

MACO DISTRICT 4 AND 5 MEETING
June 3, 2009
Liberty County Emergency Services Building, Chester, Montana
10:00 a.m.
Minutes

PRESENT: John Ostlund (Yellowstone Co.), Mike McGinley (Beaverhead Co.), Harold Blattie (MACo Executive Director), Roy Hollandsworth (Representative-HD#28), Ken Evans (Chouteau Co.), Sandra Broesder (Pondera Co.), Bill Salina (Cascade Co.), Cynthia Johnson (Pondera Co.), Joe Dellwo (Teton Co.), Jim Hodgskiss (Teton Co.), Russ Bean (Representative-HD#17), Michael Wendland (Hill Co.), John Stokes (Pondera Co. Road), Dave Miller (Toole Co.), Rlynn Rockman (Liberty Co.), Ben Ober (Toole Co.), Arnie Gettel (Teton Co.), Douglas Kaercher (STAB), Russ Tempel (Liberty Co.), Larry Hendrickson (Liberty Co.), Allan Underdal (Toole Co.), Rhonda Pimley (Liberty Co. Clerk & Recorder), Michael DesRosier (Glacier Co.), Ron Rides At The Door (Glacier Co.), Sheryl Wood (MACo Associate Director), Don K. Swenson (Blaine Co.), Mike Anderson (Hill Co.), Kathy Bessette (Hill Co.), Vic Miller (Blaine Co.), Gary Larson (MDT-Planning), Wayne Noem (MDT-Roads), Steve Prinzing (MDT-Great Falls), Mick Johnson (MDT-Great Falls), and Brenda Nordlund (DOJ-MVD ADM).

Liberty County Commissioner Russ Tempel called the meeting to order at 10:15 a.m. and welcomed everyone to Chester.

APPROVAL OF MINUTES: Cynthia Johnson move to accept the minutes of the previous meeting as presented. John Ostlund seconded the motion, and the motion carried.

NOMINATIONS:

Russ Tempel called for nominations for 2nd Vice President. Cindy Johnson moved to elect Vic Miller. Kathy Bessett seconded. Motion carried.

Vic Miller moved to elect Greg Chilcott for 2nd Vice President. Allan Underdal seconded the motion. Motion carried.

Allan Underdal moved to elect Cyndi Johnson for Fiscal Officer. John Ostlund seconded the motion. Motion carried.

Cindy Johnson moved to elect Arnie Gettel and Ben Ober as District 5 Chair and Vice Chair for a two year term. Sandy Broesder seconded the motion. Motion carried.

Ken Evans moved to elect Russ Tempel as District 4 Chair for a two year term. Larry Hendrickson seconded the motion. Motion carried.

Ken Evans moved to elect Kathy Bessette as District 4 Vice Chair for a two year term. Vic Miller seconded. Motion carried.

It was announced that there will be no district meetings in August therefore, the annual conference in September will be the conclusion of the current term and the newly elected officers will assume their office then.

GUEST SPEAKERS:

Roy Hollandsworth was introduced and spoke first about the term limit of Senator Jerry Black and the outstanding job he has done. Representative Hollandsworth believes that Lew Jones will most likely be Senator Black's replacement.

Representative Hollandsworth then addressed the group regarding the stimulus money. Most of the stimulus revenues came from TSEP through the Department of Commerce. The intent was for this money to put people to work but, Representative Hollandsworth explained, it was a process that they had to learn as it was being implemented. The decision was to divide it up as the Gas Tax money is distributed, as this would be the most fair.

The stimulus money helped with the budget this year but, next legislative session the money will not be available; so either cuts will have to be made or there will be a huge increase in taxes.

Jim Ghekiere was introduced as the Liberty County Weed Supervisor. He visited briefly with the group about the Marias River and the Sweetgrass Hills grants. Jim is the Past President of the Weed Control Association and currently serves on the committee. He invited anyone with questions or requests for assistance to get in touch with him anytime.

Allan Underdal announced that Senator Black would've liked to have been here but, that he was unable to attend due to family matters.

Representative Russell Bean was introduced. He began by pointing out to the group that the Commissioners and MACo possess a lot of influence with the Legislature. He promised that he will be there solidly in their corner. Representative Bean then thanked the MACo representatives saying that they were very important to the legislators.

Representative Bean visited briefly with the group regarding his position on the stimulus money. He said that he had voted "no" on HB645, primarily because in two years when the legislature reconvenes there will be a huge revenue hole to fill. He pointed out that this was also the reason he voted against HB2. The current budget requires much of the stimulus money to fund it – how will that gap be filled in two years?

This year there was a 3% increase in education funding with 2% of that increase coming from the stimulus money. Representative Bean believes there are complex issues coming up (i.e. the Public Employee Retirement Fund) and this is not the time to spend money that we do not have.

Cyndi Johnson asked Representative Bean which committees he serves on? He answered, Revenue and Transportation and the Local Government Committee.

MACO STAFF REPORT:

Harold Blattie reported that they are "nearly" at full staff. There currently is a paralegal position that has yet to be filled.

