MINUTES OF THE REGULAR MEETING OF THE BUTTE-SILVER BOW COUNCIL OF COMMISSIONERS FOR AUGUST 6, 2014

The Regular Meeting of the Council of Commissioners was called to order Wednesday, August 6, 2014, in the Council Chambers, Third Floor, Room 312, Courthouse Building, 155 West Granite Street, Butte, Montana by the Chief Executive, Matt Vincent.

ROLL CALL

Commissioner Morgan, *present*
Commissioner Palmer, *present*
Commissioner Andersen, *present*
Commissioner Walker, *present*
Commissioner Foley, *present*
Commissioner Ralph, *present*
Commissioner Shaw, *absent*
Commissioner McDonough, *present*
Commissioner Henderson, *present*
Commissioner Fisher, *present*
Commissioner Moodry, *present*
Commissioner Sorich, *present*

STAFF PRESENT

Eileen Joyce, Butte-Silver Bow County Attorney
Kareniesa Kohn, Council Secretary

PRAYER

Commissioner Henderson said the prayer.

PUBLIC COMMENT ON ANY ITEMS ON THE CONSENT AGENDA

None.

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF JULY16, 2014.

It was moved by Commissioner Morgan, seconded by Commissioner Andersen and passed by a unanimous verbal vote to approve the minutes of the Regular meeting of July 16, 2014.

ITEMS NOT ADDRESSED ON THE AGENDA

Emergency Suspension of the Rules to allow Communication Nos. 14-382 and 14-383 to be added to the agenda.

It was moved by Commissioner Morgan, seconded by Commissioner Andersen and passed by a roll call vote of 11 yea and 0 nay to suspend the rules in accordance with the provisions of Subsection 6 of Rule VI of the Rules of Business of the Council of Commissioners of the City

and County of Butte-Silver Bow, State of Montana. The Council hereby finds that an emergency condition exists which requires that the Council Rules be suspended to allow Communication Nos. 14-382 and 14-383 to be added to the Agenda of the August 6, 2014 Regular Meeting of the Council.

CHIEF EXECUTIVE REPORT

Chief Executive Vincent reported the following:

- At the last regular meeting, we approved a 30-day demolition request to Mr. Lynch.
- A letter was sent to him from Mike Nasheim.
- An email from Mr. Lynch stated the whole project was red-flagged for asbestos.
- Mr. Lynch is waiting for a report on what will need to be remediated.
- We are in a holding pattern until the report comes back on what areas will need work.
- Two new Community Enrichment Officers have been selected from a pool of 48 applicants.
- The headlines on the Economic Development Ad-Hoc Committee have been read by everyone.
- There is a communication on tonight's agenda with recommendations to be discussed at next week's meeting.
- Any actions will come from separate communications and motions.
- On Talk Radio, Voices of Montana Program, the Big Sky Auto Flight was discussed.
- He was asked to serve on a state-wide board for a second Big Sky Auto Flight regarding the Korean War.

SECTION 1 PRESENTATION
COMMUNICATION NO. 14-346

DANETTE L. GLEASON, DIRECTOR, BUTTE-SILVER BOW FINANCE & BUDGET DEPARTMENT, REQUESTING COUNCIL'S AUTHORIZATION TO GIVE A PRESENTATION ON AUGUST 6, 2014 REGARDING THE FY 2014 – 15 PRELIMINARY BUDGET.

Ms. Gleason stated Steve Descharme would help with her presentation tonight. Ms. Gleason gave a power-point presentation. (***Power-point attached at the end of the minutes***)

In conclusion of her presentation, Ms. Gleason thanked her staff: Steve Descharme, Assistant Finance & Budget Director, Debbie Alt, Diane Reagan, and Wendy McGrath, stating they had worked hard on this budget. She stated it takes a lot of financial planning and year-end closing activities.

Ms. Gleason also thanked all the department heads and elected officials for their help.

Chief Executive Vincent thanked Ms. Gleason and her staff and the Finance & Budget Committee. He stated the budget now reflects what Butte-Silver Bow can afford. He stated the 2% COLA and health insurance increases were commitments made previously to this budget.

Commissioner Henderson asked if there should have been more money put into the reserves each year. Ms. Gleason replied one has to build reserves and that it needs to be done. She stated she has very alarming concerns regarding the current reserves. She stated this is really about it being a preference between administrations.

