt Larson said, hello?

Mayor Engen said, we can hear you, sir.

Matt Larson said, I'm still wondering what these new sources of funding are, still haven't heard what these new sources of funding are, and I want to draw awareness to the fact that this is most likely just another slush fund for the City to using dollars, so there's a lot of question marks about funding this thing. And I'll also ask her the same questions, like how...what is the amount if it's not completely controlled by the City and the City Council and actually have some sort of advisory, than are the citizen advisors appointed by the Mayor the President of the City Council and whom will be appointed to the trust. out-trumped by the six votes of the City Councilmembers that are on the Affordable Housing

Trust Fund panel. I'm not seeing this addressed and we currently live in a city that is 33rd in the nation for income disparity and there is an affordable housing crisis going on. We need our City Councilmembers to be conscious of this and our Mayor to be conscious of this and I don't think creating a slush fund with no oversight from anyone else other than the people in power right now are having a problem delivering affordable housing as is. I just don't see the process, you know, for creating this type of thing. But, again, that's just me. I'm no professional in this realm. I just have a lot of questions and I've yet to see any...Montana James, as far as that's concerned or any questions furthermore from City Council that are really substantive and it's kind of embarrassing because you guys are elected by the citizens of this city and there is a huge problem that it is being neglected or being given lip service, in my opinion. Thank you for your time and for what doing to alleviate the affordable housing issues in Montana but I think we need to be doing better. Thank you very much.

Mayor Engen said, thank you. And Karissa Trujillo.

Karissa Trujillo, Missoula Home Coalition, said, the Missoula Home Coalition is a group of organizations and citizens that advocates for policies and initiatives to meet the diverse housing needs of all Missoulians. First, we're very pleased to support the city office of Housing and Community Development's proposal to create a Missoula Affordable Housing Trust Fund and appreciate your consideration of this critical fund. In addition to our support, we have suggestions for changes and additions based on our collective housing knowledge with hopes that those changes will be incorporated into the resolution and ordinance language. The coalition would like to see the Council increase the annual minimum amount of general fund dollars to be placed in the trust to at least \$500,000 per year, acknowledge in the resolution that housing is a human right, rename the Citizen Advisory Committee to the Citizen Oversight Committee and require that that committee be comprised of at least 50% renters. We ask that you require the committee to include one member designated by the Missoula Home Coalition and one member designated by Common Good Missoula or such similar organizations as succeed them in the future. We ask that you require annual evaluation and reporting to Council of the Citizen Oversight Committee structure and in the selection of membership. The Coalition believes that it will be necessary and extremely valuable to give preferential assignment to people from the following groups: black, indigenous and people of color, people with disabilities and people who have been incarcerated as well as people who have received housing assistance in the past. We ask that you empower this Oversight Committee to have shared authority over the formation of and all subsequent changes to the administrative policies and procedures of the housing trust fund. The Home Coalition recognizes that future mayors may not support the housing trust fund in the way that our current mayor

does and placing control of administrative policies in the hands of one person could put the future efficacy of the fund at risk. The administrative policies to be developed will form many of the most important pieces of the housing trust fund, including how the money will be allotted for what types of projects and with which strings attached. We ask that you empower the Oversight Committee to have input on additional funding mechanisms to capitalize the Housing Trust Fund overall. We ask that you require the Housing Trust Funds as a public investment to be prioritized for investment of...in homes that will be permanently affordable. This is critical to ensure Missoula's stock of homes people can afford continues to grow over the long term. And we wish to acknowledge that while the \$10 million commitment to housing is significant and critical, we will continue to need to increase our commitment to this work as a city, both in a dollar amount and the range of approaches that are needed, to advance opportunities for homes that Missoulians can afford. We thank you for your time and commitment to this goal that all Missoulians have a safe, healthy home. The coalition organization members who made these recommendations include Homeword, Neighborworks Montana, the North Missoula Community Development Corporation, Trust Montana, the Missoula Interfaith Collaborative, Missoula Housing Authority, Habitat for Humanity and the Human Resource Council. Thank you for your time.

Mayor Engen said, thank you very much. And Justice Ender

Justice Ender said, hello, can you hear me.

Mayor Engen said, we can.

Justice Ender said, thank you. I would like to second all the things the previous speaker just mentioned and I'll quickly just say that I'm a person with a disability, I'm a citizen and I also work somewhere serving a lot of other citizens of disabilities. Lack of affordable and accessible housing in Missoula is a constant barrier and without appropriate housing, transportation and employment all of a lot of other goals can't happen. I would encourage the City to create this trust fund and pay for both new housing and housing modifications for people that have accessible homes so people can be diverted from unnecessary institutionalization and participate fully in our communities. Thank you.

Mayor Engen said, thank you. And I have caller ending in 8306.

