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# Montana Association of Counties

*Serving Montana Counties Since 1909*

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## **BOARD OF DIRECTORS**

**Sunday, September 17, 2017**

**Bozeman, MT**

**3:00 P.M.**

## **MINUTES**

1. **Call to Order, Pledge, Roll Call, and Introductions:** President Devlin called the meeting to order and led the Pledge of Allegiance. Introductions and roll call were conducted. President Devlin and the Board acknowledged and thanked Richard Moe and Regina Plettenburg for their service on the Board.
2. **Approval of Minutes:** Commissioner Ostlund moved and Commissioner Hendrickson seconded to approve the minutes of the June 21, 2017 - Board and Joint Budget meetings as presented. Motion carried unanimously.
3. **FY 2017 Audited Financial Statements:** Crystal Reichhoff of JCCS presented the FY 2017 Audited Financial Statements. She reported that the financial statements were free from material misstatements, and no internal control issues or material weaknesses were found. Commissioner McGinley moved and Commissioner Barron seconded to accept the FY 2017 Audited Financial Statements as presented. Motion carried unanimously. Commissioner Davey commented that in her tenure on the Board, she has seen positive changes through the auditors' work and thanked them for their thoroughness.
4. **Financial Statement Review:** Finance Director Kathy Johnson reviewed the financial statements as of June 30, 2017 and the FY 17 budget versus actual expense reports for MACo and the Trusts.
5. **Investment Presentation:** Paul Roland, QCI Asset Management, provided a performance report of MACo's investments, noting losses on maturing securities that were purchased at premiums to par value. The strategy is to remain extended beyond the short term to capture yield, and to limit maximum maturity to minimize potential realized losses if funds are required.
6. **2017-2018 CRS Inmate Medical Program Renewal** Associate Director Wood reported that the program is still going strong. There are 33 counties in the program and six counties will be receiving reimbursement checks this week totaling \$52,118.62. Ms. Wood noted that the recent claims data showed that approximately half the counties are not submitting their medical claims for review, so work will be done to educate those counties on the submission of claims. Ms. Wood reported that the Underwriter has agreed to renew the program for the next policy year (November 1, 2017 to October 31, 2018) with no change in the rates, and asked for approval of continuation of the program for the next policy year.

Commissioner Lee moved and Commissioner Geise seconded to approve renewing the CRS Inmate Medical Program for the next policy year with no rate increases. Motion carried unanimously.

7. **Succession Planning Committee Report:** President Devlin referred Board members to the updated Succession Planning Committee Report that was included in their packets. As part of their work, the Committee reviewed several documents and recommended the following:

- a. **Proposed Executive Succession Plan Amendments:** The Committee recommended that the Executive Succession Plan be amended to reflect the change in the names of the Trusts, add the Deputy and Trust Operations Directors as Key Executive Management Positions, and to rename the MACo Executive Director Transition Plan to Transition Guidelines.
- b. **Proposed Emergency Executive Succession Plan Amendments:** The Committee recommended amending the Emergency Executive Succession Plan to reflect the succession order of Deputy Director, Associate Director and General Counsel.
- c. **Proposed Bylaw Amendment:** The Committee developed a proposed Bylaw Amendment to Article V, Executive Director Duties and Responsibilities that would eliminate the language requiring Board approval of an Associate Director, and adding language requiring the Executive Director to develop transition plans for the replacement of Key Executive Management Positions. The Bylaw Amendment was provided to the Board as informational. The proposed Bylaw Amendment will be presented to the membership at the Wednesday, September 20 business meeting.
- d. **Executive Director Position Description:** The Executive Director Position Description was amended to reflect updated Fair Labor Standards Act language.
- e. **Deputy Director Position Description:** The Deputy Director Position Description was provided to the Board for their information. Executive Director Blattie reported that per the Executive Committee's direction, the position had been created and filled internally by Eric Bryson.

Commissioner Ostlund moved and Commissioner Mosness seconded to approve items a, b and d as presented. Motion carried unanimously.