Commissioner Henderson asked about the increases in Metro and asked if the fees would really remain the same. Ms. Gleason replied the rate has been built in.

Dave Schultz, Director, Butte-Silver Bow Public Works Department, stated they had revised the groundwater restoration plan which allowed substantial savings and avoid a rate increase this year.

Commissioner Henderson commended Ms. Gleason and her staff for their work.

Commissioner Andersen asked Mr. Schultz if there would still be a problem if they did not have an increase in the rates. Mr. Schultz stated there will be a rate increase next year and possible low level increases in the following years afterwards. He stated by next year they would know for sure.

Ms. Gleason also stated there was only one remaining debt payment left giving sufficient reserves for this year.

Commissioner Morgan stated the biggest thing they have to remember is to not come back to the taxpayers with a big increase next year.

Chief Executive Vincent stated he concurred with Commissioner Morgan's comment.

Commissioner Foley stated that approving the Finance and Budget Committee Report would approve the recommendation given by the Finance and Budget Committee.

SECTION 2 CONSENT AGENDA

A.
1. COMMITTEE OF THE WHOLE MEETING REPORT
2. JUDICIARY COMMITTEE MEETING REPORT
3. PUBLIC WORKS COMMITTEE MEETING REPORT
4. FINANCE AND BUDGET COMMITTEE MEETING REPORT (7/23/2014)
5. FINANCE AND BUDGET COMMITTEE MEETING REPORT (7/30/2014)
6. RULES COMMITTEE MEETING REPORT
7. PERSONNEL COMMITTEE MEETING REPORT

Before entertaining a motion for approval of the Consent Agenda, Chief Executive Vincent called for any friendly amendments or segregations.

Commissioner Ralph made a friendly amendment to A6, Communication No. 14-186, stating the recommendation should state "7 households" instead of "17 households".

Commissioner Sorich made a friendly amendment to #4, Communication No. 14-359, stating it should state "break" instead of "brake".

Commissioner Moodry segregated #14, Communication No. 14-369.

It was then moved by Commissioner Morgan, seconded by Commissioner Andersen and passed with a unanimous verbal vote to approve the Consent Agenda, Section A, Items 1 through 7, and Section B, Items 1 through 26, with exception to #14.

Segregation – #14, Communication No. 14-369

Kristen Rosa, Administrator, Tax Increment Financing Industrial District (TIFID), requesting Council's authorization for a Bid Opening on August 13, 2014 for Dust Control Equipment.

Commissioner Moodry stated this communication is for dust control equipment in the TIFID and he is assuming it is related to the expansion of SeaCast. He asked if anyone could enlighten him.

Commissioner McDonough stated it has to do with the environmental remediation occurring and it is attached to the already approved lease.

It was moved by Commissioner Moodry, seconded by Commissioner Andersen and approved by a unanimous verbal vote to continue to hold Communication No. 14-369 in the Committee of the Whole.

Emergency Suspension of the Rules: Communication Nos. 14-382 and 14-383

It was moved by Commissioner Morgan, seconded by Commissioner Palmer and passed by a roll call vote of 11 yea and 0 nay to approve Communication No. 14-382 and place it on file.

It was moved by Commissioner Morgan, seconded by Commissioner Andersen and passed by a roll call vote of 11 yea and 0 nay to concur with the request of Communication No. 14-383 and hold it in the Committee of the Whole.

SECTION 3 SUSPENSION OF THE RULES FOR FINAL PASSAGE

It was moved by Commissioner Morgan, seconded by Commissioner Andersen and passed by a roll call vote of 11 yea and 0 nay to suspend the rules for the purpose of passing Council Resolution No. 14-18 by waiving Subsection 7 of Rule XXXVI of the Rules and Order of Business of the Council of Commissioners, thereby having it considered for advanced passage without reference to the Judiciary Committee.

1. RESOLUTION NO. 14-18

A RESOLUTION CONTINUING THE LOCAL VEHICLE TAX FOR FISCAL YEAR 2014-2015 ON VEHICLES SUBJECT TO A REGISTRATION FEE UNDER SECTIONS 61-3-321 (2) OR 61-3-562, MCA AT A RATE OF 0.5% OF THE VALUE DETERMINED UNDER SECTION 61-3-503, MCA IN ADDITION TO THE REGISTRATION FEE IMPOSED UNDER SECTIONS 61-3-321 (2) OR 61-3-562 MCA, AS AUTHORIZED BY SECTION 61-3-537, MCA; DECLARING THAT A PUBLIC HEARING HAS BEEN HELD ON THE LOCAL VEHICLE TAX AND PROVIDING FOR AN EFFECTIVE DATE HEREIN.