Benny Lapayo said, hello. I just want to clarify, my name is Benny Lapayo spelled l-a-p-a-y-o. And I also have two other people here on the line. I'm a leader with Common Good Missoula, an organization of over a 30-member organization. We are committed to bridging divide and building citizen leadership among thousands of everyday people in Missoula. I first want to thank you all for your hard work as our elected officials especially the work you have already put into the housing trust fund. I'm guessing it's been a lot of long hours and late nights. The recent murder of George Floyd has brought to the

forefront again the current and historical reality of systemic racism across our country and in Missoula. Following the leadership of black, indigenous and other people of color locally we are asking for the following: anti-racism frame for the housing trust fund related to the committee representation and funding, the second admit to housing as a human right. Third, establish the housing trust fund in this budget. Fourth, move towards more funding from the City's budget in the future. Fifth, change the Advisory Committee to an Oversight Committee with decision-making power, with the committee including good citizen representation, BIPOC representation and 50% representation by cost burden renters and including people with disabilities, history of incarceration, vouchers, labor representation and eventually renters living in the HCF housing. These broad parameters that don't exclude any funding mechanisms. Also, I have with me on the phone, like I said, two individuals also eager to tell their own story. If I could also allow them to have their two minutes, we would appreciate it. In non-Covid times we would all be in a room together and we would ask about 300 people to stand up right now. Out of respect for your time, many of us emailed you a personalized letter with a subject line Common Good Missoula Housing Trust Fund. Please take the time to research that subject line to see those letters. Thank you for listening to our stories. I have been a local community member for about 2-1/2 years now. I came way of the pre-release center. I started my introduction as a community member and not as someone who committed a felony for two reasons. One, the negative stigma placed on returning citizens and, second, that is not who I am now. My negative actions in my past do not define who I am today. I'm a different person now. I have learned to work through my negative behaviors. I am now living a positive lifestyle. I'm also part of a nonprofit we call Welcome Back. We help returning citizens find housing. Doing what I do I meet a lot of good people facing hard times and housing is at the top of their list. I remember when I was looking for housing it took over four months to do so. Luckily for me, when I did find a home, while at the pre-release, I was able to save money and was able to pay for first, last and security deposit. A lot of the folks I work with either make minimum wage or barely a little above that. It would be a Godsend if there was a funding to help in...I'm sorry, to help those in need in finding permanent housing. I understand that times are tough but if we can come together as a people, united as one, celebrating our diverse cultures here in Missoula, we can build a better tomorrow today. I really believe this housing trust fund can be a step towards Missoula's 10-Year Planning to Ending Homelessness. Thank you for your time and now I will introduce to Bobbi. Go ahead, Bobbi.

Mayor Engen said, thank you.

Bobbi Kelly said, hi. My name is Bobbi Kelly and I work at Summit Independent Living Center but my story starts at a time before I was employed there. I was on the Section 8 wait list for five years before I received my voucher and when I did, it expired in 90 days. I had a lot of anxiety as the countdown started. I'm in a power wheelchair and finding an accessible place to live is a job in itself. I spent days shifting through housing lists from every organization in Missoula. I left a lot of messages and had to call back relentlessly. I really had to be an advocate for myself, know what I needed in order to function in my home and then ask for it. Then it was like the universe answered my prayers and I found an accessible apartment that would be available before my voucher was up. And as appreciative as I am for my good fortune, the universe shouldn't have to be in my lane for me to have a roof over my head and when it doesn't all come together it's not an individual failure, it's a systemic problem. Not voting for this housing trust is continually a system where people have to depend on answered prayers in order to sustain affordable housing and that is not acceptable. At this time, I would like to turn it over to Laura. Mayor Engen said, thank you, Ms. Kelly.

Laura Byrd said my name is Laura Byrd. My preferred pronouns are she, her and hers, and I currently work as the Eligibility Specialist here in town for the All Nations Health Center. I myself have lived in the Missoula community for over 20 years. I have faced numerous housing difficulties throughout that time but the story I will tell here is the most recent struggle that I'm actually have had trying to find an affordable rental that will work with my Section 8 voucher through Missoula Housing Authority. I have excellent credit, work and rental history, a Section 8 voucher and I even have a co-signer on-board who also has great credit and income history. And even with those in my corner I still had an extremely hard time getting approved for decent rental in my affordability range. I have paid over \$200 in application fees within a one-month timeframe and was turned down for at least four rentals, three of them within that time. I was able to finally secure a great place through a private owner who actually charged me like 10 bucks for the application fee. And I had such a hard time finding a place that was decent, safe and affordable for my family. And I had drove my kids to one apartment complex that was completely filthy and there was a group of adults that were drinking during the daytime that stared us down as we drove through and my kids were not comfortable and definitely did not want to live there. My concern is for those individuals who do have the pluses I have in looking for housing and just how much more difficult it is for them to secure safe and affordable housing. Thank you for listening to me. I am now turning it over to Benny at this time. Thank you.

