

MONTANA  
ASSOCIATION OF  
COUNTIES

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**BOARD OF DIRECTORS**  
**Sunday, September 23, 2007**  
**Best Western Heritage Inn**  
**Great Falls, MT**  
**3:00 p.m.**

**MINUTES**

**MEMBERS PRESENT**

**Officers**

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

**District Chairs**

- Richard Dunbar, District #1
- Mark Rehbein, District #2
- Don Reiger, District #3
- Harvey Worrall, District #4
- Arnie Gettel, District #5
- Carl Seilstad, District #6
- Maureen Davey, District #7
- Mike Murray, District #8  
Vice-Chair

**Association Representatives**

- Leo Gallagher, Co. Attorneys
- Cyndy Maxwell, Clk & Recorders
- Marilyn Hollister, Clerks of Court
- Richard Brown, Coroners
- Gary A. Olsen, Magistrates
- T. Gregory Hintz, MSPOA
- Jo Anne Johnson, Treasurers
- Diane Inbody,  
School Superintendents

Others Present: Harold Blattie, MACo Executive Director; Sheryl Wood, MACo Associate Director; Tom Swindle, MACo Finance Officer; Owen Voigt, MACo HCT Administrator; Joe Briggs, Cascade County Commissioner; Vic Miller, Blaine County Commissioner; Jim Woy, Anderson-ZurMuehlen & Co.

### **1. Roll Call and Introductions**

President Prinkki called the meeting to order. Roll call and introductions were conducted.

### **2. Approval of Minutes: June 27, July 3 and August 20, 2007**

Greg Chilcott moved and Carl Seilstad seconded to approve the minutes as presented. Motion carried

### **3. Finance Report: MACo Fiscal Officer, Allan Underdal/Tom Swindle**

Fiscal Officer Underdal deferred to MACo Finance Officer Tom Swindle. Tom distributed a P&L Budget vs. Actual Report for July through August, 2007.

Harold reported that Tom has had a busy couple of months as he transitioned into the position of Finance Officer on July 1. The transition has included creating a position description for an Accounting Tech position, as well as his involvement in the hiring and selection process. Tom also created, issued, received and evaluated the RFP's for Auditing Services for the Association and the Trusts; has worked with the Auditors on the FY 07 audit; and has performed year-end postings and reconciliations.

The Board reviewed the P&L as distributed, and requested clarification as to the amounts included in the scholarship contributions budgeted line item. Staff will research and provide clarification at the Thursday meeting.

Sheryl Wood gave an overview of the Annual Conference and Association revenues to date. Sponsorships are significantly higher than budgeted projections, which should result in a higher than anticipated profit from the conference. Sheryl commended Joe Briggs, Cascade County Commissioner and host county representative, for his efforts in the recruitment of event sponsors.

### **4. FY 07 MACo Audit – Jim Woy, Anderson ZurMuehlen & Co.**

Mr. Woy distributed the FY 07 Financial Report to the Board. He reported that AZ management and staff found MACo's management and staff to be very cooperative, and AZ was provided full access to all books and records. They encountered no difficulties as they conducted the audit.

Mr. Woy then reviewed a letter to the Board regarding significant deficiencies and material weaknesses. Mr. Woy reported that there were some material weaknesses of internal controls found, and acknowledged that with a new Finance Officer and additional staff, and a review and commitment from MACo Executive staff, these items should be corrected so they will not continue into the future. Additionally, his firm recommend that the monthly revenues and expenses for the insurance pools be tracked, billed and collected on a monthly basis, rather than quarterly or annually. He informed the Board that there needs to be more focus on monthly financials, not just year-end, and the Board needs to receive sound financial information on a monthly basis.

A recommendation was made regarding the development and implementation of a credit card policy, requiring the submission either of all receipts for payment, or a statement regarding the absence of a receipt. Additionally, it was recommended that the Associate Director review and/or approve the expenditures of the Executive Director.

Mr. Woy then conducted a review of the audited Financial Statements. He noted that he would be reporting on FY 07 only, but FY 06 information had been included for comparison purposes.

