



# Montana Association of Counties

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2715 SKYWAY DRIVE, SUITE A, HELENA, MT 59602

(406) 449-4360 Fax (406) 442-5238

www.mtcounties.org

## DISTRICTS 10 & 11 MEETING MINUTES

Polson, MT – Public Health Department, Conference Room

May 30, 2012

### District 10

\_\_\_ Flathead

X Lake

X Lincoln

X Sanders

### District 11

\_\_\_ Mineral

X Missoula

X Ravalli

**MACo Staff:** Harold Blattie, Executive Director; Sheryl Wood, Associate Director; and Shantil Siaperas, Legislative Coordinator

**Guests:** Representative Pat Ingraham, HD 13

**Welcome & Introductions:** Bill Barron, Lake County, welcomed everyone and called the meeting to order.

**Approval of Previous Meeting Minutes:** June 10, 2011 Minutes

- MOTION: Greg Chilcott, Ravalli County, moved to accept the June 10, 2011 minutes. Tony Berget, Lincoln County, seconded the motion. Motion carried unanimously.

**MACo Officer Nominations:** Harold Blattie announced that Tony Berget as well as Allan Underdal, Toole County, were both nominated for MACo 2nd Vice President, and Cynthia Johnson was nominated for MACo Fiscal Officer at the previous district meetings.

- MOTION: Marianne Roose, Lincoln County, moved to reaffirm Tony Berget's nomination for MACo 2nd Vice President. (No second necessary.) Motion passed unanimously.
- MOTION: Greg Chilcott moved to support Cynthia Johnson for MACo Fiscal Officer. Michele Landquist, Missoula County, seconded the motion. Motion passed unanimously.
- There were no further nominations from the Districts 10 & 11 meeting.

### **MACo FY 2013 Preliminary Budget**

- Revenue, Harold Blattie
  - Higher cash reserves than anticipated, due to higher revenues and not extending the budget.
  - DEQ SWIM Grant: MACo is not eligible anymore, as it was decided that we are not a public entity, so we don't administer that anymore.
  - New source of revenue: Caremark Prescription Discount Card Revenue Sharing Program
  - Budget Authority: A little over \$500,000 for expenditures
  - Reserves: Auditor said the appropriate reserve for a nonprofit is 6-12 months of operating costs; we're in good shape.
  - Dues: 17 different tier levels based on taxable value of your county
    - Asterisks are counties that have gone up or down.
    - Tax & Finance Committee recommended to add CPI/COLA to dues; better to do small incremental increases rather than one large increase.
  - PILT Assessment: Pays for WIR Dues; rest goes to travel costs for participation in WIR (two board members: Mike Murray, Lewis & Clark County; and Lesley Robinson, Phillips County).

- Commissioner Robinson was elected as WIR 2nd Vice President; Connie Eissinger, McCone County, and Mike Murray were also previous presidents--Montana has a strong presence in WIR.
  - NACo Dues: NACo BOD is considering a change in dues; the minimum would go from \$400 to \$437.
- Expenses, Sheryl
  - MACo Admin: Bulk of expenses
  - Auto Expense
  - Legislative: Tracked separately for reporting purposes - this year it was low (not a legislative year); next year it will be higher.
  - Conferences: Annual and Midwinter - We track how we're doing
    - Majority of revenue is from vendors and sponsors; vendor participation is trending down; we encourage you to get involved.
  - Building Remodel Expense - Snow-slides
  - Contracted Services
    - Commissioner's Handbook: Combine the three manuals so there is one source (Commissioners, Clerks, and Treasurers handbooks); working with the Local Government Center
    - IT - Equipment repairs, maintenance, and server
      - The need for IT help has outgrown us; we're pursuing alternatives for IT support/helpdesk.
  - Education & Training for Staff: Has been good and opened communication as well as promoted more cohesiveness.
  - Scholarship - Leadership Montana
  - Health Insurance: \$50 increase per month - Lewis & Clark County is giving us a good deal; we looked into Allegiance and it was way too much.
  - NACo Involvement: Working with President Eissinger on a new travel policy, as we would like to cut some costs.
    - Want to maintain presence; we're very influential.
    - Getting involved in committees is important.
      - Ways to cut costs: if you go to just committee meetings, you don't have to register; then you just have plane fare and only two nights lodging and meals to cover.
      - We've got staff calculating the costs.
        - Comment: Greg Chilcott - It's a good investment.
  - Payroll
    - MACo salaries frozen - asking for 3.5% increase (subject to change)
  - Printing
    - Counties on the Move: Local Government Center is about done; ready to go to press.
    - Public Lands Handbook: Removed \$1500 from budget, because they are making it web-based.
  - The budget will be voted on at the June BOD meeting. If you have questions, please get them to your District Chair before that meeting.

