

**ADMINISTRATION AND FINANCE COMMITTEE**  
CITY COUNCIL CHAMBERS  
**140 WEST PINE STREET**  
**MISSOULA MONTANA**  
**August 10, 2011, 2:05 pm**

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

**Members absent:** Dave Strohmaier.

**Others present:** Chelsi Moy, Myrt Charney, Gerald Mueller, Paul Bohan, Matt Ellis, Mike & Judy Ellis, Brent Colbry, Courtney Ellis, Dave Glaser, Susan Estep, Kim Latrielle, Susan Ash, Rod Austin, Michaelleen Grosier, Wes & Chris Spiker, Patsy O'Keefe, Jack Meyer, Rena Hansen, Ellen Buchanan, Mayor Engen, Mae Nan Ellingson, Jim Nugent, Marty Rehbein.

**I. Administrative Business**

A. Approve committee minutes dated: [August 3, 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 \$486,685.79 ([Detailed claims](#))**

B. Resolution levying assessments to reimburse the city for hazardous vegetation and nuisance weed cut orders performed in 2010 in the total amount of \$2,505.00 pursuant to section 7-22-4101 Montana Code Annotated and Section 8.40.040 Missoula Municipal Code. ([memo](#)) – Regular Agenda (Marty Rehbein) (Referred to committee: 08/08/2011)**REMOVE FROM AGENDA**

**MOTION: The committee recommends the City Council approve a resolution levying a special assessment and tax upon property for annual weed assessments to reimburse the City for hazardous vegetation and nuisance weed cut orders performed in 2010 in the in the total amount of \$2505.00 pursuant to section 7-22-4101 Montana Code Annotated and section 8.40.040 Missoula Municipal Code.**

Marty Rehbein, City Clerk, explained how the process unfolds. A citizen complains and a staff member inspects the property. If the property is found to be in violation, they send notice to the property owner to cut the property. If the vegetation is not cut in the time outlined, the City's contractor cuts it and the Public Works Department sends the owner an invoice. If they don't pay the invoice, state law and City ordinance allows the City Council to collect the debt through a property tax levy.

Bob Jaffe said one of the invoices unpaid was property owned by the Millsite Revitalization Project.

Ms. Rehbein confirmed that they didn't pay the bill last year.

Mr. Jaffe moved the resolution.

Ed Childers said he got a call from a constituent who said his property was cut before the certified green card was returned. Mr. Childers expressed concerned over this.

Ms. Rehbein said in her experience with large mailings, there are often times when the certified green card comes back one to two years later. Somewhere it gets lost and finds its way back into the mail stream and is delivered. The purpose is to notify the owner that there is a problem that needs to be addressed.

Upon a voice vote, the motion passed unanimously.

- C. Resolution levying a special assessment and tax upon property to reimburse the city for snow removal performed in fiscal year 2010 – 2011 in the total amount of \$1,476.00 pursuant to Sections 12.16.030 and 12.16.040 Missoula Municipal Code. ([memo](#)) – Regular Agenda (Marty Rehbein) (Referred to committee: 08/08/2011) **REMOVE FROM AGENDA**

**MOTION: The committee recommends the City Council approve a resolution levying a special assessment and tax upon property for annual sidewalk snow removal to reimburse the City for snow removal performed in fiscal year 2010-2011 in the total amount of \$1,476.00 pursuant to sections 12.16.030 and 12.16.040 Missoula municipal code.**

Ms. Rehbein said this is the first year we have assessed for snow removal. The process is similar to the weed assessments that if a citizen complains about snow and ice in a public right of way, a staff member goes out to inspect the property. If the complaint is valid they leave a notice for the walk to be cleared, if it is not cleared by the timeline provided, crews clear the walk and the Public Works Department sends the owner an invoice. If they don't pay the invoice, state law and City ordinance allow the City Council to collect the debt through a property tax assessment.

Renee Mitchell moved to approve the resolution and asked why there are administrative fees for weed cutting but not snow removal.

Ms. Rehbein said she believes the snow removal is not as labor intensive.

Upon a vice vote, the motion carried unanimously.

### **Regular Agenda**

- III. A. City acquisition and ownership of the Civic Stadium as an Urban Renewal Project and related resolutions, lease, agreements and other matters pertaining thereto. ([Memo](#)) ([A&F](#)) (Returned from Council floor: 08/08/2011) **REMOVE FROM AGENDA**

**MOTION: The committee recommends the City Council adopt a resolution relating to \$1,555,000 civic stadium revenue bonds (taxable); ratifying the issuance and sale thereof and prescribing the form and terms thereof and the security therefore**

**MOTION: The committee recommends the City Council adopt a resolution relating to use of \$2,000,000 tax increment revenue for the civic stadium project: authorizing an initial payment of \$500,000 and authorizing the issuance of \$1,500,000 in civic stadium subordinate lien notes, series 2011 to purchase the interest or certain secured lenders in the City stadium; authorizing and directing the issuance; prescribing the form and terms thereof and the security therefor”**

