



Montana Association of Counties

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**MACo Board of Directors (MACo)
MACo Workers Compensation Trust Trustees (WCT)
MACo Property & Casualty Trust Trustees (PCT)
MACo Health Care Trust Trustees (HCT)
Joint Budget Adoption Meeting**

June 23, 2016

1:00 P.M.

MACo Conference Room

MINUTES

President Davey (MACo), Chair McGinley (HCT), Chair Dunbar (PCT), and Chair Davey (WCT) convened a meeting of the whole.

- 1. FY 2017 Staff Salary Increase:** Director Blattie reported that he is requesting \$1.00 per hour across the board increases for staff, with no merit increases. He added that this was discussed with the Executive Committee, and it was agreed a uniform adjustment is appropriate at this point in time, noting there will be a request for budget authority for a salary study. The last salary study was completed in 2007.

MACo: Commissioner Malone moved and Commissioner Devlin seconded to approve a \$1.00 per hour increase for all staff in FY 2017. Motion carried on a voice vote with two voting no.

HCT: Trustee McGinley moved and Trustee Briggs seconded to approve a \$1.00 per hour increase for all staff in FY 2017. Motion carried 5-1 with Trustee Blattie abstaining.

PCT: Trustee Chilcott moved and Trustee Seilstad seconded to approve a \$.50 per hour increase for all staff. Trustees Murray and Davey spoke in opposition of the motion. Trustee Seilstad noted that counties are losing coal trust revenues, and these increases have a reflection on the counties. He also added that the PCT is having to increase rates due to reserving issues, and the increases to staff salaries have an impact on the actuary reports and the rates.

Trustee Chilcott expressed concerns that these increases are problematic in his county, with trying to help new commissioners understand the value MACo provides. He concurred with Trustee Seilstad's concerns regarding the reserving issue and rates for the PCT.

Director Blattie, Trustee Devlin and Trustee Murray all spoke in favor of the original request of \$1.00 per hour. Director Blattie noted there is a need for a uniform adjustment this year, and also noted the cost savings of having claims administration and defense counsel in-house.

Following discussion, Trustee Chilcott and Trustee Seilstad withdrew their motion. Trustee Chilcott moved and Trustee Seilstad seconded to approve a \$1.00 per hour increase for all staff in FY 2017. Motion carried unanimously with Trustee Blattie abstaining. Commissioner Briggs added that in the future if there are to be discussions on items of this nature, they should include the Board and all Trusts and not just one trust.

WCT: Trustee McGinley moved and Trustee Schulz to approve a \$1.00 per hour increase for all staff in FY 2017. Motion carried unanimously with Trustee Blattie abstaining.

Director Blattie thanked the Board on behalf of the staff.

2. **Salary Study Request:** Director Blattie requested budget authority to be split to MACo and the Trusts based on FTE allocations. Discussion was held regarding the utilization of both Montana and other state entities, the establishment of progression for career paths for staff, and how to better position the organization for the future. Commissioners/Trustees Ostlund, Lee, Briggs, and Devlin spoke in favor of the proposal, noting it will establish a valuable baseline for future discussions on staff positions and salaries.

MACo: Commissioner Hendrickson moved and Commissioner Devlin seconded to approve budget authority for a salary study, with the costs to be allocated to MACo and the Trusts based on FTE allocations. Motion carried unanimously.

HCT: Trustee Malone moved and Trustee McGinley seconded to approve budget authority for a salary study, with the costs to be allocated to MACo and the Trusts based on FTE allocations. Motion carried unanimously with Secretary Blattie abstaining.

PCT: Trustee Murray moved and Trustee Devlin seconded to approve budget authority for a salary study, with the costs to be allocated to MACo and the Trusts based on FTE allocations. Motion carried unanimously with Secretary Blattie abstaining.

WCT: Trustee McGinley moved and Trustee Schulz seconded to approve budget authority for a salary study, with the costs to be allocated to MACo and the Trusts based on FTE allocations. Motion carried unanimously with Secretary Blattie abstaining.

3. **Royalty Agreements:** President Davey reported that the Executive Committee had discussed proposing royalty agreements with the Trusts, for the use of the MACo brand. Director Blattie noted that this is a process that other states use to recognize the value of the Association to the Trusts. As the Association changes, more revenues are needed to hire new staff and/or replace management staff and to provide the level of services required.

Extensive discussion was held regarding the impacts to the Trusts, the benefits, the value, and how to fund the proposal. Director Blattie added he did not need action today, but wanted to start the discussion. Trustee McGinley (HCT) stated that he believes this proposal has a lot of benefit and value to both parties, and asked this be placed on the next MACoHCT Trustee meeting agenda.

4. **FY 2017 Lease Agreements for HCT Space - Buildings 1 and 2:** Director Blattie reported that as part of the Centers for Local Government meeting group, MACo had obtained a report on the lease value of the buildings. The lease value came back at \$12 per square foot, but did not include utilities, computer networks/equipment, grounds keeping, janitorial, etc. Director Blattie added he had not heard back from the state on their lease rates, and recommended the lease rate remain at \$21 per square foot until further information could be gathered and presented.