### **MACo Staff Report**

- Commissioner Redistricting, Harold Blattie
  - Statutes: Now says within 6 months of primary election
  - May 2011 Newsletter Article
- Department of Natural Resources & Conservation (DNRC) Floodplain Management Program, Harold Blattie
  - New Model Floodplain Regulations
    - At the time of installation, must withstand 100-year event (rip rap)
    - Can't implement anything less stringent than the State program
    - Tara DePuy, JPIA/MACo Land Use Attorney, is working on resolving issues.
- Montana Disaster & Emergency Services (DES) Grant Funds, Harold Blattie

- Issues getting funds: They failed a federal audit and the person administering the grants is no longer there.
- NACo Justice & Public Safety Steering Committee, Sheryl Wood
  - Congress is planning to dilute EMPG funding to counties and give it to nonprofits; NACo is fighting it.
    - Meeting with interim committees- trying to get an understanding
    - Problem is not going away
- Floating Mills/Business Equipment Tax (SB 372, Senator Bruce Tutvedt), Harold Blattie
  - Reduced from 3% to 2%
  - There is a loss in property tax due to equipment tax (about 1/3 loss of taxable value) that you should receive in June; you will receive reimbursement, but not until August (next fiscal year). It will be an extra entitlement share payment.
    - Timing of reimbursement is due to fiscal note.
    - Set up a receivable; DOR will provide the number, but we don't know how they are getting it.
      - New spreadsheet: The new economist at Tax Policy and Research said we don't need to do anything with it, because of the newly taxable property number. He sent me the new worksheet and I sent it to Scott Turner, Director, Yellowstone County Finance Department. I can't understand it, and I haven't heard back from Scott Turner as of yet.
      - There may be a new spreadsheet coming out to calculate your floating mills.
- Opencut Permitting
  - Let us know if you're experiencing any issues with this; we would like to gather specific information to take to the department.
- JPA Workers' Compensation Rates, Sheryl Wood
  - Renewal: Not raising class-code rates.
  - Mod factor will adjust based on loss.
  - Training: Safety National Webinar (credits)
- JPIA Appraisals, Harold Blattie
  - Valuations Northwest Contract
    - They are finding hundreds of buildings that are not on property schedules (they been reported or are reported incorrectly--undervalued), creating an inequity situation.
    - Non-reported buildings must go on now.
    - The changes for valuation will be phased in.
    - Policy says that all buildings are covered.
    - Three Options: take appraised value, stated value coverage, decline coverage
    - Be sure your interoperability towers are insured.
- RideShareMT.com, Harold Blattie
  - They match up riders for carpooling.
  - They are losing some funding and asked if we'd talk to you: county donations of \$30/month per county.
    - Is anyone interested in donating? (Consensus: not a lot of interest.)
- ARCH Coal Otter Creek Tours, Harold Blattie
  - Commissioners are invited to attend one of three tours: May 30, June 27, August 30. If you're interested, let us know.
- Department of Environmental Quality (DEQ) Drinking Water State Revolving Fund - MACo Representative, Harold Blattie
  - The previous MACo Representative, Rebecca Guay, is no longer on the board--she has taken a new job, so there is an opening on the board. Let us know if you're interested.
    - Suzy Foss, Ravalli County, volunteered to serve.
- Staff Changes, Harold Blattie
  - Jack Holstrom, MACo Personnel Services Administrator, is retiring at the end of August. We feel strongly that his replacement must be an attorney, so he/she can communicate with county attorneys. We won't be able to fill the position with what we are paying now.
  - Fran Monro, JPA/JPIA Member Services Representative, retired and was replaced by Shannon Shanholtzer; she's doing a great job. We weren't able to hire her for what we were paying Fran.

