

**ADMINISTRATION AND FINANCE COMMITTEE  
CITY COUNCIL CHAMBERS  
140 WEST PINE STREET  
MISSOULA MONTANA  
September 29, 1:05pm**

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

**Others present:** Nancy Harte, Cindy Wulfekuhle, Marty Rehbein, Dan Carlino, Gary Bakke, Brentt Ramharter, Chad Wohlford, Bobbi Day, Dee Andersen, Susan Ash, John Hendrickson.

**I. Administrative Business**

A. Approve committee minutes dated: [September 22, 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 \$1,138,620.71 ([Detailed claims](#))**

B. Authorize the Mayor to sign the contract between the State of Montana Department of Commerce and the City of Missoula and to sign subsequent documents required by the State for Big Sky Trust Funds on behalf of Goomzee Corporation. ([memo](#))—Regular Agenda (Cindy Wulfekuhle) (Referred to committee: 09/27/2010) **REMOVE FROM AGENDA**

**MOTION: The committee recommends the City Council approve and authorize the Mayor to sign the contract between the Montana Department of Commerce and the City of Missoula for \$120,000 on behalf of Goomzee Corporation.**

C. Authorize the Mayor to sign the contract between the State of Montana Department of Commerce and the City of Missoula and to sign subsequent documents required by the State for Big Sky Trust Funds on behalf of InterMedia Outdoors, Inc. ([memo](#))—Regular Agenda (Cindy Wulfekuhle) (Referred to committee: 09/27/2010) **REMOVE FROM AGENDA**

**MOTION: The committee recommends the City Council approve and authorize the Mayor to sign the contract between the Montana Department of Commerce and the City of Missoula for \$367, 500 on behalf of InterMedia Outdoors, Inc.**

Cindy Wulfekuhle, OPG, said several months ago the City of Missoula submitted 2 applications to the Big Sky Trust Fund to assist 2 corporations to expand their business and create new jobs in Missoula. The requests for funding were approved in May of this year. The Goomzee Corporation is a high tech company that specializes in mobile marketing for cell phones subscribers. The award to Goomzee is \$120,000. \$116,000 of that will be used to purchase software and equipment and the remainder of the award will go to MAEDC for administration costs. This investment will create 16 jobs in Missoula.

InterMedia Outdoors is a film production company that MAEDC is working with to consolidate its operation and relocate it to Missoula. Their award is \$367,500. \$365,000 will be used to defray the costs of the move and to purchase additional equipment and the remainder of the award will go to MAEDC for administration costs. This investment will result in 49 new jobs for Missoula.

Jason Wiener asked if the InterMedia project will relocation their employees to Missoula.

Ms. Wulfekuhle said MAEDC is still working with the parent company on that.

Mr. Wiener moved to approve both contracts.

John Wilkins asked if this was all grant money.

Ms. Wulfekuhle also asked for approval for the Mayor to sign subsequent forms that we haven't received yet.

Mr. Wiener said he was uncomfortable with authorizing documents without having them in front of him.

The Committee continued discussing the normal procedures for these types of contracts.

Ms. Wulfekuhle said it was standard arrangement.

Mr. Wiener and Ms. Rye expressed concerns about authorizing the unseen subsequent documents and asked how this can be avoided.

Ms. Wulfekuhle said she would bring them back, one for \$16,000 and one for \$6,000.

Upon a voice vote the motion for both contracts was approved unanimously.

- D. Resolution of the Missoula City Council declaring it to be their intention to establish a Tourism Business Improvement district (TBID) consisting of non-contiguous hotel/motel lands who have voluntarily petitioned the city of Missoula to establish a TBID for the purpose of aiding tourism, promotion, and marketing within the district and allowing hotels/motels outside the city limits in the Missoula urban area to donate funds to the tourism business improvement district and set a public hearing on October 25, 2010. ([memo](#))– Regular Agenda (Marty Rehbein) (Referred to committee: 09/27/2010) **REMOVE FROM AGENDA**