Benny Lapayo said, thank you, Laura. In closing, I want to thank these leaders who have stepped up to tell their story and also we're asking you to support the affirmations adjustments to the housing trust

fund proposal if they are not already included. We also are requesting a meeting with Mayor Engen and City Councilmembers to discuss these requests. We will be sending our request in a written form as well. Once again, thank you for your time and hard work.

Mayor Engen said, and thank you all. Mr. Henderson.

Mr. Henderson said, thank you, Mr. Mayor and members of the City Council, thank you so much for your time. And I also want to thank you for your leadership and taking up this incredibly important issue. I will say, without hyperbole, I feel that affordable housing is the most important challenge facing our community. The lack of affordable housing and the rising rental costs was a huge problem when I came to Missoula 17 years ago to attend the University of Montana, and it arguably has only gotten worse. On the one hand it is frustrating that it has taken this long to get to this point of action. On the other hand, I greatly appreciate the leadership and the time and attention that you have taken in getting us to this point tonight. When I was at the University, shortly after graduation, I worked as a renter advocate for about two years and I can tell you I heard some horrendous stories about lack of access, lack of repairs, constantly increasing rents and I was floored at that time. But today I work care workers that take care of our seniors and people with disabilities and I hear those same stories. These folks struggle to provide most basic things, things that we all take for granted. They live in deplorable conditions and they are constantly battling poverty. In that sense, they're not unlike a lot of essential workers and if essential workers cannot continue to afford to live in Missoula, it will change the character of our community. If you want an example of what that looks like, I would encourage you to look at Bozeman. I have members out there that have had to move to the surrounding communities, uprooting their families, severing those local connections and also trying to establish new connections in a community that was not their choice. I do have a few very specific recommendations concerning the ordinance in front of you. The first is that the Advisory and Oversight Committee should reflect the communities that they serve and that half of the population are renters. Renters are given lip service in public and frequently demonized behind closed doors but they do pay property taxes because there are factored into the basic cost of rent so then that is which they have little control of. They are a substantial and meaningful part of our community and they deserve a substantial seat at the table. Number two, there needs to be a mechanism to ensure that affordable housing units that are created remain affordable in perpetuity. And finally, I ask that you consider inclusionary zoning as a policy tool both now and in the future. So, with that said, I thank you again very much for your time sincerely. I know this is an incredibly important issue and it's a thorny issue but thank you for your courage and taking this up and I ask that you finish your work tonight or more specifically next Monday. Thank you again.

Mayor Engen said, thank you, Mr. Henderson. And Nevin Graves.

Nevin Graves said, thank you, Mr. Mayor and members of Council. I would like to echo Mr. Henderson's comments. I do think that, you know, we're all very much aware of the proportion of the Missoula tenants who are renters in this city. I would like to thank you for the work that you folks have put into taking on this issue of establishing an affordable housing trust fund. I think that, you know, we are all painfully aware of the fact that's federal dollars being the primary source of funding for affordable housing. It's just something not sufficient given the housing issues that we see here in Missoula. I would like also to remind members of Council that a huge portion of Missoula residents are students, especially here at the University of Montana, and the issues that impact them with regards to housing and housing security are ones that I hope are on the forefronts of your minds as you consider any changes that you might make to the resolution and ordinance as you see before you. Yeah, so thank you all very much for your work on this issue and for bringing this to a place where we can move forward on this, hopefully, next week with voting affirmation of the resolution and ordinance, and I thank you for your time.

Mayor Engen said, thank you. And Patricia Hogan. Hi, Patricia. Patricia? Hello, Patricia? Alright, we will move on to Ms. Davis.

Andrea Davis, Homeward, said, good evening members of City Council and Mayor Engen. I just want to quickly comment and make sure I leave room for probably a whole long list of others that are in support of this effort. Homeward is thrilled to support the creation of an Affordable Housing Trust Fund. The creation of a localized fund illustrates the importance of strengthening our community and ensuring our residents can afford their homes. This fund and the soon-to-be created policies and procedures will leverage millions of private and public dollars to be spent right here in Missoula and we will all benefit from that investment. Homeward is a participating member of the Missoula Home Coalition whom you've already heard from tonight and there has been a lot of thoughtful comment that has coalesced into those comments but we would just like to emphasize that we certainly would love to see the resolution acknowledge that housing is a human right. We would love for Council to consider increasing the amount that's contributed from the general fund to reach that \$10 million goal. I understand that there's a lot of sources that have been identified in order to reach that \$10 million ultimate goal and we just hope that we can keep meaningful contribution from the general fund and that this is a high priority for each annual budget cycle. We would love for the ordinance specifically to prioritize projects that are permanently affordable through deed restriction but also being able to meet the income targets that have been identified through the affordable housing policy A Place to Call Home. And so I think that