Harold reported that Becky Berger is urging counties to consider using the 9-1-1 money for salaries but, Harold disagrees with this recommendation. He is not sure how the shortfall will be made up when the 9-1-1 money is gone. Instead, he believes the money is better off in capital reserves. The equipment for 9-1-1 is very high tech and very expensive. That money may be needed to one day replace or update equipment.

Harold briefly addressed the services of Nationwide Retirement Services. He believes they are improving.

The group was reminded that if they have not yet turned in their lists of former elected officials, Mike Harbour still needs them to get this done.

Sheryl Wood encouraged the group to remember to respond to the survey regarding how MACo is working. Sheryl also visited with the group about how e-mails, texts, twitters, etc. on the job are all considered public information. Sheryl said that an Electronic Record Retention Committee has been formed. The same laws that apply to the retention of any piece of paper will also apply towards electronic records. Patti Borsberry is beginning work on this; she will be working with the Counties to form policy. MACo is watching this carefully and will keep everyone updated. In addition, Sheryl pointed out to the group, that if anyone is conducting public business on their personal computer, it is also considered public information.

Sheryl briefly discussed setting the salary of the County Attorney. She reiterated that the County Attorney's salary is set by the County Compensation Board and cannot be more than the District Judge's salary.

Harold Blattie presented the proposed Fiscal Year 2010 MACo budget for the group to review; it included the 2010 projected cash balance report.

A chart of calculations of the FY 2010 Entitlement Share money was included in a packet of information handed out by MACo. Harold Blattie briefly went over those numbers. The Entitlement Share chart as well as much of the other information included in the packet, is intended to be helpful to the Commissioners in planning their budgets for the upcoming fiscal year. Some of the other information included a reminder on the minimum wage change. Harold reminded the group that they needed to be mindful that there was a minimum wage raise in January, and there is a raise scheduled for July (\$7.25/hour) that will be effective 7-24-2009.

Harold visited about the COLA / Consumer Price Index Adjustment. He said that using COLA used to be in statute but, in 2001 the Compensation Board was created and COLA was taken out of statute. This year's annual adjustment has been calculated at 3.8%.

The Department of Revenue and the reappraisal cycle was discussed next. House Bill 658 changed the law regarding certified values and the newly taxable properties. There is now no phase in on a new house. Harold said that at this time he is unsure of what other impacts will come out of this new law. Harold also spoke about anticipation of the certified taxable valuations from the Department of Revenue. He is being told that the counties can anticipate receiving those numbers from the Department of Revenue around August 25th to the 31st but, he believes that may be overly optimistic. MACo is recommending that the counties build their budgets around the current taxable value.

Harold visited more about the history of the laws regarding the budgeting timeline. In the beginning the timeline was very well thought out but, two pieces of legislation has changed the timeline. Harold believes that this issue needs to be addressed at the next legislature. He believes that the schools need to be brought on board with this process as well.

The MACo budget was then looked at in more detail. Harold began with going through the anticipated revenues. He said that for MACo it is recommended that they maintain a minimum of 25% in the cash reserves. Harold pointed out that about \$536,000 is projected in association revenues for FY2009. They will budget for about \$534,000 in anticipated revenues for FY2010. Harold emphasized that under anticipating revenues and under spending budgets is always a good concept in budget planning.

Harold also briefly discussed the PILT assessment; .75 of 1% goes toward dues. He said that the catch up dollars for the PILT increase should be arriving soon.

Sheryl Wood talked about the anticipated expense portion of the new budget. She pointed out that this year's budget is actually a reduction from last year. The biggest increase in anticipated expenses is in salaries and benefits. The rest of the line items were typically reduced; including the expenses for the Trusts.

MACo PRESIDENT / OFFICER REPORTS:

Mike McGinley gave a brief president's report. He expressed that it has been a total pleasure serving as president, and he thanked the executive board.

Mike briefly reported on the WIR Conference that he attended.

Mike commented on what a great team in MACo he had to work with; adding that Mike Sehestedt was a remarkable find who was very on the ball during this past legislative session. Mike added that he tried to spend a lot of time at the legislature but, it's hard to keep up unless you live there.

Mike said that the amazing amount of respect that MACo has is very evident. He added that as Commissioner's we can't thank Harold and Sheryl enough. This was followed by a resounding round of applause by the group.

Russ Tempel adjourned the meeting at 12:00 noon for lunch. The meeting was called to order again at 1:00 pm by Russ Tempel.

MONTANA DEPARTMENT OF TRANSPORTATION:

Gary Larson, the Project Analysis Bureau Chief, addressed the group regarding the STIP document. All project ideas must be submitted to them for inclusion in this document. Gary reiterated the importance of this document, stating that everything they do is included on this document. The intent of this document is to encourage public involvement on every project.

Gary briefly discussed the stimulus or American Recovery and Reinvestment Act (ARRA) funds. The information regarding this is included on their web page at www.MDT.mt.gov.

Wayne Noem, the Secondary Roads Engineer, visited with the group about the project status sheets that were handed out. The funding for secondary roads was briefly talked about. The east half of the Canyon Ferry road is the only project in this district that qualifies for the stimulus funding. Wayne also explained how they have re-scoped all of the projects down to manageable projects, so that they might be able to complete a small amount of each of the projects.

