

**ADMINISTRATION AND FINANCE COMMITTEE
CITY COUNCIL CHAMBERS
140 WEST PINE STREET
MISSOULA MONTANA
October 20, 2010, 1:05pm**

Members present: Stacy Rye, Chair; Ed Childers; Renee Mitchell; Pam Walzer; Jason Wiener; Dick Haines; Roy Houseman; Dave Strohmaier; Jon Wilkins; Bob Jaffe.

Members absent: Lynn Hellegaard.

Others present: Gail Verlanic, John Hendrickson, Mike Kadas, Jessica Allred-Meyers, Nancy Harte, Bruce Bender, Brentt Ramharter, Jack Stucky, Dee Andersen.

I. Administrative Business

A. Approve committee minutes dated: [September 29, 2010](#)-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 \$615,448.50 ([Detailed claims](#)) 10/26/2010

MOTION: The committee recommends the City Council approve [claims](#) totaling \$612,733.31 ([Detailed claims](#)) 10/19/2010-already acted on 10/18/2010

MOTION: The committee recommends the City Council approve [claims](#) totaling \$791,088.99 ([Detailed claims](#)) 10/12/2010-already acted on 10/18/2010

B. Authorize the Mayor to sign the collective bargaining agreement between the City of Missoula and: the International Brotherhood of Electrical Workers (IBEW). ([memo](#))—Regular Agenda (Gail Verlanic) (Referred to committee: 10/18/10)**REMOVE FROM AGENDA**

MOTION: The committee recommends the City Council authorize the Mayor to sign the extended agreements between the City of Missoula and the International Brotherhood of Electrical Workers.

Gail Verlanic, Human Resources Director, said there will be no wage increase for FY11 and a 1% wage increase for FY12. She requested authorization for approval of the extended agreement.

Bob Jaffe asked what the total dollar amount of the contract is.

Ms. Verlanic said it's a dollar an hour for every hour worked so \$2,088 per person and \$4,970 total.

Roy Houseman moved to authorize the agreements.

Upon a voice vote, the motion carried unanimously.

C. Resolution approving the proposed transfer of control of Bresnan Communications, LLC to BBHI Holdings LLC, an entity wholly owned by Cablevision Systems Corporation. ([memo](#))—Regular Agenda (Brentt Ramharter) (Referred to committee: 10/18/10) **REMOVE FROM AGENDA**

MOTION: The committee recommends the City Council approve the resolution addressing the proposed transfer of control of Bresnan Communications LLC to BBHI Holdings LLC, an entity wholly owned by Cablevision Systems Corporation

Brentt Ramharter, Finance Director, explained that Bresnan Communications is changing ownership and will be owned by Cablevision Systems Corporation. However, the name will remain the same. Our franchise agreement requires that we approve the transfer.

Our Attorney, Brian Grogen, who originally negotiated the franchise agreement with Bresnan, requested disclosure information on Cablevision. He reviewed their financial information and experience in the industry and found no reason to prevent the transfer of ownership and control.

He found two items they compromised on. The first was a \$200,000 performance bond that is no longer needed as the upgrades have been done, and the second is the ability to pull a \$25,000 letter of credit if there were any problems. Now there will be a corporate guarantee in place to ensure they will live up to the franchise agreement and maintain quality service in Missoula.

Mr. Wiener asked if we are able to find out the number of cable subscribers in the county.

Mr. Ramharter said he would see what he could find out.

Mr. Wiener moved the resolution.

Upon a voice vote, the motion passed unanimously.

- D. Resolution authorizing the negotiated sale of up to \$1,075,000 of general fund bonds to finance energy improvements. ([memo](#))—Regular Agenda (Brentt Ramharter) (Referred to committee: 10/18/10) **REMOVE FROM AGENDA**

MOTION: The committee recommends the City Council adopt a resolution of the City of Missoula, Missoula County, Montana, relating to limited tax general obligation bonds, series 2010C, delegating the negotiation of the pricing of the series 2010C bonds to a pricing committee: and authorizing the issuance of and providing for the negotiated sale thereof.

Brentt Ramharter, Finance Director, explained that this is for financing the energy conservation projects brought forward from the Public Works Department. This contract has been executed through Johnson Controls for \$1.3 million in proposed improvements to the City.

Due to the small size of the financing, a negotiated sale was recommended to get better pricing. D.A. Davidson was selected as the underwriter. He said we are targeting the pricing date for the bonds as early as November 1, 2010. We are requesting the City Council to adopt a parameters resolution on October 25, 2010, at which time it will set the maximum par amount of the bonds at \$1,075,000 (with the anticipated par amount at \$1,030,000), a maximum true interest cost and a final maturity date.

Dave Strohmaier asked Mr. Stucky how close these projects will get us to our 10% energy reduction goal.

