

**JOURNAL OF PROCEEDINGS
MISSOULA CITY COUNCIL MEETING
January 11, 2016**

I. CALL TO ORDER AND ROLL CALL

The meeting of the Missoula City Council was called to order by Mayor John Engen at 7:00 PM in the City Council Chambers at 140 West Pine Street. The following members were present: Julie Armstrong, Emily Bentley, Michelle Cares, John DiBari, Annelise Hedahl, Jordan Hess, Gwen Jones, Bryan von Lossberg, Harlan Wells, Heidi West, Jon Wilkins. The following members were absent: Marilyn Marler. The following staff members were also present: Chief Administrative Officer Dale Bickell, Mayor John Engen, Communications Director Ginny Merriam, City Attorney Jim Nugent, City Clerk Marty Rehbein. The following staff members were absent: Central Services Director Steve Johnson

II. APPROVAL OF THE MINUTES

1. Minutes from the January 4, 2016 meeting

The minutes were approved as submitted.

III. SCHEDULE OF COMMITTEE MEETINGS

1. Committee schedule for the weeks of 01/11/2016 and 01/18/2016

The new Councilmembers will be doing orientation on January 13, 10:00 a.m. – Noon and will be held in the Jack Reidy Room.

Parks & Conservation Committee, January 13, 12:30 – 1:30 p.m.
Administration & Finance Committee, January 13, 1:35 – 2:05 p.m.
Public Works Committee, January 13, 2:10 – 2:45 p.m.
Committee of the Whole, January 13, 2:50 – 3:20 p.m.

The new Councilmembers will be doing orientation on January 20, Noon to 1:00 P.M. and will be held in the Jack Reidy Room

Land Use and Planning Committee, January 20, 1:05 – 2:15 p.m.
Administration & Finance Committee, January 20, 2:20 – 2:50 p.m.

IV. PUBLIC COMMENTS

Kandi Matthew-Jenkins, 1211 Cooper, said she usually reads from the Soviet Art of Brainwashing: Psychopolitics and since she is having a problem with her voice she is sorry she cannot read from that. She brought a gift to the new Councilmembers which is a copy of the Constitution. This country was built on Christian principles and the 10 Commandments for our law. We believe, in this country, whether everybody agrees or not that we have a Creator God and that Creator God gave us the gift first of life then of liberty and then the pursuit of happiness. As she sees it, the Declaration of Independence tells us these things in a more spiritual sense where our Constitution is based on a secular government and she understands that but she wants the Council to understand that, as City Councilmembers, the basis for our law comes from the 10 Commandments and the Constitution is the supreme law of the land and she thinks sometimes we forget that. She wanted to give them a copy of the Constitution so they wouldn't forget that or so that she knows they have one and cannot forget it.

V. CONSENT AGENDA

1. Claims

Recommended motion:

Approve claims in the amount of \$263,489.53 for checks dated January 12, 2016.

2. City Council appointment of council members to boards and commissions

Recommended motion:

Appoint councilperson Armstrong to serve as the city council's representative on the Health Board.

Recommended motion:

Appoint councilperson Wilkins to serve as the city council's representative on Community Forum.

Recommended motion:

Appoint councilperson Hess to serve as the city council's representative on the Transportation Policy Coordinating Committee.

Recommended motion:

Appoint councilpersons Armstrong and Hedahl to serve as the city council's representatives on the Missoula Civic Television Advisory Committee.

Recommended motion:

Appoint councilperson West to serve as the city council's representative on the Local Emergency Planning Committee.

3. Teton Addition at Maloney Ranch Subdivision Phasing Plan Amendment

Recommended motion:

Conditionally approve the phasing plan amendment of the Teton Addition at the Maloney Ranch Subdivision as shown on the phasing plan dated December 29, 2015 subject to the conditions of approval as amended and subject to the following additional condition of approval: 29 phases shall be filed starting with Phase West – Miller on the west side and Phase East – Skalkaho on the east side and shall continue with the filing of phases adjacent to the prior filed phases, such that infrastructure, such as roads, sidewalks and trails, is extended from a filed phase to an adjacent phase, subject to review and approval of Development Services prior to final plat approval of each phase. Phase West – Blodgett shall be the fifth Phase West final plat to be filed and Phase East – Three mile shall be the fifth Phase East final plat to be filed.

