

ADMINISTRATION AND FINANCE COMMITTEE
CITY COUNCIL CHAMBERS
140 WEST PINE STREET
MISSOULA MONTANA
May 4, 2011 10:30 am

Members present: Pam Walzer, acting as chair; Ed Childers, President; Marilyn Marler; Renee Mitchell; Jason Wiener; Dick Haines; Lyn Hellegaard; Cynthia Wolken; Bob Jaffe.

Members absent: Stacy Rye, Jon Wilkins; Dave Strohmaier.

Others present: John Hendrickson, Brian Hensel, Steve King, Gail Verlanic, Mark Muir, Jessica Miller, Brentt Ramharter, Bruce Bender, Dee Andersen.

I. Administrative Business

A. Approve committee minutes dated: [April 27, 2011](#)-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 \$515,021.20 ([Detailed claims](#))

Regular Agenda

A. Authorize the Mayor to sign the collective bargaining agreement between the City of Missoula and: the Missoula Police Protective Association. The contract term is for July 1, 2011 through June 30, 2015. ([memo](#))—Regular Agenda (Gail Verlanic) (Referred to committee: 04/25/11)
REMOVE FROM AGENDA

MOTION: The committee recommends the City Council authorize the Mayor to sign the collective bargaining agreement between the City of Missoula and the Missoula Police Protective Association. The contract term is for July 1, 2011 through June 30, 2015.

Gail Verlanic, Human Resources Director, said we are here requesting the Mayor to sign the collective bargaining agreement with the MPD. The Police Department did not take a pay increase last year. She said this year Administration and the Police Protective Association have worked really hard to come up with an agreement that meets the the City's budget and their needs as well. It calls for a 2.5% increase this year and a slight increase in shift differential. They also negotiated the \$142.50 of their health premium to be given to them to as compensation to go toward their retirement, which is part of their overall increase.

Pam Walzer then summarized what Ms. Verlanic had just stated. She said there is an option in our state when people are negotiating their salaries, to request part or all of their employee contribution to be added to their gross salary before paying the health premium, which adds additional income, increasing your gross salary for calculation of their retirement benefit.

Ms. Verlanic said increasing their gross income now will help pay for their health premiums once they retire.

Ed Childers said if we look at the federal level, folks look at what is being contributed as income and they feel if its income, it should be taxed. What happens to the people who now show more income?

Ms. Verlanic said the \$142.50 is being taken out per the flex program and they have the option to take this out pre or post tax.

Mr. Childers said as long as there is a flex program it will work.

Renee Mitchell asked if the Police Officers could opt out, or be on their spouses insurance.

Ms. Verlanic said no, they have to be on the health plan.

Bob Jaffe stated, so this is a way to manipulate the numbers to increase their pension. What is the financial implication on the pension plan of this \$142.50 once they retire?

Ms. Verlanic said it would be an additional \$300 per month of income. The retirement is based on the 3 highest earning years.

Mr. Jaffe said so it's only a change in the way the pension is calculated. He said he would like a presentation on how the pension plans work. The State pays the pension plans correct?

Ms. Verlanic said the officers contribute 9%, the City contributes 14.41% and the State contributes 30%.

Ms. Walzer said the officers have to increase their contribution to the plan as well.

Ms. Hellegaard said she is not comfortable with these state pension plans. The projections she has seen report that they will be \$3 trillion in the hole by 2030. She asked why the non-unions are only getting a 1-2% salary increase and why the disparity between the two? She said that sends the wrong message. She knows they deserve a raise, she just doesn't know how much more the tax payers can take. She would also like more info on the unions and pension plans. She also asked about the 401a that each department head gets. Will they be getting a deferred compensation, if so, at what percentage of their salary? She said the department heads that negotiate these contracts at the 2.5% increase, also get the 401 a, are personally benefiting and it is a conflict of interest according to Mr. Nugent's definition.

Ms. Verlanic said the police and firefighters pensions are solvent. The ones that are not fully funded is the one we belong to, PERS. As far as the salary increases, Mr. Bender will be addressing that in up coming meetings. She said Police and Fire do not participate in the 401a.

Mr. Wiener said one of the benefits of the union is that they band together as a unit and non-union workers do not fair as well. He asked if Ms. Verlanic can supply us with the detail on how much payroll will go up on each of the categories.

Mr. Childers moved to approve the contract.

Upon a voice vote, the motion passed with Hellegaard and Haines voting nay.