It was moved by Commissioner Palmer and seconded by Commissioner Andersen that Resolution No. 14-18 be placed on final reading and be passed, having been deemed read at length. The motion passed by a roll call vote of 11 yea and 0 nay.

PUBLIC COMMENT ON ANY PUBLIC MATTER NOT ON THE AGENDA

None.

Commissioner Ralph stated the two communications passed by Emergency Suspension of Rules were not read into the record.

She stated Communication No. 14-382 was submitted by Judge Krueger requesting authorization to submit a grant application. Communication No. 14-383 was submitted by Director of Public Works Dave Schultz to request authorization to have a bid opening on August 20, 2014.

ADJOURN

It was moved by Commissioner Morgan, seconded by Commissioner Moodry and passed with a unanimous verbal vote to Rise to the Call of the Chair.

The meeting adjourned at 8:40 p.m.

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MATT VINCENT
CHIEF EXECUTIVE

ATTEST:

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CLERK & RECORDER

City and County of Butte-Silver Bow 2014-2015 Preliminary Budget

August 6, 2014

City and County of Butte-Silver Bow

Tax Supported Funds

Resource & Requirement Schedule

Tax Supported Funds

Assessor's Certified Report	Jurisdictions		
	County	Urban	Suburban
Real Property	63,333,705	49,131,168	62,929,826
Personal	887,751	727,697	886,198
Special Mobile (Vehicles)	50,406	50,406	50,406
Taxable Valuation	64,271,862	49,909,271	63,866,430
Less: TID Net Valuation	(7,179,956)	(152,796)	(7,179,956)
Net Taxable Valuation	**57,091,906**	**49,756,475**	**56,686,474**

Mill Levy By Fund

General	224.23	Senior Citiz.	1.03
Road	20.02	Emergency Ser	14.58
Bridge	6.49	Econ. Devel.	0.99
Weed Control	3.98	Transit	7.11
District Courts	16.87	Dam. & Judg.	0.34
Comp. Insur.	4.77	Fire	57.54
GO Bond Refunding DS	19.73	Dev. Disabled	1.09
Civic Center	9.74	Archive Debt Svs	9.69
Ladder Truck DS	1.80		
		Total Levy	**400.00**

Fund Name	Appropriation	Reserves	Payables	Total Requirements	Cash	Receivables	Non-Tax Revenues	Property Taxes	Total Resources
General Fund	24,891,679	4,165,687	737,019	29,794,385	5,834,153	207,259	10,951,010	12,801,962	29,794,385
Road	3,519,890	527,984	194,295	4,242,168	1,174,350	14,800	1,918,330	1,134,689	4,242,168
Bridge	469,288	70,393		539,681	112,592	-	56,464	370,625	539,681
Weed Control	490,030	63,704	10,946	564,680	149,889	23,325	164,004	227,462	564,680
District Courts	1,317,819	197,550	154,280	1,669,649	190,731	58,901	456,705	963,313	1,669,649
Comprehensive Insurance	616,402	110,952	3,676	731,030	387,439	-	71,301	272,290	731,030
Ladder Truck Debt Service	103,474	15,521	-	118,995	12,932	-	3,069	102,994	118,995
GO Bond Refunding Debt Service	1,039,688	155,953	-	1,195,641	13,561	-	55,486	1,126,594	1,195,641
Civic Center	1,078,887	161,833	62,290	1,303,010	332,033	6,612	408,432	555,933	1,303,010
Senior Citizens	76,044	11,407	-	87,451	14,124	-	14,448	58,878	87,451
Emergency Services	1,226,618	183,993	22,088	1,432,698	225,280	-	380,949	826,469	1,432,698
Economic Development	68,000	10,000	10,000	88,000	19,905	-	11,808	56,287	88,000
Transit System	1,419,728	248,452	34,919	1,703,100	159,395	226,586	911,248	405,871	1,703,100
Damages & Judgments	-	21,771	-	21,771	(20,969)	-	23,178	19,562	21,771
Archive Debt Services	549,584	82,438	-	632,022	61,436	-	17,507	553,078	632,022
Fire	3,990,026	638,404	71,271	4,699,701	657,947	0.00	1,178,945	2,862,810	4,699,701
Developmentally Disabled	91,319	17,645	3,886	112,850	2,963	20,000	27,392	62,495	112,850
Total	**40,948,476**	**6,683,686**	**1,304,669**	**48,936,831**	**9,327,761**	**557,483**	**16,650,276**	**22,401,311**	**48,936,831**
FY2014 Values	42,857,697	5,219,819	1,237,025	49,314,541	9,426,381	594,207	17,594,897	21,699,056	49,314,540
Increase/(Decrease)	(1,909,221.00)	1,463,867.34	67,644.02	(377,709.64)	(98,620.49)	(36,723.63)	(944,621.00)	702,255.48	(377,708.64)

