

**COMMITTEE OF THE WHOLE
EXPLORING... FINDING SOME AGREEMENT
ON PRIORITIES AND FUNDING**

Missoula City Council

May 16, 2012

Members present: Marilyn Marler—President, Ed Childers, Dick Haines, Mike O'Herron, Caitlin Copple, Jon Wilkins, Cynthia Wolken, Adam Hertz, Dave Strohmaier, Bob Jaffe

Members absent: Jason Wiener, Alex Taft

Others present: Ginny Tribe, Brentt Ramharter, Susan Roy, Lisa Triepke, Steve Loken, John Hendrickson; Paul Bohan;

Session Summary

SESSION OBJECTIVES

1. Identify important projects for the City to fund in the short term and in the long term.
2. Identify possible revenues that are not property taxes.
3. Identify those areas where there is consensus among Council members.

COMPLETED AGENDA ITEMS

Getting Started:

Discussion “Ground Rules”

City Council members created the following ground rules to encourage productive discussion in the session:

- Talk loud so everyone can hear.
- Address issues - not personalities. Don't give it personally and don't take it personally.
- Speak one person at a time and allow the other to finish.
- Combine advocacy with inquiry.
- Use a “shelf” for issues that belong in another discussion.

Session Pre-thinking - “Provocative Questions”

The facilitator thanked the Council members for looking at the session pre-thinking questions she sent out and stated that while they would not be addressed individually, the topics would probably come up during the discussion. The questions were:

1. From your perspective, what are the biggest challenges facing the City in the next 24 months? As part of the City's leadership, do they make you nervous? Why?
2. What are the biggest challenges facing the City in the next 5 years?
3. What are the 2 most important criteria you consider when voting to make a decision about funding? What kinds of things cause you to change your mind?

4. In terms of long term funding, what do you think the City “has to have”?
5. In terms of funding - at this point - what do you think the City “can live without”?
6. What specific things do your constituents expect from you as their Council person?

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Participant “Warm up”

Currently Funded Items that Need to be Evaluated... Can we live without them? Should there be a change in how they are funded?

- The number of irrigated municipal lawns
- The number of paved trails
- Missoula in Motion
- The number of fire halls
- The context of less for everyone rather than whole cuts to one place
- Traffic lights (that can be replaced with roundabouts)
- Raises for non-union employees
- Health premiums
- A lobbyist for the City

Observations

- Some items cost the City a “bundle” but are critical.
- There is some agreement about these items.
- We have a process where we see the budget after it is prepared rather than being involved in the process of creating the budget.
- It would be helpful to have a tax/budget neutral starting place and build rationale together from there.
- Taxing is how we pay for many items - it’s rare that we make hard decisions about scarce resources.
- Property taxes make up about 25 million a year in a total budget of 100 million per year. Other funding includes federal dollars, fees, grants/matching funds, partnerships, etc.

Exploring Important Factors in the City’s Operating Environment

Council members listed the following:

- Missoula competes with other communities for good staff.
- Missoula is competing with other communities in terms of economic development and investment (e.g., Bozeman).
- We really have no compelling community vision for Missoula’s economy.
- City Council has some authorities. But we have a strong elected Mayor system of City government with the Council having less influence.
- Collective bargaining agreements exist.
- We have staff and personnel are paid and have benefits.
- We’re experiencing State and Federal cuts and probably will see more.
- There are always inflationary costs; maintenance/depreciation costs
- Health care costs are rising as well as health care premiums. We don’t know what is going to happen related to health care nationally.

- We have a public that wants to participate and we struggle with what that should look like.

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Thinking “Out Loud: about Guiding Principles

Council members crafted and discussed the following “guiding principles” to help them narrow their exploration space related to priorities. They also recognized that guiding principles affect the decision process and can influence the relationship between citizens and their city government:

- We believe the City has a responsibility to provide basic infrastructure for commerce and residences. (Trick is agreeing on “basic infrastructure.”)
- We believe the City has a responsibility to protect public safety and health. (Again, trick is agreeing on “adequate” and public safety and health.)
- We believe that economic vitality and survival are linked to how local government works. Government influences economy and vice versa.
- We recognize that the City Council has the responsibility and authority to levy taxes to implement the budget. We also believe that as the City Council, we have a responsibility to consider the level that people can be taxed and who gets taxed within our current authorities.
- We believe that taxes and use of tax revenues should be as transparent as possible.
- We believe the public has the right and responsibility to be involved and that the process should be accessible and convenient.
- We believe that the City has a responsibility to demonstrate the value of the shared investment and its positive outcomes.