- f. **Executive Director Notice of Retirement:** President Devlin read the notice of retirement submitted by Executive Director Blattie, effective April 30, 2018. Commissioner Rice moved and Commissioner Hendrickson seconded to accept the notice of retirement. Motion carried unanimously.
- g. **Executive Director – Contract for Special Services:** Per the Executive Committee's direction, Director Blattie presented a revised Employment Agreement. The Agreement would supersede the current employment agreement. The revisions were to allow a leave of absence from May 1 to June 30, 2018, and have the Director Blattie return as a Field Services Representative/Special Projects Manager on July 1, 2018.

This would be a ¼ time position, and the contract would be renewed annually. The Agreement outlined eligible employee benefits, vehicle use, travel expenses, and equipment use. The Board was provided with a proposed Position Description which outlined the duties of the Field Services Representative/Special Projects Manager.

Commissioner McGinley reported the Executive Committee had reviewed the agreement and position description, noted it was for a part-time FTE, and reminded the Board that per the Bylaws, the Board must approve the ¼ time FTE position. Commissioner Hunthausen added the Executive Committee recommends supporting the position.

Commissioner McGinley moved and Commissioner Barron seconded to approve the ¼ time FTE position and accept the amended Employment Agreement, with a revised base salary of \$38,000 per year.

Discussion was held regarding the retention of the position, the duties of the position, employer costs, health care and other employee benefits, vehicle use, and direction by the new Executive Director.

Director Blattie reported that it is up to the Board to make the decision to renew the contract each year and that would be done through the budget process. The duties will be to visit counties and promote MACo and NACo programs and services, update the handbooks of the Commissioners, Clerk & Records and Treasurers, remotely monitor legislation – but not lobby, and other special projects as directed by the Executive Director. The position would report to the Executive Director and would not have an office or presence in the office. Travel expenses would be reimbursed and the MACo van would be assigned to the Field Representative. For health insurance, MACo would pay the COBRA per the MACo personnel policies and then a stipend throughout the remainder of the contract period. General Counsel Hopkins noted the hours worked would be flexible and there would be no time tracking. The position will not accrue sick, annual or banked holiday leave.

Commissioners Ostlund and Davey spoke in favor of the motion noting that the knowledge retention would be invaluable. Superintendent Beley also spoke in favor of the motion, acknowledging the value of the vast legislative history that Director Blattie possesses. Commissioners Burrows, Chilcott, and Briggs spoke against the motion, citing the fiscal impact of the new position.

Following discussion, the motion passed on a majority vote with four no votes.

8. **Space Feasibility Study:** Deputy Director Bryson distributed a recap of the Draft Master Plan and Feasibility Study from the Architect. There were 4 options and 2 sub-options presented, which included combining buildings 1 and 2, adding a 3<sup>rd</sup> floor to building 2, building a new building onsite, building a new building offsite, and acquiring either part or all of a vacant building elsewhere.

Deputy Director Bryson reported that the option of a third floor on building 2 should be discarded, as a structural foundation system review would need to be conducted.

Discussion was held about acquiring the vacant Fuller Building downtown. It was noted that it would need extensive asbestos abatement, IT upgrades, and adequate parking is an issue. There are many unknowns regarding acquisition and remodeling costs.

Director Bryson reported the recap was provided as informational and there is more work to be done. He will provide reports at upcoming meetings.

9. **Nominations Report:** Commissioner Chilcott moved and Commissioner Rice seconded to convene as a Committee of the Whole for Nominations of Officers.

President Devlin reported that Richland County Commissioner Shane Gorder and Broadwater County Commissioner Laura Obert were nominated at the District Meetings for the position of MACo 2<sup>nd</sup> Vice President. Commissioner Obert withdrew from nomination via a letter on August 15, 2017. The nominations for 2<sup>nd</sup> Vice President will remain open until the Wednesday, September 20, 2017 membership meeting.

As the Fiscal Officer is in the 2<sup>nd</sup> year of a two-year term, there are no nominations for Fiscal Officer.

The nominations for the remaining MACo Officers are: Bill Barron, Lake County, President; Jim Hart, Madison County, 1<sup>st</sup> Vice President; Todd Devlin, Prairie County, Immediate Past President.