there is a priority there but I'm eager to see how the policy and procedure will also be able to achieve goals such as helping with down payment assistance, for example, for someone that might be earning as much as 100% of the area median income or 120% of the area median income. A deed restriction in that example may be short term and it might also achieve the intended purpose. We would really also appreciate seeing a balance for renters and homeowners on the Citizen Committee. I think that there's been a lot of thoughtful comment in regards to that tonight. And then really appreciate you establishing the makeup of that Citizen Committee and ensuring diversity and inclusion for those that are not typically represented on an advisory council and for those that have the opportunity to contribute to City policy and authority so appreciate that focus. Really appreciate your commitment and your vision and thank you very much for deploying strategies within the policy that you adopted a year ago. Thank you very much.

Mayor Engen said, thank you. And Andie Helso.

Andie Helso said, hi there, thank you. This is Andie Helso, Ward 2. I echo the comments of the previous commenters, especially those from Common Good Missoula. Those who are, you know, speaking in support of the ordinance and the resolution and also asking for changes to it in terms of Oversight Committee. The primary thing I want to ask or comment on is the amount of dollars from the general fund that are being set aside for the Housing Trust Fund. I believe that if affordable housing is a priority of this Council, and I do recognize that it has been over the course of the last at least handful of years, given numerous policies that have been written as well as many comments that have already been given in front of Council, I do believe that it's a priority. But I also believe that if it is, if it continues to be a priority, then our dollars show that and I believe that there is money there to put more of it toward this Housing Trust Fund than is currently being allocated. I would say that the support of this resolution and the support of this ordinance and the constant commentary on the affordable housing crisis in this community represents that. I don't see the same level of commentary from the public in Missoula about other things that are currently being funded and being prioritized in the City's upcoming budget. So, I would ask that Council evaluate the budget through that lens and consider putting more of the general fund dollars toward the Housing Trust Fund. I appreciate your time. I appreciate the commitment to affordable housing and I appreciate the previous story-tellers who have had the courage to speak about where they have come from in their own personal crisis and trying to seek housing in this community. Thank you.

Mayor Engen said, thank you, Ms. Kelso. I see no additional hands in the attendees. Are there questions from Councilmembers or comments, in advance of this public hearing remaining open for the week? I have Ms. Merritt.

Aldersperson Merritt said, thank you and thanks for all the commenters. I wonder if Montana or Eran could speak briefly to the ways in which the resolution and ordinance worked to create or to protect the funds that we do invest through this Housing Trust Fund into permanently affordable housing. I know there's been a lot of comments about that. Thanks.

Montana James said, sure. So, the ordinance in Section 3.24.060 speaks briefly to that. It's the other requirement section of the ordinance and it says that projects funded by the trust fund must secure appropriate legal mechanisms identified to preserve affordability as defined under the administrative policies and procedures. We have been working with the City Attorney's office actually on making sure that we have a good policy and the right mechanisms in place for our federal funds and so I think that work would carry onto the trust fund as well to make sure that we have documents that are what we need. We...administrative policies would outline that in much, much more detail, depending on the level of investment, how much of the trust fund dollars are going into a project, what type of project it is, whether it's a rental housing or homeownership, all of those pieces would factor into exactly what the mechanism is and the period would be, and so that will all be outlined in detail in the administrative policies.

Mayor Engen said, anything else, Ms. Merritt?

Aldersperson Merritt said, that's all I had.

Mayor Engen said, Ms. Jones?

Aldersperson Jones said, thank you. Thanks, first of all, for all of the work and heavy lifting that's gone into this and I remember setting up the Department of Housing four years ago and then all of the work that went on the housing policy and I think I was having coffee with Eran Pehan about three years ago and she was talking about the trust fund idea, which is really just a best practice. So, I'm so glad we're going in this direction. I did have a couple of questions. First of all, I'm looking at Section 3.24.070 Trust Fund Administration and in paragraph D it talks about the reserve fund account and I'm just wondering, I wanted to have a clear sense of this in my mind because we want to fund the trust fund. We also want to be spending that money. Like we don't just want to save it in there. That's \$10,000 in the trust fund or whatever amount is great but \$10,000 spent out of the trust fund means it went into housing. How will that dynamic work with the reserve account? Is that...if it's depleted every year but then this incredible project comes in, we trigger the reserve account or what is the concept behind that?