Tax Supported Funds

- The Preliminary budget is balanced. In the Tax Supported this requires 400 mills compared to 371.48 mills levied in FY2014

Based on Preliminary Budget as of August 6,2014

	$120,000 Market Value		$200,000 Market Value		Maximum Levy	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
Market Value	$ 120,000.00	$ 120,000.00	$ 200,000.00	$ 200,000.00	$ 120,000.00	$ 120,000.00
Homestead Exemption for Tax Year 2014 is 47%; Tax Year 2013 45.50%	$ 56,400.00	$ 54,600.00	$ 94,000.00	$ 91,000.00	$ 56,400.00	$ 54,600.00
Market Value less exemption	$ 63,600.00	$ 65,400.00	$ 106,000.00	$ 109,000.00	$ 63,600.00	$ 65,400.00
Tax Rate	0.02470	0.02540	0.02470	0.02540	0.02470	0.02540
Taxable Value	$ 1,570.92	$ 1,661.16	$ 2,618.20	$ 2,768.60	$ 1,570.92	$ 1,661.16
Mills levied	0.400000	0.371480	0.400000	0.371480	0.439130	0.371480
BSB Levied Taxes including voter approved levies	$ 628.37	$ 617.09	$ 1,047.28	$ 1,028.48	$ 689.84	$ 617.09
Increase in Taxes		**$ 11.28**		**$ 18.80**		**$ 72.75**

Analysis of Mill Value

Taxable Value Comparison

	FY 2015	FY 2014	Variance
Total Taxable Value	$ 57,091,906	$ 58,451,664	$ (1,359,758)
Decrease			
Gross Proceeds	$ 7,998,402	$ 10,826,091	$ (2,827,689)
Decreases to Property Value Calculations			(948,075)
Decrease			$ (3,775,764)
Increase			
Sunset of URA	$ 1,667,006.00	$ -	$ 1,667,006
Newly Taxable Value			$ 749,000
Increase			$ 2,416,006
Net Change			$ (1,359,758)

Gross Proceeds Impact

	Taxable Value	# of Mills Levied	Taxes Generated
FY2014	$ 10,826,091	0.37148	$ 4,021,676.28
FY2015	$ 7,998,402	0.40000	$ 3,199,360.80
			$ 822,315.48

If Mills remain same level as FY2014

Taxable Value	# of Mills Levied	Taxes Generated
$ 10,826,091	0.37148	$ 4,021,676.28
$ 7,998,402	0.37148	$ 2,971,246.37
		$ 1,050,429.91

Levy for Urban Fire Services

Fiscal Year	#of Mills levied	Taxable Value Used	Budget Revenue	Correct Mill Value	Revenue Collected	Difference
FY2007	40.29901	$ 40,500.00	$ 1,632,110.00	$40,500.00	$ 1,632,110.00	$ -
FY2008	43.79569	$ 42,509.00	$ 1,861,711.00	$42,509.00	$ 1,861,711.00	$ -
FY2009	40.27672	$ 49,823.00	$ 2,006,707.00	$43,823.00	$ 1,765,046.68	$ (241,660.32)
FY2010	44.58849	$ 49,017.00	$ 2,185,594.00	$42,975.00	$ 1,916,190.35	$ (269,403.65)
FY2011	51.4818	$ 49,174.00	$ 2,531,566.00	$42,567.00	$ 2,191,425.75	$ (340,140.25)
FY2012	55.31238	$ 54,024.00	$ 2,988,196.00	$47,628.00	$ 2,634,418.02	$ (353,777.98)
FY2013	54.38793	$ 56,237.00	$ 3,058,614.00	$49,588.00	$ 2,696,988.66	$ (361,625.34)
FY2014	57.99742	$ 58,451.00	$ 3,390,007.00	$51,363.00	$ 2,978,921.31	$ (411,085.69)
			Total			***$ (1,977,693.23)***