- The Health Care Trust Administrator position was advertised nationally, and we received five applicants. None of them were qualified for the position. The Trustees regrouped and created a Marketing position; we hired Traci Thatcher.
- We are looking at the salary allocation of myself, Sheryl, Sara, and Tom, which frees up some association funds. We are going to the Board of Directors to restore the Legislative Associate position with these funds. This position's primary function will be lobbying and interim committees, which will free up some of Sheryl's time for administrative duties. This is an FTE, but still a lower FTE that we were at ten years ago.
  - Things, legislative-wise, have gotten more demanding and complicated, due to term limits, loss of institutional knowledge, turn-over in state employees (legislative services and DOR)--we spend a lot of time educating; no one has any idea about county budgeting. Our phones are always ringing. Also, the interim committees and the studies they do are increasing; the work they do is becoming more complicated.
- Fred Hansen, Loss Control Specialist, left almost a year ago, and we haven't been able to fill his position even though we advertised nationally. We are unable to attract the kind of applicants we need with the salary range we offer, and we are paying for it in claims.
- Mike Sehestedt, MACo Chief Legal Counsel, has asked for an increase for the attorneys. This has been a very successful department--we pay by month as opposed to hourly, so they are getting a lot done. Mike has also asked for a paralegal position for prep work.
- BLM Desk Guide, Harold Blattie
  - Look for it in the mail.
  - Cynthia Moses-Nedd was the BLM & DOI liaison; now she's just BLM, so we lost our connection to FWP.
- TSEP Litigation, Harold Blattie
  - Successful: Court ruled in favor of the counties. The integrity of the program has been maintained.
  - Funding for the projects has been restored.
  - The unused money from the litigation was roughly \$7000; the Tax Committee is recommending the BOD that the money be dispersed to the non-plaintiff contributors.

## **Break for Lunch**

### **MACo Staff Report (Continued)**

- Nationwide Retirement Program, Harold Blattie
  - Endorsed by MACo and NACo.
  - 457 Deferred Compensation Program for employees: Tax-deferred, so you're not paying the employer contribution for that. It's good for you and good for your employees.
  - We now have a Montana Representative out of Helena, Margaret Rodgers. If she hasn't been to your county yet, she will be.
- NACo Prescription Discount Card Program, Shantil Siaperas
  - Free to counties and residents; saves underinsured and uninsured; savings are an average of 24% off full retail cost (pet meds too).
  - 9 out of 10 pharmacies participate; discounts are negotiated with pharmacies.
  - New Marketing Fee Reimbursement: If you sign up, you'll receive \$1 per prescription when the card is used and a discount is received. We suggest you earmark these funds and allocate them to something that benefits for your residents.
  - This is not the CVS Extra Care Card.
  - Additional information is available on our website.
- NACo Rx w/Inmate Medical Program, Sheryl Wood
  - We are working with NACo to get something set up.
- Executive Director Performance Evaluation, Sheryl Wood
  - We'll be getting that out in the next few weeks. Comments are anonymous; it's important that you respond.

- MACo Performance Survey, Sheryl Wood
  - We'll be getting this out in September. Let us know what we're doing right and what we're doing wrong.
- Newsletter, Website, & Emails, Sheryl Wood
  - This is our communication model. Check often. If you can't check it, designate someone and have them get you the information.

### **MACo President's & Officers' Report**

- Connie Eissinger, McCone County, MACo President (Couldn't make it to the Districts 10 & 11 meeting)
  - Harold Blattie: Commissioner Eissinger could not be with us today; she sends her regrets. She spoke about NACo travel and our staffing situation.
    - MACo Turnover/Upcoming Retirements
      - Appointed Two Committees: One to come up with a succession plan to replace the Executive Director and another to replace other key staff of retirement age.
      - Not sure we can replace staff at current salary levels.
- Greg Chilcott, Executive Committee Report
  - Working hard on the budget.