Also addressed was the slide on Secondary 358. They stressed that everybody should have the conversation about the funding source to fix this slide. It is important to fix the slide but, where the

funding for the project should come from needs to be looked at. They have looked at going after some emergency funds but, the criteria for emergency funding specify that it must be a naturally occurring catastrophe which is not the case. Therefore, it seems that the secondary funds are the only source available.

Off System Bridges – Wayne indicated that right now they are working on six bridges. Next year or the year after, they will be asking for another re-prioritization and will pick another fifteen bridges to begin work on.

Forestry Highway projects – nothing in this district to report on.

The MVD representatives thanked Liberty County for hosting this meeting, and inviting them to attend.

MOTOR VEHICLE DIVISION / MERLIN:

Brenda Nordlund was invited to address the group regarding the new motor vehicle software. She thanked the group for the invitation to the meeting and indicated that she has only been the Administrator for the Motor Vehicle Division for five months.

MERLIN –or- Montana Enhanced Registration and Licensing Information, Brenda explained, has been a huge software project for the Motor Vehicle Division. She said that some are beginning to say that it is a failed project because of all of the issues they have had but, Brenda believes it is not a failed project. She urged the Commissioners to continue to be patient as they work through these problems. She reminded the group that when the Legacy System was first brought on-line in 1989, it also went through some problems in the beginning. Now history is repeating itself a little but, eventually we will get through this.

She continued that many supportive adjustments have been made, and last week they shut down the entire system for a couple of days to complete some software fixes. Due to the complexity of the problems they found it necessary to reach out to 3M for assistance. 3M immediately put people on staff to work on the problems remotely. After the changes were made, they started to see some improvement momentarily but, not to the degree that they had hoped for.

Brenda urged the group to please continue to support and buoy their County Treasurers. This has been a very adverse situation for them and they need their support. She continued that she still has confidence in the system, and reaffirmed that they can get through this process. Brenda concluded by asking for a little more patience.

MACo LEGISLATIVE UPDATE:

Harold Blattie addressed the past Legislative Session and the MACo Resolutions and Bills. Included with the MACo packet that had been handed out was a spreadsheet detailing these bills. Some of the bills that Harold and Sheryl briefly touched on included:

- HB 244 – Clarify law on absence by county officer
- SB 208 – Include nonprofit hospital employees in county health plan
- Inmate Medical Bill – affectionately named the groundhog bill by Harold Blattie. It is gone for now but, not dead forever. Sheryl and Harold believe that some pro-active steps need to be taken regarding this issue. In the meantime, they recommend that the counties consider contracting through NACo's Inmate Medical Program.
- HB 466 – Providing paid military leave for all public employees
- HB 545 – Revise membership of county compensation boards-This increases the number of members but, is not in effect until next year.
- HB 563 – Legalization of county roads – Harold indicated that this will not effect the Gas Tax distribution.
- SB 74 – Revise Fire Chief duties – basically a fire district clean-up bill.
- SB 489 – Revise taxation laws related to pipelines. Harold explained that it maintains status quo however, Omimex believes status quo is one thing, while others believe it is another.
- HB 645 - Implement receipt of and appropriate federal stimulus and recovery funds- Harold informed the Commissioners that there will be a 12 page contract to sign, and in his opinion this contract needs some fixes. He also indicated that indemnification will be emphasized.

- SB 491 – Revise status of subdivision property tax for health insurance premiums (Permissive Levy). Harold said that they are in the process of developing a spreadsheet to assist the counties in their calculations. The spreadsheet is currently in final testing.
- HB 678 – Revise opencut mining laws (Gravel & RIGWAT) Harold told the group that DEQ is trying to get funding for more staff. MACo has vigorously opposed this fee based funding. 2 ½ ¢ / yard payable when you self-report to the state annually. Harold directed the Commissioners to the spreadsheet that outlined what each county would have had to pay in the past.
- SB 86 – Revised gambling laws. The counties are no longer responsible for raffles and the Gambling Control Division is now, under the Department of Justice.
- 9-1-1 legislation was briefly discussed.
- Mental Health – There were 4 bills of significance effecting mental health issues. They were HB 130, HB 131, HB 132 and HB 634. Sheryl said that a firm commitment from the legislators has been made to begin supporting these issues.
- SB 157 – Audio-video hearings for certain mental health proceedings
- Custodial interrogations – The Sheriff will most likely be asking for digital recording equipment.
- SB 447 – Clarify preservation of DNA in felony cases. Sheryl indicated that this may require special equipment.

Harold concluded their legislative review by stating that the Interim Committees have already begun meeting. There is a spreadsheet in the packet outlining the Committee Appointments and Interim Studies for the 2009-2010 Interim. Harold also stated that this last legislative session was, in his opinion, a “good session”.

The MACo Districts 4 & 5 meeting held at the Liberty Emergency Services Building on June 3rd was adjourned by Russ Tempel at 4:00 pm.