4. Agreement with qualified environmental professionals to provide services to assess potential Brownfields properties

Recommended motion:

Approve and authorize the Mayor to sign an agreement with NewFields, LLC and WGM Group, Inc., contingent on budget amendment approval on January 25, 2016, to provide professional environmental services in executing the technical requirements of the City's Brownfields Assessment Grants not to exceed \$367,900.00.

5. FY 2016 budget amendment to appropriate expenditures and identify revenues and budget transfers that were not identified in the original budget.

Recommended motion:

Set a public hearing on January 25, 2016 on a resolution amending the annual appropriations for the City of Missoula, Montana as set forth in the fiscal year (FY) 2016 budget and capital improvement program that increase the total city budget by \$411,500 in order to recognize and appropriate Brownfields grant funds and the LEED project coordination revenue from Missoula County received since the FY16 budget was approved.

6. Missoula Firefighter Union Contract

Recommended motion:

Authorize the Mayor to sign the collective bargaining agreement between the City of Missoula and the International Association of Fire Fighters Local #271 for a four year term.

This item was discussed later in the meeting under Item X. 1A.

Mayor Engen said, thank you, Ms. Rehbein. Anyone in the audience care to comment on any of the items on the consent agenda this evening? Seeing none, questions or comments from Councilmembers? Ms. Hedahl?

Alderwoman Hedahl said, I will be abstaining from item 6 in regards to my relation to a Missoula Firefighter. Thanks.

Mayor Engen said, what's that relation?

Alderwoman Hedahl said, he's my husband.

Mayor Engen said, oh, there you go. Thank you. Further comment? Alright, seeing none.

Alderman Wells said, [inaudible, off microphone]

Mayor Engen said, so, Mr. Wells, if you indicate that you'd like to speak, I will call on you. Mr. Wells.

Alderman Wells said, [inaudible, off microphone]

Mayor Engen said, Mr. Wells, you would like to remove item number 6 from the consent agenda?

Alderman Wells said, yes, please.

Mayor Engen said, okay, and refer it to committee?

Alderman Wells said, yes, please.

Mayor Engen said, fair enough. That's done. Alright, further discussion? Alright, with that, we will have a roll call vote on items 1 through 5.

Upon a roll call vote, the vote on the consent agenda, as amended, was as follows:

AYES: Armstrong, Bentley, Cares, DiBari, Hedahl, Hess,

Jones, von Lossberg, Wells, West, Wilkins

NAYS: None

ABSTAIN: None

ABSENT: Marler

Motion carried: 11 Ayes, 0 Nays, 0 Abstain, 1 Absent

Mayor Engen said, and those items on the consent agenda are approved.

VI. COMMENTS FROM CITY STAFF, AGENCIES, BOARDS, COMMISSIONS, AUTHORITIES AND THE COMMUNITY FORUM

1. Upper Rattlesnake neighborhood council report - Bev Young

Since Ms. Young was not in attendance, this item will be held until another time.

VII. SPECIAL PRESENTATIONS

1. Let's Move! Missoula presentation - Lisa Beczkiewicz

Susan Hay Patrick said she is the CEO of United Way of Missoula County and Chair of Let's Move! Missoula which is our community's Childhood Obesity Prevention Initiative. She thanked Councilwoman Bentley who serves on their Leadership Team and thanks to all for their service. Lisa Beczkiewicz is our Let's Move! Missoula Coordinator and she will explain all that Let's Move! Missoula is doing. She and the City-County Health Department have been real drivers of this initiative but it is truly a community response to what is a community problem. It takes all of us working together to drive progress on addressing childhood obesity because obesity is even worse for kids than we thought. Research shows that it doubles or triples the risk of high blood pressure in children and in some cases causes hardening of the arteries in kids as young as aged 9. We need to drastically step up our work on prevention because the implications for the future of overweight and obese children are alarming. The numbers that Lisa will share with you don't square with our image of Missoula as our family-friendly, cycling, triathlete marathon-running, local food-eating, community of cyclists and runners and swimmers and triathletes. Let's Move! Missoula brings together very diverse stakeholders to figure out how to make the reality match the image because we can't afford not to. The cost of treating heart disease and Type II Diabetes alone is staggering. As you will hear from Lisa, we are making progress as a community on the issue of childhood obesity and thank you for your interest and support as we continue to encourage Missoula, children, families, schools and organizations along a healthier path.