**MOTION: The committee recommends the City Council adopt a resolution of the Missoula City Council declaring it to be their intention to establish a Tourism Business Improvement District consisting of non-contiguous hotel/motel lands who have voluntarily petitioned the City of Missoula to establish a TBID for the purpose of aiding tourism, promotion, and marketing within the district and allowing hotels/motels outside the city limits in the Missoula urban area to donate funds to the tourism business improvement district and set a public hearing on October 25, 2010.**

Marty Rehbein explained that last year the City Council adopted a resolution of intention to create a TBID. Efforts stalled when the number of petitioners to create the district dropped below the statutory threshold to establish the district. This month a new petition was presented to create a revised TBID with only those hotels/motels who wish to participate will be included. The petition has been signed by 100% of the district. A [map](#) of the district was provided.

The resolution provides a mechanism for two properties that are not located within the city limits, who want to be included, to donate revenue to the district to further its mission and goals. If a new or existing hotel/motel property located in the city limits wished to join the district, they are required to petition to be included and the City Council will need to amend the district using the same process set forth to create it.

The proposal is for \$1 per room, per night and it's proposed to last 10 years. The Petition requests Council to establish board of 5 members. The Mayor will appoint the board of trustees with advice and the consent of Council. The board will meet and create a work plan and budget and then come back to Council for consideration.

Dan Carlino, Doubletree Hotel, said for two and a half years, the Missoula area hoteliers have met regularly to discuss and debate this issue. There were a number of hotels that were passionately in support of the district and all it could do, and a group that was adamantly

opposed. The group in support decided to reestablish the boundary to only include those who wanted to participate. We sent out invitations to join or opt out. In the end we had 11 signed petitions; nine properties within city limits, and two outside. He pointed out that Missoula, in the State of Montana, is at a huge competitive disadvantage from the tourism standpoint. The following markets in Montana have already established TBIDs: Billings, Bozeman, Kalispell and Butte not to mention Spokane. We need to implement this to stay whole, as the bed tax funds only generate about \$160,000 per year and the surrounding markets dwarf us with their tourism budgets. For example, there is a high school wrestling tournament that usually takes place in Billings, but since the tornado damage to the Metrapark Arena, it needs to find a new home. Missoula is trying to bid on it, but has no way to raise that kind of money. If we had a TBID in place we could have simply written a check.

Ms. Rye asked how much revenue he estimates this TBID would raise annually.

Mr. Carlino said a conservative estimate would be \$298,000, if these 11 hotels included maintain a 65% occupancy rate. He is confident that the hotel properties that have been on the fence will become included in the district once they see the success of it.

Ms. Rye asked who will manage the funds.

Mr. Carlino said The Missoula Convention and Visitors Bureau will steward the funds but have no voting power. The decisions will be made by the five member board of hoteliers appointed by the Mayor.

Mr. Jaffe asked how many hotels opted out.

Mr. Carlino said 42.

Mr. Jaffe said this is shocking that they don't embrace this.

Dave Strohmaier said he agrees with Bob. He said he travels a lot and has never changed his accommodation once because there was a tax.

Ed Childers commented that even the properties that opt out will benefit. He asked if the 11 can benefit more than the others as an incentive to join. He moved to adopt a resolution and set a public hearing for October 25, 2010.

Mr. Strohmaier asked how a \$1 per night was arrived at.

Mr. Carlino said \$1 was on the conservative side and was very easy to track.

Upon a voice vote the motion passed unanimously.

### **Regular Agenda**

- E. CDBG/Home allocation process briefing. ([memo](#))—Regular Agenda (Jason Wiener) (Referred to committee: 09/13/10) **REMOVE FROM AGENDA**

### ***Informational Item only no motion required***

Mr. Wiener said in regards to CDBG award money, Council becomes involved in the end process. He thought it might be helpful to see the entire allocation process from the beginning.