Identifying/Discussing Priorities - Short Term Projects (now to 3-5 years)

Brainstormed List

- Lighting District
- Police station
- Russell Street improvements
- Mount Line expansion
- URD III
- MEP (monitor, evaluate, perhaps more funding)
- Urban deer
- Hillview Way and other major roadway reconstruction
- Bid on Mountain Water
- Reduction of turfs in Parks
- Pleasant view Park
- Poverello relocation
- Sidewalk funding
- Affordable housing
- Finish Grant Creek Trail
- Low cost air carrier
- Fire Management Plan for Conservation Lands

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Short Term Projects cont.

Criteria for Determining /Coming to General Consensus

- If it's ready (plans, etc.), do it now.
- Is it a short term job creator?
- Will it resolve an imminent health or safety risk?
- Who benefits... where are the benefits and who pays?

General Consensus

- Acquiring Mountain Water (consensus based on how and who pays)
- MEP
- Affordable housing (within many considerations for neighborhoods, etc.)
- Riverfront triangle (consensus based on funding sources... who pays)
- URD III - Fairgrounds redevelopment
- Department re-organization

Identifying/Discussing Priorities - Longer Term Projects (5 years plus)

Brainstormed List

- Convention Center
- Affordable air travel
- Russell Street - ongoing
- Mill site redevelopment
- Ice rink in the ball park
- Expand whitewater recreation
- Better partnership with the University of Montana
- New COT built
- End joblessness... higher standard of living ; more diverse economy
- Amtrack service through Missoula
- Street maintenance
- Effectively resolve the Police space/logistics problems
- Recreational facilities (sports) - Fort Missoula Soccer Park
- Mountain Water
- MEP/other economic development/MRA/T.I.F.
- Lighting Districts
- Rental safety
- Urban forest
- Open space stewardship and maintenance
- Facilities stewardship and maintenance
- Replace lost federal revenue
- Sidewalks
- Housing regulation changes or investment
- Sewer

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Longer Term Projects cont.

Criteria for Determining /Coming to General Consensus

- If not addressed. It will lead to greater cost/unacceptable consequences.

- The project doesn't fit into one fiscal year.
- It is an investment that will support growth and community goals.

General Consensus

- MEP - support economic development and jobs
- Better partnership with UM particularly related to student housing
- End homelessness (problem solving about housing)
- Functional police space
- Mill site redevelopment
- Stewardship and maintenance of Parks, open spaces
- Ownership/management of municipal water
- Urban forest issues
- Focus inward (transportation solutions; development, re-development)

Thoughts about Alternative Funding Sources (5 years plus)

Criteria for Exploring Alternative Funding

- Will the alternative revenue to additional or replacement?
- Is it legal? Is it available?
- Does it have public support?

Council members brainstormed the following alternative funding sources:

- Gas tax
- “Big Box” tax
- Savings through conservation
- A larger share of State taxes (coal, oil, gas)
- Public/private partnerships; private investment in public resources
- Tax on non-profits/churches via special districts
- Support MEP to grow the economy and expand the tax base
- Possible transaction fee? Other user fees; Court fines/fees
- Expand Special Districts to include tourists
- Bigger URDs; new ones
- Utility ownership
- Make cuts to live within our current funding
- Currently not authorized - Income tax; local option sales tax; toll roads

General Consensus

After discussion, Council members agreed that all alternative funding sources should be explored. At the same time, the question about additional or replacement revenue needs to be answered.

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Where do we go from here? ... Last Comments from the Council

- How can we keep the discussion going?
- As a Council, how might we move ahead with priorities where we have general consensus?
- Next year - we need to work to have a process where there is some community conversation on priorities and there is collaborative discussion

between the Mayor and the Council.

- How might we have more effective/useful/helpful public involvement?
- Do we need a Council Strategic Plan - a collective vision?
- What's the next step? How can we move to adjusting our role in next year's budget process? ... using guiding principles, etc.
- We need to make it our individual responsibility to make specific referrals to the Committee of the Whole.