Mill Levy Float to Maximum Mills

- Countywide Float

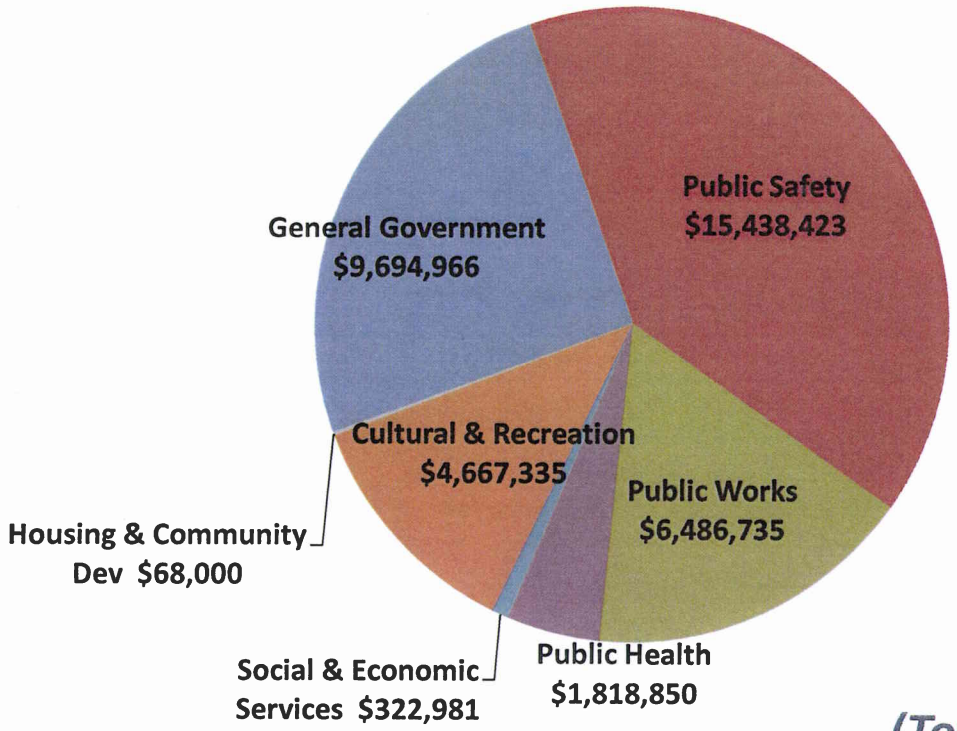
Mill Levy Float to Maximum Mills			
FY 15 Levy		371.72	(excludes voter approved and Damages and Judgements)
FY 15 Levy w/float		410.85	(with maximum float)
FY 15 Float Remain		39.13	
Dollars unused		2,234,006.28	
Countywide Mill Value FY2015	$	57,091,906.00	
Countywide Mill Value FY2014	$	58,451,664.00	

Major Items

- *Tax Supported Funds*
  - Building of Reserves from 12.17% to 16.32%
    - Accounts for approximately 90% of the increase in mills
  - 2% increase on Salaries & $30 on Health Ins
  - Transfer of Mainstreet Contract to position within Parks – Event Coordinator
  - Fire Alarm System Upgrade Civic Center $87,000
  - Scoreboard at Civic Center $70,000
  - Road Mill and Chip seal $150,000

(Note not all increases supported by increase in taxes)

Tax Supported Funds by Function



- General Government
- Public Safety
- Public Works
- Public Health
- Social & Economic Services
- Cultural & Recreation

(Totals exclude Operating transfers)

Why Reserves

- **Cash-flow from May to November and November to May**
  - 2 major pay days per year for Tax supported Funds and Rates and Fees billed as SIDs
  - Delinquent tax & Protested Taxes 9-10%
  - Delinquent SIDs 12-15%
  - Grant funding received on a reimbursement basis
  - Large Federal Payments such PILT, Forest Service Reserve, Assessor & County Attorney contract are received in June
  - Miscellaneous service billings are reimbursable
  - Emergency funding