He identified some prior year adjustments regarding Agency Funds (i.e., Forest Counties, Reservation Counties, Hard Rock Mining Counties and the legislative housing fund). Mr. Woy reported that there was a cash balance of (\$62,059) due to \$188,546 in outstanding receivables on June 30. This is due to the year-end Pool transfers not being completed. AZ recommends the transfers be completed on a monthly basis.

Harold thanked Jim and his staff for their work on the Audit. He informed the Board that a number of the items noted had already been addressed, such as the Service Agreements that are now in place between the Association and the Pools. Also, the Associate Director is now approving all of the Executive Director's travel and expense claims, and is also signing the Executive Director's reimbursement checks.

Harold noted that he has a higher level of confidence in the records and accounts than he has ever had. He advised that he and the rest of the staff are open and receptive to any suggestions for additional internal controls that Jim and his staff may have.

Commissioner Seilstad questioned how the financial information would be conveyed to the Board on a monthly basis. Harold responded that it could either be e-mailed or hard copied. Tom expected that he would have the accounts closed and reconciled by the 20<sup>th</sup> of each month.

Mr. Woy informed the Board that there have been significant changes in auditing standards, which affects management's ability to manage and control. With these changes, there will be material weaknesses if agencies do not have capable staff, as auditors are no longer allowed to do year-end adjustments, as was the case previously.

Mike Murray moved and Cyndi Johnson seconded to accept the FY 07 Audit Report. Motion carried.

##### **5. Nominations Report – John Prinkki, MACo President**

President Prinkki presented the MACo Officer nominations received to date:

MACo 2<sup>nd</sup> Vice-President: Carl Seilstad, Fergus County; Vic Miller, Blaine County; Joe Briggs, Cascade County; Marianne Roose, Lincoln County.

MACo Fiscal Officer: Allan Underdal, Toole County

President Prinkki noted that Marianne Roose had withdrawn her name from nomination. He then invited all of the candidates to speak.

Carl Seilstad stated that it was an honor to be nominated. He informed the Board that he is just starting his second term as a Commissioner, and has served as the MACo District 6 Chair for the past five years. Additionally, he has served on the MACo Health & Human Services, Public Lands and Investment Committees, as well as being a JPIA Board member. He reported he sees some challenges with the pending retirements of the Personnel Services and Land Use attorneys. He stated that the timing to run for this office previously was not favorable, but now has the full support of his fellow commissioners.

Vic Miller stated that he was surprised and humbled to be nominated. As an "old hand", he brings knowledge of the expectation of MACo's leadership, and is impressed with the growth and changes in MACo. He stated that he has a commitment to NACo, and action at the national level. Vic reported that he is a firm believer in local government, as "we are the voice of local government." He further observed "County officials are the quietest public servants on the planet. We don't do enough to promote the work we are doing."

Joe Briggs gave an update on his family, and reviewed his MACo involvement as chair of the Conference Planning Committee. He thanked the Board and membership for coming to Great Falls, and asked that we please support the vendors. Joe reported that he also serves on the MACo IT and Economic Development Committees, and has helped lobby MACo bills at the legislature. He added that he will be able to serve through the full set of chairs before his next election, and appreciates the assistance and guidance he has received from the Board, as he has learned a lot about how the organization works. Additionally, he noted that he is an "urban representative" but he works with rural areas on economic development.

All three candidates noted that regardless of the outcome, the successful candidate would serve the Association well.

Allan Underdal stated that he was happy to be nominated and was ready to serve another two years in the position of MACo Fiscal Officer.

President Prinkki noted that nominations would remain open until the closing general session. Additionally, the by-laws require two candidates be nominated for Fiscal Officer, and an additional nomination would need to be received from the floor during a general session.

#### **6. 2009 Convention Bids - Harold Blattie, MACo Executive Director**

Harold reported that 2009 would be the Associations 100<sup>th</sup> Anniversary. As is standard process, MACo had sent out a request to host the conference outlining the minimum facility standards (meeting rooms, sleeping rooms, etc). One request had been received – from Lewis and Clark County.

