

**ADMINISTRATION AND FINANCE COMMITTEE
CITY COUNCIL CHAMBERS
140 WEST PINE STREET
MISSOULA MONTANA
April 21, 2010 1:05pm**

Members present: Stacy Rye, Chair; Ed Childers; Renee Mitchell; Pam Walzer; Jason Wiener; Dick Haines; Roy Houseman; Dave Strohmaier; Jon Wilkins; Bob Jaffe.

Members absent: Lyn Hellegaard.

Others present: Keila Szpaller; Bruce Bender; Dee Andersen; Brentt Ramharter; John Hendrickson; Joel Baird; Ginny Merriam.

I. Administrative Business

A. Approve committee minutes dated: [April 14 2010](#)-approved as submitted.

B. Public Comment on items not listed on the agenda-None

II. Consent Agenda

A. Approve claims (accounts payable). -Consent Agenda (Brentt Ramharter)

Motion: The committee recommends the City Council approve [claims](#) totaling \$230,822.56 ([Detailed claims](#))

B. Extend the city's audit contract with Anderson Zurmuehlen for two years to encompass the fiscal year 2010 and 2011 audits. ([memo](#)) – Regular Agenda (Brentt Ramharter) (Referred to committee: 04/19/2010) **REMOVE FROM AGENDA**

Motion: The committee recommends the City Council approve and authorize the Mayor to extend the audit contract with Andersen Zurmuehlen for two years to encompass the audit of the City for FY10 and FY11.

Brentt Ramharter, Director of Finance, requested the committee extend the City of Missoula's current audit contract with Andersen Zurmuehlen for two more years. The reason for the extension request stems from a significant number of new grants this year (FY10) and next (FY11) that will come under extensive review in the federal single audit component of the audit. Being familiar with the City's accounting system will be essential in the next two audits. He said the firm has gotten very efficient in their audit process.

Renee Mitchell asked Mr. Ramharter how he would describe an efficient audit.

Mr. Ramharter explained that when you get a new firm it takes them a couple of years to work through the internal controls, and learn your accounting system and once they do they are able to dig deeper.

Dave Strohmaier moved to approve and authorize the contract extension for 2 more years.

Upon a voice vote the motion passed unanimously.

C. Recommended refunding of the 2001A General Fund Obligation Bond issue in order to save future interest costs ([memo](#)).—Regular Agenda (Brentt Ramharter) (Referred to committee: 04/05/10)**REMOVE FROM AGENDA**

Motion: A resolution of the City of Missoula, Missoula County, Montana, authorizing the sale, issuance and delivery of not to exceed \$1,200,000 of the City's limited tax general fund obligation refunding bonds, series 2010A; to provide money to refund a portion of the City's outstanding general fund obligation bonds, series 2001A; providing for the designation, date, terms, maturities, form, payment and redemption provisions of the bonds; designating a fiscal agent; pledging the City's general credit for the payment of the bonds; creating and adopting certain funds and accounts and providing for deposits therein; covenanting to comply with certain federal tax and securities laws; designating

the bonds as qualified tax-exempt obligations; authorizing the Mayor and the Finance Director/Treasurer to execute a bond purchase contract; ratifying certain actions in connection with the preliminary official statement; and providing for other matters properly relating thereto.

Brentt Ramharter, Director of Finance, said the City's Financial Advisor runs an analysis once a year to see where we can save on future interest costs. He said we have done refunding in the past. The one bond issue is the general fund indebtedness for the White Pine Facility on Scott Street. It was originally a two million dollar project and we have about one million left on it.

When they originally ran the analysis it showed that we could have \$70,000 worth of interest savings now it's in the \$30-\$40,000 range. We have a debt policy that states that if we do a refunding, we need to get at least a 3% net present value savings on the refunded debt service. He said he set the bar at 3.5% so unless we can get \$35,000 of savings on this million we won't do it. This resolution authorizes DA Davidson to get those savings for us. We owe them nothing and incur no cost but it allows them to see if they can provide us significant savings.

Mr. Wiener moved to approve the motion.

Upon a voice vote the motion passed unanimously.

III. Regular Agenda

A. Review the FY 2011-15 capital improvement projects (CIP). ([memo](#)) – Regular Agenda (Brentt Ramharter) (Referred to committee: 04/19/2010) **HELD IN COMMITTEE FOR CONTINUED DISCUSSION 4/28/10**

Bruce Bender, Chief Administrative Officer said he wanted to begin the discussion by giving a general overview and then scheduling more detailed departmental presentations in the near future. He said Mr. Ramharter would start with the general fund.

Brentt Ramharter, Director of Finance reviewed all of the tabs [FY11 CIP Composite](#) spread sheet provided to Council.

Pam Walzer asked what rank order is and what determines the rank?

Mr. Ramharter said that it was scored by the Administration on the CIP form. It's based on how much other revenue is available for the project. If you secured additional revenue it gives you a higher score.

Ms. Walzer said so Silver Park and the Hillside trail system is high ranking because it has money coming from other sources.

Mr. Ramharter said yes.

Mr. Bender clarified that there is a 5 point criteria for scoring, for example does the project conserve energy, does it have a deadline, and does it have other sources of funding, does it expand upon services or specific to a plan. The individual departments submit the forms are we review their scores.

Stacy Rye asked if everything on the rank order got funded

Mr. Bender no, we will discuss what got funded; but will go through the general fund over view first.

Ed Childers asked what the actual general fund tax levy is for FY10.

Mr. Ramharter said approximately \$18 million; we funded about \$712,000 last year.

Dick Haines commented that the spreadsheet is not working for him, he said it was confusing and hard to follow, he requested a hard copy to follow along with.