Nancy Harte, Grants Administrator, OPG, said the annual Community Needs Assessment is being held on September 30, 2010 from 1-3pm. It is a kick off of a cycle of public involvement that leads up to the city awarding the Community Development Block Grants. It is intended for all City/County projects and anyone is invited. It is intended to gather peoples input on what they see are Missoula's needs in the main 4 categories we deal with:

- Housing
- Public facilities & Infrastructure
- Economic development
- Public Services

It is an informal setting that we use to connect people. Because of our experience with other programs we can refer them to people, services or other funding sources to help them with their project.

We talk about a number of funding sources such as:

- City HOME/CDBG
- State HOME/CDBG
- Department of Natural Resources & Conservation Funds
- Treasure State Endowment Funds
- Brownfields Funds
- Rural Development Funds
- Title 1 Funds

The needs assessment is the first step in awarding CDBG and HOME awards, where we ask community organizations to come forward with their ideas and projects. We give them guidance as to what programs are available and what they need to do to apply.

This year we are trying to maintain our HUD deadlines, yet find a way to give Council enough time to review the projects. The applications are due the week before Thanksgiving.

Ms. Rye suggested placing the entitlement grants timeline on the website.

Ms. Harte said that would be easy to post.

Mr. Strohmaier asked what the criteria is to become an entitlement community.

Ms. Rye said we have a population over 50,000

- F. Review summary results of cost of service/fee study with Wohlford Consulting. ([memo](#))—Regular Agenda (Brentt Ramharter) (Referred to committee: 09/27/2010) [PowerPoint Presentation](#)  
**REMOVE FROM AGENDA**

***Informational item only no motion required***

Brentt Ramharter explained that this is the second half of the study.

Chad Wohlford reviewed a [PowerPoint](#) Presentation of the results of the service/fee study. He said he is not requesting any action today, simply providing information so in the future if there is a request to increase the fees, you have the information needed to make those decisions. This study is of the services the way they are done currently; he didn't analyze productivity or efficiency. He said as we went through the services, there were a lot of discussions with the department heads and staff members to determine how much staff time was spent on different sized projects. He thanked everyone who was involved in the study for their time and cooperation and offered to answer any questions.

Rene Mitchell asked about business license fees.

Mr. Wohlford said there are fees for new licenses and renewals, new business licenses can be higher if a background check is required. He said the time spend on business licenses can be quite varied, depending on how many departments need to sign off.

Dick Haines asked about the plan review time, if the time spent could be reduced wouldn't that reduce the cost.

Mr. Wohlford said correct, a reduction in effort would be a reduction in cost

Mr. Wiener asked what bench marks are used to determine the costs.

Mr. Wohlford said it's an ongoing discussion, but with nothing on paper, its how it compares to what he normally sees.

Ms. Walzer asked how did you work out issues with business licensing some are simple some are complex, did you come up with an average.

Mr. Wohlford said one of the ways is the type of fee depends on the character or location. If it ranges narrowly we hit a middle spot if it's a fee that ranges widely we might divide the fees into different sections.

Mr. Haines asked if a consultant could evaluate our processes and to help improve efficiency.

Mr. Wohlford said that if you can evaluate operations you can always improve efficiency.

### III. **Held in committee**

- A. Approve claims. (Ongoing) (Consent Agenda)
- B. Approve journal vouchers. (Ongoing) (Consent Agenda)
- C. Approve budget transfers. (Ongoing) (Consent Agenda)
- D. An ordinance amending the municipal code as it relates to bike licensing. ([A&F](#)) (Returned from council floor: 12/15/08)
- E. Implications of establishing maintenance districts. ([memo](#)) – Regular Agenda (Bob Jaffe) (Referred to committee: 05/11/09)
- F. 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)
- G. Review the FY 2011-15 capital improvement projects (CIP). ([memo](#)) – Regular Agenda (Brentt Ramharter) (Referred to committee: 04/19/2010)
- H. Amend Council rules to change the Council's regular meeting schedule to two meetings per month ([memo](#)).—Regular Agenda (Marty Rehbein) (Referred to committee: 06/07/10)

### IV. **Adjournment**

The meeting adjourned at 3:05pm.

Respectfully submitted,

*Dee Andersen,*  
Administrative Secretary