Commissioner Murray reported that typically rural counties are unable to bid to host conferences due to the lack of conference facilities. He proposed that Lewis and Clark County host the 2009 Annual Conference, and has tentatively received commitments from his rural county neighbors as co-hosts. The counties include Jefferson, Broadwater and Meagher.

## **7. Resolutions Committee Report – Mike Murray, Chair, MACo Resolutions Committee**

Chair Murray informed the Board that per the by-laws, late resolutions must be accepted by a simple majority of the membership, following a 2/3 vote for suspension of the rules. He reported that the Resolutions Committee had received a resolution regarding Sage Grouse, and requested Board approval to assign the resolution to the Public Lands Committee.

John Prinkki reported that Park County would be bringing forth a resolution regarding Brucellosis and requested it be assigned to the Agriculture Committee.

Richard Dunbar moved and Paddy Trusler seconded to move the resolutions forward. Motion carried.

Commissioner Murray stated that there may be a resolution brought forward at District meetings regarding GIS and the MLIAC grants. MACo was a major sponsor of the bill, and the intent was for rural areas to be awarded GIS grants. Last year, the grants went mainly to urban counties such as Yellowstone, Flathead, Lewis & Clark, etc.

## **8. MACo Evaluations – Cynthia Johnson, Chair, MACo Evaluations Committee**

Cyndi thanked her fellow committee members, Marilyn Hollister, Ed Tinsley and Mack Cole, for their assistance in this process. The results were distributed to the Board. It was noted that the comments received were truly enlightening.

Sheryl reviewed this year's number of responses versus prior years. It was noted that while overall responses increased significantly this year, Commissioner response percentage was still far below that of other elected offices. It was noted that in some counties, one commissioner may have voted for all three, which would change the percentages. It was recommended that in future years there be a notation as to the responses being individual or for the Board.

Additionally, it was noted that acronyms need to be clarified and expanded, as there was some confusion on what JPA and JPIA stood for.

## **9. Other Business:**

### **a. Digital Television**

Harold reported that after February 17, 2009, there would no longer be analog television broadcasts, only digital. This will require that all analog televisions either be upgraded to receive the digital signal, or that digital converters be in place. The Federal Government will be providing a \$40 certificate towards digital converters. It will be important that counties get the word out to people so they are aware of this change.

Sheryl reviewed a request received from Lt. Governor John Bohlinger for funding to assist Veteran's facilities to replace and/or upgrade their analog TV's to receive digital broadcasts. The Board questioned how MACo would fund a contribution made by the Board. Harold reported that there are cash reserves that can be utilized. The Board asked that more information be provided at the Thursday Board meeting.

**b. Clark Fork River Basin Water Supply Conference**

Harold reported that the Association had received a request to co-sponsor the Clark Fork River Basin Water Supply Conference. Harold informed the Board that DNRC had received a \$260,000 appropriation to study this issue. There is simply no more water for development in the area. This would be a multi-day conference, and this would not be a financial commitment, as MACo would only be allowing them to use their name as a sponsor.

Commissioner Trusler commented that the Board needs more information and a copy of the agenda to make the decision. He asked that this information be provided at the Thursday Board meeting.

Commissioner Murray noted that now that the dam is cleaned up, MACo needs to get involved in who gets water rights.

The Board directed that this issue be referred to the Land Use Committee for their recommendation to the Board at Thursday's meeting.

**c. League of Oregon Counties/Association of Washington Counties Project Management Training**

Harold reported that we had received a request to help sponsor project management training. He noted that this is somewhat expensive, and currently the Montana Association of County Road Supervisors and the Transportation Committee are reviewing it to see if they have an interest. The Board asked that they be provided a recommendation from the Transportation Committee at the Thursday meeting.

**d. Recognition of Service**

President Prinkki noted that this would be Paddy Trusler's last meeting, and thanked him for his service to the Board and the Association.

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

Approved this 10<sup>th</sup> day of December, 2007.

  
Cynthia Johnson, MACo President

  
L. Harold Blattie, MACo Executive Director