Montana James said, yeah, that's the thinking behind the reserve account. This is something that we saw in several example ordinances from other communities that has worked well. And we've also encountered...it lists some of our federal funds if we have an annual allocation process or application process. And then an organization or a partner comes to us, halfway through the year with a great opportunity, that they need to act on really quickly and if we don't have any funds left, then that can be frustrating so that was the thinking behind that section to be able to have that clear, open application process but to have that reserve in case of a really great project comes up or if we need to have some sort of emergency response to have some funds available for that.

Alderson Jones said, so, it kind of sits on the back shelf and then if the scenario arises where we want to use it, we've got some options. Can I have a follow-up question please? Thank you. So, the other thing was the...part of your slide show, where you had the four phases and the last phase was basically the pilot program, it says that the, oh, I wish I could read my writing better, the allocation plan will be presented to Council, is that then approved by Council also or is that an informational only presentation and we are basically approving allocations to the trust fund? That's the rule of Council, we approve the initial allocation? I'm trying to figure out where these things intersect.

Montana James said, sure. Yeah, I think there are a lot of kind of intersections between the Advisory Committee and Council approval processes that we need to work out in the administrative policies but essentially the allocation plan will speak to kind of larger-scale priorities for the upcoming year and that is really important to go through that Citizen Advisory Committee to have them kind of help us craft that and make sure that the priorities are correct. And then I think we would present to Council as an information item.

Alderson Jones said, thank you.

Montana James said, and you can add anything that I missed.

Mayor Engen said, Ms. West? Hiding you're muted...

Alderson West said, oh, shoot. Okay, can you hear me now? So, I just have a comment and I welcome...I mean, I'm willing to wait until other folks have asked questions or should I just comment away? Alright, so I guess I just wanted to point out, just for the sake of responding to some public comment that housing is a human right, has been officially incorporated into the, I guess, the resolution that we have in front of us. And I also just want to briefly comment that the funding options that are described in the ordinance are...the way I understand it are defined as broadly as a statutorily possible, which will allow us for the maximum flexibility innovation and also allow us, as a community, to address future needs and unknowns. And I meant to start off with a big thank you to Eran and Montana and

Ellen who have really been great at, you know, not only preparing all of this but also just really having some in depth conversations over the last couple of weeks related to some of the details. And I do want to suggest that folks if they have two hours in their day and really would like to watch a meeting that has a lot of information, the Missoula Redevelopment Agency Board meeting on June 18th, I think was really valuable for me to understand. Some of the context around this trust fund, it's a great back-to-back meeting where the Vallagio is the first agenda item which is an affordable housing project that will be coming to our community, developed by BlueLine and the Housing Authority, and then immediately after this housing trust fund is discussed. And I think the two together really highlight both the need...but the discussion that is being had around these issues and that...and in just a really great attainable way. And then the third item I would like to mention is that I do think that there needs to be some...I guess a way to address the current advisory body that is established in this. And I hope to bring an amendment the next meeting because we can't amend things that aren't on the floor yet. That gives that body some more power but also, and I guess my goals in that are...there's multiple goals around that. I think we are uniquely situated right now between our current administration, Council and community buy-in around shared vision and priorities around housing. And, hopefully, what we set up will persist without any of us being in this room in the future and whatever Council, the administration and this first...I'll call it an Oversight Board, sets up is going to be the fallback into the future. And it's super important to me that if a future Mayor or a future Council can't unilaterally just gut what we are setting up right now. In the world that we live in right now that's incredibly divisive and where, you know, a lot of our conversation seems to be like knee-jerk reactions and there's wild swings from one political spectrum to the other. Like this fund needs to be insulated and apolitical because this is housing that we're talking about which is a basic human right and our housing, you know, and our security as people in our community shouldn't be just up to, you know, people to bat around. And as a part of that, I hope to have an Oversight Board that is in part appointed by the Mayor, in part appointed by Council and then also have one seat that is appointed by a County Commissioner with the hope of really encouraging a diversity of representation and it's also similar in many ways to the tri-partite model of board governance that we use in my work world, which is with community land trust where we try to have a third TLT residents, a third community residents and then a third of experts and stakeholders. I think that housing, developing housing, is incredibly complicated. I think we need those experts that are on that side of the financing and underwriting but equally important our...the voices of people that, you know, live in that housing as well as the folks that ultimately also meet community-

wide decisions because they have to be able to hear, in effect, with those voices. So, yeah, I think that's all I have to say at the moment. I look forward to continuing this next week.

Mayor Engen said, Ms. Sherrill?