MACo: Commissioner Chilcott moved and Commissioner Briggs seconded to approve the FY 17 Lease Agreements at \$21.00 per square foot. Motion carried unanimously.

WCT: Trustee Devlin moved and Trustee Barron seconded to approve the FY 17 Lease Agreements at \$21.00 per square foot. Motion carried unanimously with Secretary Blattie abstaining.

PCT: Trustee Devlin moved and Trustee Murray seconded to approve the FY 17 Lease Agreements at \$21.00 per square foot. Motion carried unanimously with Secretary Blattie abstaining.

HCT: Trustee Briggs moved and Trustee Underdal seconded to approve the FY 17 Lease Agreements at \$21.00 per square foot. Motion carried unanimously with Secretary Blattie abstaining.

5. FY 2017 Final Budget Adoption:

MACo: Commissioner Ostlund moved and Commissioner Chilcott seconded to approve the FY 2017 MACo budget of \$676,008. Motion carried unanimously.

WCT: Trustee McGinley moved and Trustee Barron seconded to approve the FY 2017 MACo WCT budget of \$1,207,346. Motion carried unanimously with Secretary Blattie abstaining.

PCT: Trustee Chilcott moved and Trustee Seilstad seconded to approve the FY 2017 MACo PCT budget of \$2,488,408. Motion carried unanimously with Secretary Blattie abstaining.

HCT: Trustee Underdal moved and Trustee Malone seconded to approve the FY 2017 MACo HCT budget of \$1,041,817. Motion carried unanimously with Secretary Blattie abstaining.

6. FY 2017 MACo Service Agreements:

PCT: Trustee Devlin moved and Trustee Seilstad seconded to approve the FY 2017 MACo Service agreement in an amount not to exceed \$2,488,408. Motion carried unanimously with Secretary Blattie abstaining.

WCT: Trustee Schulz moved and Trustee Davey seconded to approve the FY 2017 MACo Service agreement in an amount not to exceed \$1,207,346. Motion carried unanimously with Secretary Blattie abstaining.

HCT: Trustee Malone moved and Trustee Briggs seconded to approve the FY 2017 MACo Service agreement in an amount not to exceed \$1,041,817. Motion carried unanimously with Secretary Blattie abstaining.

7. FY 2017 MACo HCT/PCT/WCT Service Agreements: Commissioner Barron moved and Commissioner Briggs seconded to accept the FY 2017 Service Agreements from the Health Care Trust, the Property and Casualty Trust and the Workers Compensation Trust. Motion carried unanimously.

There being no further business, the meeting was adjourned at 2:44 p.m.

Approved this 18th day of September, 2016.

MACo Board of Directors

Executive Committee

- Maureen Davey, President
- Todd Devlin, 1st Vice President
- Bill Barron, 2nd Vice President
- Dave Schulz, Immed. Past President
- Mike McGinley, Fiscal Officer
- Jim Reno, Urban Representative

Past President's

- Joe Briggs
- Greg Chilcott
- John Ostlund
- Carl Seilstad
- John Prinkki
- Bill Kennedy
- Carol Brooker
- Bob Mullen

District Chairs

- Gary Macdonald, District #1
- Doug Buxbaum, District #2
- Bob Lee, District #3
- Larry Hendrickson, District #4
- Ron Ostberg, District #5
- Richard Moe, District #6
- Susie Mosness, District #7
- Laura Obert, District #8
- Marty Malone, District #9
- Tony Cox, District #10
- Jeff Burrows, District #11
- Jim Hart, District #12

Association Representatives

- Leo Gallagher, County Attorneys
- Paula Jaconnety, Clerk and Recorders
- Connie Mattfield, Clerks of Court
- Valerie Hornsveld, Clerks of Court
- Jennifer Brandon, Clerks of Court
- Vacant, Coroners
- Linda Cantin, Magistrates
- Brian Gootkin, Sheriffs & Peace Officers
- Jane Stene, Treasurers
- Susan Beley, School Superintendents

WCT

- Maureen Davey, Chair
- Todd Devlin
- Bill Barron
- Mike McGinley
- Jim Reno
- Dave Schulz
- Harold Blattie

PCT

- Richard Dunbar, Chair
- Greg Chilcott, Vice Chair
- Carl Seilstad
- Mike Murray
- Maureen Davey
- Todd Devlin
- Harold Blattie

HCT

- Mike McGinley, Chair
- John Prinkki, Vice Chair
- Joe Briggs
- Marty Malone
- Carl Seilstad
- Allan Underdal
- Harold Blattie

Others: L. Harold Blattie, MACo Executive Director; Sheryl Wood, MACo Associate Director; Brian Hopkins, MACoPCT General Counsel; Kathy Johnson, MACo Finance Director; Sara McGowan, MACo Accounting Technician; Alyce Bailey, MACoHCT Trust Administrator; Greg Jackson, MACo PCT/WCT Trust Administrator; Shannon Shanholtzer, MACoPCT/WCT Associate Trust Administrator; Jim Muskovich, MACo PCT/WCT Loss Control Specialist.