Fiscally Responsible

- # of Homes at $120,000 Market Value to Raise One mill

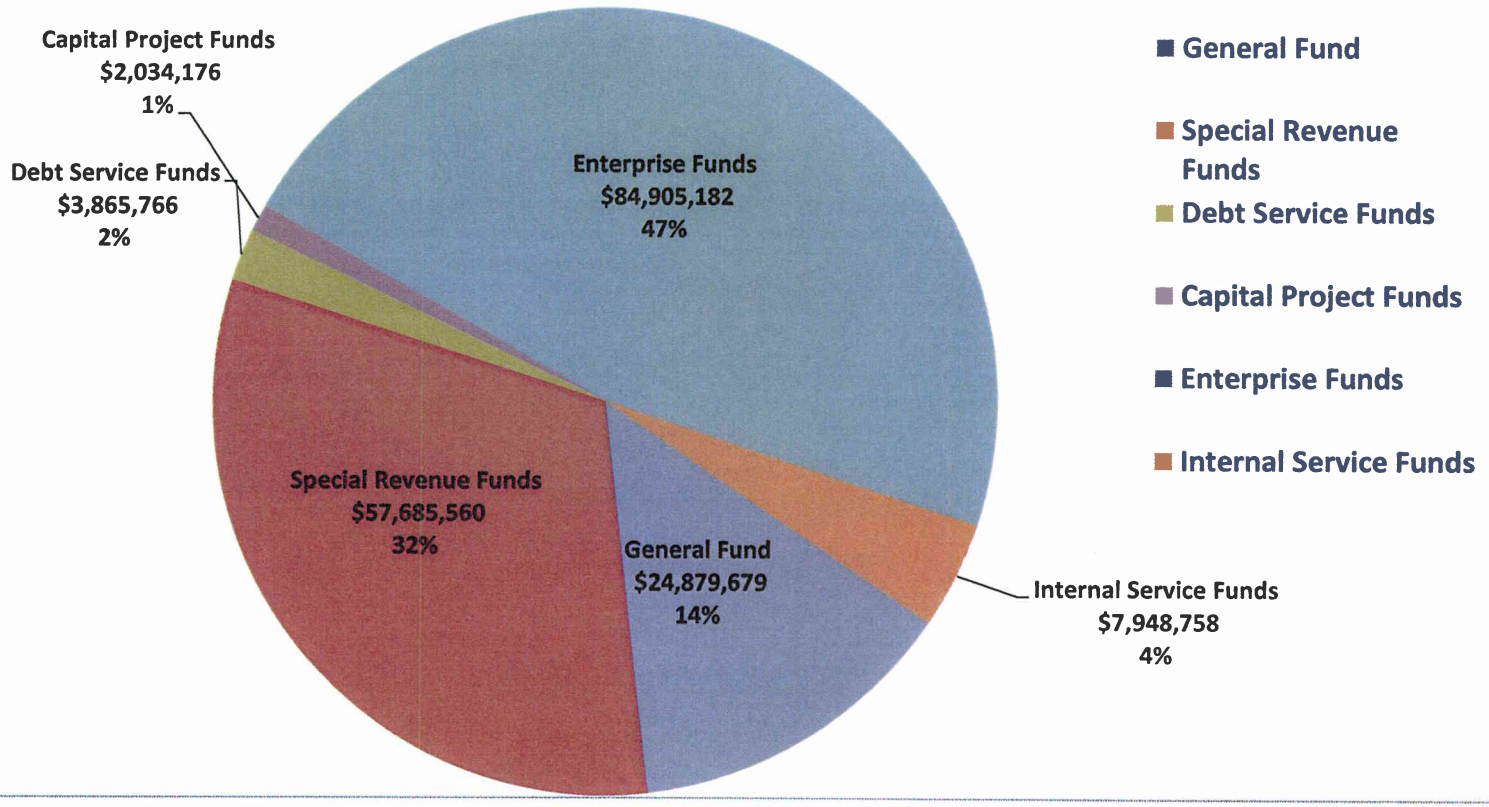
Market Value	$	120,000.00
Homestead Exemption for Tax Year 2014 is 47%; Tax Year 2013 45.50%	$	56,400.00
Market Value less exemption	$	63,600.00
Tax Rate		0.02470
Taxable Value	$	1,570.92
Mills levied		0.400000
BSB Levied Taxes including voter approved levies	$	628.37
Value of one Mill	$	57,091
# of home to generate one mill		90.86