Alderson Sherrill said, thanks and thank you for those comments, Heidi. I agree with you that housing is a human right and I was happy to hear people commenting on that. But first I do want to say, you know, starting on Council in January, I was not part of all these conversations that took place prior to that but I'm really excited to be here now and see this coming forward. This is a giant step that felt just, you know, almost undoable five years ago and so I'm really happy that we are at this point and thank you everyone for your work on it. I have...and everyone's comments, I think this has really been a really good conversation and I appreciate the emails we've received this week. So, but I just kind of have a nuanced question here. Hope it's...three, four...sorry, I'm trying to go through my screen here. 3.24-30 in the definition of affordable housing, why is the word primarily in there? Residential housing primarily for persons. Why...I'm just wondering what the thinking behind using that word and why that's inserted.

Montana James said, sure. Trying to get there. That was a good question. I think this was a definition that we pulled from some of our federal definition and that is a holdover from that. Usually I think it's intended to make space, for example, in the adopted housing policy we speak to the need for homeownership for folks up to 120% of area median income and the federal definition for low and moderate income is up to 80% of area median income so I think the primarily is just intended to capture that these programs may serve folks above what is traditionally considered low and moderate income based on our definition and the administrative policy is...and especially for those programs that we speak to in the housing policy where we see that need.

Alderson Sherrill said, okay. And if we...I'd like to think about that a little bit more too. And then 3.24.8...080, hold on I have to scroll down here, sorry, I'm using one screen so...we are incorporating a non, yeah...we are incorporating representation from a nonprofit that has...it's a NGO, let's see ...basically, we're incorporating having a NGO, nonprofit...our housing advocate on the Advisory Committee as well. Yeah.

Montana James said, the answer is yes. Right. Yes. That's the way the ordinance is proposed.

Alderson Sherrill said, okay, thank you. I think that's all I have for right now, thanks.

Mayor Engen said, Ms. Harp?

Alderson Harp said, thank you. I want to first off thank Montana and Eran really for doing a lot of listening to the various different groups that you reached out to, to try and get some feedback from the

Home Coalition, the At Risk Housing Coalition and Common Good. Roughly between all of those different organizations, over 5,000 Missoulians have...voices have been represented and I'm sure I'm probably a little shy on that figure. And this is the topic that I never really imagined to be at this tipping point. It just feels like today due to the Black Lives Matter movement that we are really have...we have some really great momentum behind us that can really affect some positive change for people who really have been on the outs of being even able to participate. And when I think of my own personal story of where I am staying comes back to the fact that in my mid-20s my husband and I were able to buy a house in Missoula for \$97,000. And because of that opportunity, it created other opportunities that created a domino effect to get me to where I am today. And it just sickens me that that opportunity has been precluded from other people's chances at a better life. And I know we're not voting on this tonight but I encourage all of my Councilors to come...when we come back to this table, to really be in full support of this housing trust fund. This is our moment to making radical difference which also happens to be a rational difference in people's lives. So, I'll leave it short tonight and I look forward to revisiting this topic next week. Thank you.

Mayor Engen said, Ms. Becerra?

Alderperson Becerra said, thank you. First and foremost, I just want to thank the staff, Eran and Montana and everyone who for many years have had the vision and the foresight to look across the nation at best practices and customizing it to fit our community, our needs. And it's a...along those lines, that I would like for us to continue to look at refining and perhaps be more explicit about what we mean by diversity within the 3.24.080 Affordable Housing Citizen Advisory Committee section, I think that given what's going on around the country, around the world and in our community it would be...it calls for, in my opinion, for more precise language that can be more inclusive so I would like for us to look at a way to ensure that we are at the very least addressing racial and economic conditions as part of diversity in this conversation. Thank you. And I'll work with staff to see what we can do.

Mayor Engen said, well, thank you all. This public hearing again will remain open. A couple of things I'd like to note. One is I'm grateful for the creative suggestions that we heard this evening as a function of public hearing, that we've heard as a function of our Engage Missoula page and the continuing conversation of outreach that staff has done. You know, five years ago we didn't have a housing office at the City of Missoula. We proposed...I proposed to Council that we create a position and hire somebody. And I was pretty dead set on that somebody being Eran Pehan because I have seen her operate as an administrator at the Poverello Center under very difficult circumstances. I recognized her passion and that action has translated into action. Our housing policy was a slog and a necessary slog as