**MOTION: The committee recommends the City Council adopt an ordinance approving the acquisition and ownership of the civic stadium as an urban renewal project for Urban Renewal District II; making findings related to the project; approving the use of \$2,000,000 in tax increment revenue and the issuance of civic stadium lease revenue bonds in the amount of \$1,555,000; approving agreements related to the project; and related matters.**

- [Resolution Relating to \\$1,555,000 Civic Stadium Revenue Bonds](#)

- [Resolution Relating to use of \\$2,000,000 of Tax Increment Revenue for the Civic Stadium Project: Authorizing and Initial Payment of \\$500,000 and Authorizing the Issuance of \\$1,500,000 in Civic Stadium Subordinate Lien Notes](#) – (Updated [draft resolution](#))
- [Missoula Civic Stadium Lease and Use Agreement](#)
- [Civic Stadium Agreement with Play Ball Missoula](#)
- [Ordinance Declaring the Purchase of the Civic Stadium an Urban Renewal Project in Urban Renewal District II](#) - (Updated draft [ordinance](#) revised based on discussion at [August 3, 2011](#) A&F committee meeting)

Stacy Rye said this item was returned from Council floor by Ms. Mitchell. We have a [spreadsheet](#) created by Mr. Wiener & Rena Hansen to help explain this complicated transaction.

Ms. Mitchell said one concern is that this group of people has been working on this for the last 18 months and we are just finding out about this. Why was this so hush-hush? She said she was upset that before anything else was looked into, urban development money would be used to bail out the stadium. She wants to know how the City will not be on the hook if Mountain Baseball can't make the lease payments. She suggested Mountain Baseball buy the stadium, or even a private owner.

Ms. Rye said this has not been hush-hush. The MRA Board meetings are open to the public and their meeting minutes are filed online. At anytime you can read for yourself as to what is going on.

Mae Nan Ellingson, Dorsey & Whitney, said the reason this proposal is for the City to own the stadium is because you as a City wanted public ownership. The original plan was for Play Ball to build the stadium and turn this over to you. Your agreement with the mortgage stated that "we reserve the right to beat anyone else in line in foreclosure".

The committee then began to discuss the information on the spreadsheet provided.

Mr. Wiener pointed out that there is no easement for the trail at the stadium and there are gaps in it, what happens if we lose that trail connection.

Brentt Colbrey, MFCU, said that the City was ranked as first right of refusal.

Ms. Ellingson said yes, you do have that but it is to pay off the amount of the outstanding debt.

Lynn Hellegaard asked if there were any guarantees in place from the lenders. What kind of risk are they willing to take since they are the only ones to review Mountain Baseball's Financials? She is not as comfortable with the bonds, what happens if we don't sell the bonds.

Ms. Ellingson said you are right, a revenue bond of this kind wouldn't be publically marketable. What makes it possible for this to work is for the City to figure out a way to satisfy the debt that is owed to them. The closest we can get is the 25 year lease. In the event of default, the City has the ability to sue for damages and damages are the entire outstanding debt. We don't have to sell the bonds. We are dividing this into 2 bonds each representing their respective share. We are proposing to transfer these bonds, for their outstanding debt and release their lien

Ms. Mitchell said public vs. private ownership; she thinks that is the crux.

Mr. Childers said he would like to move the 3 motions. He said he got some good advice that minor league ball parks always lose money. What happens is participation and the area around the field that is improved. He doesn't think the purpose of tax increment financing should be used to create blight. If we allow the ballpark to foreclose it would be. Retaining the ballpark appears the right thing to do.

Ms. Rye confirmed there are 3 motions on the floor and asked for public comment

**Public comment**

Paul Bohan said he found out some things today he didn't know before from the answers in packet info. He suggested buying the stadium outright then negotiating the lease on your on terms and separate the stadium from the lease

Mr. Wiener said this is a complex transaction; we have the right to buy it for \$4.7 million in cash. We have 2 million in TIF that could be put toward this but; there is no stadium without the lease and TIF notes.

Upon a voice vote, for all three motions, the motions passed with Hellegaard, Haines and Mitchell voting nay and Wilkins abstaining.

**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) (Tabled 8/3/2011)
- E. 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)
- F. Discuss the disposition of surplus city land. ([memo](#))—Regular Agenda (John Newman) (Referred to committee: 10/25/10)
- G. Discuss outstanding third-party contracts. ([memo](#))—Regular Agenda (Lyn Hellegaard) (Referred to committee: 11/08/10)
- H. 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)
- I. Review Missoula's insurance experience, particularly work comp; propose improvements if warranted. ([memo](#))—Regular Agenda (Ed Childers) (Referred to committee: 05/09/11)

**IV. Adjournment**

The meeting was adjourned at 3:05 pm

Respectfully submitted,

*Dee Andersen*

Administrative Secretary