Consolidated Funds

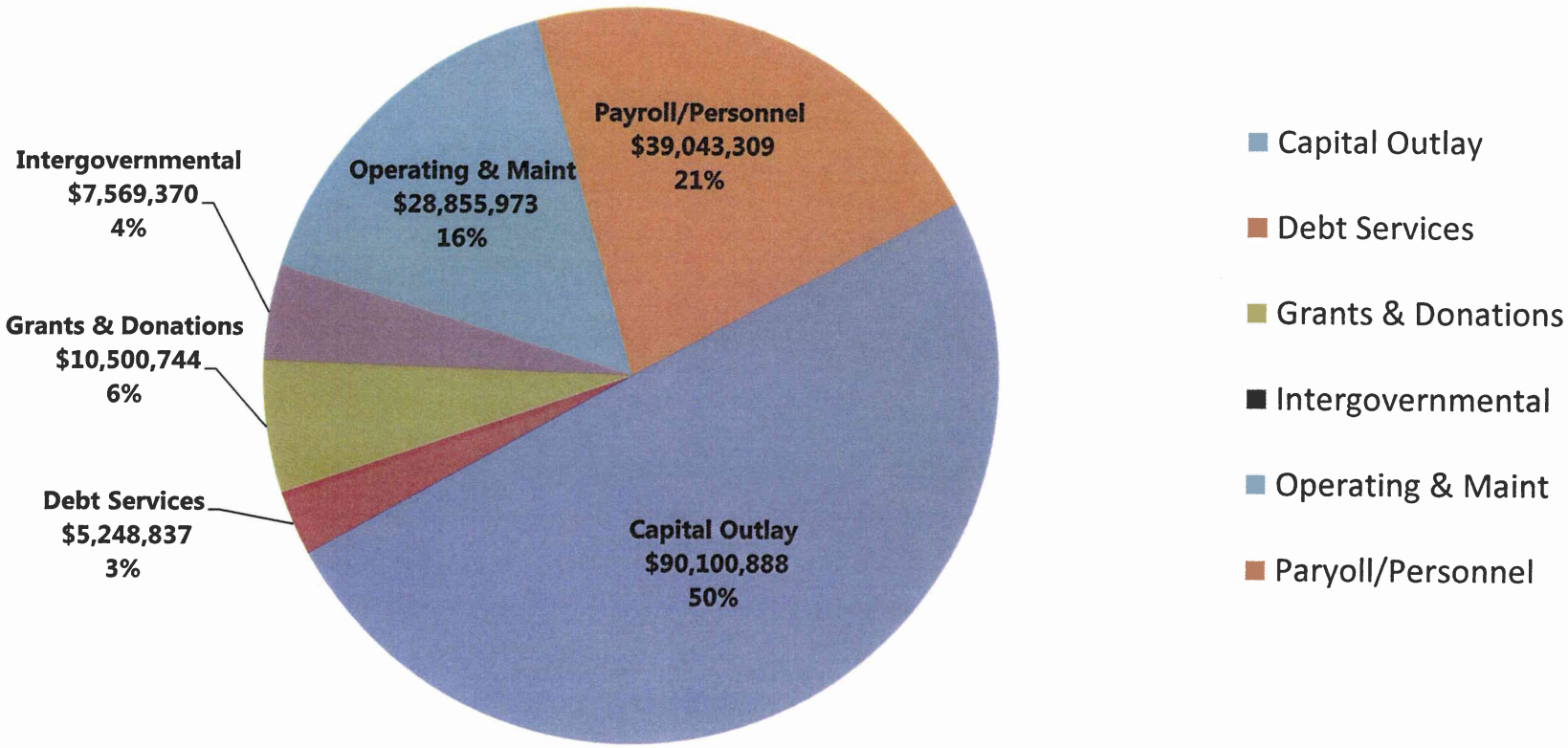
Butte-Silver Bow

FY2014-2015 Preliminary Budget

Appropriations by Fund Type



Appropriations by Object



Major Appropriations

Total Expenditures for all Funds

- $181.3 Million compared to $168.5 Million in Fiscal Year (FY)2014
  - Major Projects/Activities
    - Metro Sewer Treatment Plant-$30 million
    - Basin Creek Res. Filtration Plant-$36 million
    - Ramsay TIFID Infrastructure Expenditures $13 million & $3 million in grants and loans
    - URA and RRA Activities $4,286,572
    - Greenway $2,904,985
    - ARCO Redevelopment Trust $970,763
    - Phase II of Neighborhood Stabilization $1,500,624
    - EOC Project $1,676,180

