

**MONTANA
ASSOCIATION OF
COUNTIES**

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**BOARD OF DIRECTORS
Thursday, September 28, 2006
Best Western GranTree Inn
Bozeman, MT
7:30 a.m. – 9:00 a.m.
Aspen/Tamarack rooms**

MINUTES

MEMBERS PRESENT

Officers

- | | |
|---|---|
| <input checked="" type="checkbox"/> John Prinkki, President | |
| <input checked="" type="checkbox"/> Cynthia Johnson, 1 st Vice President | <input type="checkbox"/> Bernie Lucas, District #9 |
| <input checked="" type="checkbox"/> Mike McGinley, 2 nd Vice President | <input checked="" type="checkbox"/> Paddy Trusler, District #10 |
| <input checked="" type="checkbox"/> Allan Underdal, Fiscal Officer | <input checked="" type="checkbox"/> Judy Stang, District #11 |
| <input checked="" type="checkbox"/> Greg Chilcott, Urban Representative | <input checked="" type="checkbox"/> Tom Rice, District #12 |
| <input checked="" type="checkbox"/> Doug Kaercher, Past President | |

District Chairs

- Vickie Delger, District #1
(Alternate)
- Pat Eggebrecht, District #2
(Alternate)
- Donald Reiger, District #3
- Harvey Worrall, District #4
- Arnie Gettel, District #5
- Carl Sielstad, District #6
- Maureen Davey, District #7
- Tom Lythgoe, District #8

Association Representatives

- Leo Gallagher, Attorneys
- Lisa Kimmet, Clerk and Recorders
- Marilyn Hollister, Clerks of Court
- Richard Brown, Coroners
- Gary A. Olsen, Magistrates
- T. Gregory Hintz,
Sheriff & Peace Officers
- Jennifer Reinhardt, Treasurers
- Karla Christensen,
School Superintendents

OTHERS PRESENT: Harold Blattie, MACo Executive Director; Sheryl Wood, MACo Associate Director

1. President's Welcome – John Prinkki, MACo President

President Prinkki welcomed all newcomers to the Board, and thanked them for their commitment to the Association. He then deferred to Harold Blattie, MACo Executive Director.

a. Board Member Duties & Responsibilities

The 2007 Board of Directors binders were distributed. Harold asked that Board members keep these binders, add information as it is sent, bring them to meetings, and pass them on to their successors.

Harold informed the Board that part of their duty is to make the financial decisions for the Association – such as approval of the annual audit and setting of the budgets.

b. District Chair Duties & Responsibilities

Harold informed members to keep in mind that they are representatives of all of the counties in the district – not just their own. He urged all District Chairs to poll their counties and work with them on issues.

District Chairs were asked to review the brochure included in their binders, which gave an overview of their duties. These duties include setting the agenda for District meetings, obtaining agenda items from both MACo staff and their counties, and distribution of the agenda to their district members. Also, District Chairs have the responsibility of seeing that minutes are recorded and submitted to the MACo office.

President Prinkki stated that while Executive Committee members make every reasonable attempt to attend district meetings, sometimes it is just not possible. Having minutes of the meetings keeps them informed and up to date on the issues.

Harold reviewed the district meeting process and schedule. In non-legislative years, districts typically meet late spring or early summer, and will elect chairs and vice-chairs at these meetings. In legislative years, districts meet both in the spring and late summer, to introduce resolutions for presentation to the membership at the annual meeting. Paddy Trusler reminded Chairs that resolutions may be introduced even in non-legislative years.

2. Committee Appointments – John Prinkki, MACo President

President Prinkki will be scheduling a meeting in November to review the commissioner biographies and committee appointment requests. He will be asking Past President Kaercher and 1st Vice President Johnson to assist him in the committee appointment process.

3. Budget/Finance – Harold Blattie, MACo Executive Director

Harold gave an overview of the budget process, and explained the process of the JPA/JPIA pass-through of administrative costs. Harold also explained the MACo revenue earned through pooled investment fees for managing the investments. He further explained the allocation of ownership of the two buildings. Building 1 is split 1/3 each between MACo, JPA and JPIA, and Building 2 is wholly owned by JPA and JPIA.

a. Resolution of Banking Authority

Harold reported that in the past, it has been a challenge to coordinate the paperwork and obtain the signatures required for banking authority for all of the association, pools and entities such as Forest Counties, Hard Rock Mining counties, etc., for which MACo manages the funds.

The bank has suggested that a resolution be passed, authorizing banking authorities, which would eliminate this annual process.

Harold also commented that due to the fact that only he and the MACo President have check signing authority, situations have arisen where he has had to sign blank checks before leaving town so the bills can be paid. He is very uncomfortable with this process and asked that signature authority be given to the Associate Director. The Finance Officer has signature authority by virtue of processing transfers. Harold made it clear that the Associate Director would sign checks only in his absence, and the Finance Officer would not be authorized to sign checks, unless it was an absolute emergency and both the Executive and Associate Directors were unavailable.

Discussion was held regarding requiring 2 signatures on each check. Harold reported that most banks process checks electronically and banks no longer have people looking at checks or verifying signatures, so having two signatures required would not actually be a functional security measure.

Harold reported that he has implemented a check and balance that previously did not exist. He receives all bank statements unopened, reviews all check images, and looks for missing or out-of-sequence checks.

Paddy Trusler asked if there was a contingency plan in place for check signing if Harold and Patti were killed. Harold responded that there would need to be an emergency board meeting to authorize new signature authority, however there was not an actual policy in place.