Mr. Stucky said it will help get some facilities to 10% and overall 3%. This is mostly electricity savings.

Dick Haines requested a list of the projects.

Mr. Ramharter said he will email it out after the meeting

Pam Walzer moved to approve the resolution.

Upon a voice vote, the motion passed unanimously.

Regular Agenda

- A. Authorize the Mayor to submit an application to the Big Sky Trust Fund for \$195,000 on behalf of Rivertop Renewables. ([memo](#))—Regular Agenda (Cindy Wulfekuhle) (Referred to committee: 10/18/10)**REMOVE FROM AGENDA**

MOTION: the committee recommends the City Council authorize the Mayor to submit an application in the amount of \$202,500 to the Big Sky Economic Development Trust Fund for the purpose of supporting business location and expansion in the City of Missoula.

Jessica Allred-Meyers, MAEDC, requested approval to submit a \$202,500 grant application to the Big Sky Economic Development Trust Fund on behalf of Rivertop Renewables. The grant would pay for equipment. \$7,500 is available for each new job created. Rivertop Renewables is creating 27 new jobs in Missoula.

Mike Kadas, Chief Operations Officer, explained the background on the company. He said Rivertop Renewables was founded in 2008 and is a green chemical company that uses technology developed at the University of Montana to make glucaric acid, and other biodegradable chemicals from renewable resources in abundant quantity at a low cost. These chemicals can reduce society's dependence on oil and gas. Glucaric acid will first be applied as corrosion inhibitors and concrete admixtures. Rivertop is also developing a detergent builder to replace phosphates and a polymer to control the release of fertilizers. Currently the company is prepared for the next phase, which is the scale up of a pilot plant, where they would be making millions of pounds of product. The whole process takes 2-3 years and they are at the early end of that.

Dick Haines asked is this location in Missoula.

Mr. Kadas said we are in the MonTech facility on East Broadway.

Mr. Haines asked if he has the type of space he needs at that location.

Mr. Kadas said most of what we do is laboratory and offices. The way we have the pilot facility designed is 2 floors at 1500 square feet per floor. The commercial facility unfortunately will not be in Missoula, as it needs to be near the feedstock. Everything else can happen in the current location. We are a company that could be anywhere, but want to show the venture capitalists why Missoula is the right place for this company. There are several states that would welcome us in, but we prefer to stay in Missoula.

Pam Walzer is very supportive of this company and asked about the feed-stock.

Mr. Kadas said it is glucose. Our process starts with glucose and that has a huge impact on where we will locate a commercial facility.

Ms. Walzer asked how many positions of the 27 will be chemists.

Mr. Kadas said 10 chemists and 4 chemical engineers.

Stacy Rye asked where the commercial plant would be located.

Mr. Kadas said since corn is the cheapest source of glucose in the United States, somewhere in the Midwest.

Jon Wilkins asked where this grant money is coming from.

Nancy Harte, Office of Planning Grants, it's a state fund funded out of the Department of Commerce.

Ms. Allred-Meyers said it's part of the coal trust used for economic development.

Mr. Wilkins says good paying jobs are hard to come by and supports this.

Mr. Strohmaier also supported this and said it's important to attract businesses like these for Missoula, and moved to authorize the Mayor to submit a grant application on behalf of Rivertop Renewables.

Ms. Rye asked what other jobs will be available besides the chemistry positions.

Mr. Kadas said it's broken up into 4 categories; chemistry, process, business development and administration.

Mr. Jaffe expressed support and said it's an incredible process.

Mr. Haines asked Ms Rye if Mr. Kadas and Ms. Allred-Meyers could speak at the Council meeting on Oct 25, 2010.

Mr. Houseman asked if the process can use sugar beets.

Mr. Kadas said yes and some countries use sour gum.

Ms. Rye stated that she is from the Midwest and asked if anyone has questioned the wisdom of possibly turning over some of the most fertile crop land on the planet to making plastics.

Mr. Kadas said yes they do it for ethanol. If you are a chemical company you have to have a feed-stock.

Upon a voice vote, the motion carried unanimously but will appear on committee reports as requested by Ms. Rye.

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)
- E. Implications of establishing maintenance districts. ([memo](#)) – Regular Agenda (Bob Jaffe) (Referred to committee: 05/11/09)
- F. 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)
- G. Review the FY 2011-15 capital improvement projects (CIP). ([memo](#)) – Regular Agenda (Brentt Ramharter) (Referred to committee: 04/19/2010)
- H. 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)
- I. Approve the funding from the Parking Commission's revenue for a part-time FTE for a Parking Toll Collector. ([memo](#))—Regular Agenda (Anne Guest) (Referred to committee: 10/18/10)

IV. **Adjournment**

The meeting was adjourned at 2:10pm

Respectfully submitted,

Dee Andersen

Administrative Secretary