Lisa Beczkiewicz said she's here tonight to share Let's Move! Missoula and give an update. This is the first time she has presented to City Council. Let's Move! Missoula lives at the Health Department, but it is very connected with the City Council or the City, having Emily Bentley being part of their Leadership Team as well as the County. Jean Curtiss is our County Commissioner on the Leadership Team. First of all, why are Missoula kids overweight? We have mountains, rivers, bikes, why aren't all the kids moving? This is a public health problem and Missoula hasn't escaped the national trend of increased childhood obesity. To put a face behind the initiative, she wanted to introduce people to Amanda, who was born in our community. She was born very healthy. She did have an obese mother which

is one of the risk factors. Potential possible childhood risk factors are poverty, parents are obese, breastfeeding, healthy diet at daycares, sugary drinks, TV, daily physical activity. This is a cultural problem. They have been taking BMI (Body Mass Index) in third graders of Missoula County since 2008 and this came into action when Ellen Leahy, Director of Health, said she was curious to see how Missoula kids are doing compared to the rest of the nation. They have a really good protocol with the school districts and simply went in doing height and weight of our third-grade population. Kids can opt out if they like. They have seen no change in trends of obesity, a little bit in overweight since 2008. It takes a very long time to shift behavior but they are working on it. They've expanded their BMI surveillance program to now include 7th and 10th graders to see how our kids are doing throughout their youth development. She will have that data at the end of this spring. She showed the childhood obesity trends of the nation. She just wanted to give a snapshot of how the whole nation of children is getting larger and Montana has not escaped it. There are many, many maps and trends that we share through childhood obesity and adult obesity, but it's really important that we focus on our kids so then they won't be obese as adults. Consequences of childhood obesity is social/emotional and the physical pieces too and it really starts to become very apparent once kids hit fifth, sixth, seventh grade. How did Let's Move! Missoula come about? They held a summit in 2011 where over 350 people attended throughout the community, including stakeholders, doctors, educators, city-county government, parents, school people, childcare people and basically it was to build the awareness. They brought in different national research scientists to talk about childhood obesity. From there, Let's Move! Missoula was launched. It was so proven that we needed to have an initiative behind childhood obesity. And with that, the leaders thought it would best live in the Health Department as well as following a national movement. From there, they held two summits on physical activity, nutrition in the school setting and how we can have more quality nutrition and increased physical activity in the school setting and they had about 250 people attend both of those, where a lot of them were teachers. She showed a slide of their Leadership Team who are the decision-makers from these different organizations with Susan Hay Patrick leading their charge and they work on a strategic plan with best practices to implement within their community. They are very well rounded in reaching the whole sector of the community. They want to build a healthier Missoula community and so everywhere people go to live, work, play and go to school they have opportunities for physical activity and healthy choices. A lot of the initiative is around affordability and accessibility of health with nutrition and physical activity. They've done such a great job with infrastructure and implementing some of their strategies that they are one of 35 counties nationwide to reach all the five gold medals in these areas. What's interesting about Let's Move! Cities, Towns and Counties is that's where Let's Move Missoula lives at the national level, is that we are on there as a city and a county. She has all the city ones ready to go except for one which is the Model Food Service. This is super-exciting and you should be very proud of the work in our community. They also received an award from the Montana Action Healthy Kids in 2014 as well as a Community Innovator Award from Northwest Center for Public Health Practice, which is at the University of Washington, where we are the only organization to be recognized outside of the State of Washington, and this is a regional public health program, so that was quite an honor in August. In September, Let's Move! Missoula, one of eight communities, was invited to the White House to celebrate with Michelle Obama and the Let's Move! Missoula's Initiative and some of the star cities and counties that are doing the great work. It was amazing! Ms. Obama is super-powerful and she talked about how in our communities what a Let's Move! city would look like and she was shaking her head because she had been at a meeting at the Health Department explaining the same concept, when a child wakes up in our community, they should be able to walk to school on a safe route and have