Commissioner Geise moved and Commissioner Davey seconded to present the nominations to the membership. Motion carried unanimously.

Commissioner Dunbar moved and Commissioner Ostlund seconded to adjourn the Committee of the Whole. Motion carried unanimously.

10. **MACo Annual Performance Evaluation:** Executive Director Blattie presented the results of the survey, noting the results and comments are typical except for a large number of Justices of the Peace providing criticism. Linda Cantin reported that there seems to be a misunderstanding of the work MACo did with the Magistrates during the legislative session on the commission on sentencing bills and other legislative proposals that would have affected JP's. It was also noted that MACo has taken the lead on Marsy's law and is a co-plaintiff in the lawsuit with the ACLU. Linda Cantin noted the JP's training is coming up and she would be sure to pass the message on of the partnership with and support of MACo.
11. **MACoHCT Trustee Appointments:** Associate Director Wood reviewed the list of Board members that would be eligible to serve as the Board representative on the MACo Health Care Trust. As two trustees were also up for election at the MACoHCT Annual Meeting, Commissioner McGinley moved and Commissioner Mosness seconded to postpone the appointment until the Thursday, September 21, 2017 Board meeting. Motion carried unanimously.

- 12. **Executive Director Report:** Executive Director Blattie introduced McKenzie McCarthy, MACo's new Associate General Counsel. Director Blattie also reported that Jodi Bell, Defense Services Legal Assistant, had recently resigned so the position is posted; and MACo hired Dave Fradette for the newly created position of Senior Public Safety Loss Control Specialist.
- 13. **Legislative:** Executive Director Blattie reported that the State Administration and Veterans Affairs Committee will be reviewing the issue of voter fraud brought forth by the Secretary of State. He added that he will be doing a three-hour budget training for the new Local Government Committee in November.

Discussion was also held regarding the potential impacts to counties of the proposed state budget cuts. They include closing some Dept. of Revenue Offices, reducing and/or eliminating services to developmentally disabled children, the elderly, mental health services, and not being able to meet the cap on state inmates in county detention facilities.

- 14. **Next Meetings:** The Board was informed the next meetings would be on September 21 in Bozeman, Monday December 4 in Helena and Wednesday June 20, 2018 in Helena.

There being no further business to come before the Board, the meeting adjourned at 5:18 p.m.

Approved this 4<sup>th</sup> day of December 2017.

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Todd Devlin, MACo President

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L. Harold Blattie, MACo Executive Director

**Executive Committee**

- Todd Devlin, President
- Bill Barron, 1<sup>st</sup> Vice President
- Jim Hart, 2nd Vice President
- Maureen Davey, Immed. Past President
- Mike McGinley, Fiscal Officer
- Andy Hunthausen, Urban Representative

**Past Presidents**

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

**District Chairs**

- Richard Dunbar, District #1
- Shane Gorder, District #2
- Bob Lee, District #3
- Larry Hendrickson, District #4
- Ron Ostberg, District #5
- Richard Moe, District #6
- Susie Mosness, District #7
- Susan Good Geise, District #8
- Steve White, District #9
- Tony Cox, District #10
- Jeff Burrows, District #11
- Tom Rice, District #12

**Association Representatives**

- Leo Gallagher, County Attorneys
- Ruth Baker, Clerk & Records
- Elizabeth Ball, Clerks of Court
- Valerie Hornsveld, Clerks of Court
- Vacant, Coroners
- Linda Cantin, Magistrates
- Brian Gootkin, Sheriffs & Peace Officers
- Kim Buchanan, Treasurers
- Susan Beley, School Superintendents

Others present: Harold Blattie, MACo Executive Director; Eric Bryson, MACo Deputy Director; Sheryl Wood, MACo Associate Director; Brian Hopkins, MACo General Counsel; McKenzie McCarthy, MACo Associate General Counsel; Kathy Johnson, MACo Finance Director; Jerry Spears, MACo Trust Operations Director; Crystal Reichhoff, JCCS; Paul Roland, QCI Asset Management, Inc.