much of what we do in local government is. But the product of that slog is a document that built the foundation but gives the folks who commented this evening confidence that when we create this housing trust fund as a function of that planning document, that it will be meaningful and effective. So, thanks, Eran, and thanks, Montana, and thank you Councilmembers for continuing to step up. The admonition that I may not always be around or that all of you might not always be around is well taken and I think governments will be critical and important and the suggestions that I heard this evening make a ton of sense to me, ranging from what we heard from folks who commented this evening with regard to specific makeup. I do believe that renters are underrepresented and folks in poverty or folks in racial minorities are underrepresented and I think there's great opportunity here and I really appreciate those comments and I would suggest that we probably work on ways to incorporate that and bring amendments next week that reflect those notions because that governments will matter. I believe that we...again, we're waiting for our revenue numbers to come in. I believe that we'll be able to provide significant support from the trust fund this year. I hope that we can continue that but I'd like this to be a big year to kick off the fund. And there are other sources and we've actually had some private citizens express interest in contributing significantly to this fund, so, well managed, well supported will make a difference. This is a big step moving forward and I'm grateful for all of you and for the folks in the audience who were interested enough and willing enough to take your time this evening and for all of the work that you have done as individuals and organizations over time to promote affordable housing. I've got a story similar to Heather's. I am not a wealthy man but the comfort I have had and experienced in my career largely is based on an early investment in housing in Missoula. My first house cost \$97,000 too and that was all the money in the world in about 1992. So, it's top of mind for me and I think for the folks on this Council that these opportunities are available to most Missoulians. That notion that housing is a human right is something that I took to heart after conversations with Cory Davidson years ago and I believe it and I know that most of you believe it and I think that belief will be made manifest when we consider these items next week so thank you for all of that.

9. COMMUNICATIONS FROM THE MAYOR - None

10. GENERAL COMMENTS OF CITY COUNCIL

Alderperson Vasecka said Lolo National Forest reported that 22 out of 23 fires before the 4th of July weekend were human caused. That is not good. Remember to completely soak your fire and stir it so that there are no embers underneath them. Make Smoky the Bear proud everyone. Also, the mask mandate was passed by the Missoula City County Board of Health. No matter what your stance is on

this order please wear your mask inside stores. Per the Missoula Department of Health order, the businesses themselves will be responsible, possibly fined and/or possibly temporarily shut down due to the acts of the individual so please do not harm Missoula businesses. Finally, she does agree with Mr. Larson's earlier comments that a lot of folks are missing out on public comment and she'd like to start the discussion with the Council, the Mayor and city staff to figure out a way that we can safely return to in-person meetings soon.

Aldersperson Merritt said she knows that tonight with the change to their assumed platform to be in a Webinar instead of the call-in platform that they had before was a little disconcerting at first and she had for some forbearance of the public as we work through these issues. Tonight's experience being able to hear public comment was way better than what it has been when they had people calling in. If we can bear through these, we can have good public comment and discussion in this format. When we talk about virtual format versus in-person format and who may or may not be able to comment, she thinks there is a big segment of our community beforehand commenting to in-person meetings is also a challenge and an obstacle and that this virtual format perhaps gives people who haven't had the opportunity before to tune in and comment. Neither aspect is going to be ideal ever. Just do the best that we can. Bear with us. This new format, with the help of Marty Rehbein and Kirsten Hands and our tech staff is a big improvement and she's thankful for that.

Aldersperson Anderson thanked everyone who joined us this evening or who took the time to email the Council prior to this meeting and they appreciate your feedback and a lot of it was very constructive and they incorporating it and looking forward to adopting this ordinance and resolution next week. There are many ways to engage with the Council, outside of just joining their meetings on Monday nights. You can send them an email, a voice mail as well as comment on the Engage Missoula platform. All of that can be found on the City's website. The Council looks forward to hearing from the public in the next week as the public hearing on this ordinance is open. Also, Ellen Leahy from the Health Department will be coming to the Public Safety and Health Committee this Wednesday to give an update on the mask ordinance and how that's going in our community. She thanked everyone for their comments on that and the Health Board for passing that ordinance and everyone for wearing a mask. A spike in numbers is seen in our community but if we all pitch in together and wear a mask and practice all the social distancing and handwashing, hopefully we can get through to the other side of this. The Public Safety and Health Committee meeting is this Wednesday from 10:50 a.m. to Noon.

Aldersperson Jones said she's also been thinking a lot about masks lately and the big picture with businesses is if people are conscientious about wearing their mask in those enclosed spaces, we will

keep our numbers at a level where those businesses can stay open and that's a really important factor. Numbers are going up across America, in Montana and in Missoula and she thinks we're going to be in this for a long time so we're going to have to figure out how to make things work. She appreciates the improvements to the meeting tonight. Still have a few bumps to figure out but a lot of people are figuring out how to comment and she's been getting many, many emails and she reads those emails. Missoulians are doing a good job communicating with the Council and keep it up.

Alderson West spoke about some of the assistance available in Montana related to housing. I know that some of the benefits from the CARES Act are expiring this month so, for example, that extra \$600 a week that folks are currently getting if they are on unemployment. So, I assume life isn't going back to normal at the end of the month for most people and that folks who have been managing to survive, whatever economic changes have happened to them due to COVID-19, might be in a somewhat precarious situation. And there is an emergency housing assistance program administered by the State of Montana that has been seeing actually lower applications than they were expecting and this is emergency housing that could cover anything from rent to mortgage payments to paying the hazard insurance on your home. So, I just want folks to know that it's there if they should need it and it's available at the State website. [Housing.mt.gov](https://housing.mt.gov).

