

ADMINISTRATION AND FINANCE COMMITTEE

CITY COUNCIL CHAMBERS

140 WEST PINE STREET

MISSOULA MONTANA

November 2, 2011 3:05 pm

Members present: Stacy Rye, Chair; Ed Childers; Pam Walzer; Dick Haines; Dave Strohmaier; Bob Jaffe; Cynthia Wolken.

Members absent: Jason Wiener, Lyn Hellegaard, Jon Wilkins.

Others present: Ellen Buchanan, Jil Lee, Brentt Ramharter, Cindy Wulfekuhle, Mike Barton, Jim Bowman, Alex Philip, Christine Johnson, Dee Andersen.

I. Administrative Business

A. Approve committee minutes dated: will be submitted at a later date.

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 \$1,416,497.17 (Detailed claims)

B. Resolution authorizing submittal of an application to the Montana Department of Commerce Big Sky Economic Development Trust Fund in the amount of \$187,500 for the purpose of supporting business expansion and job creation at TerraEchos, Inc. (memo)—Regular Agenda (Cindy Wulfekuhle) (Referred to committee: 10/24/11) **REMOVE FROM AGENDA**

MOTION: the committee recommends the City Council approve a resolution authorizing submittal of an application to the Montana Department of Commerce Big Sky Economic Development Trust Fund in the amount of \$187,500 for the purpose of supporting business expansion and job creation at TerraEchos, Inc.

Cindy Wulfekuhle said TerraEchos Inc., is an advanced sensor system company that specializes in surveillance. It currently has 5 full-time employees. It was founded by Alex Philip and is located in Missoula. She requested approval of a resolution authorizing the submittal of an application to the Big Sky Trust Fund. This company is committed to providing 25 jobs paying at least \$16.31 per hour with paid insurance and paid vacation time.

Ms. Walzer asked what kind of guarantee is there that this company and its jobs will remain in Missoula. She mentioned one of the companies they approved in the past that is not actually in the City limits.

Ms. Wulfekuhle said this company is in the City limits.

Jim Bowman said if awarded the grant they will be committed for at least two years.

Bob Jaffe asked who vetted these applications.

Ms. Wulfekuhle said they worked with Jim Bowman, President of Missoula Economic Partnership and Christine Johnson, a grant writer who prepared the application. The state reviews them. It's all on the state.

Alex Philip, President and Founder, TerraEchos Inc., said his company is involved in counter terrorism and anti-terrorism. They specialize in surveillance systems that use lasers for remote sensing and detection. Their main customer base is the US Government and they are looking to expand their services in Missoula and launch a new cyber security product called Kairos.

Cynthia Wolken asked if this company is tribally owned.

Mr. Philips said yes, the owner is a subsidiary of S&K Electronics. They own the majority of interest in TerraEchos and we are one of their holders.

Dave Strohmaier said this seems like exactly the project we ought to be supporting. He moved the resolution authorizing the application submittal.

Ms. Rye asked Mr. Philips if he could give us an example of what they do.

Mr. Philips said unfortunately our website is vague and that is on purpose. For example, on a military base with fences, we could use fiber optic cable to help security forces detect motion and movement and a threat without the enemy knowing they have been detected. A lot of our existing employees have high levels of security clearances. He said his goal is to grow hi-tech, high paying jobs here in Missoula. We think the quality of life here attracts people. He said he just left his office where he was interviewing a vet returning home after 5 tours of duty.

Ms. Wolken asked if these positions will be recruited from the U of M.

Mr. Philips said we will stimulate graduates from the University and engineers from Montana State.

Ed Childers said he supports the motion. He asked Mr. Philips if he should feel more or less paranoid.

Mr. Philips said he should feel more secure.

Ms. Walzer expressed her support.

Upon a voice vote, the motion passed unanimously.

C. Resolution amending the annual appropriations for the Missoula Redevelopment Agency as set forth in the fiscal year 2011 Budget and Capital Improvement Program that increases the total Missoula Redevelopment Agency budget by \$4,843,380. ([memo](#))—Regular Agenda (Jilayne Lee) (Referred to committee 10/28/2011) **REMOVE FROM AGENDA**

MOTION: The committee recommends the City Council approve MRA Budget Amendments to the Front Street Urban Renewal District to recognize Front Street Parking Structure, First Interstate Bank and Wilma tax increment assistance pledges and set a public hearing for November 21, 2011.

Pam Walzer moved to suspend the Council rules to take up these topics.

Upon a voice vote, the motion passed unanimously.

Brentt Ramharter, Finance Director, said the City did a budget amendment on October 3, 2011. However; the long term debt approved for Front Street URD in FY11 was booked on MRA's General Ledger but was inadvertently omitted in MRA's budget amendments. He said it had already been approved by the Council and this was an accounting compliance issue.

Jilayne Lee, MRA, explained it was for the Front Street Parking Structure, First Interstate Bank Project and for improvements on the Wilma. She said it was on her list, but the accountant helping with the pre-audit did not book it soon enough for her to review—it was an oversight.

Ms. Walzer moved the public hearing.

PUBLIC COMMENT:

Paul Bohan said we adjusted the budget, so now are we adding to it or did the budget already include these items.

Ms. Rye said its part of the MRA budget. It was left inadvertently off and we are adding it in.

Mr. Bohan said he has a problem with adding another \$ 4 million to the budget. It bothers him that areas called blighted are upped in value, which increases the tax payer's contribution by \$334.00 each household.

Ellen Buchanan said one of the things that make our agency different is that we don't know when we create our budget what projects will come through the door. We react to opportunity, so those funds are there, that funding is in place and we do numerous amendments each year. This does not affect the taxpayers.

Dick Haines asked if it is strictly tax increment financing money.

Ms. Lee said yes, it is money already coming in.

Bob Jaffe asked what the status is of what is being collected and what is being spent.

Ms. Lee said she didn't have that in front of her but can get it for him.

Ms. Buchanan asked if they ever look at the agendas for the MRA board meetings she said all that info is listed.

Upon a voice vote, the motion passed unanimously.

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) (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: 05/09/2011)

IV. Adjournment

The meeting was adjourned at 3:45 pm

Respectfully submitted,

Dee Andersen

Administrative Secretary