access to a free breakfast at their school. And then they should have active recess and their teachers should get them moving and then all kids should have all afterschool opportunities in our community. It shouldn't just be a pay-to-play community or society. Parents have access to feeding their kids healthy food and they can go to the park and play. Lots of really great things that Missoula has but we can do better. What did she learn? When she was in D.C. they broke out into smaller groups and sat around tables with a lot of mayors and a lot of city managers and Let's Move! leaders and she learned that we all want a healthy community for all, that a healthy choice should be an easy choice, it shouldn't be so hard, and that health should be in all policies that we have and health is part of community development. People want to live in healthy places and it goes both ways: community health and community development. The two communities that we were most similar to was Fort Collins and Knoxville, Tennessee. Regionally, they are cities sitting at the base of mountains. She doesn't know the inter-workings of their governments and communities, but the people were lovely and very smart and had a lot in common with Missoula. Also, they had a panel of different mayors talking about why Let's Move and healthy communities were important for them and they talked about communities being safer, that people are healthy, making better choices in their lives as well as encouraging the economic growth so she thought that was pretty neat. Why do we do these works? She showed local pictures from different events, including Sunday Streets, Safe Kids Fair, Hawthorne School and a childcare. They are in all these sectors working with kids and families trying to teach them and empower them about physical activity and nutritional choices and creating access. Another reason why it's important, there is so much research that if Dr. Gaskill were here he'd talk for another hour, but what we know is that healthy students are better learners. If you were going to give a kid a test, would you give them trail mix and have them take the test or would you get them up, take them for a walk around the building and sit them down and give them a test? Obviously, going for the walk. We are trying to engage our school districts into getting our kids moving more. Also, in walkable communities the Surgeon General just created Call to Action (CTA) this fall about Step It Up!, which is encouraging all communities to walk. Walking is relatively free, just having a safe place and good shoes so she encouraged people to just get moving. The last Call to Action was when the Surgeon General told people to stop smoking so that is how important this initiative is. In moving on with Let's Move's All Star City and County, she would love to work with the City on the bike-friendly communities so they design healthy farmer's markets. She has been asked to be a part of the Long Range Transportation Planning Committee. If there are any places that anyone sees that Let's Move! should be at the table to help build a healthier city, she would love to be there to help. In their community sector they are working in childcare and with the schools and creating a media plan to shift the culture of health in Missoula. It's super easy. She showed a picture of Amanda as she continues through life in Missoula.

Mayor Engen asked if there were any questions or comments from Councilmembers. He also stated that he's known Lisa for a long time and she is nothing if not enthusiastic, so when she says she wants to help, she wants to help.

Alderwoman West asked if Lisa had the graphic that correlates obesity to income, maybe based on school income levels.

Lisa Beczkiewicz said that she does have a graphic on that and one thing she's working on right now is creating a childhood obesity map using GIS mapping in the Missoula County so she's working with Mike Snook at the County to make that happen, and Aaron Wilson has also been helpful in helping her locate some data on that too and hopefully in the near future she will have that. There is a huge correlation of health is connected to socio-economic status. She's trying to work

with the City and the County to get a snapshot of what that looks like in our Missoula community.

Alderwoman Jones asked if Lisa interfaces and meets with the Missoula County Public Schools food service because that seems to be a big component.

Lisa Beczkiewicz answered yes. A part of working with Missoula County Public Schools is they work with Graduation Matters Missoula, and under that they have the Student Wellness Council Pillars of Health. So, they have a nutrition pillar, physical activity pillar, behavioral health and public health pillar. Under all of those they have different strategies and best practices, and with the nutrition group, they have people from the Missoula County Public Schools on that committee.

Mayor Engen thanked Ms. Patrick and Ms. Beczkiewicz working on our behalf. It is great work.

2. "We the People Amendment" Day

Mayor Engen proclaimed January 21, 2016 as "We the People Amendment" Day.

Sue Kirchmeyer said to mark the sixth anniversary of the Citizens United for 2016 they have decided to move indoors and to ask for this proclamation. On January 21 they will be having a potluck and a speak-out at 6 p.m. at the First United Methodist Church. Their intention is to bring together a number of community groups to exchange their perceptions of how Citizens United is affecting human rights and civil rights that with each passing year it becomes harder and harder to be unified as a country because we've become so divided by how much wealth is pouring into our elections and is being put to the top of our society. And we're very frightened over time, as the rest of us are scrambling to use the resources for healthy children, for our healthy land, for our future that we will be more and more divided from each other and we want our community to be able to work as one for our common good and our common wealth. That's the spirit of what they're doing. Citizens United and this whole movement needs to look at what the harm is that's being one, not just because it's not fair, but because we need to be able to be of one people.