Carl Seilstad moved and Paddy Trusler seconded to authorize the banking authority resolution, giving the Executive and Associate Directors check signature authority. The motion included a request for an auditor's letter of advice on requiring two signatures on checks. Motion carried.

b. **New Asset Capitalization**

Harold reported that during the recent audit exit interview, our auditor suggested we increase our new asset capitalization from \$200 per item to \$1,000. This would eliminate the need to enter small items into the accounting system and apply depreciation. Items such as computer equipment, office furniture, etc would fall into this category.

Cyndi Johnson asked if we needed the depreciation for tax purposes. Harold responded that since we are a non-profit organization, we do not receive any tax benefit from the depreciation, however, it still must be placed on the books for accounting purposes.

Cyndi Johnson moved and Maureen Davey seconded to raise the new asset capitalization level from \$200 to \$1,000 per item.

Discussion:

Paddy Trusler questioned whether \$1,000 was too low. Cyndi stated that counties have theirs set at \$5,000 but they manage multi-millions annually, where MACo manages about \$1 million.

Cyndi Johnson made a friendly amendment to the motion to raise the amount to \$1,500 per item for new asset capitalization. Maureen Davey agreed with the amendment. Motion carried.

4. Staff Policy and Procedures Manual – Harold Blattie, MACo Executive Director

Harold informed the Board that the Staff Policy and Procedure Manual was updated and approved by the Board at their February meeting. Staff had anticipated bringing updates today, but felt that it would be best to bring a clear and well thought-out proposal to the Board in the future.

Greg Chilcott moved and Carl Seilstad seconded to adopt the existing Staff Policy and Procedures Manual. Motion carried.

Paddy Trusler noted that all counties need to look at the language that was added in regards to "hours of work" and when an employee is an employee. This language was inserted in response to a lawsuit over an employee who was killed during a convention, and the dispute as to whether the employee was on or off duty at the time.

Harold also thanked the Board for their decision in June to separate the position descriptions from the Policy and Procedure Manual. This allowed him the flexibility to make a modification to the title of the Risk Manager's position, and rename the position Loss Control Specialist. This also allowed him to rename the Risk Manager Assistant's position to Senior Loss Control Specialist in consideration of the seniority and experience.

Harold also noted the June Board action to separate operational and Board policies from the Staff Policy and Procedures Manual.

President Prinkki reviewed the MACo Travel Policy with Board members, and noted the new language that requires prior approval from the President and/or Executive Director for NACo meetings. Also, members are required to submit a meeting report to the MACo office to be eligible for reimbursement of travel costs. Harold noted that Montana is one of the few state associations that have a policy for NACo travel.

President Prinkki also informed Board members that if they travel to Helena to lobby for the Association, it is reasonable for their travel to be reimbursed. However, it needs to be managed to stay within the budget.

5. Other Business

a. December Board Meeting

Discussion was held regarding setting a date for a December Board meeting. It would be held in conjunction with the Newly Elected Officials training. The Board asked that staff schedule the board meeting in either a morning or evening during the training to minimize travel time and costs.

b. "Owning Eden"

Harold reported that a meeting was held with Shelley Chauvet - Von Stein, Project Specialist for the Cook Center regarding the new "Owning Eden" DVD. This is a DVD prepared for current and potential "out of state" landowners regarding being good neighbors, and the responsibilities of owning property in Montana. A large number of the previous version was distributed to realtors, extension agents, etc.

Shelley reported at that meeting that there is a new proposal called "The Path to Eden" and they are working with local, state and federal agencies on the project. They are also working to have Tom Brokaw do the introduction on the video. Shelley requested a contribution of \$1,000 from MACo to assist with production and development costs.

Carl Seilstad moved and Paddy Trusler seconded to contribute \$1,000 for the project. Motion carried.

c. Economic Development Committee – Request for Name Change

Mike McGinley, Chair of the Economic Development Committee submitted a request on behalf of his committee to change the name to the "Community and Economic Development Committee", in alignment with the title of the National Association Committee. This would be beneficial to them as they work with Community Development groups, such as CDBG, etc.

d. Miscellaneous Discussion

- i. Local Government Study Commission - Greg Chilcott voiced concerns regarding a proposal by their County Local Government Review Study Commission. They are proposing that there be 5 commissioners with 4 year terms and that all terms expire simultaneously. Greg asked if the Board could create a "Policy Discussion for Local Governments" outlining the problems with the entire Board being replaced at once and the lack of continuity and knowledge if this proposal passes.

The Board was concerned about being involved in a single county issue, and asked that Greg consult with Jane Jelinski and the MSU Local Government Center, who could provide independent advice.

- ii. Investment Policy – Harold reported that an investment committee was created at the June Board meeting consisting of members of the executive committee and the JPA and JPIA Board of Trustees. Harold is working on the investment policy and hopes to have it ready to present at the November Trustee retreat.

Harold also reported that he had reviewed the way funds were being handled in our local bank accounts, and found that a large sum of money was sitting in non or low-interest bearing accounts. Working with Valley bank, he signed re-purchase agreements on all of the accounts (MACo, JPA, JPIA and HCT) so they are now earning interest every minute of every day through daily sweeps. The interest rate is ¼% under the current 90-day T-Bill rate.

- iii. MACo Evaluation – Harold reported that the number of responses was very poor to the MACo survey and questioned if the results were an actual sampling of the opinions of the membership, due to the low response rate. Harold reported that an evaluation committee had been appointed last year and he would be convening that committee and working with Jane Jelinski and a college intern to help devise a new survey that might generate a better response.

There being no further business to come before the Board, President Prinkki adjourned the meeting.

Approved this 11th day of December, 2006.

Harold Blattie
Harold Blattie, MACo Executive Director

John E. Prinkki
John Prinkki, MACo President