Bob Jaffe suggested adding descriptions for the abbreviations on the spreadsheets. He asked if this sheet can be used as a map to see what projects are coming up.

Mr. Bender replied that the spreadsheet can be used as a guide. He said as far as Hillview way goes it is a place holder in the event that federal stimulus revenue comes available. \$2 million in assessments and \$1 million in grants if we want to create a SID this is a potential way to fund it.

Mr. Childers asked what would be happening between now and a year from now that would make money available?

Mr. Bender replied the federal stimulus, and we just want to have it ready.

Mr. Childers replied that's great but Mr. Haines has shown that we can't get a \$2 million assessment out of Hillview Way. He suggested applying the \$1 million to another project on the wish list.

Ms. Walzer asked for clarification on \$120,000 for this year on hill view way project.

Mr. Bender said that is the current indebtedness in the SID fund for that project and this is a way to pay off that debt by using impact fee money.

Ms. Walzer so the design is done we just have to pay for it right.

Renee Mitchell asked about funding for Hillview way.

Jon Wilkins would like to keep that project on the shelf.

Mr. Haines talked about a new SID to possible get the project finished.

Mr. Wiener said he was pleased about the rattlesnake sewer project and asked if the 120,000 from Hillview is for work already done.

Mr. Bender said yes we are paying ourselves back.

Mr. Wiener said he was wondering why money going to pay the city back for work completed should go before work that needs to be done.

Mr. Bender replied that we paid a professional engineer its sitting there as indebtedness. He added that in creating SIDS you have to spend some money, most of the time its fine, this time it didn't work out so well for us.

Public Comment:

John Hendrickson said he noticed that 3 of the Impact Fee Funds are in deficit and has been for years. He said he didn't know that when he was on Council, and he we are borrowing from the transportation and parks impact fees. He wanted to know if this is legal and allowed by state law?

Mr. Ramharter replied that what we have done for projects where the individual component of the funding stream was inadequate, we borrowed from the other impact fee streams. We keep track of them and they are accounted for and everyone's made whole. It's making money on interest earnings, because of the nature of capital projects we felt the deficient was As far as the law goes he said he has never seem anything on it and it may be undefined.

- B.** Ratification of recommended refunding of the 2001A General Fund Obligation Bond issue in order to save future interest costs ([memo](#)).—Regular Agenda (Brentt Ramharter) (Referred to committee: 04/05/10) **HELD IN COMMITTEE**
- C.** Missoula Civic Television Advisory Commission Annual Report ([memo](#)).—Regular Agenda (Joel <http://www.ci.missoula.mt.us/DocumentView.aspx?DID=3550>Baird and Ginny Merriam) (Referred to committee: 03/22/10) **REMOVE FROM AGENDA**

Ginny Merriam, Staff Advisor for MCTAT gave a summary of the MCTAC Annual Report.

- MCAT reaches 20,000 Missoula households and is a very popular service.
- Our central duty is to guide the programming choices on the government channel.

- What we strive for is a balance of enterprise magazine style programming at the same time honoring our back bone which is meeting coverage.

The highlights of some of that coverage:

- Detailed coverage zoning re-write.
- City Cemetery Stories and Stones.
- Bike, walk bus.
- Historic Preservation Commission Awards Ceremony.
- Music concerts in schools.

Our central challenge this year is to maintain that balance between our enterprise programming and our meeting coverage. We are charged with staying under the 1400 hours that we have contracted for. We will exceed our contract agreement by 800 hours at the end of June 30, 2010. We have done some things to address for example Joel Baird has approached the School Board and the County Commissioners to pay for coverage and he will discuss that.

Joel Baird, MCAT General Manager, said that as of June 30 this year the County Commissioners have pledge to start paying for their County Commissioners coverage.

Mr. Walzer said she appreciates what MCAT does. She said she is not a Bresnan customer and asked if is there any way can you sell the signal to dish or direct TV for the customers who would like to receive the MCAT channels who currently do not. She asked about video on demand.

Mr. Wiener supports the video on demand.

Ms. Rye asked how many people watched streaming video of the Anti-discrimination Public Hearing on April 5.

Mr. Baird said only 50 because it was jammed with viewers trying to get it.

IV. **Held in committee**

- A. An ordinance amending the municipal code as it relates to bike licensing. ([A&F](#)) (Returned from council floor: 12/15/08)
- B. Implications of establishing maintenance districts. ([memo](#)) – Regular Agenda (Bob Jaffe) (Referred to committee: 05/11/09)
- C. Clarify position of council member who also serves on the board of a non-profit agency that has dealings with the city. ([memo](#)) – Regular Agenda (Ed Childers) (Referred to committee: 07/20/2009)
- D. [Resolution](#) of the Missoula City Council establishing a tourism business improvement district consisting of non-contiguous lands within the City of Missoula for the purpose of aiding tourism, promotion and marketing within the district. ([Exhibit A](#)) ([Exhibit B](#)) ([memo](#)) ([A&F](#)) (Returned from Council floor: 10/05/09)
- E. Recommended refunding of the 2001 general obligation bond Issues in order to save future interest costs ([memo](#)).—Regular Agenda (Brentt Ramharter) (Referred to committee: 03/22/10)**REMOVE FROM AGENDA-**
- F. Review the FY 2010-14 CIP projects in committee ([memo](#)).—Regular Agenda (Brentt Ramharter) (Referred to committee: 03/23/09)

V. **Adjournment**

The meeting was adjourned at 2:30

Respectfully Submitted,

Dee Krevey
Administrative Secretary
Finance Department