Fee or Rate Increases

- Metro Sewer Increase of 11% approved last Fiscal Year

- Landfill, Water, & Maintenance Fees will remain the same as FY2014

Miscellaneous Budget Items

- Capital Improvement Fund "Anaconda Arco" – Fund 4040
  - 1998 BSB Council of Commissioners Commitment to use $2.65 million of funds to collateralize the debt for the Tram Project
  - On April 16, 2010 Commissioner Palmer resubmitted a communication to confirm the commitment in the amount of $2.70 million
  - This fund also accounts for a portion of Traffic fines being allocated to fund police vehicles

Miscellaneous Budget Items (cont.)

- The Cash and Investment Balance in this fund as of today is $2,144,519
- List of some funds appropriated
  - 4 Police Vehicles per year $374,712 (*see following slide*)
  - Elevator $298,807
  - Dome $200,000
  - Roof Replacements $264,492
  - Health Dept. Parking Lot $40,000
  - Anticipated use in FY2014-FY2014 $87,000 for Fire Alarm system upgrade at Civic Center
  - Boiler System upgrades $457,316
  - Lighting Retrofit $62,735
  - Revenues:
    - **Grant funding of $349,854**
    - **Fines allocated since 2009 $102,576**

Police Vehicle Replacement

Revenues & Expenditures Vehicle Replacement (4040)					
YEAR	COMMENT	Traffic Fines	Grant Funds	Expenditures	Surplus (Deficit)
1998	Patrol Vehicles	$ 53,449		$ 39,681	$ 13,768
1999	Patrol Vehicles	$ 44,166		$ 57,556	$ (13,390)
2000	Patrol Vehicles	$ 52,516		$ 37,886	$ 14,630
2001	Patrol Vehicles, Police Radios	$ 55,836		$ 38,821	$ 17,015
2002	Patrol Vehicles	$ 72,247		$ 83,755	$ (11,508)
2003	Patrol Vehicles	$ 93,367		$ 64,043	$ 29,324
2004	Patrol Vehicles	$ 125,158		$ 85,241	$ 39,917
2005	Patrol Vehicles	$ 93,731		$ 101,788	$ (8,057)
2006	Patrol Vehicles	$ 91,659		$ 99,592	$ (7,933)
2007	Patrol Vehicles	$ 82,926		$ 90,570	$ (7,644)
2008	Patrol Vehicles/HD Bikes	$ 91,759	$ 45,000	$ 148,846	$ (12,087)
2009	Patrol Vehicles	$ 83,181		$ 131,664	$ (48,483)
2010	Patrol Vehicles	$ 32,891		$ 119,112	$ (86,221)
2011	Patrol Vehicles	$ 69,338		$ 123,717	$ (54,379)
2012	Patrol Vehicles	$ 31,199		$ 105,600	$ (74,401)
2013	Patrol Vehicles	$ 32,982		$ 119,708	$ (86,726)
2014	Patrol Vehicles	$ 69,716		$ 148,253	$ (78,537)
	Totals	1,176,121	45,000	1,595,833	(374,712)

FY2014-FY2015 Recommendation

- Allocate 2 Police vehicles out of 4040 based on $69,716 in generated revenue
- To honor commitment to the Tram Project; reserve the remaining $2.1 million from Capital Improvement Fund – Anaconda Arco and the remaining $600,000 from the Economic Dev-Hard Rock Fund 2895
- Continue discussion with the Lady of the Rockies Tram project team the financial solutions and BSB commitment

Resource & Requirement Schedule

The resource and requirement schedule is in balance with the exception of the Home Health Department. This program developed a negative cash balance over the years of operation. The Board of Health, to avoid furthering the debt and to stay within the mission of the Health Dept, eliminated the program

- The cash balance is a negative $109,776 with $51,910 remaining in receivables and $9,000 in fixed assets. The Health Department would like to continue to collect on receivables in FY2015 closing the fund by June 30, 2015

Conclusion