B. Mayor's presentation of the FY 2012 Capital Improvement Program (CIP). ([memo](#))—Regular Agenda (Brentt Ramharter) (Referred to committee: 03/21/11) **HELD IN COMMITTEE**

Steve King, Public Works Director, said this winter we saw extreme conditions and extreme vulnerability of our roadway. What it showed us was delayed or a lack of maintenance caused exposure to the elements and it took the roads apart Mr. Hensel and his crew worked excessively through-out the winter, with de-icing and pot hole patching till they ran out of cold patch material. Mr. Hensel contacted Bozeman about the hot mix recycler and negotiated a trial. By all indications the trial was very positive. There is a CIP item to fund this Asphalt Recycler. It has economical and functional benefits with the ability to provide better patching material all year round, and the ability to recycle waste asphalt and recycle that back into functional asphalt on the streets.

Brian Hensel said he is not asking for any money, he will be expected to pay for it out of his budget. He is confident in his numbers. He is confident that it may even do better than he expects. He said he doesn't think the City will ever have enough funding to maintain the roads in a way that we won't have pot holes ever again. He said he didn't think we have seen the end of damage from last winter, we will be seeing the damage for years to come. This piece of equipment won't get us completely caught up on maintenance, but maybe we won't fall so far behind like we did last winter. I'm delving into new territory and I think it will work.

Cynthia Wolken said she is very supportive of this and asked how long they last.

Mr. Hensel said between 10 and 20 years. They are not complicated and very easy to maintain. He said he was surprised they are expensive as they are, he thinks the computer controls are the bulk of the cost.

Ms. Wolken asked if it can accommodate recycled glass.

Mr. Hensel said he researched glass, shingles and plastic bottles but the melting points are different for each item. To add glass in, which has a higher melting point, would dry out the mix and in summary, you don't want to mix anything else in there.

Mr. Childers asked what this machine uses for fuel.

Mr. Hensel said diesel.

Mr. Hensel said if the City were to create a waste asphalt program he would want to be the one to decide if it is clean enough to use. Because if he just takes it all he will be requesting more land to store it on. He said he has enough clean millings off Van Buren to get him by for 2 winters. He said he will accept overburdened material from the private sector if its material he can use.

Ms. Walzer said so we would be selling the recycled mix to the County and the State in the winter as no one has hot mix in the winter, so we would be the only source of hot mix. She was very supportive of this as long as air quality standards are met

Ms. Hellegaard said she likes the idea of charging a fee for the materials and having that fee go into a fund to make the payments or if we need a replacement we have the cash to pay for it.

Mr. King reviewed the following CIP projects:

- S-07- Rattlesnake Drive to Brookside to Creek Crossing for sidewalks. Funding: SID proposal.
- S-08-University Crosswalk Project for enhanced crosswalks. Funding: CTEP and the University.
- S-09 Eldora Lane Drainage-Miller Creek area. Funding: 50% assessments.
- S-10 Master Sidewalk Plan. Funding: CTEP and partial assessments.
- S-11 Duncan Drive to Greenough Drive for extending sidewalks towards Lolo St. Funding: assessment.

III. Held in committee

1. Approve claims. (Ongoing) (Consent Agenda)
2. Approve journal vouchers. (Ongoing) (Consent Agenda)
3. Approve budget transfers. (Ongoing) (Consent Agenda)
4. An ordinance amending the municipal code as it relates to bike licensing. ([A&F](#)) (Returned from council floor: 12/15/08)
5. Implications of establishing maintenance districts. ([memo](#)) – Regular Agenda (Bob Jaffe) (Referred to committee: 05/11/09)
6. 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)
7. Review the FY 2011-15 capital improvement projects (CIP). ([memo](#)) – Regular Agenda (Brentt Ramharter) (Referred to committee: 04/19/2010)
8. 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)
9. Discuss the disposition of surplus city property. ([memo](#))—Regular Agenda (John Newman) (Referred to committee: 10/25/10)

10. Amend the FY 2010 budget to appropriate expenditures that were not identified in the original budget. ([memo](#))—Regular Agenda (Brentt Ramharter) (Referred to committee: 11/01/2010)
11. Discuss outstanding third-party contracts. ([memo](#))—Regular Agenda (Lyn Hellegaard) (Referred to committee: 11/08/10)
12. Review the city's current policy for charging the public for various city-produced documents ([memo](#))—Regular Agenda (Dave Strohmaier) (Referred to committee: 12/06/10)
13. Confirm the reappointment of Mark Muir to the Impact Fee Advisory Committee completing a term commencing December 1, 2010 and ending November 30, 2014. (Returned from Council floor: 11/1/10)
14. Provide an opportunity for the public to comment on whether the Palace Apartment low-income housing rehabilitation project located at 149 W. Broadway meets a community housing need. ([memo](#))—Regular Agenda (Marty Rehbein) (Referred to committee: 04/25/11)

IV. Adjournment

The meeting was adjourned at 11:30 am

Respectfully submitted,

Dee Andersen
Administrative Secretary