Mayor Engen thanked Ms. Kirchmeyer for her comments. He said food and warmth is strategic. Mayor Engen said Ms. Young could give the Upper Rattlesnake Neighborhood Council report at this time.

3. Upper Rattlesnake neighborhood council report - Bev Young

Bev Young said she is on the Neighborhood Leadership Team. They had a meeting last night with over 60 people which is rather remarkable. That meeting was prompted by lots of development issues. Our City Councilmembers were there at the meeting as well as invited guests who were part of those development issues. City Council had allowed the conditional use of the Lincoln School as the church so people from the Unitarian Universalist Fellowship came and explained their intended use of that property, and should they be allowed to purchase it. There is a lawsuit right now. Should the church and the Missoula Federal Credit Union win that lawsuit and the Unitarian Universalist Fellowship will move into the old historic Lincoln School building. The proposed Woodland Estates was talked about last night. It is a property that is at the end of a dead-end road which is a safe, walk-to-school route that promotes lots of connectivity to Rattlesnake trails and it would increase the traffic to that end of the street enormously. This is Woodland Street and is a very low development neighborhood and the proposal was to put in 12 exclusive half-a-million dollar townhomes. Because it went through

the townhome exemption to subdivision review none of the neighbors knew about it until the last minute so those neighbors became a group called Keep Our Kids Safe. They had over 100 people who convened in November to walk the neighborhood and understand what the issues were. The owner of that property and the associated developer have since reconsidered. The builder is no longer associated and the property is now on the market to sell two lots for two homes in addition to other homes that could possibly be built. There is a lot of interest and concern about the townhome exemption to subdivision review because of this. Mike Haynes and Denise Alexander from the Office of Development Services spoke about the townhome exemption and also the issues that City Council has asked them to address so there is an understanding there will be an ability to comment on those proposals. Also, a 10-acre property is carving off one acre to sell and have one home built. They were very supportive that they were so proactive in coming to the neighborhood meeting and telling them about this because they didn't have to. This kind of thing happens all the time so the Neighborhood Team was very thankful for that and her understanding is that that is the first subdivision to go to the office of Development Services since the townhome exemption has been passed and it was just for a one-home subdivision. Also, City Councilmembers took questions and asked how the neighborhood felt about parking meters. Many of the questions were related to townhome exemptions and what may be coming from that.

VIII. COMMUNICATIONS FROM THE MAYOR

Mayor Engen said he wanted to let folks know who are concerned about the news today from Gonklin and Liberty that they suddenly own a water company. The City of Missoula thinks differently and that that announcement is shockingly premature and while they may be closing on paper, it turns out there are pesky laws that still come into play here and the City of Missoula has won a court case that provides it the right to purchase and own Mountain Water on behalf of the citizens. Despite the news today, the City of Missoula has not changed a great deal and we plan to exercise the right that the court has granted us to provide fair compensation for that utility. They had a hearing this morning before Judge Townsend where attorneys for the defendants were asking for just two things to be settled; interest and attorneys' fees and at no point did they mention this closing, so there is considerable work to be done on the part of the defendants before anyone on our side of the table, or the Public Service Commission, or at least two courts here in the State of Montana agree with the assertion that there is a deal that has been done and that someone else owns and operates Mountain Water. An additional update will be given Wednesday at the Committee of the Whole meeting. He wanted to let folks know that his confidence in our ability and his confidence that we will own that water system in short order has never been higher.

IX. GENERAL COMMENTS OF CITY COUNCIL

Alderwoman Jones said one thing she wanted to use this position of being on City Council for is to have a little better PR for our school system in Missoula. She has updates from our AA high schools. Mr. Tom Andreas, a teacher at Big Sky High School, a science teacher and teaches in the Ag Department, was given the Exceptional Educator Award by the Missoula Education Foundation. The Music Department at Hellgate High School is on the semi-finalist list for the Grammy Signature School Awards. Out of the United States, 116 schools are chosen and Hellgate High School made it to that cut. If they make it to the finals, then the Music Department will be getting some grants to improve that department. Sentinel High School is leading the state in their graduation rate under the Graduation Matters Montana Program. All of those are fantastic pieces of news. There is a huge AA speech and debate tournament January 15 and 16. They need about 1,000 volunteer hours to help judge the speech debate, the Speech and Debate Tournament. If interested, you can sign up at Missoulaspeechanddebate.com and to see what our high school kids

are doing, check out the Speech and Debate Tournament because it's pretty amazing and she doesn't worry about the future that much consider the quality of kids you see involved in this kind of thing.