Mayor Engen said, and, Ms. Harp?

Alderson Harp thanked Sandy for changing her tune on the mask ordinance. It's really important that we wear masks. It's the most patriotic act that she performs day in and day out when she goes into businesses, when she's at her office at Habitat for Humanity, when people come, you just mask up because it makes a lot of sense. Habitat for Humanity is selling masks as a fundraiser so they can build more affordable housing.

Alderson von Lossberg thanked Eran and Montana and his colleague from Ward 1 for diving in on some good work for next week.

Alderson Sherrill said she's happy for the mask policy and she's thankful to everyone. She's noticed people really are wearing them. Being a representative on the City County Health Board for the Council, they had 3,600 comments regarding the mask policy from the County of those comments in the City of Missoula 87% of those were pro wearing a mask, 67% in the County for a total of 81%. Missoula spoke very clearly about what they would like to see so she's thankful for that. Businesses should be wearing them so they don't get fined and also to the employees that are in those masks for eight hours and they're asking her to go into those businesses wearing a mask for 15 minutes. Every time she sees someone without a mask and the employees that are in them all day long, she thinks just do it for them.

She appreciates the people that are doing that right now and keeping our essential works and our businesses open. You can call in and leave a City Council voice mail, which is a great way to maybe comment on something, at 552-6012. Those messages come to all the Council and they do listen to them. They come through to them just as an email and it's a great way for Council to get comments before the meeting and to think those through.

11. COMMITTEE REPORTS

11.1 Administration and Finance committee (AF) report

11.1.1 July 8, 2020 Administration and Finance report

11.2 Budget Committee of the Whole (BCOW) committee report

11.2.1 July 8, 2020 Budget Committee of the Whole report

11.3 Committee of the Whole (COW) committee report

11.3.1 June 24, 2020 Committee of the Whole report

11.4 Land Use and Planning Appointments (LUPA) Subcommittee report

11.5 Land Use and Planning (LUP) committee report

11.5.1 June 24, 2020 Land Use and Planning report

11.6 Parks and Conservation (PC) committee report

11.6.1 June 24, 2020 Parks and Conservation report

11.7 Public Safety and Health (PSH) committee report

11.7.1 June 24, 2020 Public Safety and Health report

11.8 Public Works (PW) committee report

11.8.1 June 24, 2020 Public Works report

11.8.2 July 8, 2020 Public Works report

12. NEW BUSINESS - None

13. ITEMS TO BE REFERRED

13.1 Administration and Finance committee referrals

13.1.1 Appointment to the Downtown Business Improvement District Board

13.1.2 Allegiance Health Benefit Administrative Services Agreement

13.1.3 Program Year 2020 HOME Investment Partnership Program (HOME), Community Development Block Grant (CDBG), and Coronavirus Aid, Relief and Economic Security (CARES) Act Community Development Block Grant (CDBG-CV) Award Agreements

13.1.4 Interlocal Agreement with Missoula County

13.1.5 The Villagio Affordable Housing Development Contract

- 13.1.6 Villagio Affordable Housing Development Community Benefit Tax Exemption
- 13.2 Budget Committee of the Whole referrals
- 13.3 Committee of the Whole referrals
- 13.4 Land Use and Planning Appointments Subcommittee referrals
- 13.5 Land Use and Planning committee referrals
- 13.6 Parks and Conservation committee referrals
- 13.6.1 Contract – Northside Pedestrian Bridge Engineering services
- 13.7 Public Safety and Health committee referrals
- 13.7.1 Abandoned Vehicle Towing Contract
- 13.7.2 Referral-Cloth Face Coverings Rule
- 13.8 Public Works committee referrals
- 13.8.1 Access and Use Easement with Southgate Mall Montana II LLC.
- 13.8.2 First Amendment with TischlerBise for the Mullan Area Special Impact Fee District Study
- 13.8.3 Missoula City Public Works Standards and Specifications Manual
- 13.8.4 Amendment No. 2 with Morrison-Maierle, Inc. for the Upper Gharrett Drainage Project
- 14. MISCELLANEOUS COMMUNICATIONS, PETITIONS, REPORTS AND ANNOUNCEMENTS
- 14.1 Administratively approved agreement report

Mayor Engen thanked Ms. Rehbein and Ms. Hands again for their efforts in marching us forward here as we sort out this Webinar which is much improved. Still lots of work to do but they are doing great and we are grateful.

15. ADJOURNMENT

The meeting adjourned at 8:05 PM

Martha L. Rehbein, CMC, City Clerk

John Engen, Mayor

Kirsten Hands, Senior Deputy City Clerk