### **MACo Legislative Report:** Harold Blattie & Sheryl Wood

- Sheryl Wood
  - 122 place-holders for bill drafts already, and 52 are on our watch list
  - MACo Legislative Guidelines & Model Resolution (on website)
    - Trying to educate legislators on our process:
      - We gather resolutions at the May and August District meetings.
      - Resolutions Committee reviews the gathered resolutions and assigns them to the other MACo Committees.
      - MACo Committees review their assigned resolutions and make their recommendations to the full membership at the Annual Conference.
  - Resolutions Format
    - Make sure they are drafted.
    - Be clear on the statute, but give us latitude at the Capitol for amendments.
      - Be careful when opening up a statute; everyone comes in with amendments.
  - Policy Statements vs. Resolutions
    - Policy Statements are guidelines/conceptual.
    - Resolutions become bills.
  - Comment: Paddy Trusler, Lake County - Think about the position you're putting MACo in when drafting your resolution(s). Resolutions should be state-wide. They should never be for a single county. Give clear definition of what you mean.
  - Comment: Representative Pat Ingraham - Be aware that when you bring something forward, it affects everybody, not just one community. Also, come to the Capitol and testify.
  - Comment: Suzy Foss - We have to have better communication with our representatives in Helena.
- Harold Blattie
  - Ballot Initiative List
    - LR-123 (SB 426), Income Tax Credit - Referendum to contingently provide taxpayers refunds of surplus state government general fund balance through an income tax credit based upon property and individual income taxes paid -- Will be on the ballot.
      - Money in excess of budget would go back to taxpayers as property tax credits.
      - Problem could be that if there isn't enough money to fund, they will look to you.
    - MEA-MFT Letter - Trying to defeat it; they asked if we would participate; BOD will decide in June.
    - AG Op Volume 51, No. 1
      - MACo can participate in Ballot Initiatives, but counties cannot.

- MCA 2-2-121 - Rules of Conduct
        - As an elected official, you can voice your stand, but you can't use county time or resources. You can inform but not support or oppose.
  - School Budgeting Timeline Bill - Cleanup
    - Letter to Revenue & Transportation Committee
    - Proposed Bill Draft Language
  - Water Policy Interim Committee - Exempt Wells
    - Limiting exempt wells to low rates, limiting size, seems like a statewide fix; one solution does not fit all; watersheds differ.
    - We urge your involvement.
    - Tara DePuy has been very involved.
  - Interoperability/SIGB - Here to stay
    - Governor's Committee/Working Group - Mike McGinley, Beaverhead County, is the Chair.
      - Policy Bill - Structurally similar to 9-1-1; not asking for funding from you
        - MACo will be asked to support the policy bill.
      - HB 10 - Infrastructure funding proposal
      - HB 2 - Operations and maintenance funding proposal
  - Special Fuel Users Permit
    - Used to post bond and report highway usage
    - Contractors brought a bill: must use taxed fuel on everything and then apply for reimbursement.
    - Contractors are getting frustrated.
    - We're working on a conceptual resolution.
  - Highway Patrol Insurance Verification
    - Database - Available in August
      - It is incomplete, for example it won't include vehicles in our Pool; it only has private sector insurance companies--pooling is not part of it nor are vehicles covered under blanket policies. It may not be complete, but it's a big step in the right direction.
    - Treasurers are the ones renewing the plates; we advocated that Treasurers should be the enforcers; they would renew the plates and inform the person. Surprisingly, many treasurers (not all) are for enforcing--don't know how that will pan out.
- Sheryl Wood
  - Department of Corrections (DOC) Jail Cost Survey
    - Have any of you heard from the Department?
      - We were told that they would contact you for training on how to fill out the form. So far the consensus has been "no." Our concern is that when the agencies bring their bills in June, they will say that we didn't cooperate. It was our hope to solve this issue without legislation.
      - Designate a point of contact in your county.
    - Form: Fill out and send to the Department; this will be used to calculate your costs.
    - Working Group: Rural Rep. Carl Sielstad, Fergus County and Urban Rep. Joe Briggs
- Harold Blattie & Sheryl Wood
  - Pension Funding
    - Legislative Fiscal Division is looking under every rock; looking at revenues to fill the hole including county revenues.
      - They don't understand how a county budget is built; they are just seeing your revenue as one lump sum; they aren't seeing the expenditures.
      - They've charted out your revenues (available on the state website).
      - Comment: Greg Chilcott - We don't have any say in how the money is invested or what the benefits are. The state is culpable. In our Work Comp Trust, we're required to have so much in our reserves . . .
      - Comment: Representative Pat Ingraham - It's a shared program, so it's going to be paid by everyone; it's going to be a joint effort. We need to change the infrastructure.