Alderwoman Bentley thanked Mayor Engen, our legal team and Bryan von Lossberg and Marilyn Marler and Jason Wiener for their leadership in the acquisition of the water utility. Her daughter, who is now one, said her first word was wa-wa (water). This was a big week for Missoula. We settled on a price and are going to move forward with purchasing this water company. Despite some shenanigans that are completely illegal by our opponents we are going to own the means by which people in this community drink their water forever.

Alderman DiBari announced that on Wednesday, January 27 Community Builders, an organization that's done some work here in Missoula, is having a webinar about transportation safety and it's between noon and 1:00 p.m. He will share this information with Ms. Rehbein so that there's a link available. It sounds like an interesting event given where we're headed in terms of transportation-related things and Long Range Transportation Plan.

Alderman von Lossberg thanked Councilwoman Bentley for her comments. A couple of constituents in Ward 1, Harold and Janet Holmes, brought to his attention a review that's going on the State of Washington right now, and there's a comment period that ends January 22, and he wanted to make a comment about that and encourage people to contact Harold, Janet or himself to get more information. Briefly, this is about a facility called the Tesoro Savage Vancouver Energy Distribution Terminal which is a facility that would accommodate oil tankers by rail and facilitate transfer of that for shipping. The Energy Facility Site Evaluation Council in Washington state is doing this review under environmental policy for Washington and other guidelines and they've issued a draft Environmental Impact Statement. This has been an issue of concern for all citizens of Missoula and throughout Montana and if interested in finding out more about this particular facility and what upstream impacts might be here in Missoula and if you care to comment, please let him know if you would like some more information about it.

X. COMMITTEE REPORTS

1. Administration and Finance Committee Report
 - a. January 6, 2016 Administration and Finance report
Missoula Firefighter's Union contract.

Alderwoman Hedahl said, I would like to make the recommended motion that we authorize the Mayor to sign the collective bargaining agreement between the City of Missoula and the International Association of Firefighter's Local 271 to a four-year term.

Mayor Engen said, that motion is in order. Is there discussion on the motion? Mr. Wells?

Alderman Wells said, so, I basically ran on one issue and that's property taxes and property taxes getting too high, so I just had to make a decision that until this administration brings a balanced budget that doesn't increase the property taxes I will be voting no on all raises to anybody, not just Fire Department and that includes any raises to the City Council next year if we have a budget that doesn't increase property taxes, I'll be more than happy to give everybody their raises.

Mayor Engen said, okay. Any other discussion on the motion? Ms. Bentley?

Alderwoman Bentley said, I support our firefighters. What they do is dangerous and necessary. And if you have a fire in your home or if you dial 9-1-1, they will be at your home within four minutes to save your life and they do, time and time again. They deserve a living wage and I'm proud to support this.

Mayor Engen said, further discussion? Seeing none, anyone in the audience care to comment? Yes, ma'am?

Sue Bradford, 708 North 4th West, said, I would just like to concur that absolutely the firefighters that serve our community do an amazing job and I would urge you all to endorse their continued service and fair wage. Thank you.

Mayor Engen said, thank you, ma'am. Anyone else? Alright, seeing none, we'll have a roll call vote on the fire contract.

MOTION

Alderwoman Hedahl made a motion to authorize the Mayor to sign the collective bargaining agreement between the City of Missoula and the International Association of Fire Fighters Local #271 for a four year term.

Upon a roll call vote, the vote on the motion was as follows:

AYES: Armstrong, Bentley, Cares, DiBari, Hess,
Jones, von Lossberg, West, Wilkins

NAYS: Wells

ABSTAIN: Hedahl

ABSENT: Marler

Motion carried: 9 Ayes, 1 Nay, 1 Abstain, 1 Absent

Mayor Engen said, and the contract is approved.

2. Committee of the Whole Report

a. January 6, 2016 Committee of the Whole report

Resolution in support of increasing royalty rates for resource extraction on federal public lands

Recommended motion:

Support increasing royalty rates on federal public lands in order to assist local communities in meeting essential infrastructure needs.

Alderman Wilkins said, so we have a resolution in support of increased royalty rates for the resource extraction on federal public lands.

Mayor Engen said, okay. And the motion, Mr. Wilkins, is right down there below the recommended motion.

Alderman Wilkins said, okay, the recommended motion is to support increasing royalty rates on federal public land in order to assist local communities in meeting essential infrastructure needs. I'd like to speak to the motion.

Mayor Engen said, motion is in order. Mr. Wilkins?

Alderman Wilkins said, so my understanding is that Montana is one of the lowest paid people in royalties that other states get more than we do, that this hasn't risen in quite a few years. and I think it's important that it does get an increase in royalty rates and that Montana is treated like other states.

Mayor Engen said, is there further discussion on the motion? Ms. Bentley?

Alderwoman Bentley said, I support this resolution. You know, we heard in committee some criticisms of it, but I think it's really important that the local governments receive royalties for oil and gas. If you're concerned about property taxes, this is a great way to lower them. We're essentially subsidizing oil and gas on our public land and we're not getting a return for it, and local property owners are picking up the tab. So, if you are someone who criticizes local government for high property taxes, this would be an appropriate thing for you to vote in support of.

Mayor Engen said, further discussion? Ms. Jones?

Alderwoman Jones said, I'm in favor of this. Currently the State of Montana for state lands charges I think 16.6% royalty rates, but the federal lands is down at 12.5%. Montana historically has had a lot of natural resource extraction for which Montana has not be adequately paid and once our natural resources are gone we don't have them anymore. This is a finite thing, so I think it is incredibly important that the rate be raised and that we show our support as a community to the federal government and to the Department of Interior through the BLM to do this. This is also an issue that cuts across party lines. U.S. News and World Report did a big article on this a year-and-a-half ago saying this needs to be addressed. Taxpayers, I think it's Taxpayers for Common Sense, which is actually a conservative group, is in favor of this so this is something that the BLM needs to prioritize and address through the Department of Interior so, yes, I'm in favor of it.

Mayor Engen said, further discussion? Mr. Wells?

Alderman Wells said, so I think in committee I was the only person that was not for this and, you know, for a couple of reasons. The first one was whenever any group brings anything to me, I always do a little research to try and figure out their motives and this group is primarily an environmental group that wants no oil and gas and they understand the basic law of economics, supply and demand, that if you want somebody to use something, you make it more difficult and raise the cost of doing business. Because of my viewpoint I was publicly accused of not being fiscally conservative enough and I would say only in Missoula can somebody who does not agree with tax-and-spend policy be accused of not being fiscally conservative. I have some numbers. This is from BLM. I think the raising of these royalties will do the exact opposite effect. I think it will make it so there's even less drilling, less permits and so we'll, great, we'll get, what, 16% of zero royalties? Some numbers to drive this home. New drilling permits in Montana, in 2003 we had 206 on federal lands. In 2014 we are down to 26. New well bores. In 2007 it peaked at 131, in 2014 they were down to 22. Acres leased, this is the one that really drives it home. It peaked in 2001 at 551,000 acres of BLM land that had oil and gas. In 2014 we were down to 15,000 acres. So, make no mistake, raising this royalty will reduce the overall money to communities, roads, schools, that's why I'm a fiscal conservative. I don't believe that you tax more or royalty more so you can spend more. Thank you.

Mayor Engen said, Mr. DiBari?

Alderman DiBari said, so I'm going to speak in favor of this resolution. As I said in

committee, this is a financial equity issue in my opinion. As Ms. Jones said, the current royalty rate on federal lands is 12.5% that was established during the Harding Administration in the 1920s. In the more recent past, under the George W. Bush Administration, the federal offshore oil and gas royalty rate was raised to 18.75%. So, this is not anathema to our elective representatives in Washington. Certainly they've recognized that there is a need to do this, and as I said before, I do support this resolution and I support the BLM's efforts to undertake a rule-making to increase the royalty rate for onshore oil and gas. As some other people said, the State of Montana stands to benefit greatly by an increase in the royalty rate and I think it is an important thing to do in order to help the State of Montana better fund its infrastructure and education and other state-funded programs.

Mayor Engen said, further discussion on the resolution? Seeing none, anyone in the audience care to comment on the motion? Seeing none, we'll have a roll call vote on the resolution. Oh, I'm sorry. Yes, sir?