You're going to have to share in the pain and the change. The counties have been too silent. I've been the loudest county voice.

- Comment: Greg Chilcott - Observation: The tax payer is going to pick up the ticket, because the Legislature would rather us raise taxes in our jurisdiction than the state. What is the latest figure on the state surplus?
- Comment: Representative Pat Ingraham - Surplus is all in the eyes of the beholder; it's temporary money. We have to fill many holes that were created.
- We need policy direction from our members on two pieces:
  - Unfunded liability
  - Employer Contributions
- They are saying that local government needs to pay to fill the hole; they are saying that you are the drain.
- We're working to get "local government" separated, because right now they have "local government" lumped into one: counties, cities, community colleges, special districts, etc.
  - They basically think that everything that isn't "state" is "local government."
- Local government signed a good faith contract with PERB to manage the program.
- We don't sit on the board; they adjusted the plans and sent local government the bill.
- We got the employer contribution taken out last year; don't know if we can do it again.
- Investment Strategy: We've lost nothing; they lost 20%.
- Asking for Input: We haven't taken a position on anything yet.
- Possible Solutions: 1. Local government needs a seat at the table; 2. Small incremental long term increases that are manageable and budget-able; 3. Reserve level/rainy day fund - if there is more in that fund, then there is a trigger that makes the contribution go down
- Governor's Office made the statement that you can do this without raising taxes; you need to talk to your legislators; we have to be more proactive.
- We need to start building a proposal for the legislature.
- Harold Blattie
  - Workers Compensation for Volunteer Firefighters
    - Current contract/agreement includes work comp coverage.
    - Subcommittee working on this - Senator Tom Facey
    - Access to work comp isn't the problem; how to pay for it is.
    - Working Group & Interim Committee - Looked under every rock for funding; should be funded by General Fund or on a county-wide basis.
    - A bill will likely be introduced.

### **Proposed Resolutions**

- Resolutions Presented at Recent District Meetings, Harold Blattie
  - There three resolutions and one notion presented:
    - Equipment & Auction (Park County--Presented by Marty Malone): Remove \$60,000 cap
    - Special Fuel Permit (Park County--Presented by Marty Malone): Conceptual Resolution
    - Montana Land Information Act Modification (Lewis & Clark County--Presented by Mike Murray): Funds Allocation - Flip flop numbers so that state would receive \$0.25 as opposed to \$0.75 and counties would receive \$0.75 as opposed to \$0.25
    - Notion: School Zones on State Highways (Lewis & Clark County--Presented by Andy Hunthausen) - speed change methodology; something to reduce speeds in those areas
- Other Resolutions: Ravalli County - Justice Court - remove some independence related to staff and budgets
  - MOTION: Michele Landquist moved to support the proposed resolution. Greg Chilcott seconded the motion. Motion carried unanimously.

**PILT & SRS Update:** Marianne Roose, Lincoln County Commissioner & Secretary of the National Forest Counties & Schools Coalition

- Transportation Bill (SRS is attached) is in Conference Committee

- There was no solution by the end of May; Congress reconvenes next week.
- There is strong bi-partisan support from Conferees.
- Schools and counties are begging and screaming for help.

#### **Other/Miscellaneous**

- Tony Berget - Spoke to Chamber of Commerce in Kalispell about hosting Midwinter or Annual Conference.
  - **Discussion:** Missoula County has been more active than Flathead County.
  - **MOTION:** Paddy Trusler moved for Districts 10 & 11 to support Missoula County in their effort to get the MACo Annual Conference in Missoula. Suzy Foss seconded the motion. Motion carried unanimously.

#### **DNRC - County Coop Agreements & Workers Compensation for Volunteer Firefighters (Legislation)**

- Wildland Fire Protection
  - Direct Protection Units
  - Provide training, equipment, and assistance
  - Dependence on rural volunteer fire department for initial contact on state lands
  - Equipment all over the state
- Workers Compensation for Volunteer Firefighters
  - Current contract/agreement includes work comp coverage
  - Subcommittee working on this - Senator Tom Facey

#### **MDOT -- STIP & Secondary Roads:** Wayne Noem, MDOT

- Projected List for Secondary Roads
- Emergency Projects
- Off-System Bridges
- Forest Highways
- STIP

#### **Meeting Adjourned**