Woody Metzger, 703 B Skylar Court, said, the undercharging by BLM addressed in the resolution deprives Montanans of deserved revenues, as we've already heard. It also amounts to a subsidy for oil and gas developers and distorts markets to the disadvantage of renewable energy development, and I think that's where our support should be going. For those reasons I urge adoption of this resolution and thank the Council for its consideration.

Mayor Engen said, thank you, Mr. Metzger. Yes, ma'am?

Kate Campbell, Frenchtown, Montana, said, I congratulate you on your oil and gas resolution to the Department of the Interior and the BLM. Okay, let's say I'm a citizen, a taxpayer and together with a bunch of other people I own some property. We'll call that federal lands. This property is beautiful and valuable beyond measure. We've hired a property manager, a proxy, we'll call that the BLM, to act on our behalf in collecting rent and safeguarding our resources. They are expected to screen likely candidates through background checks and make sure they're financially sound. Once a renter moves in, like an oil and gas company, there's a contractual understanding that they will pay the rent or royalties and not trash the place. If the value of our property goes up, the rent should go up too, if the manager is doing their job. Rent can't remain where it was in our grandparents' time. The increased rent covers our rising taxes and other infrastructure costs. If the tenant trashes the place, then the increased rent covers reclamation. Now I'm starting to wonder if our property manager is dealing fair and square with us. Somehow I get the feeling that I'm being shortchanged and no one is defending my financial interests. My fellow stakeholders agree and think we've been taken for suckers while the tenant laughs all the way to the bank. We talked about calling Cousin Vinny to settle this thing, but calmer heads prevailed and we're asking you to go to bat for us. Thank you for requesting an update of the gas and oil royalties charged. Thank you for standing up for fairness and fiscal accountability.

Mayor Engen said, thank you, Ms. Campbell. Anyone else on the resolution this evening? Alright, I think I got you that time. With that, if there's no further discussion, we'll have a roll call vote on the resolution. Ms. Rehbein?

RESOLUTION 8037

MOTION

Alderman Wilkins made a motion to adopt a resolution to support increasing royalty rates on federal public lands in order to assist local communities in meeting essential infrastructure needs.

Upon a roll call vote, the vote on Resolution 8037 was as follows:

AYES: Armstrong, Bentley, Cares, DiBari, Hedahl, Hess,
Jones, von Lossberg, West, Wilkins

NAYS: Wells

ABSTAIN: None

ABSENT: Marler

Resolution 8037 carried: 10 Ayes, 1 Nay, 0 Abstain, 1 Absent

3. Land Use and Planning Committee Report
 - a. January 6, 2016 Land Use and Planning report
4. Public Works Committee Report
 - a. January 6, 2016 Public Works report

XI. NEW BUSINESS

None

XII. ITEMS TO BE REFERRED

1. Administration and Finance Committee
 - a. Approval of the Urban Renewal District III Series 2016 Bond Resolution and a Development Agreement between Southgate Mall Associates, the City and the Missoula Redevelopment Agency
 - b. Limited Tax General Obligation Bonds, Series 2016A
 - c. Resolution declaring obsolete parking meters as surplus property
2. Land Use and Planning Committee
 - a. Council appointment to the Planning Board
3. Parks and Conservation Committee
 - a. Council appointments to the Open Space Advisory Committee
4. Public Works Committee
 - a. Resolution to Order Miscellaneous Curb and Sidewalk Improvements
 - b. Contract with Anderson-Montgomery Consulting Engineers to assess the feasibility of a City operated compost facility.

XIII. MISCELLANEOUS COMMUNICATIONS, PETITIONS, REPORTS AND ANNOUNCEMENTS

Wilkins appointed Armstrong to Public Works and Land Use and Planning Committees. Alderman Wilkins said, under new business, I have Julie Armstrong who would like to join the Public Works Committee and the Land Use Planning Committee.

Mayor Engen said, okay. Technically, that's miscellaneous communications, reports, petitions or announcements. We'll just do a little flip and we're there.

Alderman Wilkins said, alright, well, I kind of knew it'd be in this President stuff.

Mayor Engen said, fair enough.

Alderman Wilkins said, thanks.

XIV. ADJOURNMENT

The meeting adjourned at 7:59 p.m.

Mayor Engen thanked the council members and the staff for their service.

ATTEST:

APPROVED:

Martha L. Rehbein, CMC
City Clerk

John Engen
Mayor

Respectfully submitted by,

Kelly Elam
City Clerk Office